

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the company, its Trustees and advisers</b>	1
<b>Trustees' report</b>	2 - 7
<b>Independent auditors' report on the financial statements</b>	10
<b>Consolidated statement of financial activities</b>	11
<b>Consolidated balance sheet</b>	12 - 13
<b>Company balance sheet</b>	14 - 15
<b>Consolidated statement of cash flows</b>	16
<b>Notes to the financial statements</b>	17 - 40

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>Trustees</b>	Michael Bonaventura, Treasurer Michael Comerford Tina Fiske Leslie Fitzpatrick, Chair Nicola Hill Venda Pollock Jimmy Russell Derek Whitticase Karen Donald (resigned 22 May 2019) Juliet Caird (resigned 22 May 2019)
<b>Company registered number</b>	SC411667
<b>Charity registered number</b>	SC044947
<b>Registered office</b>	100 High Street Dumfries DG1 2PE
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants 51 Rae Street Dumfries Dumfries and Galloway DG1 1JD

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

The Trustees present their annual report together with the audited financial statements of the The Stove Network Limited for the year 1 April 2018 to 31 March 2019. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provision of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the group and the company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

### **Objectives and activities**

#### **a. Policies and objectives**

The principal activity of the company is the promotion of arts in Dumfries. The company's activities are charitable in nature, and the company applied for and was granted charitable status on 23rd June 2014.

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 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.

#### **b. Main activities undertaken to further the company's purposes for the public benefit**

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

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**Achievements and performance**

**a. Main achievements of the company**

Since 2012 we have raised £2.1m in public and private funding with nearly £1.5m of that coming from national rather than local sources. That's 11% up on 2018 – significant growth in lean times.

This year we continue to show increasing financial self-reliance with funding from national sources, increased business sponsorship and the remainder of the DGC Town Centre Living Fund. Both Network for Social Change (£13.5k) and Robertson Trust (£16k) awarded grants for the second time, which in itself is testament that we're doing good things.

For every £1 that the Council has granted us over the last 7 years, TSN has raised £7 from other sources.

In 2018-19, we issued 48 contracts to regional artists and freelancers for a total of £200,364, with a further £18,499 for small commissions and workshops.

There were 175 instances of volunteers working with us to deliver events and workshops, contributing more than 886 hours of their time. This reflects a shift in our approach from the previous year, towards less unpaid volunteering towards paid internships.

The Stove Cafe continues to provide a popular meeting place in the town centre, with increased footfall, the café also provides catering for lots more community events. In addition to the trading income, the café provides a valuable front of house experience, bringing more varied audience to the venue.

**b. Key performance indicators**

Our charity's overall income for 2018-19 went up by a significant 11.8% on the prior year to £606K (from £542K). This has increased significantly from £331K in 2016-17 - a level it had been at, more or less, for the previous 3 years.

Our costs are up by around 28% (£618K compared with £483K in 2017/18). This reflects an increase in direct costs for a growing number of projects.

**c. Review of activities**

International collaboration – we have begun to work internationally with emerging partnerships in Norway, Iceland, Portugal and Japan, in a combination of partnership with academic institutions, coordinating local activity that is working internationally and active partnerships with arts organisations in these countries.

Growth of consultancy - a growing stand of business activity is consultancy work, ranging from invitations to speak and run workshops at conferences to feasibility and consultation work connected with creativity and placemaking.

Invitations to speak at different forums - there is considerable national and international interest in The Stove as an innovative model of social enterprise/community development organisation. Several Stove staff and freelancers have presented the work of The Stove at fora as diverse as University of Tokyo to a theatre convention in Aberdeen and an Empty Homes conference in Edinburgh.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**d. Fundraising activities and income generation**

Our partnerships with other arts organisations and local groups have brought significant funding for projects. Our four young Blueprint100 curatorial team members continue to be 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 2018/19 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 Midsteeple Quarter, Nithraid and Blueprint100.
- And our other funders during this period including National Lottery, Scottish Government, DTAS, Network for Social Change, D&G Council's Events Growth Fund, Robertson Trust, Hunter Foundation, Barbican Centre and DG Unlimited.

We've been notified that, "in principle", Creative Scotland RFO funding is likely to continue at the same level for a fourth year (i.e. to March 2022). Using 2018 figures, RFO funding is only 18% of our overall income. For other comparable arts organisations working in a rural context, it constitutes on average of 41% of their income. For other RFOs at our funding level of £100k pa, RFO funding equates to an average of 45% of their overall income. Despite the leanness of our operations, RFO funding at this level is a mixed blessing as it leaves us with a lot to make up whilst constraining some of the channels that we might otherwise use. We continue to discuss the options with Creative Scotland.

**e. Investment policy and performance**

Now that the TSN is mature enough, in 2020, the Board will be establishing a small finance working group to explore and deliver a Finance Strategy assessed by an appropriate set of financial measures in line with the TSN Strategic Plan.

**f. Membership**

We have nearly 600 members – many of whom are very active and regularly mentor project staff or deliver projects and commissions themselves. We continually look for innovative ways to integrate members into Stove programmes and events.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**b. Reserves policy**

Whilst the charity holds only a small amount of unrestricted funds at the year end, the directors do not foresee this to be a problem as it is intended that all of the charity's running costs will be covered by restricted funds, as these costs are factored into project budgets. It is however appropriate to aim to hold sufficient funds to cover a minimum of 1 month's notice of all freelance and PAYE commitments.

**c. Principal risks and uncertainties**

We maintain a risk register that is reviewed as part of standing agenda at board meetings and we communicate risks to our major funders.

**Structure, governance and management**

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**a. Constitution**

The Stove Network Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

**b. Methods of appointment or election of Trustees**

The management of the Group and the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

**c. Organisational structure and decision-making policies**

The Management Team is made up of the Orchestrator, Operations Manager and Projects Manager. The Management Team are employed by the Board to implement the artistic direction of the Curatorial Team and lead on Finance & Fundraising, Administration, Marketing and Human Resources. The Curatorial Team (CT) is a group of creative practitioners who, together, provide the artistic direction for The Stove Network.

**d. Policies adopted for the induction and training of Trustees**

All new Trustees attend an induction and are provided within a trustee pack providing them with information about the activities and operations of The Stove Network.

**e. Pay policy for key management personnel**

The Trustees are responsible for the setting of the remuneration package of the Orchestrator.

**f. Related party relationships**

The charity has a wholly owned subsidiary The Stove Network (Trading) Limited.

**g. Financial risk management**

The Trustees have assessed the major risks to which the Group and the company are exposed, in particular those related to the operations and finances of the Group and the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**Plans for future periods**

One of the key functions of The Stove is to identify and seed new initiatives in our community. This activity also has a social enterprise function for our business in providing work for our network in project development stage and, then, continuing working partnerships with the new initiatives when they are established. An example of this approach is the Midsteeple Quarter project which was led by The Stove's community planning conversation "what is the purpose of a market town in 21st century rural Scotland". Over 5 years project income has supported this conversation and it has now developed into an independent organisation (Dumfries High Street Limited – trading as 'Midsteeple Quarter'). This organisation is now leading a £30M 15 year community regeneration project for Dumfries town centre and The Stove continues to work in partnership with Midsteeple Quarter as a subcontractor delivering services including community engagement, creative visioning and strategic direction.

Since April 2019, we have secured a further £71,405 from public and private sources. Our four multi-year funders will continue to provide funding towards our core and revenue activities. Our consultancy is bringing us an additional £26,120 in earned income.

Current funding applications amount to £93,560 covering:

- (i) Elsewhere Project £9,510
- (ii) Blueprint £44,050
- (iii) Core Costs £40,000

Overall then we are in good shape, with positive cash flow for 2019-2020 and we continue to build our reserves for a rainy day

**Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**Auditors**

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....  
Leslie Fitzpatrick  
Chair of Trustees  
Date:

.....  
Tina Fiske  
Trustee

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE STOVE NETWORK LIMITED**

**Opinion**

We have audited the financial statements of The Stove Network Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2019 and of the Group's 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 and 8 of the Charities Accounts (Scotland) Regulations 2006.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE STOVE NETWORK LIMITED**  
**(CONTINUED)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

**Matters on which we are required to report by exception**

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept proper accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, 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.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE STOVE NETWORK LIMITED**  
**(CONTINUED)**

**Auditors' 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 report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's 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, its members, as a body, and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen A Rae FCCA  
Armstrong Watson Audit Limited  
Chartered Accountants and Registered Auditors  
Dumfries

Date:

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
<b>Income from:</b>					
Donations and legacies	4	2,412	8,750	11,162	12,991
Charitable activities	5	128,607	239,337	367,944	364,594
Other trading activities	6	226,361	-	226,361	164,419
Investments	7	352	-	352	70
		<u>357,732</u>	<u>248,087</u>	<u>605,819</u>	<u>542,074</u>
<b>Expenditure on:</b>					
Raising funds	8	110,662	-	110,662	123,145
Charitable activities	9	143,039	363,944	506,983	359,494
		<u>253,701</u>	<u>363,944</u>	<u>617,645</u>	<u>482,639</u>
		<u>104,031</u>	<u>(115,857)</u>	<u>(11,826)</u>	<u>59,435</u>
<b>Net income/(expenditure)</b>					
Transfers between funds	20	<u>(142,190)</u>	<u>142,190</u>	-	-
		<u>(38,159)</u>	<u>26,333</u>	<u>(11,826)</u>	<u>59,435</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		120,294	96,286	216,580	157,145
Net movement in funds		(38,159)	26,333	(11,826)	59,435
		<u>82,135</u>	<u>122,619</u>	<u>204,754</u>	<u>216,580</u>
<b>Total funds carried forward</b>					

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

The notes on pages 17 to 40 form part of these financial statements.

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2019**

		2019 £		2018 £
<b>Fixed assets</b>				
Tangible assets	14	<b>100,481</b>		110,169
		<hr/>		<hr/>
		<b>100,481</b>		110,169
<b>Current assets</b>				
Stocks	16	<b>1,063</b>	500	
Debtors	17	<b>7,270</b>	3,261	
Cash at bank and in hand		<b>134,695</b>	116,724	
		<hr/>	<hr/>	
		<b>143,028</b>	120,485	
Creditors: amounts falling due within one year	18	<b>(38,755)</b>	(14,074)	
		<hr/>	<hr/>	
<b>Net current assets</b>		<b>104,273</b>		106,411
<b>Total assets less current liabilities</b>		<hr/> <b>204,754</b>		<hr/> 216,580
<b>Net assets excluding pension asset</b>		<hr/> <b>204,754</b>		<hr/> 216,580
<b>Total net assets</b>		<hr/> <b>204,754</b> <hr/>		<hr/> 216,580 <hr/>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2019**

<b>Charity funds</b>				
Restricted funds	20		<b>122,619</b>	96,286
Unrestricted funds				
Designated funds	20	<b>9,123</b>		9,123
General funds	20	<b>73,012</b>		111,171
Total unrestricted funds	20		<b>82,135</b>	120,294
<b>Total funds</b>			<b>204,754</b>	<b>216,580</b>

The company was entitled to exemption from audit under section 479 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....  
Leslie Fitzpatrick  
Chair of Trustees  
Date:

.....  
Tina Fiske  
Trustee

The notes on pages 17 to 40 form part of these financial statements.

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

		2019 £		2018 £
<b>Fixed assets</b>				
Tangible assets	14	97,013		106,089
Investments	15	1		1
		97,014		106,090
<b>Current assets</b>				
Debtors	17	11,315	5,228	
Cash at bank and in hand		128,688	113,412	
		140,003	118,640	
Creditors: amounts falling due within one year	18	(25,892)	(7,481)	
<b>Net current assets</b>		114,111		111,159
<b>Total assets less current liabilities</b>		211,125		217,249
<b>Net assets excluding pension asset</b>		211,125		217,249
<b>Total net assets</b>		211,125		217,249

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2019**

<b>Charity funds</b>				
Restricted funds	20		<b>96,286</b>	96,286
Unrestricted funds				
Designated funds	20	<b>9,123</b>		9,123
General funds	20	<b>105,716</b>		111,840
Total unrestricted funds	20		<b>114,839</b>	120,963
<b>Total funds</b>			<b>211,125</b>	<b>217,249</b>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....  
 Leslie Fitzpatrick  
 Chair of Trustees  
 Date:

.....  
 Tina Fiske  
 Trustee

The notes on pages 17 to 40 form part of these financial statements.

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>19,480</b>	<b>74,379</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>352</b>	<b>70</b>
Proceeds from the sale of tangible fixed assets	<b>600</b>	<b>911</b>
Purchase of tangible fixed assets	<b>(2,461)</b>	<b>(19,162)</b>
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(1,509)</b>	<b>(18,181)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>17,971</b>	<b>56,198</b>
Cash and cash equivalents at the beginning of the year	<b>116,724</b>	<b>60,526</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>134,695</b>	<b>116,724</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 40 form part of these financial statements

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**1. General information**

The Stove Network Limited is a company limited by guarantee, registered in Scotland (Charity number SC411667).

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.2 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.4 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Stove Network (Trading) Limited is registered for VAT on the flat rate scheme.

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	-	4% straight line
Motor vehicles	-	25% reducing balance
Fixtures, fittings & equipment	-	15% reducing balance
Computer equipment	-	33% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.11 Cash at bank and in hand**

Cash at bank and 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.

**2.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.13 Financial instruments**

The Group 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.

**2.14 Pensions**

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

**2.15 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 Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. 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 Group for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**3. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The entity takes part in multiple projects that are funded partly by restricted grant income. As a result, the directors have estimated that the most appropriate basis of support cost allocation at these sites is by hours worked on projects by staff.

Establishing useful economic lives:

Establishing useful economic lives for depreciation purposes of property, plant and equipment comprise a significant portion of the total fixed assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these assets useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies based on estimated useful economic lives are included in accounting policies note 2.7.

**4. Income from donations and legacies**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Donations	2,412	8,750	<b>11,162</b>	12,991
<i>Total 2018</i>	<u>5,237</u>	<u>7,754</u>	<u>12,991</u>	

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**5. Income from charitable activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Creative Scotland	100,000	-	<b>100,000</b>	58,937
Dumfries and Galloway Council	10,938	43,861	<b>54,799</b>	81,449
Hollywood Trust	6,930	61,848	<b>68,778</b>	51,678
Big Lottery fund	10,039	89,980	<b>100,019</b>	105,691
Barbican Centre	-	2,240	<b>2,240</b>	-
Hunter Foundation	-	1,000	<b>1,000</b>	-
Robertson Trust	-	8,000	<b>8,000</b>	-
Tesco	-	2,000	<b>2,000</b>	-
Development Trust Association Scotland	700	9,300	<b>10,000</b>	15,000
DWP - Access to Work	-	5,511	<b>5,511</b>	-
SCVO - Community Jobs Scotland	-	15,597	<b>15,597</b>	21,011
Other grants and charitable income	-	-	-	30,828
<b>Total 2019</b>	<u>128,607</u>	<u>239,337</u>	<u><b>367,944</b></u>	<u>364,594</u>
<i>Total 2018</i>	<u>88,557</u>	<u>276,037</u>	<u>364,594</u>	

Included in other grants and charitable income in the previous year was £3,960 from Heritage Lottery Fund, £9,968 from the Scottish Government, £9,766 from Dumfries and Galloway Unlimited, and £7,134 of Project development fees.

**6. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Fundraising	118,824	-	<b>118,824</b>	39,685
<i>Total 2018</i>	<u>35,482</u>	<u>4,203</u>	<u>39,685</u>	

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Ticket sales	-	-	511
Rent receivable	2,582	<b>2,582</b>	5,042
Other income	2,075	<b>2,075</b>	-
Trading income	102,880	<b>102,880</b>	119,181
	<u>107,537</u>	<u><b>107,537</b></u>	<u>124,734</u>

**7. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank interest received	348	<b>348</b>	55
Taxation repayment supplement received	-	-	2
Other interest receivable	4	<b>4</b>	13
	<u>352</u>	<u><b>352</b></u>	<u>70</u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**8. Expenditure on raising funds**

**Trading expenses**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Direct trading expenditure	35,824	<b>35,824</b>	36,480
Trading salaries	65,680	<b>65,680</b>	62,208
Trading administration expenditure	8,546	<b>8,546</b>	23,737
Trading depreciation	612	<b>612</b>	720
	<u>110,662</u>	<u><b>110,662</b></u>	<u>123,145</u>

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Art Programme	143,039	363,944	<b>506,983</b>	359,494
<i>Total 2018</i>	<u>134,152</u>	<u>225,342</u>	<u>359,494</u>	

**Summary by expenditure type**

	<b>Staff costs 2019 £</b>	<b>Depreciation 2019 £</b>	<b>Other costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Art Programme	119,290	9,631	378,062	<b>506,983</b>	359,494
<i>Total 2018</i>	<u>64,645</u>	<u>10,954</u>	<u>283,895</u>	<u>359,494</u>	

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Art Programme	312,546	194,437	<b>506,983</b>	359,494
<i>Total 2018</i>	<u>225,342</u>	<u>134,152</u>	<u>359,494</u>	

**Analysis of support costs**

	<b>Art Programme 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	119,290	<b>119,290</b>	64,645
Depreciation	9,631	<b>9,631</b>	10,954
Events organiser	10,135	<b>10,135</b>	7,838
Printing, postage, and stationery	1,580	<b>1,580</b>	2,542
IT software and consumables	3,354	<b>3,354</b>	-
Staff training	932	<b>932</b>	1,793
Insurance	1,681	<b>1,681</b>	1,658
Light and heat	5,182	<b>5,182</b>	6,846
Marketing	9,840	<b>9,840</b>	13,640
Cleaning	4,097	<b>4,097</b>	4,173
Rates	5,845	<b>5,845</b>	7,192
Telephone and internet	1,662	<b>1,662</b>	2,068
Motor expenses	812	<b>812</b>	540
Travel and accommodation	-	-	561
Hospitality	-	-	627
Auditors remuneration	15,870	<b>15,870</b>	4,800
Bank charges	90	<b>90</b>	90
Sundry	4,436	<b>4,436</b>	4,185
	<u>194,437</u>	<u><b>194,437</b></u>	<u>134,152</u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**11. Auditors' remuneration**

The Auditors' remuneration amounts to an Auditor fee of £8,475 (2018-£4,800), and accountancy fees of £2,000(2018-£4,500).

**12. Staff costs**

	<b>Group 2019 £</b>	<i>Group 2018 £</i>	<b>Company 2019 £</b>	<i>Company 2018 £</i>
Wages and salaries	<b>176,180</b>	<i>124,113</i>	<b>114,429</b>	<i>61,913</i>
Social security costs	<b>7,302</b>	<i>2,487</i>	<b>3,897</b>	<i>2,487</i>
Contribution to defined contribution pension schemes	<b>1,488</b>	<i>253</i>	<b>964</b>	<i>245</i>
	<b>184,970</b>	<i>126,853</i>	<b>119,290</b>	<i>64,645</i>

The average number of persons employed by the company during the year was as follows:

	<b>Group 2019 No.</b>	<i>Group 2018 No.</i>	<b>Company 2019 No.</b>	<i>Company 2018 No.</i>
Charity employees	<b>15</b>	<i>31</i>	<b>6</b>	<i>15</i>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the parent charity comprises the Trustees, the Operations Manager, and the Orchestrator. The total employee benefits of the key management personnel of the charity was £64,826 (2018 - £22,485).

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, whose remuneration is included in the figure for the charity. The employee benefits of key management personnel for the group was therefore £64,826 (2018 - £22,485).

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 March 2019, no Trustee expenses have been incurred (2018 - £NIL).

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**14. Tangible fixed assets**

**Group**

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	71,977	4,995	64,161	141,133
Additions	-	-	2,461	2,461
Disposals	-	-	(3,103)	(3,103)
At 31 March 2019	<u>71,977</u>	<u>4,995</u>	<u>63,519</u>	<u>140,491</u>
<b>Depreciation</b>				
At 1 April 2018	8,318	1,249	21,397	30,964
Charge for the year	2,879	937	6,427	10,243
On disposals	-	-	(1,197)	(1,197)
At 31 March 2019	<u>11,197</u>	<u>2,186</u>	<u>26,627</u>	<u>40,010</u>
<b>Net book value</b>				
At 31 March 2019	<u><u>60,780</u></u>	<u><u>2,809</u></u>	<u><u>36,892</u></u>	<u><u>100,481</u></u>
<i>At 31 March 2018</i>	<u><u>63,659</u></u>	<u><u>3,746</u></u>	<u><u>42,764</u></u>	<u><u>110,169</u></u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**Company**

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	71,977	4,995	58,922	135,894
Additions	-	-	2,461	2,461
Disposals	-	-	(3,103)	(3,103)
At 31 March 2019	<u>71,977</u>	<u>4,995</u>	<u>58,280</u>	<u>135,252</u>
<b>Depreciation</b>				
At 1 April 2018	8,318	1,249	20,238	29,805
Charge for the year	2,879	937	5,815	9,631
On disposals	-	-	(1,197)	(1,197)
At 31 March 2019	<u>11,197</u>	<u>2,186</u>	<u>24,856</u>	<u>38,239</u>
<b>Net book value</b>				
At 31 March 2019	<u><u>60,780</u></u>	<u><u>2,809</u></u>	<u><u>33,424</u></u>	<u><u>97,013</u></u>
At 31 March 2018	<u><u>63,659</u></u>	<u><u>3,746</u></u>	<u><u>38,684</u></u>	<u><u>106,089</u></u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. Fixed asset investments**

The charity owns £1 share in its wholly owned subsidiary The Stove Network (Trading) Limited which is incorporated in the United Kingdom. This is the only share allotted, called up and fully paid.

**Principal subsidiaries**

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
The Stove Network (Trading) Limited	SC411793	100 High Street, Dumfries, DG1 2PE	Provision of catering services	Ordinary	100%

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(Loss) / Surplus/ (Deficit) for the year £</b>	<b>Net assets £</b>
The Stove Network (Trading) Limited	<b>104,955</b>	<b>(110,659)</b>	<b>(5,704)</b>	<b>(6,371)</b>

**16. Stocks**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Finished goods and goods for resale	<b>1,063</b>	<b>500</b>

**17. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Due within one year</b>				
Trade debtors	<b>2,924</b>	2,991	<b>2,873</b>	2,991
Amounts owed by group undertakings	-	-	<b>8,113</b>	2,237
Other debtors	<b>329</b>	-	<b>329</b>	-
Prepayments and accrued income	<b>4,017</b>	270	-	-
	<b>7,270</b>	3,261	<b>11,315</b>	5,228

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**18. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<i>Group 2018 £</i>	<b>Company 2019 £</b>	<i>Company 2018 £</i>
Trade creditors	-	583	-	-
Other taxation and social security	<b>6,960</b>	6,662	<b>2,748</b>	2,518
Other creditors	<b>257</b>	110	<b>172</b>	110
Accruals	<b>31,538</b>	6,719	<b>22,972</b>	4,853
	<b>38,755</b>	14,074	<b>25,892</b>	7,481

**19. Financial instruments**

	<b>Group 2019 £</b>	<i>Group 2018 £</i>	<b>Company 2019 £</b>	<i>Company 2018 £</i>
<b>Financial assets</b>				
Financial assets measured at fair value through income and expenditure	<b>134,695</b>	116,724	<b>128,688</b>	113,412
Financial assets that are debt instruments measured at amortised cost	<b>3,253</b>	2,991	<b>11,315</b>	5,228
	<b>137,948</b>	119,715	<b>140,003</b>	118,640
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(29,359)</b>	(7,412)	<b>(20,706)</b>	(4,963)

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise debtors due within one year.

Financial liabilities measured at amortised cost comprise other creditors and accruals.

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Art Slush Fund	123	-	-	-	123
Lochside Public Art	9,000	-	-	-	9,000
	<u>9,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,123</u>
<b>General funds</b>					
General Funds	111,171	357,732	(253,701)	(142,190)	73,012
	<u>120,294</u>	<u>357,732</u>	<u>(253,701)</u>	<u>(142,190)</u>	<u>82,135</u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**Restricted funds**

Lochside public art	-	-	(76,273)	94,250	17,977
Bounce Back	4,157	-	(2,349)	(1,808)	-
Word	(22)	6,765	(7,467)	2,449	1,725
Cultural Wayfinding: Our Norwegian Story	(950)	-	(208)	1,158	-
Reel to Real Film Programme	-	-	(746)	904	158
Visual	-	4,984	(4,018)	1,931	2,897
Nithraid	5,115	12,550	(22,667)	6,865	1,863
Blueprint100	10,065	39,427	(42,067)	179	7,604
Creative Futures Lochside & Lincluden	65,679	93,274	(90,341)	4,490	73,102
Conversing Building	(1,904)	-	-	1,904	-
Fountain	785	-	(750)	-	35
Greenspace	(2,196)	2,000	-	196	-
Midsteeple Quarter: Creative Producer	4,053	23,703	(20,887)	65	6,934
Midsteeple Quarter: Town Living	11,504	35,102	(38,644)	(7,501)	461
Other restricted funds	-	10,257	(26,026)	21,445	5,676
Food	-	2,215	-	-	2,215
Artworks Fellowship	-	2,240	(2,420)	931	751
Music	-	250	(448)	672	474
Project Manager	-	11,900	(11,890)	-	10
Project Support	-	1,650	(12,673)	11,760	737
Social media	-	1,770	(4,070)	2,300	-
	<u>96,286</u>	<u>248,087</u>	<u>(363,944)</u>	<u>142,190</u>	<u>122,619</u>
<b>Total of funds</b>	<u><u>216,580</u></u>	<u><u>605,819</u></u>	<u><u>(617,645)</u></u>	<u><u>-</u></u>	<u><u>204,754</u></u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**Statement of funds - prior year**

	<i>Balance at 1 April 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£	£
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General Funds	<u>112,506</u>	<u>195,798</u>	<u>(257,162)</u>	<u>60,029</u>	<u>111,171</u>
<b>Total Unrestricted funds</b>	<u>112,581</u>	<u>246,946</u>	<u>(288,226)</u>	<u>48,993</u>	<u>120,294</u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**Restricted funds**

Lochside public art	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 Norwegian Story	(599)	4,338	(4,653)	(36)	(950)
Reel to Real Film Programme	289	375	(840)	176	-
Visual	(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
Other restricted funds	7,399	1,435	(380)	(8,454)	-
	<u>44,564</u>	<u>295,128</u>	<u>(194,413)</u>	<u>(48,993)</u>	<u>96,286</u>
<b>Total of funds</b>	<u>157,145</u>	<u>542,074</u>	<u>(482,639)</u>	<u>-</u>	<u>216,580</u>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**21. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 April 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 March 2019 £</b>
Designated funds	9,123	-	-	-	9,123
General funds	111,171	357,732	(253,701)	(142,190)	73,012
Restricted funds	96,286	248,087	(363,944)	142,190	122,619
	<u>216,580</u>	<u>605,819</u>	<u>(617,645)</u>	<u>-</u>	<u>204,754</u>

**Summary of funds - prior year**

	<i>Balance at 1 April 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2018 £</i>
Designated funds	75	51,148	(31,064)	(11,036)	9,123
General funds	112,506	195,798	(257,162)	60,029	111,171
Restricted funds	44,564	295,128	(194,413)	(48,993)	96,286
	<u>157,145</u>	<u>542,074</u>	<u>(482,639)</u>	<u>-</u>	<u>216,580</u>

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

Designated Funds

**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- Midsteeple Quarter**

The goals of the Midsteeple Quarter project is to see the high street re-energised and repopulated, contributed inclusively to the local community and economy. This fund is now closed and two further Midsteeple 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 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.

**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. The 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

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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 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 year end.

**Midsteeples 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 Regenerations.

**Midsteeples 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.

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	100,481	-	<b>100,481</b>
Current assets	14,450	128,578	<b>143,029</b>
Creditors due within one year	(32,796)	(5,959)	<b>(38,757)</b>
Difference	-	-	<b>(1)</b>
<b>Total</b>	<b>82,135</b>	<b>122,619</b>	<b>204,754</b>

**THE STOVE NETWORK LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	110,169	-	110,169
Current assets	14,074	106,411	120,485
Creditors due within one year	(3,949)	(10,125)	(14,074)
<b>Total</b>	<u>120,294</u>	<u>96,286</u>	<u>216,580</u>

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>Group 2019 £</b>	<i>Group As restated 2018 £</i>
Net income for the year (as per Statement of Financial Activities)	<u>(11,826)</u>	<u>59,435</u>
<b>Adjustments for:</b>		
Depreciation charges	10,243	11,675
Dividends, interests and rents from investments	(352)	(70)
Loss/(profit) on the sale of fixed assets	1,306	(304)
Increase in stocks	(563)	(500)
Increase in debtors	(4,009)	(3,101)
Increase in creditors	24,681	7,244
<b>Net cash provided by operating activities</b>	<u>19,480</u>	<u>74,379</u>

**24. Analysis of cash and cash equivalents**

	<b>Group 2019 £</b>	<i>Group 2018 £</i>
Cash in hand	134,695	116,724
<b>Total cash and cash equivalents</b>	<u>134,695</u>	<u>116,724</u>

**THE STOVE NETWORK LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**25. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £964 (2018 - £245) were payable to the fund at the balance sheet date and are included in creditors.

**26. Related party transactions**

During the current year the charity paid £812 (2018 - £540) in relation to maintenance of a van registered in the name of a director.

**27. Controlling party**

The company is under the control of the members.