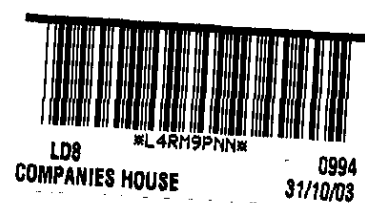


REGISTERED NUMBER : SC201042(Scotland)

**Report of the Directors and
Financial Statements
For the Year Ended 31 December 2002
for
Cove Park
(A company limited by guarantee)**



**Contents of the Financial Statements
For the Year Ended 31 December 2002**

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Cove Park

Legal and Administrative Information For the Year Ended 31 December 2002

Constitution

Outside The Box at Cove Park is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Registered charity number SC029530 and company number SC201042.

Change of Name

On the 17th May 2003, the company passed a resolution to change the company name from Outside The Box at Cove Park Limited to Cove Park.

Directors and Trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The appointment, removal, power and duties of the trustees are as set out in the articles of association.

The trustees serving during the year and since the year end were as follows:

Mr P A Jacobs
Mrs E D Jacobs
Mr J A Lynn
Mr P F Allen

Secretary

Mr P A Jacobs

Registered Office

MacMillan & Co
James Miller House
98 West George Street
Glasgow
G2 1PJ

Accountants

MacMillan & Co
Chartered Accountants
James Miller House
98 West George Street
Glasgow
G2 1PJ

Cove Park

Report of the Trustees For the Year Ended to 31 December 2002

The trustees present their report with the financial statements of the company for the year ended 31 December 2002.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

RESULTS

The gross income for the year was £108,728 resulting in a deficit of £15,107 and is dealt with as shown in the *Income and Expenditure Account* on page 5.

OBJECTIVES OF THE CHARITY AND PRINCIPAL ACTIVITY

The charity is constituted as a company limited by guarantee, and is therefore governed by its Memorandum and Articles of Association.

The primary aims of the charity are:

- to provide individuals with time, space and freedom to undertake significant research, develop their practice/s and ideas, or produce new work,
- to provide an annual programme of residencies and activity to facilitate collaboration, exchange, *networking and dialogue between individuals and across artforms*,
- to include individuals working in the arts, including visual arts, performance creative and critical writing, music, theatre, film and video, photography and crafts, and creative industries including the fields of design, architecture, media, communications and digital technology,
- to work in partnership with key individuals and organisations within Scotland, the UK and abroad, to ensure Cove Park maintains an international role and profile,
- to ensure that Cove Park continues to develop, engage and involve a breadth of audiences in its activities, *including practitioners and the broader public*, and
- to ensure that Cove Park remains a site of outstanding natural beauty.

REVIEW OF ACTIVITIES

Building on artistic programmes in 2001 and 2002, Cove Park developed and managed residencies representing all the art forms, with 75 artists undertaking residencies of from two weeks to three months in the period July to October inclusive. This was an increase from 47 artists in the previous year, a function of the demand from artists and arts organisations for residency places. Cove Park ran a number of events for the public and interested professionals. These included a series of discussion evenings for artists and invited guests on various topical subjects in the arts and an Open Door Day in which some 400 people came to view the two BBC TV 'Castaway' pods and three 'Cubes'. Installed in June 2002, these buildings are adapted from sea containers, each providing self-contained working and living space for one artist and which bring the capacity on site to seven en-suite bedrooms accommodating up to nine people.

The contributions of the Founders made the continued expansion of Cove Park possible, as did the support of many individuals and foundations. The Weston Foundation and the Andor Charitable Trust awarded funds in support of the capital programme. The Scottish Arts Council funded two residencies, in Crafts and Visual Arts, the Jerwood Foundation funded ten creative writers and the Esmée Fairbairn Foundation funded a residency series for recent Fine Art graduates from schools around the UK. Other residency support came from the Gulbenkian Foundation (for an arts and science conference), the Alma and Leslie Wolfson Foundation, the Hugh Fraser Foundation and the Hope Scott Trust.

Cove Park

Report of the Trustees For the Year Ended to 31 December 2002

SPONSORSHIPS, DONATIONS AND IN-KIND SUPPORT

Cove Park is grateful to the following organisations and individuals for their support in 2002: the Andor Charitable Trust, the Esmée Fairbairn Foundation, the Jerwood Foundation, the Scottish Arts Council, Scottish Enterprise Dunbartonshire, Allied Distillers, Deirdre Bernard, Susie Bradfield, the Amy Esterson Trust, Brunswick, Anthony Cardew and Co, Dairy Crest, Susie and John Dover, the GE Pulitzer Charitable Trust, the Gulbenkian Foundation, Habitat, Leslie and Alma Wolfson, Noon Products Ltd, Unilever.

FUTURE DEVELOPMENTS

Cove Park's 2003 artistic programme will build upon the previous two years of successful residencies for artists across the art forms. The Garfield Weston Foundation has provided valuable support for the programme that will include a number of new partnerships with various art agencies, among them the Federation of Scottish Theatres, Visiting Arts, Dundee Contemporary Arts and the Glasgow School of Art. In addition, Cove Park will begin to offer residencies for artists from a wider range of creative fields, including the creative industries, and will explore options for revenue generation in support of artistic activity.

Highlights of the 2003 artistic programme will be: 1) the development of a new ballet on the life of Clara Schumann, led by Royal Ballet Associate Artist Cathy Marston, funded by the Jerwood Foundation; 2) a creative exchange programme between recent MFA students from Bezalel Academy of Art and Design in Israel and the Glasgow School of Art, funded by British Israeli Arts; 3) a second in series of Art and Science Salons funded by the Gulbenkian Foundation; 4) four individual Springboard Residencies for emerging artists across the art forms, funded by the Esmée Fairbairn Foundation; 5) individual residencies for established artists in music, creative writing, visual arts and crafts, funded by the Scottish Arts Council.

INVESTMENT POWERS

Under the memorandum and articles of association, the charity has the power to make any investment, which the trustees see fit.

TAX STATUS

The company enjoys charitable status for taxation purposes

RESERVES POLICY AND RISK MANAGEMENT

The charity receives funding in the form of grants, which are for specific artists and services, and private donations. Any surplus of funds after expenditure is retained as unrestricted reserves in the General Fund. This fund is required to provide working capital.

The trustees have carried out a review of the charity's activities and the risks to which it is exposed. The trustees monitor the progress of the charity on a regular basis. The charity is dependent on the funding from private donations and grants.

**Report of the Trustees
For the Year Ended to 31 December 2002**

TRUSTEES RESPONSIBILITIES

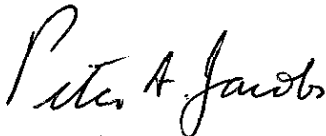
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position for the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Mr PA Jacobs – SECRETARY

Dated:

Cove Park

**Income and Expenditure Account
For the Year Ended 31 December 2002**

	Note/ App	2002 £	2001 £
INCOME			
Donations		90,648	106,657
Grants	10	18,041	10,028
Interest received		39	27
		<u>108,728</u>	<u>116,712</u>
EXPENDITURE			
Direct charitable expenditure	I	104,565	86,791
Management and administration cost	II	19,270	20,760
		<u>123,835</u>	<u>107,551</u>
(Deficit)/Surplus for year	2, 4	<u>(15,107)</u>	<u>9,161</u>

The notes form part of these financial statements

Cove Park
Balance Sheet
31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS:			
Tangible assets	5	31,663	34,792
Investments	6	1	1
		<u>31,664</u>	<u>34,793</u>
CURRENT ASSETS:			
Debtors	7	104,106	48,092
Cash at bank		1,157	1,117
		<u>105,263</u>	<u>49,209</u>
CREDITORS:			
Amounts falling due within one year	8	130,517	62,485
NET CURRENT LIABILITIES		(25,254)	(13,276)
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>6,410</u>	<u>21,517</u>
GENERAL FUND ACCOUNT - UNRESTRICTED	9	<u>6,410</u>	<u>21,517</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 31 December 2002.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The trustees acknowledge their responsibility for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and,
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the trustees:

Mr P A Jacobs - Trustee

Date: 30/10/03



The notes form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 December 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared in compliance with Statement of Recommended Practice - Accounting and Reporting by Charities.

Cashflow statement

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement as it qualifies as a small company.

Incoming resources

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, be for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Interest receivable

Interest is included when receivable by the charity.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Tangible fixed assets

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

Leasehold property improvement	10% on cost
Computer equipment	15% on cost
Fixture & fittings	15% on cost
Plant & machinery	20% on cost

Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant cost in the income and expenditure account and the statement of financial activities.

Fund accounting

Funds held by the charity are unrestricted general funds. These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Cove Park

**Notes to the Financial Statements
For the Year Ended 31 December 2002**

1. ACCOUNTING POLICIES cont.

Grants

Grants for specific artists are credited to a deferred income account and are released to the income and expenditure account as the artists invoice the charity.

Consolidated financial statement

The company is exempt by Section 228 of the Companies Act 1985 from preparing consolidated financial statements.

2. STATEMENT OF FINANCIAL ACTIVITIES

	Note / App	Restricted fund £	Unrestricted Fund £	Year ended 31/12/2002 £	Period ended 31/12/2001 £
INCOMING RESOURCES					
Donations		-	90,648	90,648	106,657
Grants	10	18,041	-	18,041	10,028
Interest		-	39	39	27
TOTAL INCOMING RESOURCES		<u>18,041</u>	<u>90,687</u>	<u>108,728</u>	<u>116,712</u>
RESOURCES EXPENDED					
Direct charitable expenditure	I	17,000	87,565	104,565	86,791
Management and administration costs	II	-	19,270	19,270	20,760
TOTAL RESOURCES EXPENDED		<u>17,000</u>	<u>106,835</u>	<u>123,835</u>	<u>107,551</u>
Net incoming resources before transfer		1,041	(16,148)	(15,107)	9,161
Transfer between funds		(1,041)	1,041	-	-
NET MOVEMENT IN FUNDS		<u>-</u>	<u>(15,107)</u>	<u>(15,107)</u>	<u>9,161</u>
TOTAL FUNDS BROUGHT FORWARD		<u>-</u>	<u>21,517</u>	<u>21,517</u>	<u>12,356</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>-</u></u>	<u><u>6,410</u></u>	<u><u>6,410</u></u>	<u><u>21,517</u></u>

3. EXPENDITURE ON MANAGEMENT AND ADMINISTRATION OF CHARITY

Administration expenditure includes all expenditure not directly related to the charitable activity.

**Notes to the Financial Statements
For the Year Ended 31 December 2002**

4. DEFICIT FOR YEAR

The deficit for the year is stated after charging:

	2002 £	2001 £
Depreciation - owned assets	1,933	1,960
Depreciation - leased assets	3,295	3,150
Accountancy fees	<u>3,308</u>	<u>3,059</u>
Wages	20,008	20,372
Social security costs	<u>1,036</u>	<u>1,314</u>
Number of employees whose emoluments fall between: £10,000 - £20,000	<u>-</u>	<u>1</u>
Average number of employees	<u>2</u>	<u>2</u>
Trustees emoluments and other benefits etc	<u>-</u>	<u>-</u>
Re-imbursement to a director & trustee of expenditure made by him on behalf of the charity	<u>-</u>	<u>-</u>

No employee earned more than £50,000 in the current or previous year.

5. TANGIBLE FIXED ASSETS

	Leasehold Property Improvements £	Computer Equipment £	Fixtures & Fittings £	Plant and machinery £	Total £
COST:					
At 1 January 2002	31,504	3,188	5,517	3,042	43,251
Additions	1,443	2,332	-	-	3,775
Disposals	-	-	-	(900)	(900)
Grant received	-	(1,000)	-	-	(1,000)
At 31 December 2002	<u>32,947</u>	<u>4,520</u>	<u>5,517</u>	<u>2,142</u>	<u>45,126</u>
DEPRECIATION:					
At 1 January 2002	4,927	795	1,656	1,081	8,459
Charge for period	3,295	678	828	428	5,229
Disposals	-	-	-	(225)	(225)
At 31 December 2002	<u>8,222</u>	<u>1,473</u>	<u>2,484</u>	<u>1,284</u>	<u>13,463</u>
NET BOOK VALUE					
At 31 December 2002	<u>24,725</u>	<u>3,047</u>	<u>3,033</u>	<u>858</u>	<u>31,663</u>
At 31 December 2001	<u>26,577</u>	<u>2,393</u>	<u>3,861</u>	<u>1,961</u>	<u>34,792</u>

Cove Park

Notes to the Financial Statements For the Year Ended 31 December 2002

6. FIXED ASSET INVESTMENT

This represents the cost of 100% shareholding in Cove Park Enterprises Ltd, a company incorporated in Scotland.

7. DEBTORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Amount due from subsidiary company (Note 6)	101,606	48,092
Other debtors	2,500	-
	<u>104,106</u>	<u>48,092</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank overdrafts	65,909	43,429
Trade creditors	-	2,123
Directors current accounts	60,003	13,102
Accrued expenses	4,605	3,831
	<u>130,517</u>	<u>62,485</u>

Director and trustee PA Jacobs has guaranteed the bank overdraft on behalf of the charity.

9. GENERAL FUND ACCOUNT

	£
At 1 January 2002	21,517
Deficit for year	(15,107)
At 31 December 2002	<u>6,410</u>

10. RESTRICTED FUNDS

All grants received provided funding for specific artists and services. Any excess that arises is used in the furtherance of the charity's objectives.

11. CAPITAL COMMITMENTS

The charity has engaged the services of its subsidiary company for the purchase and construction of pods and cubes. Director and trustee, P A Jacobs, is also a trustee in this company. The contracted sum, which has not been provided for in the financial statements at 31 December 2002, is £373,610 (2001: £267,000).

Cove Park

**Report of the Accountants to the Directors of
Cove Park**

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 31 December 2002 set out on pages five to ten and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

MacMillan & Co

MacMillan & Co
Chartered Accountants
James Miller House
98 West George Street
Glasgow
G2 1PJ

Date: *27 October 03.*