

Registration number SC411667

The Stove Network Limited
Company limited by guarantee

Trustees' report and financial statements

for the year ended 31st March 2018

The Stove Network Limited
Company limited by guarantee

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The Stove Network Limited
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Trustees' Annual Report (Including Directors' Report)
for the year ended 31st March 2018

The trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in presenting their report and the audited consolidated financial statements of the charity and its subsidiary for the year ended 31st March 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102).

Objectives and Activities

The Stove Network Ltd ('The Stove') is an artist-led organisation based in Dumfries. It aims to be one of the means for the creative community to play a significant role in the future of Dumfries and Galloway region. It sees the arts not as something solely for an 'arts audience', but rather, as a vital contribution to society on all fronts. The Stove is a vehicle for practical partnerships with people and organisations working in Health, Education, Tourism, Regeneration and Environment.

The principal activity of the company is the promotion of arts in Dumfries.

The Stove's vision is to expand and support a contemporary art scene in south west Scotland for the wider benefit of our community.

The aims of the organisation are:

- To promote the arts, including drama, dance, music, literature, poetry, painting, film-making, photography and sculpture and other art forms and areas of artistic endeavour, and in particular (but without prejudice to the generality of that aim) with a view to the involvement of local communities within Dumfries and Galloway and surrounding regions.
- To collaborate and form partnerships with individuals or organisations to benefit the wider community through the Arts.
- To support community initiatives within Dumfries and Galloway and surrounding areas using the arts.
- To use the arts to promote the benefits and social welfare of inhabitants within Dumfries and Galloway and surrounding regions, without distinction with regard to age, disability, sex, sexuality, political, religious or other opinions by associating the local statutory authorities, voluntary organisations and local people.
- To promote and maintain a high quality of arts process and practice, both amongst artists and the wider community.

The Stove Network develops and delivers public art projects throughout the UK as well as Dumfries and Galloway. The definition of public art, as practiced by The Stove, is very wide - ranging from performance to film, from discussions to music, from visual art to poetry, from Christmas lights to cycle races.

The key linking themes are that projects are:

- Developed in partnership with local people and organisations
- Building local capacity and opportunities
- Involving people constructively in the future of the place they live
- Providing opportunities for young people to participate in the arts

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Achievements and performance

Since 2012 we have raised £1.9m in public and private funding with nearly £1.3m of that coming from national rather than local sources.

This year we continue to show increasing financial self-reliance with funding from more national sources, increased business sponsorship and a private commission of £135,000 to deliver the Lochside Public Art project. D & G Council contracted us through their Town Centre Living Fund for £99,889, which we then augmented with a further £73,440 of private and national funding.

In fact, for every £1 that the Council has granted us over the last 6 years, TSN has raised £8 from other sources.

Our charity's overall income for 2017-18 went up by a significant 56% on the prior year to £423K. This has increased significantly from £270K in 2016-17 - a level it had been at more or less for the previous 3 years.

In 2017-18, we issued 46 contracts to regional artists and freelancers for a total of £134,820, with a further £32,365 for small commissions and workshops. There were 376 instances of volunteers working with us to deliver events and workshops, contributing more than 1,089 hours of their time.

We were also delighted to receive support from Community Jobs Scotland for the first time allowing us to employ three young people over the space of 22 months.

Our partnerships with other arts organisations and local groups have brought significant funding for projects. Our four young Blueprint100 curatorial team members are becoming very adept at securing private commissions and additional match funding for their own.

We would like to take this opportunity to thank the following organisations who have helped make 2017/18 the most productive year yet for The Stove Network:

- Creative Scotland for continuing to provide funds to cover our core and development costs.
- The Holywood Trust for their continued support again this year, contributing to the Mid-steeple Quarter, Nithraid and Blueprint100.
- And our other funders during this period including Scottish Government, DTAS, Network for Social Change, D & G Council's Common Good Fund and DG Unlimited.

The Stove Cafe continues to provide a popular meeting place in the town centre and is at the centre of a lot of TSN activities.

In fact, the combined income in the last financial year, for both the charity and the trading arm, took us over £0.5million, which automatically triggers an audit under OSCR (The Office of the Scottish Charity Regulator) rules.

Our costs are up by around 51% (£360K compared with £238K in 2016/17). But, this reflects an increase in direct costs for a growing number of projects (+63%). Our support costs on the other hand have only risen by around 25%, indicating a very efficient organisation.

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Plans for future periods

We are particularly happy to have built on last year's multi-year funding for the very successful Lochside & Lincluden Creative Futures project with additional multi-year funding over 3 years as one of Creative Scotland's Regularly Funded Organisations (RFO) providing £300,000 over the period 2018-21. This is up 200% on the previous round (£150,000 in 2015) and one of only 2 grants in Dumfries & Galloway, the other being Wigtown Festival Company.

This in turn helped secure 3-year's funding of £129,518 from Big Lottery Fund, bringing some stability into the funding of the art programme to 2021 - very welcome as it reduces the administration of multiple, smaller funds.

Current funding applications amount to £41,900 covering:

- (i) Word Programme £9,400;
- (ii) Nithraid £12,500; and
- (iii) Core costs £20,000.

We continue running our cafe under our Trading Arm with the purpose of transferring profits directly to the charity to assist with its charitable aims.

Overall then we are in good shape, with positive cash flow for 2018-2019 and we continue to build our reserves for a rainy day.

Financial review

The accounts show a net surplus for the year for the group of £59,435, as opposed to a net surplus of £34,874 in the prior period. Total group funds amounted to £216,580 at the year end, of which £96,286 are restricted funds, £9,123 are designated funds and £111,171 are unrestricted general funds.

The charity's adjusted net income (surplus) for the year on unrestricted funds is down by about 30% on 2016/17. Carrying forward £96,286 of restricted funds to 2018-19, leaving an adjusted surplus of £11,493, which with the £109,470 carried forward from 2016-17 gives us a retained surplus on unrestricted funds of £120,963. Taken together, the total fund is up around 40% on 2016-17.

Risk management

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and financing of the charity and are satisfied that systems are in place to mitigate these risks.

Reserves policy

The directors feels they have sufficient funds to cover the charity's running costs as these will be covered by restricted funds and are factored into project budgets. We continue to build our reserves to cover a minimum of 1 month's notice of all freelance and PAYE commitments.

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for the year ended 31st March 2018

Structure, governance and management

The Stove Network Limited is a charitable company limited by guarantee and not having a share capital and was incorporated on 21st November 2011. It is governed by a memorandum and articles of association. The company's activities are charitable in nature, and the company applied for and was granted charitable status on 23rd June 2014.

Organisation

The Stove Network Limited is governed by a Board of Directors, up to a maximum of 14. The Board meets regularly to discuss matters arising and are aided in the day-to-day management by the Operations Manager.

Appointment and training

New trustees are appointed as set out in the Memorandum and Articles of Association. Where new directors are appointed they are given a formal induction to the work of the charity and provided with the information they need to fulfil their roles, which includes information about the role of the directors and charity law.

Reference and administrative information

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees and officers who have served during the year and since the year end are as stated below:

Leslie A Fitzpatrick	(Chair)	(appointed 16th May 2017 & appointed Chair 30th October 2017)
Melissa Gunn	(Chair)	(resigned 30th October 2017)
Karen Donald	(Vice-Chair)	
Michael Bonaventura	(Treasurer)	
Venda Pollock		
Tina Fiske		
Derek Whitticase		
Juliet Caird		
Morag Paterson		(resigned 11th October 2018)
Carole McCann		(resigned 2nd November 2018)
Michael Comerford		(appointed 19th April 2018)
Jimmy Russell		(appointed 19th April 2018)
Nicola Hill		(appointed 7th June 2018)

Company Secretary

Ailsa Dickson

Key management personnel

Ailsa Dickson Operations Manager

Directors of the subsidiary, The Stove Network Limited

Matt A. P. Baker

Melissa Gunn (resigned 30th October 2017)

Derek Whitticase (appointed 3rd April 2018)

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Trustees' Annual Report (Including Directors' Report)
for the year ended 31st March 2018

Principal Office and Registered Office
100 High Street, Dumfries, DG1 2BJ

Company Number
SC411667

Charity Number
SC044947

Statutory Auditor
Mr R S Williamson, B.A., C.A.
Carson & Trotter, Chartered Accountants, 123 Irish Street, Dumfries, DG1 2PE

Statement of trustees' responsibilities

The trustees (who are also directors of The Stove Network Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law applicable to charities in Scotland 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 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 these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP (FRS102);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant information of which the group's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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Trustees' Annual Report (Including Directors' Report)
for the year ended 31st March 2018

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.

Results and dividends

The Profit for the year, after taxation, amounted to £59,434. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved by the Board on 22nd November 2018, and signed on its behalf by:

Michael Bonaventura
Director

**Independent auditor's report to the members and trustees of
The Stove Network Limited**

We have audited the financial statements of The Stove Network Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31st March 2018 which comprise the group and parent Statement of Financial Activities, the Consolidated Balance Sheet, the Cash Flow Statements and the 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 Financial Reporting Standard 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 and trustees those matters we are required to state to them in an auditors' report 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's and parent charitable company's affairs as at 31st March 2018 and of the group's and parent charitable company's incoming resources and application of resources, including the income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent 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.

Independent auditor's report to the members and trustees of The Stove Network Limited

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent auditor's report to the members and trustees of
The Stove Network Limited**

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**Independent auditor's report to the members and trustees of
The Stove Network Limited**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Roderick Williamson, BA CA (Senior Statutory Auditor)
For and on behalf of Carson & Trotter
Chartered Accountants and
Statutory Auditors

123 Irish Street
Dumfries
DG1 2PE

(Carson & Trotter, Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.)

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Consolidated Statement of Financial Activities (Incorporating Income & Expenditure Account)
for the year ended 31st March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Income from:					
Donations and legacies	4	5,237	7,754	12,991	4,176
Charitable activities	5	81,423	283,171	364,594	251,189
Other trading activities	6	160,216	4,203	164,419	75,462
Investments	7	70	-	70	165
Total income		246,946	295,128	542,074	330,992
Expenditure on:					
Raising funds	8	-	-	-	1,000
Charitable activities	9	165,081	194,413	359,494	236,857
Other expenditure	6	123,145	-	123,145	58,261
Total expenditure		288,226	194,413	482,639	296,118
Net income/(expenditure) for the year	2	(41,280)	100,715	59,435	34,874
Transfers between funds	12	48,993	(48,993)	-	-
Net movement in funds		7,713	51,722	59,435	34,874
Reconciliation of funds:					
Total funds brought forward	17	112,581	44,564	157,145	122,271
Total funds carried forward		120,294	96,286	216,580	157,145

All income and expenditure derive from continuing activities.

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

The notes on pages 15 to 31 form an integral part of these financial statements.

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Charity Statement of Financial Activities (Incorporating Income & Expenditure Account)
for the year ended 31st March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Income from:					
Donations and legacies	4	5,237	7,754	12,991	9,166
Charitable activities	5	81,423	283,171	364,594	251,189
Other trading activities	6	41,035	4,203	45,238	9,550
Investments	7	57	-	57	161
Total income		<u>127,752</u>	<u>295,128</u>	<u>422,880</u>	<u>270,066</u>
Expenditure on:					
Raising funds	8	-	-	-	1,000
Charitable activities	9	165,216	194,449	359,665	237,303
Total expenditure		<u>165,216</u>	<u>194,449</u>	<u>359,665</u>	<u>238,303</u>
Net income/(expenditure) for the year	2	(37,464)	100,679	63,215	31,763
Transfers between funds	12	48,957	(48,957)	-	-
Net movement in funds		11,493	51,722	63,215	31,763
Reconciliation of funds:					
Total funds brought forward	17	109,470	44,564	154,034	122,271
Total funds carried forward		<u>120,963</u>	<u>96,286</u>	<u>217,249</u>	<u>154,034</u>

All income and expenditure derive from continuing activities.

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

The notes on pages 15 to 31 form an integral part of these financial statements.

The Stove Network Limited
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Consolidated balance sheet
as at 31st March 2018

	Notes	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Fixed assets					
Tangible assets	13	110,169	106,089	103,289	100,178
Investments	14	-	1	-	1
		<u>110,169</u>	<u>106,090</u>	<u>103,289</u>	<u>100,179</u>
Current assets					
Stocks		500	-	-	-
Debtors	15	3,261	5,228	160	10,160
Cash at bank and in hand		116,724	113,412	60,526	49,409
		<u>120,485</u>	<u>118,640</u>	<u>60,686</u>	<u>59,569</u>
Creditors: amounts falling due within one year	16	<u>(14,074)</u>	<u>(7,481)</u>	<u>(6,830)</u>	<u>(5,714)</u>
Net current assets		<u>106,411</u>	<u>111,159</u>	<u>53,856</u>	<u>53,855</u>
Total assets less current liabilities		<u>216,580</u>	<u>217,249</u>	<u>157,145</u>	<u>154,034</u>
Net assets		<u>216,580</u>	<u>217,249</u>	<u>157,145</u>	<u>154,034</u>
The funds of the charity:					
Restricted funds		96,286	96,286	44,564	44,564
Unrestricted funds:					
Designated funds		9,123	9,123	75	75
General funds		111,171	111,840	112,506	109,395
Members' funds		<u>216,580</u>	<u>217,249</u>	<u>157,145</u>	<u>154,034</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the board of directors on 22nd November 2018, and are signed on their behalf by:

Michael Bonaventura
Director

Registration number SC411667

The notes on pages 15 to 31 form an integral part of these financial statements.

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Cash flow statement
for the year ended 31st March 2018

	Notes	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Cash flow from operating activities:					
Cash inflow from operating activities	19	74,379	80,812	46,322	31,356
Taxation paid		-	-	-	-
Net cash inflow from operating activities		<u>74,379</u>	<u>80,812</u>	<u>46,322</u>	<u>31,356</u>
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(19,162)	(16,866)	(20,375)	(16,522)
Receipts from sales of tangible fixed assets		911	-	-	-
Interest received		70	57	165	161
Net cash flow from investing activities		<u>(18,181)</u>	<u>(16,809)</u>	<u>(20,210)</u>	<u>(16,361)</u>
Net increase(decrease) in cash and cash equivalents		56,198	64,003	26,112	14,995
Cash and cash equivalents at beginning of reporting period		<u>60,526</u>	<u>49,409</u>	<u>34,414</u>	<u>34,414</u>
Cash and cash equivalents at end of reporting period		<u><u>116,724</u></u>	<u><u>113,412</u></u>	<u><u>60,526</u></u>	<u><u>49,409</u></u>
Cash and cash equivalents consists of:					
Cash at bank and in hand		<u><u>116,724</u></u>	<u><u>113,412</u></u>	<u><u>60,526</u></u>	<u><u>49,409</u></u>

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Notes to the financial statements
for the year ended 31st March 2018

1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.1. General information and basis of preparation

The Stove Network Limited is a company limited by guarantee, registered in Scotland. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office along with the name of the charity's operations and principle activities are given in the directors' report.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS102.

1.2. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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for the year ended 31st March 2018

1.3. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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.

Government grants are revenue in nature and are received in connection with the company's charitable activities. These have been released in full to the profit and loss account in line with expenditure incurred during the year.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is recognised on a receivable basis.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS102).

1.4. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payment to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charity and includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examination of the accounts, accountancy fees and legal fees along with costs associated with Board meetings. The trustees consider the primary activity of the charity to be the promotion of Arts in Dumfries and as such all support costs and governance costs are allocated to this activity.

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for the year ended 31st March 2018

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost). Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:-

Long leasehold property	-	Straight line over 25 years
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33.33% straight line

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

1.8. Taxation

The Stove Network Limited has charitable status and is exempt from taxation. The trading subsidiary The Stove Network (Trading) Limited is registered for VAT on the flat rate scheme, with any profits made being donated to its parent company.

1.9. Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.10. Financial instruments

The charitable company only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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Notes to the financial statements
for the year ended 31st March 2018

2. Net income/(expenditure) for the year		2018	2017
		£	£
Net income/(expenditure) is stated after charging:			
Depreciation and other amounts written off tangible assets		11,674	9,710
Auditors' remuneration (Note 3)		4,800	-
Auditors' remuneration from non-audit work (Note 3)		4,500	6,364
		<u> </u>	<u> </u>
and after crediting:			
Profit on disposal of tangible fixed assets		304	-
Government grants		150,354	100,432
		<u> </u>	<u> </u>
3. Auditors' remuneration		2018	2017
		£	£
Auditors' remuneration - audit of the financial statements		4,800	-
		<u> </u>	<u> </u>
Auditors' remuneration - other fees:			
- Independent examination		-	3,900
- Accountancy fees		4,500	2,464
		<u> </u>	<u> </u>
		4,500	6,364
		<u> </u>	<u> </u>
4. Income from donations and legacies			
	Group	Charity	Group
	2018	2018	2017
	£	£	£
Donations and sponsorship	12,991	12,991	4,176
	<u> </u>	<u> </u>	<u> </u>

Of the income from donations and legacies received for the group £5,237 (2017 - £976) was attributable to unrestricted funds and £7,754 (2017 - £3,200) was attributable to restricted funds.

Of the income from donations and legacies received for the parent charity £5,237 (2017 - £5,966) was attributable to unrestricted funds and £7,754 (2017 - £3,200) was attributable to restricted funds.

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Notes to the financial statements
for the year ended 31st March 2018

5. Income from charitable activities

	Group	Charity	Group	Charity
	2018	2018	2017	2017
	£	£	£	£
Grants received				
Creative Scotland	58,937	58,937	60,000	60,000
Dumfries & Galloway Council	81,449	81,449	29,300	29,300
Hollywood Trust	51,678	51,678	28,446	28,446
Community Jobs Scotland	21,011	21,011	-	-
Big Lottery Fund	105,691	105,691	38,371	38,371
Heritage Lottery Fund	3,960	3,960	35,640	35,640
Scottish Government	9,968	9,968	11,132	11,132
Dumfries & Galloway Unlimited	9,766	9,766	-	-
Robertson Trust	-	-	9,000	9,000
DTA Scotland	15,000	15,000	7,000	7,000
Tesco Groundwork	-	-	6,000	6,000
Network for Social Change	-	-	15,000	15,000
	<u>357,460</u>	<u>357,460</u>	<u>239,889</u>	<u>239,889</u>
Other charitable income				
Project development fees	7,134	7,134	11,300	11,300
	<u>364,594</u>	<u>364,594</u>	<u>251,189</u>	<u>251,189</u>
Total income from charitable activities	<u>364,594</u>	<u>364,594</u>	<u>251,189</u>	<u>251,189</u>

Of the income from charitable activities received for the group £81,423 (2017 - £94,524) was attributable to unrestricted funds and £273,171 (2017 - £156,665) was attributable to restricted funds.

Of the income from charitable activities received for the parent charity £81,423 (2017 - £94,524) was attributable to unrestricted funds and £273,171 (2017 - £156,665) was attributable to restricted funds.

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Notes to the financial statements
for the year ended 31st March 2018

6. Income from other trading activities

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Rent receivable	5,042	5,042	5,260	5,260
Fundraising income	39,685	39,685	3,475	3,475
Ticket sales	511	511	815	815
Cafe sales from subsidiary (A)	119,181	-	65,912	-
Total income from other trading activities	<u>164,419</u>	<u>45,238</u>	<u>75,462</u>	<u>9,550</u>

Of the income from other trading activities received for the group £160,216 (2017 - £73,896) was attributable to unrestricted funds and £4,203 (2017 - £1,566) was attributable to restricted funds.

Of the income from other trading activities received for the parent charity £41,035 (2017 - £7,984) was attributable to unrestricted funds and £4,203 (2017 - £1,566) was attributable to restricted funds.

(A) Subsidiary trading activities

The wholly owned subsidiary The Stove Network (Trading) Limited is incorporated in the United Kingdom (company number SC411793) and pays its profits to the charity under the gift aid scheme. The Stove Network (Trading) Limited operates the Stove Café carried on at The Stove premises. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2018 £	2017 £
Turnover	119,352	66,358
Cost of sales and administration costs	(123,145)	(58,261)
Interest receivable	13	4
Net (loss)/profit	(3,780)	8,101
Amounts gift aided to the charity	-	(4,990)
Retained in subsidiary	(3,780)	3,111
Retained reserves in subsidiary b/fwd	3,111	-
Retained in subsidiary	<u>(669)</u>	<u>3,111</u>

The assets and liabilities of the subsidiary were:

Fixed assets	4,080	3,111
Current assets	4,082	11,129
Current liabilities	(6,593)	(1,116)
Total net (liabilities)/assets	<u>1,569</u>	<u>13,124</u>
Aggregate share capital and reserves	<u>(668)</u>	<u>3,112</u>

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7. Investment income

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Bank interest received	68	55	165	161
Taxation repayment supplement received	2	2	-	-
	<u>70</u>	<u>57</u>	<u>165</u>	<u>161</u>

Income from investments received for the group was attributable to unrestricted funds in both years.

Income from investments received for the parent charity was attributable to unrestricted funds in both years.

8. Raising funds

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Fundraising costs	-	-	-	1,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

Expenditure for raising funds paid for the group was attributable to unrestricted funds in both years.

Expenditure for raising funds paid for the parent charity was attributable to unrestricted funds in both years.

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9. Charitable activities	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Direct costs				
Art Programme				
Creative Futures Lochside & Lincluden	65,605	65,605	9,206	9,206
Conversing Building	7,924	7,924	-	-
Activating Ideas	5,188	5,188	6,169	6,169
Bounce Back	6,379	6,379	500	500
Word	2,353	2,353	3,247	3,247
D-Lux	-	-	1,000	1,000
Electric Fields	-	-	2,750	2,750
Cultural Wayfinding: Our Norwegian Story	4,653	4,689	31,840	32,111
Food	-	-	2,656	2,686
Reel to Real Film Programme	840	840	678	678
Making Dumfries	-	-	1,956	1,956
Members Programme	612	612	5,591	5,591
Fountain	215	215	-	-
Greenspace	8,196	8,196	-	-
Lochside Public Art	14,000	14,000	-	-
Midsteeple Quarter: Creative Producer	5,078	5,078	-	-
Midsteeple Quarter: Town Living	41,270	41,270	-	-
Curatorial Team	15,000	15,000	14,375	14,375
Inbetween Residency	-	-	1,350	1,350
Nithraid	7,590	7,590	14,370	14,370
Art Slush Fund	2,055	2,064	1,720	1,720
Blueprint100	38,130	38,130	25,949	26,040
	<u>225,088</u>	<u>225,133</u>	<u>123,357</u>	<u>123,749</u>
Capital Fund	380	380	1,576	1,576
	<u>225,468</u>	<u>225,513</u>	<u>124,933</u>	<u>125,325</u>

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Notes to the financial statements
for the year ended 31st March 2018

9. Charitable activities (continued)	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Support costs				
Events Organiser	7,838	7,838	5,040	5,040
Wages and salaries	61,913	61,913	56,358	56,358
Employer's NI contributions	2,487	2,487	2,497	2,497
Staff pension costs	245	245	-	-
Staff training	1,793	1,793	100	100
Rates	2,160	2,160	2,036	2,036
Insurance	1,658	1,658	1,624	1,624
Light and heat	6,846	6,846	1,977	1,977
Cleaning	4,173	4,173	4,404	4,404
Repairs and maintenance	5,032	5,032	1,356	1,356
Printing, postage and stationery	2,542	2,542	4,343	4,343
Marketing and Press/PR	13,640	13,640	10,933	10,933
Telephone and internet	2,068	2,068	1,684	1,684
Motor expenses	540	540	-	-
Travel and accommodation	561	561	629	688
Hospitality	501	627	886	839
Management and professional fees	1,475	1,475	3,208	3,208
Bank charges	90	90	110	110
General expenses	894	894	940	940
Depreciation	10,954	10,954	8,967	8,967
	<u>127,410</u>	<u>127,536</u>	<u>107,092</u>	<u>107,104</u>
Governance costs				
Professional fees	600	600	-	-
Independent examiner's fees	-	-	3,900	3,900
Accountancy fees	911	911	766	766
Audit	4,800	4,800	-	-
Board expenses	292	292	153	195
Companies House fee	13	13	13	13
	<u>6,616</u>	<u>6,616</u>	<u>4,832</u>	<u>4,874</u>
Total charitable activities	<u>359,494</u>	<u>359,665</u>	<u>236,857</u>	<u>237,303</u>

Of the expenditure on charitable activities for the group £165,081 (2017 - £127,014) was attributable to unrestricted funds and £194,413 (2017 - £109,843) was attributable to restricted funds.

Of the expenditure on charitable activities for the parent charity £165,216 (2017 - £127,068) was attributable to unrestricted funds and £194,449 (2017 - £110,235) was attributable to restricted funds.

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Notes to the financial statements
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10. Employees

Number of employees	2018	2017
The average monthly numbers of employees (including the directors) during the year were:		
Charitable activities	15	14
Trading subsidiary	16	6
	<u>31</u>	<u>20</u>
Employment costs	2018	2017
	£	£
Wages and salaries	131,951	89,612
Social security costs	2,487	2,497
Pension costs	253	-
	<u>134,691</u>	<u>92,109</u>

No employee received remuneration amounting to more than £60,000 during the year (2017 - Nil).

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2017 - £nil). None of the trustees were reimbursed expenses during the year (2017 - one trustee was reimbursed for travel costs relating to the Blueprint100 project of £50).

The key management personnel of the parent charity comprise the trustees and the Operations Manager. The total employee benefits of the key management personnel of the charity was £22,485 (2017 - £24,033).

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary The Stove Network (Trading) Limited. The key management personnel of the subsidiary are the directors, who received no remuneration during the year (2017 - £nil). The employee benefits of key management personnel for the group was therefore £22,485 (2017 - £24,033).

11. Pension costs

The charity and the trading subsidiary, The Stove Network (Trading) Limited, both operate a defined contribution pension scheme in respect of its employees. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the charity amounting to £245 (2017 - £-) and for the trading subsidiary of £8 (2017 - £-).

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12. Transfers between funds

Overall a sum of £48,957 has been transferred from restricted funds to unrestricted funds for the parent charity. This sum is made up of various transfers, in part being the unspent balance on restricted funds that can now be transferred to unrestricted funds, partly a transfer reflecting the cost of fixed assets purchased using restricted funds and the remainder representing the fact that funds were provided to cover specific core costs. In respect of the latter, the actual expenses are shown under unrestricted funds and a transfer is made from restricted to unrestricted funds to demonstrate the fact that the fund has been utilised. The group has funds of £48,993 transferred from restricted funds to unrestricted funds, an increase of £36 to the charity transfers as a result of catering provided by the trading subsidiary for charity projects.

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Notes to the financial statements
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13. Tangible fixed assets

Group	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1st April 2017	70,881	51,090	-	911	122,882
Additions	1,096	13,071	4,995	-	19,162
Disposals	-	-	-	(911)	(911)
At 31st March 2018	<u>71,977</u>	<u>64,161</u>	<u>4,995</u>	<u>-</u>	<u>141,133</u>
Depreciation					
At 1st April 2017	5,439	13,850	-	304	19,593
On disposals	-	-	-	(304)	(304)
Charge for the year	2,879	7,547	1,249	-	11,675
At 31st March 2018	<u>8,318</u>	<u>21,397</u>	<u>1,249</u>	<u>-</u>	<u>30,964</u>
Net book values					
At 31st March 2018	<u>63,659</u>	<u>42,764</u>	<u>3,746</u>	<u>-</u>	<u>110,169</u>
At 31st March 2017	<u>65,442</u>	<u>37,240</u>	<u>-</u>	<u>607</u>	<u>103,289</u>

Charity	Long leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1st April 2017	70,881	48,147	-	-	119,028
Additions	1,096	10,775	4,995	-	16,866
At 31st March 2018	<u>71,977</u>	<u>58,922</u>	<u>4,995</u>	<u>-</u>	<u>135,894</u>
Depreciation					
At 1st April 2017	5,439	13,411	-	-	18,850
Charge for the year	2,879	6,827	1,249	-	10,955
At 31st March 2018	<u>8,318</u>	<u>20,238</u>	<u>1,249</u>	<u>-</u>	<u>29,805</u>
Net book values					
At 31st March 2018	<u>63,659</u>	<u>38,684</u>	<u>3,746</u>	<u>-</u>	<u>106,089</u>
At 31st March 2017	<u>65,442</u>	<u>34,736</u>	<u>-</u>	<u>-</u>	<u>100,178</u>

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14. Fixed asset investments

The charity holds 1 share of £1 each in its wholly owned trading subsidiary company The Stove Network (Trading) Limited which is incorporated in the United Kingdom. This is the only share allotted, called up and fully paid. The activities and results of this company is summarised in note 6.

15. Debtors: all receivable within one year

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade debtors	2,991	2,991	-	-
Amounts owed by group undertakings	-	2,237	-	10,012
Other debtors	-	-	160	148
Prepayments and accrued income	270	-	-	-
	<u>3,261</u>	<u>5,228</u>	<u>160</u>	<u>10,160</u>

16. Creditors: amounts falling due within one year

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade creditors	693	110	-	-
Other taxes and social security costs	6,662	2,518	1,917	1,917
Accruals and deferred income	6,719	4,853	4,913	3,797
	<u>14,074</u>	<u>7,481</u>	<u>6,830</u>	<u>5,714</u>

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Notes to the financial statements
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17. Analysis of group charitable funds

	Balance at 1st December 2017 £	Income £	Expenditure £	Transfers £	Balance at 31st March 2018 £
Restricted funds:					
<i>Art Programme</i>					
Activating Ideas	2,938	4,468	(5,188)	(2,218)	-
Bounce Back	6,000	5,036	(6,379)	(500)	4,157
Word	1,131	1,200	(2,353)	-	(22)
Cultural Wayfinding: Our Newegian Story	(599)	4,338	(4,653)	(36)	(950)
Reel to Real Film Programme	289	375	(840)	176	-
Members Programme	(588)	1,200	(612)	-	-
Nithraid	516	12,839	(7,590)	(650)	5,115
Blueprint100	4,639	52,413	(38,130)	(8,857)	10,065
Creative Futures Lochside & Lincluden	22,839	122,809	(65,605)	(14,364)	65,679
Conversing Building	-	7,903	(7,924)	(1,883)	(1,904)
Fountain	-	1,000	(215)	-	785
Greenspace	-	-	(8,196)	6,000	(2,196)
Midsteeple Quarter: Creative Producer	-	11,961	(5,078)	(2,830)	4,053
Midsteeple Quarter: Town Living	-	68,151	(41,270)	(15,377)	11,504
<i>Capital Fund</i>	7,399	1,435	(380)	(8,454)	-
Total restricted funds	<u>44,564</u>	<u>295,128</u>	<u>(194,413)</u>	<u>(48,993)</u>	<u>96,286</u>
Unrestricted funds:					
<i>Designated funds</i>					
Art Slush Fund	75	1,748	(2,064)	364	123
Curatorial Team	-	15,000	(15,000)	-	-
Lochside Public Art	-	34,400	14,000	(11,400)	9,000
	<u>75</u>	<u>51,148</u>	<u>(31,064)</u>	<u>(11,036)</u>	<u>9,123</u>
<i>Unrestricted general funds</i>	112,506	195,798	(257,162)	60,029	111,171
	<u>112,581</u>	<u>246,946</u>	<u>(288,226)</u>	<u>48,993</u>	<u>120,294</u>
Total funds	<u>157,145</u>	<u>542,074</u>	<u>(482,639)</u>	<u>-</u>	<u>216,580</u>

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Notes to the financial statements
for the year ended 31st March 2018

17. Analysis of group charitable funds (continued)

The unrestricted general funds represent the free funds of the organisation which are not designated for particular purposes.

Designated funds represent unrestricted funds that have been set aside by the trustees for particular purposes. The aim of each designated fund is as follows:-

Art Slush Fund

Made up of income from commissions and other freelance activity - used to deliver smaller, unfunded projects and buy materials.

Curatorial Team

We designated a portion of RFO funding to cover fees for the Curatorial Team who act as the collective Artistic Director for the organisation. The team is considered to be an art project in itself.

Lochside Public Art

A private commission to enable local residents to influence their local environment and places, through a series of permanent visual artworks and projects, community events and activities.

Restricted funds are utilised by the organisation to run a number of different projects, details of which are as follows:-

Activating Ideas - Midsteeples Quarter

The goal of the Midsteeples Quarter project is to see the high street re-energised and repopulated, contributing inclusively to the local community and economy. This fund is now closed and two further Midsteeples Quarter projects are underway.

Bounce Back

Bounce Back is a project to help mitigate the effects of welfare reform in NW Dumfries. The project balances information on welfare reform with arts activities and workshops in the areas of Lochside, Lincluden, Sandside and Summerhill.

Word

The continuing spoken word programme, supporting local people to tell their stories, gain confidence and experience and contribute to wider conversations through teaching, workshops, outreach work and platforms for presenting their work (Brave New Words). Further funding is due which will cover the deficit.

Cultural Wayfinding: Our Norwegian Story

A partnership project across arts disciplines and geography to use the connections between the positioning of cultural venues to make Dumfries more accessible to visitors. Further funding is due which will cover the deficit on this fund at the year end.

Reel to Real Film Programme

A film strand, focusing on utilising film as a platform for discussion, active citizenship and community engagement. Income came from donations and ticket sales.

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17. Analysis of group charitable funds (continued)

Members Programme

A series of distinct projects that involved partnerships between local arts practitioners from the Stove Network with artists/organisations from outwith the region. Each involved the creation of new artistic work that was then premiered in Dumfries and Galloway. This fund is now closed.

Nithraid

An annual participative public art event (inaugural event Sept 2013), celebrating the town's relationship with its river. Includes a daring sailing race right up the River Nith into the centre of Dumfries, the Salty Coo procession and a variety of entertainment and public art happenings including youth artist commissions.

Blueprint100

A programme including four part-time roles and basic running costs for events and activities with young people, creating a culture of youth leadership through the delivery of a programme of artworks and events.

Creative Futures Lochside & Lincluden

Our four-year project in North West Dumfries, using creativity and local history to provide opportunities for young people. We aim to help local people develop their skills, develop their local area, increase their opportunities, improve their quality of life, connect with one another, try out new experiences and thrive as a community.

Conversing Building

A project about town centre regeneration, communicating and involving local people in the learning from creative practice in the town centre of Dumfries and being an information and advice resource for other towns in the region. Further funding is due which will cover the deficit on this fund at the year end.

Fountain

Through a series of fund-raising events and donations from organisations such as The People's Project, we hope to raise the necessary funds to have our High Street fountain properly restored.

Greenspace

Continuing small developments at 100 High Street Dumfries and in the outside areas. Further funding is due which will cover the deficit on this fund at the year end.

Midsteple Quarter: Creative Producer

Funded through the Holywood Trust, this 2-year community engagement project will connect creatively with project partners, the public of Dumfries and the national debate on Community Empowerment and Town Centre Regeneration.

Midsteple Quarter: Town Living

Funded through the Town Centre Living Fund, this is a means for the local community to take back control of a group of underused and neglected High Street buildings and refurbish these as a contemporary living, working, socialising, learning and enterprising hub.

The Stove Network Limited
Company limited by guarantee

Notes to the financial statements
for the year ended 31st March 2018

17. Analysis of group charitable funds (continued)

Capital Fund

Redevelopment of 100 High Street Dumfries, in collaboration with D & G Council, as a fully accessible café and arts centre with lettable spaces. This fund is now closed.

18. Analysis of group net assets between funds

	Tangible fixed assets	Other net assets	Total
	£	£	£
Restricted funds	-	96,286	96,286
Unrestricted - designated funds	-	9,123	9,123
Unrestricted - general funds	110,169	1,002	111,171
Total funds	<u>110,169</u>	<u>106,411</u>	<u>216,580</u>

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Net income/(expenditure) for the year	59,435	63,215	34,874	31,763
Interest received	(70)	(57)	(165)	(161)
Depreciation of tangible assets	11,675	10,955	9,710	8,967
(Gains)/losses on disposal of tangible assets	(304)	-	-	-
Increase/(decrease) in creditors	7,244	1,767	1,915	799
(Increase)/decrease in debtors	(3,101)	4,932	(12)	(10,012)
(Increase)/decrease in stocks	(500)	-	-	-
Net cash flow from/(to) operating activities	<u>74,379</u>	<u>80,812</u>	<u>(46,322)</u>	<u>(31,356)</u>

20. Related party transactions

During the year The Stove Network Limited paid The Stove Network (Trading) Limited, its wholly owned subsidiary, £171 for catering events and projects carried out on their behalf. The parent company also paid for business expenses relating to the subsidiary totalling £2,237, this amount was outstanding at the year end.

21. Controlling interest

The company is under the control of the members.