

THE STOVE NETWORK LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

THE STOVE NETWORK LIMITED
(A company limited by guarantee)

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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 2020**

Trustees	Michael Bonaventura, Treasurer (resigned 12 December 2019) Juliet Caird (resigned 22 May 2019) Michael Comerford John Denerley (appointed 11 March 2020) Karen Donald (resigned 22 May 2019) Tina Fiske Leslie Fitzpatrick, Chair Nicola Hill Fiona Murray (appointed 11 March 2020) Linny Marie Oliphant (appointed 12 December 2019) Venda Pollock Katarzyna Romanawska (appointed 11 March 2020) Jimmy Russell Derek Whitticase
Company registered number	SC411667
Charity registered number	SC044947
Registered office	100 High Street Dumfries DG1 2BJ
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Independant Advisors 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 2020

The Trustees present their annual report together with the audited financial statements of the company for the year from 1 April 2019 to 31 March 2020. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

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

The Stove Network is a membership organisation operating as a key regional hub for cultural and creative industries in Dumfries and Galloway - we do this through our premises on Dumfries High Street, an accessible public arts space, developing and delivering creative projects in partnership with other organisations from the creative sector and wider community. Our space is visited and used by a diverse mix of people and groups from across our local communities and we also host national and international arts groups and events. In 2019, we delivered more than 5 public events per week. More than 5,800 people directly participated in creating projects (up 1,000 since previous year) with a total audience of 14,200. Over 150 groups/organisations collaborated with us on projects.

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.

Achievements and performance

a. Main achievements of the company

Since 2012 we have raised £2.4m in public and private funding with nearly £1.6m of that coming from national rather than local sources.

This year we continue to show increasing financial self-reliance, our consultancy is bringing us an additional £34,365 in earned income, up 24% on the previous year. Funding from national sources has increased, including a two-year commitment from the Scottish Government's Investing in Communities fund (£55.6k).

For every £1 that the Council has granted us over the last 8 years, we have raised £8 from other sources.

In 2019-20, we issued 54 contracts to regional artists and freelancers for a total of £128,519.

There were 133 instances of volunteers working with us to deliver events and workshops, contributing more than 334 hours of their time. This continues to reflect our move from 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 2019-20 went down by a controlled 17.7% on the prior year to £499K (from £606K). 2018-19 was an exceptional year, due to two large public commissions.

Our costs are down by around 9.7% (£558K compared with £618K in 2018-19), due to the completion of two major projects from the previous year. This figure also reflects the steady maintenance in direct costs, despite a growing number of smaller projects.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

c. Review of activities

Activity this year represented a cyclical drop in income with the completion of projects that have been major revenue providers - Lochside Public Art and Town Centre Living Fund. The work of the Stove is to innovate and positively disrupt, meaning that the completion of these projects coincided with a shift in creative direction and which necessitates a period of investment in new areas of work and relationships with potential partners.

In 2019/20 The Stove Network began a shift away from a focus on town centre regeneration, towards a regional approach and a concentration on 'creative placemaking'. We consolidated our investment in Midsteeple Quarter, helping them to become established as an independent social enterprise which we could partner with on future projects.

In creative placemaking we began the 'Embers' project for 'Creative Placemaking in the South of Scotland' which built the foundations of working partnerships with South of Scotland Enterprise and Carnegie Trust. We also began working partnerships with Skills Development Scotland, Community Land Scotland, Historic Environment Scotland, Third Sector Dumfries and Galloway and National Theatre of Scotland. All of which were initially small pieces of work that have the potential to grow and intersect meaningfully with our new creative direction. We also began significant Equalities, Diversity and Inclusion work with the local D/deaf community and extended our learning with the LGBTQI community - access and inclusion work being a major part of our focus on Creative Placemaking.

d. Fundraising activities and income generation

We would like to take this opportunity to thank the following organisations who helped make 2019/20 one of the most productive years 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 Creative Futures L+L, Nithraid and Blueprint100.
- And our other funders during this period including National Lottery, Scottish Government, DTAS, Schiehallion, D&G Council's Events Growth Fund and Regional Arts Fund, Robertson Trust and D&G Leader.

Creative Scotland RFO funding is likely to continue at the same level for a fourth year (i.e. to March 2022). Using 2018 and 2019 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.

Future Developments

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 project development for our network and continuing working partnerships with the new initiatives when they are established.

Since April 2019, we secured a further £116,327 from public and private sources. Our four multi-year funders will continue to provide funding towards our core and revenue activities.

e. Investment policy and performance

In 2020, the Board established an Income & Strategy Subgroup to explore and deliver a Finance Strategy assessed by an appropriate set of financial measures in line with our Strategic Plan.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

f. Membership

We have 675 members – many of whom are very active and regularly mentor project staff or deliver projects and commissions themselves. We recently completed an in-depth Membership & Community survey which examined engagement and our performance against our objectives. Members contributed excellent critical feedback and innovative suggestions to better integrate members into Stove programmes and events.

Financial review

a. COVID-19

On 11th March 2020 the World Health Organisation declared Covid-19, a strain of the coronavirus, a world pandemic. Countries around the world, including the UK, have taken action to limit the loss of life as a result. This has resulted in many measures being implemented with the aim of restricting movements and to reduce people coming into contact with each other. With the closure of non-essential retail, leisure and hospitality businesses and other business 'working from home' this has resulted in a large reduction in economic activity and consequently loss of income for many businesses.

As a result, The Stove Network Group has adapted its operational activities to fall in line with current guidelines. The Stove team focused our activity on supporting the creative freelance sector in our region - whose livelihoods were devastated by the lockdown and ongoing implications of the pandemic. Our focus on support for the region's creative freelancers has, since April, brought in £80,000 of new investment, this coming from 'Supporting Communities Fund' and Community Land Scotland. This has manifested in three major projects:

1. #Homegrown - this was our initial Lockdown response providing small commissions for 18 local creatives and presenting a series of 'creative challenges' which helped in keeping cohesion within the creative community
2. Atlas Pandemica - 10 significant commissions of £3,500 (plus wider production budget) for local creatives to make responses to the pandemic working with local communities
3. Artists and Community Land Owners - 4 commissions averaging £3,500 (plus wider production budget and travel) for creatives to make responses to community buy-outs in communities around Scotland

As pandemic funds are restricted by nature, these projects have contributed very little to ongoing core costs, adding extra demands on The Stove team. Not a single Stove project has been cancelled due to Covid-19 - some have been postponed or reconfigured to comply with Covid regulations (e.g. Nithraid transformed into a 3 month online festival), but all are being delivered in some form.

While this instinct to 'look outwards' has come with some risk, the team and Board of Trustees believe that the organisation have emerged stronger, more resilient and ready for the new post Covid-19 reality. A positive but unintended consequence has been that it has set The Stove on a course of business transformation that we see might place us in a strong position as we move into the new post Covid-19 reality.

Due to the national lockdown, our community café was closed between March-August. We applied for and received a £25K Small Business Grant for our trading arm to safeguard our cafe staff and business. These funds are ring-fenced to protect the jobs of our 7 cafe staff, encourage reopening whilst takings are very low, refit the cafe with adaptations to ensure a safe working environment and general PPE kit. Our cafe staff were furloughed in March and reopened the cafe for takeaway on 12th August, and will continue on flexible furlough through the winter. Even with limited takings and a potential winter lockdown, the trading arm should be safeguarded from closure.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

b. Going Concern

The Trustees have considered the financial and operational impact on the Group and consider that COVID-19 is a non adjusting event as no amendments have been deemed necessary to the figures within the financial statements.

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.

c. Reserves policy

Whilst the charity holds only a small amount of unrestricted funds at the year end, the Trustees 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.

d. 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

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 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.

THE STOVE NETWORK LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

e. Pay policy for key management personnel

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

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.

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 . 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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

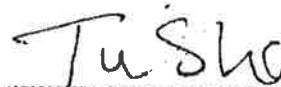
The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



Leslie Fitzpatrick
Chair of Trustees

Date: 5 February 2021



Tina Fiske
Vice Chair of Trustees

THE STOVE NETWORK LIMITED
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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 2020 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 2020 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 Companies Act 2006, 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
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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, 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 matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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

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.

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 under the Companies Act 2006 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. 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 Chapter 3 of Part 16 of the Companies Act 2006, and 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 Rae FCCA
Armstrong Watson Audit Limited
Chartered Accountants and Registered Auditors

Dumfries

Date: 12 February 2021

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

THE STOVE NETWORK LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	-	512	512	11,162
Charitable activities	5	135,610	182,983	318,593	367,944
Other trading activities	6	176,944	-	176,944	226,361
Investments	7	512	-	512	352
Other income	8	2,686	-	2,686	-
Total income		315,752	183,495	499,247	605,819
Expenditure on:					
Raising funds	9	119,488	-	119,488	110,662
Charitable activities	10	164,365	274,097	438,462	506,983
Total expenditure		283,853	274,097	557,950	617,645
Net income/(expenditure)		31,899	(90,602)	(58,703)	(11,826)
Transfers between funds	21	(49,115)	49,115	-	-
Net movement in funds		(17,216)	(41,487)	(58,703)	(11,826)
Reconciliation of funds:					
Total funds brought forward		82,135	122,619	204,754	216,580
Net movement in funds		(17,216)	(41,487)	(58,703)	(11,826)
Total funds carried forward		64,919	81,132	146,051	204,754

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

The notes on pages 18 to 41 form part of these financial statements.

THE STOVE NETWORK LIMITED
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REGISTERED NUMBER: SC411667


CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

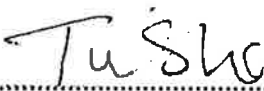
	Note	2020 £	2019 £
Charity funds			
Restricted funds	21	81,132	122,619
Unrestricted funds			
Designated funds	21	9,123	9,123
General funds	21	55,796	73,012
Total unrestricted funds	21	64,919	82,135
Total funds		146,051	204,754

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: 5 February 2021


Tina Fiske
Vice Chair of Trustees

The notes on pages 18 to 41 form part of these financial statements.

THE STOVE NETWORK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC411667

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	89,561	97,013
Investments	16	1	1
		<u>89,562</u>	<u>97,014</u>
Current assets			
Debtors	18	13,063	11,315
Cash at bank and in hand		77,049	128,688
		<u>90,112</u>	<u>140,003</u>
Creditors: amounts falling due within one year	19	(22,859)	(25,891)
Net current assets		<u>67,253</u>	<u>114,112</u>
Total assets less current liabilities		<u>156,815</u>	<u>211,126</u>
Net assets excluding pension asset		<u>156,815</u>	<u>211,126</u>
Total net assets		<u><u>156,815</u></u>	<u><u>211,126</u></u>

THE STOVE NETWORK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC411667


COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	21	82,205	122,619
Unrestricted funds			
Designated funds	21	9,123	9,123
General funds	21	65,487	79,384
Total unrestricted funds	21	74,610	88,507
Total funds		156,815	211,126

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: 5 February 2021


Tina Fiske
Vice Chair of Trustees

The notes on pages 18 to 41 form part of these financial statements.

THE STOVE NETWORK LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(56,081)	19,480
Cash flows from investing activities		
Dividends, interests and rents from investments	512	352
Proceeds from the sale of tangible fixed assets	-	600
Purchase of tangible fixed assets	(3,425)	(2,461)
Net cash used in investing activities	(2,913)	(1,509)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(58,994)	17,971
Cash and cash equivalents at the beginning of the year	134,695	116,724
Cash and cash equivalents at the end of the year	75,701	134,695

The notes on pages 18 to 41 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 2020

1. General information

The Stove Network Limited is a company limited by guarantee, registered in Scotland (Charity number SC411667). The principal address of the registered office is The Stove, 100 High Street, Dumfries, DG1 2BJ.

The currency utilised in the preparation of the financial statements is Pound Sterling.

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 Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group 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.

2.2 Going concern

On 11th March 2020, the World Health Organisation announced that the COVID-19 virus was a pandemic, which resulted in the UK Government enforcing lockdown measures on all businesses and individuals within the UK. The Board of Trustees have considered both the operational and financial implications, for a period of 12 months from the date of signing these financial statements, on the future cashflows of the Charity.

Despite the results for the year ended 31 March 2020 showing a deficit of £58,703, the impact of the pandemic only affected the final month of trading with the Cafe in the year. Since the year end date the Group has taken advantage of the UK Government schemes in place to assist with supporting business during enforced lockdown.

A detailed assessment of the impact of COVID-19 has been included in the Trustees Report. After reviewing forecasts and projections, the Trustees have reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The Charitable Company therefore continues to adopt the Going Concern basis in the preparation of the financial statements.

THE STOVE NETWORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 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.

2.4 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.

THE STOVE NETWORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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.

2.8 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.

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.

THE STOVE NETWORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.16 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.

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 2.8.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Creative Scotland	100,000	-	100,000
Dumfries and Galloway Council	10,938	43,861	54,799
Holywood Trust	6,930	61,848	68,778
Big Lottery Fund	10,039	89,980	100,019
Barbican Centre	-	2,240	2,240
Hunter Foundation	-	1,000	1,000
Robertson Trust	-	8,000	8,000
Tesco	-	2,000	2,000
Development Trust Association Scotland	700	9,300	10,000
DWP - Access to Work	-	5,511	5,511
SCVO - Community Jobs Scotland	-	15,597	15,597
<i>Total 2019</i>	<u>128,607</u>	<u>239,337</u>	<u>367,944</u>

6. Income from other trading activities

Income from fundraising events

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>	<i>Total funds 2019 £</i>
Fundraising	59,463	59,463	118,824

THE STOVE NETWORK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Rent receivable	5,569	5,569	2,582
Other income	2,728	2,728	2,075
Trading income	109,184	109,184	102,880
	<hr/> 117,481 <hr/>	<hr/> 117,481 <hr/>	<hr/> 107,537 <hr/>

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank interest received	508	508	348
Other interest receivable	4	4	4
	<hr/> 512 <hr/>	<hr/> 512 <hr/>	<hr/> 352 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Government Job Retention Scheme	1,036	1,036	-
Sponsorship	1,650	1,650	-
	<u>2,686</u>	<u>2,686</u>	<u>-</u>

9. Expenditure on raising funds

Trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Direct trading expenditure	37,439	37,439	35,824
Trading salaries	77,262	77,262	65,680
Trading administration expenditure	3,998	3,998	8,546
Trading depreciation	789	789	612
	<u>119,488</u>	<u>119,488</u>	<u>110,662</u>

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Art Programme	164,365	274,097	438,462

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Art Programme	143,039	363,944	506,983

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Art Programme	138,959	8,920	290,583	438,462

	<i>Staff costs 2019 £</i>	<i>Depreciation 2019 £</i>	<i>Other costs 2019 £</i>	<i>Total funds 2019 £</i>
Art Programme	119,290	9,631	378,062	506,983

11. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Art Programme	238,481	199,981	438,462

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Art Programme	312,546	194,437	506,983

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Art Programme 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	138,959	138,959	119,290
Depreciation	8,920	8,920	9,631
Events organiser	-	-	10,135
Printing, postage, and stationery	1,320	1,320	1,580
IT software and consumables	2,798	2,798	3,354
Staff training	2,886	2,886	932
Insurance	1,870	1,870	1,681
Light and heat	5,194	5,194	5,182
Marketing	10,642	10,642	9,840
Cleaning	4,827	4,827	4,097
Rates	4,537	4,537	5,845
Telephone and internet	1,606	1,606	1,662
Motor expenses	843	843	812
Auditors remuneration	14,057	14,057	15,870
Bank charges	90	90	90
Sundry	1,432	1,432	4,436
	<u>199,981</u>	<u>199,981</u>	<u>194,437</u>

12. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £8,729 (2019 - £8,475), and accountancy fees of £2,060 (2019 - £2,000).

13. Staff costs

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	195,413	176,180	126,333	114,429
Social security costs	17,515	7,302	10,529	3,897
Contribution to defined contribution pension schemes	3,293	1,488	2,097	964
	<u>216,221</u>	<u>184,970</u>	<u>138,959</u>	<u>119,290</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Staff costs (continued)

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

	Group 2020 No.	<i>Group 2019 No.</i>	Company 2020 No.	<i>Company 2019 No.</i>
Trading	10	10	-	-
General/management	3	3	3	3
Art programme	2	2	2	2
	<u>15</u>	<u>15</u>	<u>5</u>	<u>5</u>

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 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 £68,032 (2019 - £64,826).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

THE STOVE NETWORK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2019	71,977	4,995	63,519	-	140,491
Additions	-	-	2,312	1,113	3,425
At 31 March 2020	<u>71,977</u>	<u>4,995</u>	<u>65,831</u>	<u>1,113</u>	<u>143,916</u>
Depreciation					
At 1 April 2019	11,197	2,186	26,627	-	40,010
Charge for the year	2,879	702	5,819	309	9,709
At 31 March 2020	<u>14,076</u>	<u>2,888</u>	<u>32,446</u>	<u>309</u>	<u>49,719</u>
Net book value					
At 31 March 2020	<u>57,901</u>	<u>2,107</u>	<u>33,385</u>	<u>804</u>	<u>94,197</u>
At 31 March 2019	<u>60,780</u>	<u>2,809</u>	<u>36,892</u>	<u>-</u>	<u>100,481</u>

THE STOVE NETWORK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2019	71,977	4,995	58,280	-	135,252
Additions	-	-	355	1,113	1,468
At 31 March 2020	71,977	4,995	58,635	1,113	136,720
Depreciation					
At 1 April 2019	11,197	2,186	24,856	-	38,239
Charge for the year	2,879	702	5,030	309	8,920
At 31 March 2020	14,076	2,888	29,886	309	47,159
Net book value					
At 31 March 2020	57,901	2,107	28,749	804	89,561
At 31 March 2019	60,780	2,809	33,424	-	97,013

THE STOVE NETWORK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. 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:

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

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Stove Network (Trading) Limited	115,096	119,489	(4,393)	(10,764)

17. Stocks

	Group 2020 £	Group 2019 £
Finished goods and goods for resale	<u>1,147</u>	<u>1,063</u>

THE STOVE NETWORK LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	4,916	2,924	4,700	2,873
Amounts owed by group undertakings	-	-	8,113	8,113
Other debtors	796	329	250	329
Prepayments and accrued income	4,017	4,017	-	-
	9,729	7,270	13,063	11,315

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other taxation and social security	7,042	6,960	2,598	2,748
Other creditors	627	257	493	172
Accruals and deferred income	27,054	31,538	19,768	22,971
	34,723	38,755	22,859	25,891

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Deferred income at 1 April 2019	2,438	-	2,438	-
Resources deferred during the year	-	2,438	-	2,438
	2,438	2,438	2,438	2,438

Deferred income relates to receipt from the year ending 31 March 2019, this has been carried forward.

20. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through income and expenditure	75,701	134,695	77,049	128,688

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

THE STOVE NETWORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Art Workshop Fund	123	-	-	-	123
Lochside Public Art	9,000	-	-	-	9,000
	<u>9,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,123</u>
General funds					
General Funds - all funds	<u>73,012</u>	<u>315,752</u>	<u>(283,853)</u>	<u>(49,115)</u>	<u>55,796</u>
Total Unrestricted funds	<u>82,135</u>	<u>315,752</u>	<u>(283,853)</u>	<u>(49,115)</u>	<u>64,919</u>
Restricted funds					
Lochside public art	17,977	-	(9,126)	(7,400)	1,451
CT Retainer - Creative Scotland RFO	-	-	(15,500)	15,500	-
Word	1,725	10,770	(8,121)	1,175	5,549
Art Workshop Fund	504	-	(4,162)	2,835	(823)
Reel to Real Film Programme	158	167	(1,536)	150	(1,061)
Visual	2,897	3,197	(6,719)	-	(625)
Nithraid	1,863	16,125	(19,771)	2,113	330
Blueprint100	7,604	37,372	(39,833)	760	5,903
Creative Futures Lochside & Lincluden	73,102	65,177	(73,712)	(640)	63,927
Fountain	35	-	-	-	35
Midsteeples Quarter: Creative Industries	4,994	-	(4,382)	(612)	-
Midsteeples Quarter: Creative Producer	6,935	14,717	(26,219)	7,275	2,708
Midsteeples Quarter: Town Living	461	-	(10,000)	9,539	-
Other restricted funds	177	-	(170)	170	177
Food	2,215	2,500	(459)	-	4,256
Artworks Fellowship	751	600	(751)	-	600
Music	474	250	(341)	(300)	83
Project Manager	10	29,937	(28,746)	-	1,201
Project Support	737	1,000	(20,829)	16,513	(2,579)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Social media	-	1,683	(3,720)	2,037	-
	<u>122,619</u>	<u>183,495</u>	<u>(274,097)</u>	<u>49,115</u>	<u>81,132</u>
Total of funds	<u>204,754</u>	<u>499,247</u>	<u>(557,950)</u>	<u>-</u>	<u>146,051</u>

Statement of funds - prior year

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

Restricted funds

Lochside public art	-	-	(76,273)	94,250	17,977
CT Retainer - Creative Scotland RFO	4,157	-	(2,349)	(1,808)	-
Word	(22)	6,765	(7,467)	2,449	1,725
Art Workshop Fund	(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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2019 £</i>
CAFE	(1,904)	-	-	1,904	-
Fountain	785	-	(750)	-	35
Midsteeple Quarter: Creative Industries	(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>
Total of funds	<u>216,580</u>	<u>605,819</u>	<u>(617,645)</u>	<u>-</u>	<u>204,754</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	9,123	-	-	-	9,123
General funds	73,012	315,752	(283,853)	(49,115)	55,796
Restricted funds	122,619	183,495	(274,097)	49,115	81,132
	204,754	499,247	(557,950)	-	146,051

Summary of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
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
	216,580	605,819	(617,645)	-	204,754

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

22. Summary of funds (continued)

Designated Funds

Art Workshop 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.

Project Support

A production resource, these unrestricted funds pay the fees of both existing and new local event staff and cover their professional development, mentoring and training needs to help build capacity in the region.

Social Media

We use social media as a tool for socially-engaged practice - as a discursive medium to share ideas and engage our different communities in conversation about placemaking and civic society.

Restricted Funds

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

Artworks Fellowship

A professional development grant for one of our Curatorial Team to investigate Participatory Arts practice, in a rural context.

Blueprint 100

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 local people to 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.

Food

Our food activity strand explores sustainable food production/distribution and supported one of our local residents to grow Doughlicious, a regular monthly bread club - to share ideas, techniques, recipes and 'break bread' with like-minded people in the Stove Cafe.

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.

Midsteeples Quarter: Creative Producer / Creative Industries

Funded through the Holywood Trust and Creative Scotland, 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

22. Summary of funds (continued)

Midsteeples Quarter: Town Living

Funded through the Town Centre Living Fund, this was 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.

Music

A small project budget to help facilitate the Dumfries Music Conference.

Nithraid

An annual river festival 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. We fundraise to make this event free to enter for our community and programme Nithraid with other arts and community organisations locally to produce two weeks of high quality creative participation.

Project Manager

A 30-month position funded by National Lottery, to embed a project management framework in our organisation to support a "production engine" to deliver our activities and be a resource for other community organisations to realise their ideas.

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.

Visual

Exploring how projects and artists can interact with the Stove building and wider environments. Conversing Building considers all of the spaces in and around the Stove as potential locations for dialogue, activity and gathering, including the Stove café space, occasional exhibitions in Room 2, the stairwells and in-between spaces of the building, the closes and areas around the Stove, and the buildings main signboard – all of which are regularly changing spaces for art and activity.

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).

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	94,196	-	94,196
Current assets	3,008	83,570	86,578
Creditors due within one year	(32,285)	(2,438)	(34,723)
Total	64,919	81,132	146,051

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	100,481	-	100,481
Current assets	14,450	128,578	143,028
Creditors due within one year	(32,796)	(5,959)	(38,755)
Total	<u>82,135</u>	<u>122,619</u>	<u>204,754</u>

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

	Group 2020 £	<i>Group 2019 £</i>
Net expenditure for the period (as per Statement of Financial Activities)	(58,703)	(11,826)
Adjustments for:		
Depreciation charges	9,709	10,243
Dividends, interests and rents from investments	(512)	(352)
Loss on the sale of fixed assets	-	1,306
Increase in stocks	(84)	(563)
Increase in debtors	(2,459)	(4,009)
Increase/(decrease) in creditors	(4,032)	24,681
Net cash provided by/(used in) operating activities	<u>(56,081)</u>	<u>19,480</u>

25. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	75,701	134,695
Total cash and cash equivalents	<u>75,701</u>	<u>134,695</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

26. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	134,696	(58,995)	75,701
	<u>134,696</u>	<u>(58,995)</u>	<u>75,701</u>

27. 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 £2,097 (2019 - £964). £628 (2019 - £257) was payable to the fund at the balance sheet date and is included in creditors.

28. Related party transactions

The charity has a wholly owned subsidiary The Stove Network (Trading) Limited. At the balance sheet date there was an amount owing by The Stove Network (Trading) Limited to the Charity of £8,113 (2019 - £8,113). In addition to this loan, the company made a contribution towards refurbishment costs incurred by the The Stove Network (Trading) Limited of £2,144, this amount was non-repayable and was included within expenditure.

During the current year the charity paid £843 (2019 - £812) in relation to maintenance of a van registered in the name of a director.

29. COVID-19

On 11th March 2020 the World Health Organisation declared Covid-19, a strain of the coronavirus, a world pandemic. Countries around the world, including the UK, have taken action to limit the loss of life as a result. This has resulted in many measures being implemented with the aim of restricting movements and to reduce people coming into contact with each other. With the closure of non-essential retail, leisure and hospitality businesses and other business 'working from home' this has resulted in a large reduction in economic activity and consequently loss of income for many businesses.

As a result, The Stove Network Group has adapted its operational activities to fall in line with current guidelines however our Cafe was closed from March to August with all cafe staff furloughed; no trading income being received nor any direct costs being incurred. Charitable activities continued with projects being delivered via online methods and we have adapted well to the new environment.

The Trustees have considered the financial and operational impact on the Group and consider that COVID-19 is a non adjusting event as no amendments have been deemed necessary to the figures within the financial statements.

30. Controlling party

The Charity is under the control of the Board of Trustees.