

**THE STOVE NETWORK LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**31<sup>ST</sup> MARCH 2017**

**CARSON & TROTTER**

**CHARTERED ACCOUNTANTS**

**123 IRISH STREET**

**DUMFRIES**

**DG1 2PE**

**The Stove Network Limited**  
**Company limited by guarantee**

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**The Stove Network Limited**  
**Company limited by guarantee**

**Directors' report**  
**for the year ended 31st March 2017**

The trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31st March 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) published on 16th July 2014.

**Objectives and Activities**

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

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

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

The aims of the organisation are:

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

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

The key linking themes are that projects are:

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

**The Stove Network Limited**  
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**Directors' report**  
**for the year ended 31st March 2017**

**Achievements and performance**

Between 2011 and March 2017, we have raised £1,218,713 in private and public funding. 16% has been from D & G Council and 22% is from private regional sources. We have brought £893,114 into the region from national sources. The Stove Network has matched every £1 that Dumfries & Galloway Council has granted us, with over £5 from other sources.

As a result we are becoming increasing self-reliant in an economy that remains challenging nationally and locally. Between 2012-14, 75% of our public and private funding came from D & G. Between 2014-15, that figure was down to 29% and it now stands at 16%, demonstrating that we are becoming less reliant on local funds and grants and are attracting more money into the region with the added benefit of freeing up local money to build capacity elsewhere.

In 2016-17, we issued 47 contracts to regional artists and freelancers for a total of £104,950, with a further £14,142 for them to deliver small commissions and workshops. There were 149 instances of volunteers working with us to deliver events and workshops, contributing more than 572 hours of their time.

We are particularly proud of establishing the Lochside & Lincluden Creative Futures project, which embeds TSN directly into a Dumfries community setting, complementing our presence in the town centre. This project is funded for 3 years through the Big Lottery. This, together with the growing Midsteeple Quarter project, really begin to make visible the value of embedding creative practice in urban regeneration, which is after all our primary purpose.

**Plans for future periods**

Current funding applications amount to £347,953 covering:

- (i) Lochside Public Art £135,000;
- (ii) Midsteeple Quarter Project £158,965;
- (iii) Blueprint100 £41,700; and
- (iv) Stove Administrator £12,288.

In September 2016, we began running our cafe under our Trading Arm with the purpose of transferring all profit directly to the Charity and its charitable aims. The cafe is so far a success and we anticipate a contribution of some £15,000 towards our charitable aims in the year 2017-18. We will also continue to build up financial reserves, as above.

**Financial review**

The accounts show a net surplus for the year of £31,763, as opposed to a net surplus of £63,247 in the prior period. Total funds amounted to £154,034 at the year end, of which £44,564 are restricted funds, £75 are designated funds and £109,395 are unrestricted general funds.

*Risk management*

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

**The Stove Network Limited**  
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**Directors' report**  
**for the year ended 31st March 2017**

*Reserves policy*

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

**Structure, governance and management**

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

*Appointment and training*

The Stove Network Limited is governed by a Board of Directors who are appointed in terms of the Memorandum and Articles of Association, up to a maximum of 14. Where new directors are appointed they are given a formal induction to the work of the charity and provided with the information they need to fulfil their roles, which includes information about the role of the directors and charity law.

**Reference and administrative information**

*Directors*

The directors who have served the charity during the year and since the year end are as stated below:

Melissa Gunn	(Chair)	(resigned 30th October 2017)
Karen Donald	(Vice-Chair)	
Michael Bonaventura	(Treasurer)	
David Smith		(resigned 16th November 2016)
Magnus Smyth		(resigned 22nd February 2017)
Andrew Ward		(resigned 13th February 2017)
Venda Pollock		
Leah Black		(resigned 5th April 2016)
Fiona Smyth		(resigned 16th November 2016)
Scott McIver		(resigned 8th November 2016)
Tina Fiske		
Derek Whitticase		(appointed 16th November 2016)
Juliet Caird		(appointed 16th November 2016)
Morag Paterson		(appointed 16th November 2016)
Carole McCann		(appointed 16th November 2016)
Leslie A Fitzpatrick		(appointed 16th May 2017 & appointed Chair 30th October 2017)

*Company Secretary*

Ailsa Dickson

*Principal Office and Registered Office*

100 High Street, Dumfries, DG1 2BJ

*Company Number*

SC411667

**The Stove Network Limited**  
**Company limited by guarantee**

**Directors' report**  
**for the year ended 31st March 2017**

*Charity Number*  
SC044947

*Independent Examiner*

Mr R S Williamson, B.A., C.A.

Carson & Trotter, Chartered Accountants, 123 Irish Street, Dumfries, DG1 2PE

*Statement of trustees' responsibilities*

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

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

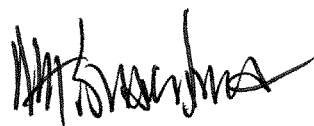
- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

**Small company exemptions**

This report has been prepared in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 14th November 2017 and signed on its behalf by



**Michael Bonaventura**  
**Director**

**Independent Examiner's Report to the Trustees of**  
**The Stove Network Limited**

I report on the accounts of the charity for the year ended 31st March 2017 which are set out on pages 6 to 22.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of the independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention

a. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with regulation 8 of the 2006 Accounts Regulations

have not been met, or

b. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*Roderick S Williamson BA C.A.*

**Mr R S Williamson, BA, C.A.**

**Messrs Carson & Trotter**

**Chartered Accountants**

**123 Irish Street**

**Dumfries**

**DG1 2PE**

**Date: 21st November 2017**

**The Stove Network Limited**  
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**Statement of financial activities (incorporating Income & Expenditure Account)**  
**for the year ended 31st March 2017**

		Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	Notes	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	5,966	3,200	9,166	3,424
Charitable activities	4	94,524	156,665	251,189	266,225
Other trading activities	5	7,984	1,566	9,550	2,502
Investments	6	161	-	161	290
<b>Total income</b>		<u>108,635</u>	<u>161,431</u>	<u>270,066</u>	<u>272,441</u>
<b>Expenditure on:</b>					
Raising funds	7	1,000	-	1,000	-
Charitable activities	8	127,068	110,235	237,303	209,194
<b>Total expenditure</b>		<u>128,068</u>	<u>110,235</u>	<u>238,303</u>	<u>209,194</u>
<b>Net income/(expenditure) for the year</b>	2	(19,433)	51,196	31,763	63,247
Transfers between funds	11	36,068	(36,068)	-	-
<b>Net movement in funds</b>		<u>16,635</u>	<u>15,128</u>	<u>31,763</u>	<u>63,247</u>
<b>Reconciliation of funds:</b>	16				
Total funds brought forward		92,835	29,436	122,271	59,024
Total funds carried forward		<u>109,470</u>	<u>44,564</u>	<u>154,034</u>	<u>122,271</u>

All income and expenditure derive from continuing activities.

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

The notes on pages to 9 - 22 form an integral part of these financial statements.

**The Stove Network Limited**  
**Company limited by guarantee**

**Statement of financial position**  
**as at 31st March 2017**

		2017		2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		100,178		92,623
Investments	13		1		1
			<u>100,179</u>		<u>92,624</u>
<b>Current assets</b>					
Debtors	14	10,160		148	
Cash at bank and in hand		49,409		34,414	
		<u>59,569</u>		<u>34,562</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(5,714)</u>		<u>(4,915)</u>	
<b>Net current assets</b>			<u>53,855</u>		<u>29,647</u>
<b>Total assets less current liabilities</b>			<u>154,034</u>		<u>122,271</u>
<b>Net assets</b>			<u>154,034</u>		<u>122,271</u>
<b>Funds of the charity:</b>					
Restricted funds			44,564		29,436
Unrestricted funds:					
Designated funds			75		-
General funds			109,395		92,835
<b>Total charity funds</b>	16		<u>154,034</u>		<u>122,271</u>

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

The notes on pages to 9 - 22 form an integral part of these financial statements.

**The Stove Network Limited**  
**Company limited by guarantee**

**Statement of financial position (continued)**

**Directors' statements required by Sections 475(2) and (3)**  
**for the year ended 31st March 2017**

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31st March 2017 ; and
- (c) that we acknowledge our responsibilities for:
  - (1) ensuring that the company keeps accounting records which comply with Section 386 ; and
  - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small companies and in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 14th November 2017, and are signed on its behalf by:



**Michael Bonaventura**  
**Director**

**Company registration number: SC411667**

**The notes on pages to 9 - 22 form an integral part of these financial statements.**

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

**1. Summary of significant accounting policies**

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

**1.1. General information and basis of preparation**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

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

The charity constitutes a public benefit entity as defined by FRS102. The financial statements are prepared

The charity has applied Update Bulletin 1 as published on 2nd February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

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

The charity adopted SORP (FRS102) in the current year and an explanation as to how transition has affected the financial position and performance is given in note 20.

**1.2. Fund accounting**

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

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

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

**1.3. Income recognition**

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

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

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

Investment income is recognised on a receivable basis.

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

**1.4. Expenditure recognition**

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

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

**1.5. Tangible fixed assets and depreciation**

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

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

Long leasehold property	-	Straight line over 25 years
Fixtures, fittings and equipment	-	15% reducing balance

**1.6. Investments**

Fixed asset investments comprise an investment in a subsidiary company which is stated at cost less provision for permanent diminution in value.

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

**1.7. Taxation**

The company has charitable status and is exempt from taxation.

**1.8. Group accounts**

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

**2. Net income/(expenditure) for the year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the year is stated after charging:		
Depreciation and other amounts written off tangible assets	8,967	7,921
Research and development		
- expenditure in current year	1,000	-
Independent examiner's fees	3,900	5,280
	<u>          </u>	<u>          </u>
and after crediting:		
Government grants	126,300	228,285
	<u>          </u>	<u>          </u>

**3. Income from donations and legacies**

	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and sponsorship	5,966	3,200	9,166	3,424
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Of the income from donations and legacies received in the previous year £3,074 was attributable to unrestricted funds and £350 was attributable to restricted funds.

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

**4. Income from charitable activities**

	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Grants received</b>				
Creative Scotland	50,000	10,000	60,000	179,055
Dumfries & Galloway Council	20,000	9,300	29,300	43,730
Hollywood Trust	-	28,446	28,446	25,750
University of Newcastle upon Tyne	-	-	-	1,400
Big Lottery Fund	-	38,370	38,370	-
Heritage Lottery Fund	-	35,640	35,640	-
Scottish Government	-	11,132	11,132	-
Film Hub Scotland	-	-	-	2,000
Paul Hamlyn Foundation	-	-	-	3,500
Robertson Trust	-	9,000	9,000	-
DTA Scotland	-	7,000	7,000	-
Tesco Groundwork	-	6,000	6,000	-
Network for Social Change	15,000	-	15,000	-
	<u>85,000</u>	<u>154,888</u>	<u>239,888</u>	<u>255,435</u>
<b>Other charitable income</b>				
Project development fees	9,524	1,777	11,301	10,790
	<u>94,524</u>	<u>156,665</u>	<u>251,189</u>	<u>266,225</u>
<b>Total income from charitable activities</b>				

Of the income from charitable activities received in the previous year £52,450 was attributable to unrestricted funds and £213,775 was attributable to restricted funds.

**5. Income from other trading activities**

	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
Rent receivable	5,260	-	5,260	2,277
Fundraising income	2,724	751	3,475	-
Ticket sales	-	815	815	225
	<u>7,984</u>	<u>1,566</u>	<u>9,550</u>	<u>2,502</u>
<b>Total income from other trading activities</b>				

Of the income from other trading activities received in the previous year £2,356 was attributable to unrestricted funds and £146 was attributable to restricted funds.

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

**6. Investment income**

	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
Bank interest received	161	-	161	290
	<u>161</u>	<u>-</u>	<u>161</u>	<u>290</u>

Income from investments was attributable to unrestricted funds in the previous year.

**7. Raising funds**

	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total £	2016 Total £
Fundraising costs	1,000	-	1,000	-
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

8. Charitable activities	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Direct costs</b>				
<b><i>Art Programme</i></b>				
Creative Communication Commission	-	-	-	2,000
Dumfries Music Conference	-	-	-	7,136
Documentation Fund	-	-	-	831
Guid Nychburris	-	-	-	928
Running on Empty	-	-	-	4,000
Major Residencies	-	-	-	2,940
Marketing Fund	-	-	-	1,964
Curatorial Team	14,375	-	14,375	-
Small Commissions	-	-	-	4,655
Stove Opening Event - Open House	-	-	-	4,491
ArtCOP	-	-	-	2,623
Activating Ideas	-	6,169	6,169	-
Bounce Back	-	500	500	-
Brave New Words - Switch On	-	-	-	583
Brave New Words	-	3,247	3,247	602
D-Lux	1,000	-	1,000	-
Electric Fields	2,750	-	2,750	-
Environmental Arts Festival Scotland	-	-	-	240
Cultural Wayfinding	-	32,111	32,111	4,228
Food	-	2,686	2,686	-
Reel to Real Film Programme	-	678	678	738
Making Dumfries	1,956	-	1,956	-
Members Programme	-	5,591	5,591	-
Inbetween Summit	-	-	-	6,029
Inbetween Residency	-	1,350	1,350	1,000
Nithraid	-	14,370	14,370	14,668
SW Picture Show	-	-	-	985
Art Slush Fund	1,720	-	1,720	103
Blueprint100	-	26,040	26,040	5,466
	<hr/> 21,801	<hr/> 92,742	<hr/> 114,543	<hr/> 66,210
<b><i>Creative Futures Lochside &amp; Lincluden</i></b>	-	9,206	9,206	-
<b><i>Capital Fund</i></b>	-	1,576	1,576	7,889
	<hr/> 21,801	<hr/> 103,524	<hr/> 125,325	<hr/> 74,099

**The Stove Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31st March 2017**

8. Charitable activities (continued)	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Support costs</b>				
Artists fees - curatorial team	-	-	-	13,188
Events Organiser	5,040	-	5,040	5,200
Wages and salaries	56,358	-	56,358	54,400
Employer's NI contributions	2,497	-	2,497	3,273
Staff training	-	100	100	450
Rates	2,036	-	2,036	1,271
Insurance	1,566	58	1,624	1,211
Light and heat	1,977	-	1,977	3,175
Cleaning	4,404	-	4,404	2,758
Repairs and maintenance	1,182	174	1,356	1,064
Printing, postage and stationery	1,525	2,818	4,343	3,865
Marketing and Press/PR	10,580	353	10,933	6,930
Telephone and internet	1,651	33	1,684	1,053
Travel and accommodation	629	59	688	1,186
Hospitality	318	521	839	189
Management and professional fees	908	2,300	3,208	5,554
Accountancy	-	-	-	240
Bank charges	110	-	110	90
General expenses	645	295	940	5,667
Young stove	-	-	-	6,592
Materials and equipment	-	-	-	492
Depreciation	8,967	-	8,967	7,921
	<u>100,393</u>	<u>6,711</u>	<u>107,104</u>	<u>125,769</u>
<b>Governance costs</b>				
Legal fees	-	-	-	3,638
Independent examiner's fees	3,900	-	3,900	5,280
Accountancy fees	766	-	766	408
Board expenses	195	-	195	-
Companies House fee	13	-	13	-
	<u>4,874</u>	<u>-</u>	<u>4,874</u>	<u>9,326</u>
<b>Total charitable activities</b>	<u>127,068</u>	<u>110,235</u>	<u>237,303</u>	<u>209,194</u>

Of the expenditure on charitable activities in the previous year £102,122 was attributable to unrestricted funds and £107,072 was attributable to restricted funds.

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**9. Staff costs**

Total staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	59,236	54,400
Social security costs	2,678	3,273
	<u>61,914</u>	<u>57,673</u>

Numbers of employees:

The average monthly number of employees during the year was as follows:-

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Employees	<u>2</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year (2016 - Nil).

**10. Trustees' remuneration**

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2016 - £nil). One of the trustees, Melissa Gunn, was reimbursed for travel costs relating the Blueprint100 project of £50 (2016 - Melissa Gunn received reimbursement for direct costs relating to the Dumfries Music Conference project of £150, which was paid two months prior to her being appointed as a trustee).

**11. Transfers between funds**

Overall a sum of £36,068 has been transferred from restricted funds to unrestricted funds. This sum is made up of various transfers, in part being the unspent balance on restricted funds that can now be transferred to unrestricted funds, partly a transfer reflecting the cost of fixed assets purchased using restricted funds and the remainder representing the fact that funds were provided to cover specific core costs. In respect of the latter, the actual expenses are shown under unrestricted funds and a transfer is made from restricted to unrestricted funds to demonstrate the fact that the fund has been utilised.

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12. Tangible fixed assets	Long leasehold property £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1st April 2016	65,096	37,410	102,506
Additions	5,785	10,737	16,522
At 31st March 2017	70,881	48,147	119,028
<b>Depreciation</b>			
At 1st April 2016	2,604	7,279	9,883
Charge for the year	2,835	6,132	8,967
At 31st March 2017	5,439	13,411	18,850
<b>Net book values</b>			
At 31st March 2017	65,442	34,736	100,178
At 31st March 2016	62,492	30,131	92,623

13. Fixed asset investments	Subsidiary undertakings shares £	Total £
<b>Cost</b>		
At 1st April 2016		
At 31st March 2017	1	1
<b>Net book values</b>		
At 31st March 2017	1	1
At 31st March 2016	1	1

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**13.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Nature of business</b>	<b>Shares held class</b>	<b>Proportion of shares held</b>
<b>Subsidiary undertaking</b>				
The Stove Network (Trading) Limited	Scotland	Trading	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<b>Capital and reserves</b>	<b>Profit for the year</b>
	<b>£</b>	<b>£</b>
The Stove Network (Trading) Limited	1	3,111

**14. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	10,012	-
Other debtors	148	148
	<u>10,160</u>	<u>148</u>

**15. Creditors: amounts falling due  
within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other taxes and social security costs	1,917	1,375
Accruals and deferred income	3,797	3,540
	<u>5,714</u>	<u>4,915</u>

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**Notes to the financial statements**  
**for the year ended 31st March 2017**

**16. Statement of funds**

	Balance at 1st December 2016 £	Income £	Expenditure £	Transfers £	Balance at 31st March 2017 £
<b>Restricted funds:</b>					
<i><b>Art Programme</b></i>					
Activating Ideas	-	11,132	(6,169)	(2,025)	2,938
Bounce Back	-	7,000	(500)	(500)	6,000
Brave New Words	665	4,203	(3,247)	(490)	1,131
Cultural Wayfinding	222	35,640	(32,111)	(4,350)	(599)
Food	-	5,710	(2,686)	(3,024)	-
Reel to Real Film Programme	1,408	469	(678)	(910)	289
Members Programme	-	4,800	(5,591)	203	(588)
InBetween Residency	1,050	-	(1,350)	300	-
Nithraid	-	14,386	(14,370)	500	516
<i><b>Blueprint100</b></i>	11,269	23,721	(26,040)	(4,311)	4,639
<i><b>Creative Futures Lochside &amp; Lincluden</b></i>	-	38,370	(9,206)	(6,325)	22,839
<i><b>Capital Fund</b></i>	16,716	6,000	(1,576)	(13,741)	7,399
<i><b>Sustainable Development Fund</b></i>	(1,894)	10,000	(6,711)	(1,395)	-
<b>Total restricted funds</b>	<u>29,436</u>	<u>161,431</u>	<u>(110,235)</u>	<u>(36,068)</u>	<u>44,564</u>
<b>Unrestricted funds:</b>					
<i><b>Designated funds</b></i>					
Art Slush Fund	-	1,520	(1,720)	275	75
Curatorial Team	-	-	(14,375)	14,375	-
D-Lux	-	1,300	(1,000)	(300)	-
Electric Fields	-	3,125	(2,750)	(375)	-
Making Dumfries	-	2,350	(1,956)	(394)	-
	-	8,295	(21,801)	13,581	75
<i><b>Unrestricted general funds</b></i>	<u>92,835</u>	<u>100,340</u>	<u>(106,267)</u>	<u>22,487</u>	<u>109,395</u>
	<u>92,835</u>	<u>108,635</u>	<u>(128,068)</u>	<u>36,068</u>	<u>109,470</u>
<b>Total funds</b>	<u>122,271</u>	<u>270,066</u>	<u>(238,303)</u>	<u>-</u>	<u>154,034</u>

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**16. Statement of funds (continued)**

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

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

**Art Slush Fund**

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

**Curatorial Team**

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.

**D-Lux**

This was a private commission during the D-Lux Festival. 'Midnight Streetlight Smalltown Rain' was an interactive installation combining poetry, projection and film.

**Electric Fields**

A private commission to provide all handpainted signage for the music festival.

**Making Dumfries**

A long-term project to shape a grassroots vision for the town centre of Dumfries, including two community engagement events.

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 goal of the Midsteeple Quarter project is to see the high street re-energised and repopulated, contributing inclusively to the local community and economy. We invited architectural concepts for the Midsteeple Quarter of Dumfries High Street from professional individuals and practices, to envisage an innovative new approach to town centre living and being.

**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.

**Brave New Words**

A spoken word programme, supporting local people to tell their stories and gain confidence and experience in contributing to wider conversations through teaching, workshops, outreach work and platforms for presenting their work.

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**Notes to the financial statements**  
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**16. Statement of funds (continued)**

**Cultural Wayfinding**

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

**Food**

Using the public café at The Stove building as an educational resource about growing, preparing and sharing food through workshops, outreach work and pop-up events/demonstrations.

**Reel to Real Film Programme**

A film strand, focusing on utilising film as a platform for discussion, active citizenship and community engagement.

**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. Further funding is due which will cover the deficit on this fund at the year end.

**Inbetween Residency**

PRESENCE is a research-led response to some of the questions that arose during the Art\_Inbetween Summit held at The Stove Network earlier in 2016, exploring effective partnerships between higher education and rurally based participative arts organisations.

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

**Capital Fund**

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

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**Notes to the financial statements**  
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**16. Statement of funds (continued)**

**Sustainable Development Fund**

To support our establishment as a professional organisation, particularly in the areas of business development, membership and audience development, and marketing. The development of the building as a creative hub, engagement with local organisations and the local community as well as administrative systems, research on future collaborations, partnership working and a structured mentoring and training programme. This fund is now closed.

**17. Analysis of net assets in funds**

	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Restricted funds	-	44,564	44,564
Unrestricted - designated funds	-	75	75
Unrestricted - general funds	100,179	9,216	109,395
Total funds	<u>100,179</u>	<u>53,855</u>	<u>154,034</u>

**18. Related party transactions**

During the year £501 was paid to The Stove Network (Trading) Limited, a subsidiary company, for catering events and projects carried out on their behalf. The company also paid for business expenses relating to The Stove Network (Trading) Limited, totalling £5,022. At the year end a donation was agreed to be received from The Stove Network (Trading) Limited totalling £4,990. Both amounts were due to be paid by the subsidiary company at the year end totalling £10,012.

**19. Controlling interest**

The company is under the control of the members.

**20. Transition to FRS102**

These are the first financial statements that comply with FRS102. The charity transitioned to FRS102 on 1st April 2015.

The effect of transition from SORP (2015 FRSE) to SORP (FRS102) is outlined below.

**Reconciliation of total charity funds**

No transitional adjustments were required.

**Reconciliation of comparative year net income/expenditure**

No transitional adjustments were required.