

Scottish Charity Number: SC029530
Scottish Company Number: SC201042

COMPANIES HOUSE

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
COVE PARK
(limited by guarantee)

WEDNESDAY



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Cove Park

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Cove Park

Reference and Administrative Details

Principal Address and Registered Office

Cove Park
Peaton Hill
Cove
Argyll & Bute
G84 0PE

Directors and Trustees

Peter A Jacobs
Eileen D Jacobs
Anthony P F McKee
David H Anderson
Carol Sinclair
Judith Patrickson
Roberta Doyle
Max Carruthers
Alasdair Barr
Lauren Amazeen

Company Secretary

Peter A Jacobs

Cove Park Director

Julian Forrester

Independent Auditors

Milne Craig
Chartered Accountants
Statutory Auditors
Abercorn House
79 Renfrew Road
Paisley
PA3 4DA

www.covepark.org

Cove Park

Report of the Trustees for the year ended 31 December 2018

The Trustees are pleased to present their Report together with the Consolidated Financial Statements for the year ended 31 December 2018.

Status of Charity and Governing Document

Cove Park ("the Charity") is a company limited by guarantee (No: SC201042, incorporated 26 October 1999) and is therefore governed by its Memorandum and Articles of Association. It is a registered Scottish charity, reference number: SC029530. The wholly owned subsidiary, Cove Park Enterprises Limited, is a company registered in Scotland (SC200626).

Directors and Trustees

The Directors from 1 January 2018 to the date of this Report were as follows:-

Peter A Jacobs
Eileen D Jacobs
Dame Seona Reid DBE, FRSA, FRSE – resigned 21 January 2019
Anthony P F McKee
David H Anderson
Carol Sinclair
Judith Patrickson
Roberta Doyle
Max Carruthers
Alasdair Barr – appointed 27 September 2018
Lauren Amazeen – appointed 21 January 2019

Appointment of Trustees

New trustees are appointed as and when required by the Charity's needs. Appointment is through a process of criteria that has been agreed upon by the current trustees, and the period of appointment is in accordance with the Articles of Association. New trustees are provided with information which aims to familiarise them with the charity's values, aims and objectives, together with its day to day operations in addition to clarifying their statutory responsibilities as directors of a company limited by guarantee and trustees of a charity.

Administrative Structure

The trustees meet at least four times throughout the year to discuss the operations of the charity. Additionally, sub-committees of the board such as Finance and Property meet more regularly. The day-to-day running of the charity is delegated to Julian Forrester, with the support of the management team and directors.

Statement of Risk

The trustees continually review and assess the major strategic, operational and financial risks to which the Charity is exposed. From this review, the trustees continue to update and establish procedures to mitigate those risks which are identified as a result. Main risks that have been identified are:

- Direction and Forward Planning of the Charity
- Control of Charity Assets
- Personnel
- Financial Management & Controls

For each of these risks, procedures have been put in place to mitigate and reduce the associated risk.

Charitable Objectives

The primary aims of the Charity are to advance the education of the public in all aspects of contemporary artistic practice by:

- providing residencies for individuals and collaborating groups which offer them the time, space and freedom to undertake significant research, to make new work and to find new ways of working.
- facilitating collaboration, the exchange of ideas and dialogue among resident artists.
- encouraging participation by the public in the process of making new work by means of events, workshops, special projects and public occasions.

Achievements and Performance

A Summary of Activities in 2018:

Overview

Our commitment to supporting artists from all disciplines and at every career stage continued in 2018 with residencies funded by Cove Park for some 50 early-career and established artists from throughout Scotland, the UK and abroad. As ever, this work is underpinned by a grant from Creative Scotland, 2018 being the first year of a new three-year award.

Special Events

Activities complementing this programme in 2018 included a residency exchange programme with partners in Japan, supported by British Council Scotland, the Daiwa Anglo Japanese Foundation and the Great Britain Sasakawa Foundation. We also joined forces with curator Linsey Young and successfully applied to the Scotland + Venice partnership to commission a new film work from former resident Charlotte Prodger for presentation at the Venice Biennale in 2019.

Independently Funded Residencies

2018 saw growth in the independently and self-funded residencies for the third year running. We hosted organisations and individuals from across the globe, from Mexico and Australia to London and Skye.

Partnerships

Much of this work was underpinned by partnerships across the UK with, among others, the Royal College of Art, MacLehose Press Edinburgh Sculpture Workshop, Hospitalfield, Theatre Cryptic, The Lighthouse, Royal Holloway College, Norwich Writers Centre, Publishing Scotland, Fife Contemporary Arts, Magnetic North and The Work Room. A full list will be found at the end of this Report.

Targeted Residencies

We supported the development of a new project with Theatre Arts Scotland, Ignite and Toonspeak, bringing 17 young people and theatre makers together for four days of exploration, play and storytelling. We also worked with visual artists living on the Cowal Peninsula to enable them to build bodies of work which were shown at Dunoon Burgh Hall. We began an ongoing partnership with Tricky Hat Productions, bringing a cohort of The Flames (untrained, older theatre makers from communities across Scotland) for two intensive residencies.

Individuals

Many individuals have begun to see Cove Park as core to their continued professional development and practice, some returning several times for short residencies which allowed them to take stock, imagine new projects, write and plan next steps: choreographers and dance makers Janice Parker and Luke Pell, dramaturge Ruth Little, academics and writers Maria Fusco and Craig Martin - amongst others.

Masterclass

We also trialled a new project for unpublished writers, bringing a group of 8 together with industry professionals from the world of publishing for a weekend of masterclasses and one-to-one sessions.

Cove Park

Report of the Trustees for the year ended 31 December 2018 (cont)

Creative Learning

A restructure of the staff team in early 2018 increased capacity to support and develop creative learning and equalities at Cove Park. Indeed, since opening our fully accessible artist centre in 2016 we have been working towards ensuring that Cove Park is a key part of a more inclusive and representative cultural sector.

Hands-On

The programme through which this is achieved is Hands-On Cove Park. It continues to grow in ambition and reach supported by the Robertson Trust and with a second round of funding from the Paul Hamlyn Foundation, both of which have allowed us to reach more children and young people via partnerships with, for the first time, Inverclyde and West Dunbartonshire, as well as Argyll and Bute. Our programme in particular is concerned with individuals and communities experiencing barriers to participation in the arts and we will continue to develop innovative programmes and systems to overcome geographic, economic and social barriers.

Development

A series of lively dinners throughout the summer months enabled us to entertain many people who have contributed to Cove Park since 2000 and to introduce new supporters to our work. Trustee Hugh Anderson and Mrs Anderson generously hosted a dinner at which Chair Dame Seona Reid made the case for individual support of Cove Park's residencies.

Governance and Management

Dame Seona Reid, Chair of the Board since 2013, retired at the end of December following a long association with Cove Park dating back to 2005, the highlight of her service being to lead the development and completion of Cove Park's new artists centre, the Jacobs Building. The Board would like to formally record their appreciation of the enormous commitment and contribution provided by Dame Seona.

Dame Seona is succeeded by Lauren Dyer Amazeen. Formerly the Chair of the Glasgow Centre of Contemporary Arts, she served on the Board of Market Gallery and continues to serve on the boards of Outset Scotland and David Dale Gallery. She is a Fellow of the RSA, London, and a member of The Frontline Club. Additionally, Aly Barr, the Deputy Director of the Scottish Poetry Library, was appointed to the board in June. Literature Programme Producer and novelist Polly Clark resigned in December with Rebecca DeWald, a bilingual translator and editor, taking her place in January 2019.

Capital Projects

With funds awarded by the Monument Trust for the upkeep of the site and buildings one of our cubes' interiors was refitted internally as a pilot, precursor to a complete overhaul of Cove Park's accommodation planned for late 2019.

Administration

Cove Park's accountants for many years, Cook and Co, merged with Milne Craig and Cove Park retained their services. Consultant Andrew Evans undertook an evaluation of Cove Park's Health and Safety policies, leading to a series of workshops addressing both statutory requirements and good practice. We have also ensured we are compliant with new data protection legislation.

Finance

A Finance Committee was formed during the year with the aim of supporting the management on all aspects of financial planning and accounting.

After careful review, the Monument Trust's award of £1million was utilised in part to repay the loan of capital funds from Triodos Bank in relation to the new Jacob's building. The balance designated for use for capital projects and site management was then allocated in part to the major resident building upgrades scheduled for later in 2019, with the remaining majority of the award placed for investment on a long-term basis with the Prince's Exchange Foundation, administered by Turcan Connell.

Cove Park

Report of the Trustees for the year ended 31 December 2018 (cont)

Future Plans

We plan for a very full year in 2019, whose highlights include:

- Representing Scotland at the 2019 Venice Biennale, producing the work of artist Charlotte Prodger
- Presenting twelve residencies across the art forms from among twelve European nations. Funded by British Council Scotland
- Preparing for our 20th Anniversary in 2020, with a focus on plans for the next 20 years.
- Hosting our biennial international Literature Translation programme with Publishing Scotland and the Norwich Writers Centre
- Instituting a new crafts residency series in canoe design and build with Ben Wilde from Archipelago Folk School.
- Refurbishing all six cubes to a high standard of accommodation and reviving them for another fifteen years of service and repairing the pods.

Acknowledgements

We are most grateful to the following organisations and individuals for their support of our work in 2018:

Creative Scotland
The Monument Trust
Paul Hamlyn Foundation
Robertson Trust
Craignish Trust
Binks Trust
Fenton Arts Trust
The Bridge Awards
British Council Scotland
Patrick Boase and M.A McDiarmid

We also wish to recognise the following organisations for their partnerships with us in 2018:

Aberdeen Writers Studio, Birkbeck College, CCA Glasgow, Cryptic, Dunoon Borough Hall, Glasgow International, The Lighthouse, LUX Scotland, Macle hose Press, Magnetic North, Mslexia, Kings College London, Norwich Writers Centre, Playwrights Studio, Publishing Scotland, Royal College of Art, Scottish Graduate School of Arts and Humanities, Taskeel (United Arab Emirates), Tramway, The Work Room.

Financial Review

The consolidated gross income for the year was £1,407,496 (2017 - £254,519) with £70,482 (2017 - £52,436) coming from charitable and trading activities. The income includes the Monument Trust award of £1million.

Of this, income relating to trading activities arose in the wholly owned subsidiary Cove Park Enterprises Limited of £nil (2017 - £nil). There was a consolidated net surplus for the year of £862,001 (2017 - net deficit of £47,154) and a breakdown of this between the funds is detailed on page 10. Net of the Monument Trust award, there was a net deficit in 2018 of £137,999.

Cove Park

Report of the Trustees for the year ended 31 December 2018 (cont)

A key feature of 2018 has been the step change in the level of activity at Cove Park, driven by Scotland in Venice but also smaller projects being managed and executed by Cove Park and as previously mentioned by the increase in self-funded residencies which in turn have meant utilisation of the site across a much longer time frame. All of these activities have brought new opportunities but also inevitable challenges in scaling operations but overall the Board view 2019 as one of great opportunity.

The financial statements show a consolidated position of funds totalling £2,407,882 (2017 - £1,545,881), which is split between restricted and unrestricted funds as detailed further in notes 19 and 20.

Statement of Trustees Responsibilities

The charity trustees (who are also directors of Cove Park for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

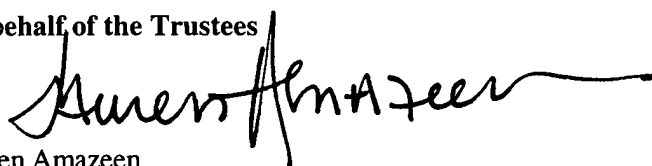
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

On behalf of the Trustees



Lauren Amazeen
Director

Date: 4 June 2019

Cove Park

Independent Auditors Report to the Trustees and Members of Cove Park

Opinion on financial statements

We have audited the financial statements of Cove Park for the year ended 31 December 2018 which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's trustees, as a body, those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members, as a body, and the charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 to 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Cove Park

Independent Auditors Report to the Trustees and Members of Cove Park (cont)

Other information (cont)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective Responsibilities of the Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are the directors for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Cove Park

Independent Auditors Report to the Trustees and Members of Cove Park (cont)

Our responsibilities for the audit of the financial statements (cont)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Milne Craig

Shona Malcolm BAcc CA (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered Accountants
Statutory Auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

Date: 4 June 2019

Cove Park

Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

for the year ended 31 December 2018

	Notes	<u>Unrestricted</u> General	<u>Designated</u>	<u>Restricted</u>	2018 Total	2017 Total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	192,715	1,000,000	143,403	1,336,118	202,080
Other trading activities	3	724	-	-	724	-
Charitable activities	4	70,482	-	-	70,482	52,436
Investments	5	172	-	-	172	3
Total		264,093	1,000,000	143,403	1,407,496	254,519
Expenditure on:						
Charitable Activities	6	343,340	61	161,415	504,816	298,856
Other : Depreciation	10	-	1,187	39,492	40,679	2,817
Total		343,340	1,248	200,907	545,495	301,673
Net income/(expenditure)		(79,247)	998,752	(57,504)	862,001	(47,154)
Transfers between funds	22	218,936	(218,936)	-	-	-
Net movement in funds		139,689	779,816	(57,504)	862,001	(47,154)
Reconciliation of funds						
Total funds brought forward		35,090	35,859	1,474,932	1,545,881	1,593,035
Total funds carried forward		174,779	815,675	1,417,428	2,407,882	1,545,881

Included within donations and legacies is £nil (2017 - £nil) of donated assets.

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Consolidated Balance Sheet as at 31 December 2018**

	Notes	2018	2017
		£	£
Fixed Assets			
Tangible assets	14	1,683,432	1,643,501
Investments	15	804,718	-
		<u>2,488,150</u>	<u>1,643,501</u>
Current Assets			
Stocks		-	10,865
Debtors	16	1,969	12,620
Cash at bank and in hand		32,805	43,523
		<u>34,774</u>	<u>67,008</u>
Creditors: Amounts falling due within one year	17	<u>115,042</u>	<u>20,928</u>
Net Current Assets		(80,268)	46,080
Total Assets less Current Liabilities		<u>2,407,882</u>	<u>1,689,581</u>
Creditors: Amounts falling after one year	18	-	143,700
Total Net Assets		<u><u>2,407,882</u></u>	<u><u>1,545,881</u></u>
The funds of the charity:			
Unrestricted Funds			
General	19	174,779	35,090
Designated	19	815,675	35,859
Restricted Funds	20	1,417,428	1,474,932
		<u><u>2,407,882</u></u>	<u><u>1,545,881</u></u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors on 4 June 2019 and were signed on its behalf by:


Lauren Amazeen

The notes on pages 15 to 24 form part of these financial statements.

Cove Park

Statement of Financial Activities - Company (Incorporating Income and Expenditure Account)

for the year ended 31 December 2018

		<u>Unrestricted</u>		<u>Restricted</u>	2018	2017
	Notes	General	Designated		Total	Total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	192,715	1,000,000	143,403	1,336,118	202,080
Charitable activities	4	70,482	-	-	70,482	52,436
Investments	5	172	-	-	172	3
Total		263,369	1,000,000	143,403	1,406,772	254,519
Expenditure on:						
Charitable activities	6	331,693	-	161,415	493,108	298,771
Other : Depreciation	10	-	1,187	39,492	40,679	2,817
Total		331,693	1,187	200,907	533,787	301,588
Net income/(expenditure)		(68,324)	998,813	(57,504)	872,985	(47,069)
Transfers between funds	22	218,936	(218,936)	-	-	-
Net movement in funds		150,612	779,877	(57,504)	872,985	(47,069)
Intercompany loan written off		(26,499)	-	-	(26,499)	-
Reconciliation of funds						
Total funds brought forward		50,604	35,859	1,474,932	1,561,395	1,608,464
Total funds carried forward		174,717	815,736	1,417,428	2,407,881	1,561,395

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

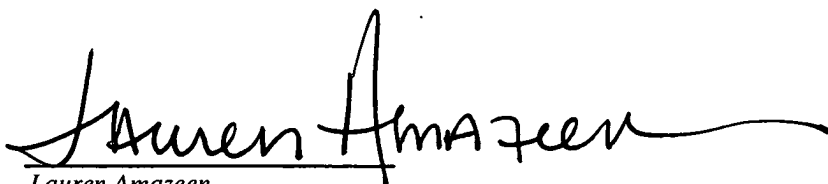
The notes on pages 15 to 24 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Company Balance Sheet at 31 December 2018**

	Notes	2018	2017
		£	£
Fixed Assets			
Tangible assets	14	1,683,432	1,643,501
Investments	15	804,718	1
		<u>2,488,150</u>	<u>1,643,502</u>
Current Assets			
Debtors	16	1,969	78,193
Cash at bank and in hand		32,804	4,148
		<u>34,773</u>	<u>82,341</u>
Creditors: Amounts falling due within one year	17	<u>115,042</u>	<u>20,748</u>
Net Current Assets		(80,269)	61,593
Total Assets less Current Liabilities		<u>2,407,881</u>	<u>1,705,095</u>
Creditors: Amounts falling after one year	18	-	143,700
Net Assets		<u><u>2,407,881</u></u>	<u><u>1,561,395</u></u>
The funds of the charity			
Unrestricted Funds			
General	19	174,717	50,604
Designated	19	815,736	35,859
Restricted Funds	20	1,417,428	1,474,932
		<u><u>2,407,881</u></u>	<u><u>1,561,395</u></u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors on 4 June 2019 and were signed on its behalf by:


Lauren Amazeen

The notes on pages 15 to 24 form part of these financial statements.

Cove Park

Consolidated Cash Flow Statement for the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Net (expenditure)/income for the year	862,001	(47,154)
Adjustments for:		
Depreciation charges	40,679	2,817
Increase in Investments	(804,718)	0
Donated assets	-	-
Decrease in stock	10,865	0
Decrease/(increase) in debtors	10,651	50,270
(Decrease)/increase in creditors	98,114	3,548
Net cash used in operating activities	<u>217,592</u>	<u>9,481</u>
Cash flows from investing activities		
Income from investments	-	-
Purchase of property, plant and equipment	<u>(80,610)</u>	<u>(6,813)</u>
Net cash from investing activities	<u>(80,610)</u>	<u>(6,813)</u>
Cash flows from financing activities		
Repayments of borrowings	(147,700)	(2,300)
Cash inflows from new borrowing	-	-
Net cash from financing activities	<u>(147,700)</u>	<u>(2,300)</u>
Increase/(decrease) in cash and cash equivalents	(10,718)	368
Cash and cash equivalents at beginning of year	43,523	43,155
Cash and cash equivalents at end of year	<u>32,805</u>	<u>43,523</u>

The notes on pages 15 to 24 form part of these financial statements.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

The charitable company is a company limited by guarantee and incorporated in Scotland. The company's registered number is SC201042. The address of the registered office can be found within the reference and administrative details.

The presentation currency of the financial statements is pounds sterling (£).

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2016) ("FRS 102"), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities (as amended by Update Bulletin 1).

The company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Cove Park Enterprises Limited on a line-by-line basis.

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations, are recognised when they have been communicated is received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/ executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliable measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

1. Accounting Policies (*continued*)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Buildings	-	2% on cost and 10% on cost
Leasehold property improvements	-	10% on cost
Computer equipment	-	15% on cost
Fixtures & fittings	-	15% on cost
Plant & machinery	-	20% on cost
Motor vehicles	-	25% on cost

Land is not depreciated.

Investments

Investments in subsidiary entities are valued at cost less provision for permanent impairment.

Other investments are included at fair value at the balance sheet date.

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each fund are disclosed in notes 19 and 20.

Donated Assets

All receipts of fixed assets by way of gift are capitalised and included in the balance sheet. The market value of the gifted asset is credited to the unrestricted fund, against which depreciation is charged in accordance with the relevant accounting policy.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

2. Income from donations and legacies

	<i>Unrestricted</i>		<i>Restricted</i>	2018	2017
	General	Designated		Total	Total
	£	£	£	£	£
Grants receivable	132,999	-	143,403	276,402	160,355
Donations	59,716	1,000,000	-	1,059,716	41,725
	192,715	1,000,000	143,403	1,336,118	202,080
<i>Relating to Charity</i>	192,715	1,000,000	143,403	1,336,118	202,080

Included within unrestricted income is £132,999 (2017 - £133,336) received from Creative Scotland.

3. Income from trading activities

Portfolio sales	724	-	-	724	-
Book sales	-	-	-	-	-
	724	-	-	724	-
<i>Relating to Charity</i>	-	-	-	-	-

4. Income from charitable activities

Rent received	70,482	-	-	70,482	52,436
<i>Relating to Charity</i>	70,482	-	-	70,482	52,436

5. Investment income

Bank interest received	172	-	-	172	3
<i>Relating to Charity</i>	172	-	-	172	3

6. Charitable Activities

	Staff Costs £	Programme Costs £	Support Costs £	Governance Costs £	2018 Total £	2017 Total £
<i>Activity</i>						
Advancement of education of public in all aspects of contemporary art.	25,370	453,650	6,681	19,115	504,816	298,856
	25,370	453,650	6,681	19,115	504,816	298,856
Relating to Cove Park	25,370	442,362	6,511	18,865	493,108	298,771
	(Note 11)	(Note 7)	(Note 8)	(Note 9)		
<i>Of which</i>						
Relating to unrestricted funds	25,370	292,174	6,681	19,115	343,340	264,362
Relating to designated funds	-	61	-	-	61	-
	25,370	292,235	6,681	19,115	343,401	264,362
Relating to charity	25,370	280,947	6,511	18,865	331,693	264,277
Relating to restricted funds	-	161,415	-	-	161,415	34,494
Relating to charity	-	161,415	-	-	161,415	34,494

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

7. Programme Costs

	<i>Unrestricted</i>		<i>Restricted</i>	2018	2017
	General	Designated		Total	Total
	£	£	£	£	£
Direct project costs	136,922	61	161,415	298,398	151,546
Capital project (non building costs)	-	-	-	-	-
Advertising	1,764	-	-	1,764	3,197
Catering	7,325	-	-	7,325	4,703
Fundraising	550	-	-	550	-
Heat, light & utilities	17,310	-	-	17,310	18,756
Housekeeping	2,595	-	-	2,595	-
Insurance	7,452	-	-	7,452	6,410
Laundry & cleaning	21,069	-	-	21,069	1,515
Postage & stationery	1,602	-	-	1,602	1,729
Programme producer	38,360	-	-	38,360	45,155
Site maintenance & repairs	45,042	-	-	45,042	14,411
Telephone	976	-	-	976	1,171
Travel	10,090	-	-	10,090	3,798
Entertainment	1,084	-	-	1,084	573
Subscriptions	33	-	-	33	60
Training	-	-	-	-	573
	292,174	61	161,415	453,650	253,597
<i>Relating to Charity</i>	280,886	61	161,415	442,362	253,597

8. Support Costs

Loan interest paid	3,864	-	-	3,864	5,376
Sundries	2,124	-	-	2,124	796
Bank charges	693	-	-	693	796
Bank interest	-	-	-	-	-
	6,681	-	-	6,681	6,968
<i>Relating to Charity</i>	6,511	-	-	6,511	6,883

9. Governance Costs

Audit and accountancy fees	9,478	-	-	9,478	10,580
Professional fees	9,637	-	-	9,637	2,611
Centre Director's fees	-	-	-	-	3,674
	19,115	-	-	19,115	16,865
<i>Relating to Charity</i>	18,865	-	-	18,865	16,865

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

10. Other Resources Expended

	<i>Unrestricted</i>		<i>Restricted</i>	2018	2017
	General	Designated		Total	Total
	£	£	£	£	£
Depreciation	-	1,187	10,958	12,145	2,817
	-	1,187	10,958	12,145	2,817
<i>Relating to Charity</i>	-	1,187	10,958	12,145	2,817

11. Staff costs

	2018	2017
	£	£
Gross salaries and Employers NIC	127,201	44,097
Pensions	1,924	357
	<u>129,125</u>	<u>44,454</u>
Allocated as follows:		
Charitable activities - Staff Costs	25,370	21,426
Charitable activities - Direct Project Costs	103,755	23,028
	<u>129,125</u>	<u>44,454</u>

The average number of employees was 6 (2017 - 5).

No employee received remuneration of £60,000 or more.

Remuneration received by key management personnel in the year, which consists of the centre director amounted to £38,459 (2017 - £36,744).

12. Net income/(expenditure) for the year

The net income is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	12,145	2,817
Auditors remuneration - Audit fees	3,120	3,120
Auditors remuneration - Non Audit fees	<u>6,358</u>	<u>7,460</u>

13. Corporation tax

No liability to UK Corporation Tax arises in light of the company's charitable status. Cove Park Enterprises Limited had no liability to UK Corporation Tax at 31 December 2018 (2017 - £nil).

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

14. Tangible Fixed Assets - Charity (also comprising that of the group)

	Freehold Property	Assets under Construction £	Leasehold buildings £	Property Improv. £	Land £
Cost					
As at 1 January 2018	1,358,267	-	95,118	-	210,000
Additions	68,442	-	-	-	-
Disposals	-	-	-	-	-
Transfers of fixed assets	95,118	-	(95,118)	-	-
At 31 December 2018	<u>1,521,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
Depreciation					
As at 1 January 2018	-	-	21,063	-	-
Charge for year	28,534	-	10,956	-	-
Depreciation on disposals	-	-	-	-	-
Transfers of fixed assets	32,019	-	(32,019)	-	-
At 31 December 2018	<u>60,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value					
At 31 December 2018	<u>1,461,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
At 31 December 2017	<u>1,358,267</u>	<u>-</u>	<u>74,055</u>	<u>-</u>	<u>210,000</u>
	Computer Equipment £	Fixtures & Fittings £	Plant & Machinery £	Motor Vehicles £	Total £
Cost					
As at 1 January 2018	9,776	18,500	4,783	17,750	1,714,194
Additions	4,394	524	-	7,250	80,610
Disposals	-	-	-	-	-
Transfers of fixed assets	-	-	-	-	-
At 31 December 2018	<u>14,170</u>	<u>19,024</u>	<u>4,783</u>	<u>25,000</u>	<u>1,794,804</u>
Depreciation					
As at 1 January 2018	9,099	17,998	4,783	17,750	70,693
Charge for year	269	165	-	755	40,679
Depreciation on disposals	-	-	-	-	-
Transfers of fixed assets	-	-	-	-	-
At 31 December 2018	<u>9,368</u>	<u>18,163</u>	<u>4,783</u>	<u>18,505</u>	<u>111,372</u>
Net Book Value					
At 31 December 2018	<u>4,802</u>	<u>861</u>	<u>-</u>	<u>6,495</u>	<u>1,683,432</u>
At 31 December 2017	<u>677</u>	<u>502</u>	<u>-</u>	<u>-</u>	<u>1,643,501</u>

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

15. Fixed Asset Investments

	2018 £	2017 £
Shares in group undertakings	<u>1</u>	<u>1</u>
Monies held by Princes Exchange Fund	<u>804,717</u>	<u>-</u>
Total Investments at 31 December	<u>804,718</u>	<u>1</u>

The summary financial performance of the subsidiary is:

Turnover	724	6,493
Cost of sales	(10,685)	(6,493)
Administrative expenses	(1,024)	(85)
Intercompany loan written off	26,499	-
Net profit/(loss)	<u>15,514</u>	<u>(85)</u>

The assets and liabilities of the subsidiary were:

Current assets	1	50,844
Current liabilities	-	(66,357)
Total net liabilities	<u>1</u>	<u>(15,513)</u>
Aggregate share capital and reserves	<u>1</u>	<u>(15,513)</u>

16. Debtors: Amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Debtors	-	-	-	-
Prepayments and accrued income	1,969	12,620	1,969	12,016
Amount due to group undertaking	-	-	-	66,177
VAT	-	-	-	-
	<u>1,969</u>	<u>12,620</u>	<u>1,969</u>	<u>78,193</u>

17. Creditors: Amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Bank loans and overdrafts	-	4,000	-	4,000
VAT	-	180	-	-
Accrued expenses and deferred income	115,042	16,748	115,042	16,748
	<u>115,042</u>	<u>20,928</u>	<u>115,042</u>	<u>20,748</u>

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

18. Creditors: Amounts falling after one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank Loans	-	143,700	-	143,700

19. Unrestricted funds	Balance at 01.01.18 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31.12.18 £
General Fund- Cove Park	50,604	263,369	(331,631)	192,437	174,779
Cove Park Enterprises	(15,514)	724	(11,709)	26,499	-
General fund	35,090	264,093	(343,340)	218,936	174,779
Designated funds					
Capital project fund	35,859	1,000,000	(1,248)	(218,936)	815,675
	35,859	1,000,000	(1,248)	(218,936)	815,675
Total unrestricted funds	70,949	1,264,093	(344,588)	-	990,454

The unrestricted funds are held for the following purposes:-

General Fund - to support the general activities of the charity.

Designated Assets Fund - the net book value of the charity's assets, distinguishing their value from unrestricted general funds immediately available for use.

Designated Capital Project Fund - funds set aside for development of the site.

20. Restricted funds	Balance at 01.01.18 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31.12.18 £
Alma & Leslie Wolfson Trust	250	-	-	-	250
Jerwood	-	1,700	-	-	1,700
Cubes	74,057	-	(10,958)	-	63,099
Capital Project	1,336,758	-	(28,534)	-	1,308,224
Hands on Cove Park	41,946	-	(27,328)	-	14,618
Translation	21,921	-	(2,884)	-	19,037
Scotland in Venice		141,703	(131,203)	-	10,500
Total restricted funds	1,474,932	143,403	(200,907)	-	1,417,428

The various funds are held for the following purposes: -

Cubes - the net book value of the charity's restricted assets relating to the cubes.

Capital Project - a fund for the rebuilding of the artists' centre.

Alma & Leslie Wolfson Charitable Trust - a fund for artists support.

Hands on Cove Park - a participatory and educational programme aimed at Cove Park's local community.

Translation - programme to bring Scottish literature to an international audience.

Scotland in Venice - a fund relating to the production and management of Scotland's entry to the 2019 Venice Biennale.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

21. Analysis of group net assets by fund

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	249,909	815,675	1,422,566	2,488,150
Current Assets				
Stocks	-	-	-	-
Debtors	1,969	-	-	1,969
Cash at bank and in hand	37,943	-	(5,138)	32,805
Creditors < 1 year	(115,042)	-	-	(115,042)
Creditors > 1 year	-	-	-	-
	<u>174,779</u>	<u>815,675</u>	<u>1,417,428</u>	<u>2,407,882</u>
Total				

22. Fund Transfers

	Unrestricted General £	Designated £	Restricted £
General funds used to purchase fixed assets	<u>218,936</u>	<u>(218,936)</u>	<u>-</u>

23. Directors' Expenses & Related Parties

The directors received the following reimbursements during the year.

	No. of Directors	2018 £	2017 £
Travel expenses	1	2,095	2,326
		<u>2,095</u>	<u>2,326</u>

Included within donations is £780 received from director, Professor Seona Reid (2017 - £720).

During the year the company received invoices from Cove Park Enterprises Limited amounting to £nil (2017 - £6,493) for costs associated with the construction of the new artists centre. At the balance sheet date a balance of £nil was receivable from Cove Park Enterprises Limited (2017 - £66,177) as the remaining balance of £26,499 was written off during the year.

24. Liability of Members

The charity is limited by guarantee, with the liability of each member limited to £1. The number of members at 31 December 2018 was 5 (2017 - 5).

Cove Park

Notes to the Financial Statements for the year ended 31 December 2018

25. APB Ethical Standard - Provisions Available for Smaller Entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and with the preparation of the financial statements. We also use our auditors for payroll purposes and for the preparation of monthly management accounts.

26. Comparative Statement of Financial Activities

	Unrestricted		Restricted	2017
	General	Designated		Total
	£	£	£	£
Income and endowments from:				
Donations and legacies	175,061	-	27,019	202,080
Trading activities	-	-	-	-
Charitable activities	52,436	-	-	52,436
Investments	3	-	-	3
Total	227,500	-	27,019	254,519
Expenditure on:				
Charitable Activities	264,362	-	34,494	298,856
Other Resources Expended	-	915	1,902	2,817
Total	264,362	915	36,396	301,673
Net income/(expenditure)	(36,862)	(915)	(9,377)	(47,154)
Transfers between funds	-	-	-	-
Net movement in funds	(36,862)	(915)	(9,377)	(47,154)