

Charity Registration No. 1147318

Company Registration No. 02063893 (England and Wales)

SOFT TOUCH ARTS LIMITED

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT
AND ACCOUNTS**

**FOR THE YEAR ENDED
31 MARCH 2013**

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

SK Norman
VJ Attwood
CC Wigmore
G Brigden
TJ Burke
D E Francis
V Manship
J Crofton
H Pearson
D Steadman
K Hudson

Secretary

D E Francis

Charity number

1147318

Company number

02063893

Principal address

120A Hartopp Road
Leicester
LE2 1WF

Registered office

120A Hartopp Road
Leicester
LE2 1WF

Auditors

Newby Castleman
110 Regent Road
Leicester
LE1 7LT

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT FOR THE YEAR END 31 MARCH 2013

Structure, governance and management

Soft Touch Arts Ltd is a company limited by guarantee and is a charity registered with the Charity Commission.

The trustees who are also the Directors for the year were:

Christina Wigmore*
Helen Pearson*
Joseph Crofton*
Vincent Attwood*
Sally Norman*
Dorothy Francis – Company Secretary
Gill Brigden - Chair
Timothy Burke – Vice Chair
Val Manship
Kevin Hudson - Treasurer
Denise Steadman

Directors marked with an asterisk are salaried and the rest are voluntary. These salaried directors deliver projects as well as operating as the Charity's executive directors.

Voluntary Directors are appointed in accordance with the Company's Articles of Association and are chosen to bring in the knowledge, skills and experience needed to meet the charity's requirements.

The Articles of Association lay out the required quota of salaried and voluntary directors at any one meeting of the Board.

At each AGM the board elects a Chair, Vice-Chair, Company Secretary and Treasurer from amongst the voluntary members.

Objectives and activities

The Charity's objects are as follows:

1. To advance the education of the public in the appreciation and practice of the arts.
2. To relieve the needs of those who are most disadvantaged in society by way of social and economic deprivation, mental and physical disability and vulnerable physical circumstance, such as being in care or homeless, through participation in the arts, in particular but not exclusively through the creation of music, film and video, multimedia installations, sculpture, drama and graphic designs with the aim of improving their quality of life.
3. To advance education, learning and personal development for the public benefit in particular but not limited to promoting the development of skills and aptitudes (such as creative expression, self-confidence, group working and communication) through participation in the arts in all their forms.
4. To advance in life and help young people through:
 - The provision of arts and media activities provided in the interest of social welfare, designed to improve their conditions of life;
 - Providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
5. To help young people, especially but not exclusively through arts, to develop their capabilities so that they grow to full maturity as individuals and members of society.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT FOR THE YEAR END 31 MARCH 2013

6. To act as a resource for young people by providing advice and assistance and organising programmes of physical, educational and other activities as means of:
 - Advancing in life and helping young people;
 - Advancing education;
 - Relieving unemployment; and
 - Providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. And to carry out all other such work incidental to the above objects of the Charity for charitable purposes for the general benefit of the inhabitants of Leicester, Leicestershire and occasionally in other areas of the UK to share good practice or replicated models of delivery.

The Board has adopted a three-year strategic plan, which states that the company ethos is "to operate as an effective and sustainable charity, working collectively to improve the lives of young people with limited opportunities. We do this by using creativity to help them grow in confidence, express their ideas, and support their personal development and progression".

Our strategic aims for 2013-16 are to:

- Place the empowerment of individuals and communities at the core of our business, using the arts to address local needs and support people to reach their full potential and achieve positive life outcomes;
- Improve awareness about the impact of our work locally, regionally, nationally and internationally;
- Deliver high quality participatory creative experiences with excellent resources to put arts and culture at the centre of young people's lives;
- Involve young people in the design and delivery of our activities and develop their creative leadership and enterprise skills.
- Shortly after the year end we signed the contract to purchase 50 New Walk, a new building which will open up an exciting range of future possibilities and opportunities.

Our key business goals for 2013-16 are to:

1. Secure the income to refurbish 50 New Walk as Leicester's first youth arts and heritage centre;
2. Continue to run our existing successful activities and launch new creative and enterprise programmes;
3. Raise the public profile of Soft Touch as a charity which makes a difference to disadvantaged young people's lives;
4. Make the organisation more effective by building stronger links to the business world and involving volunteers who can support young people with leadership and enterprise skills.

Risk Management

The Trustees have conducted a review of the major risks to which the Charity is exposed and where appropriate systems or procedures have been established to mitigate these risks.

Systems of internal control have been put in place to safeguard the Charity's assets and procedures are in place to ensure compliance with health and safety of staff, volunteers and clients.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT FOR THE YEAR END 31 MARCH 2013

The Trustees consider the more specific risks to be as follows:

- Capital project – once the refurbishment works begin, managing the project will require a large input from the working directors and the physical move will mean a big upheaval for the organisation as a whole. All of this will be taking place at the same time as running a full programme of delivery.
- Long term revenue funding – Our longest term programme of work is the five-year Lottery funded BIG-UP New Parks programme. We are aware that we need to revise our fundraising strategy with a view to looking ahead to longer term programmes which will operate from the new premises.

In view of the above, early in 2013/14 the Board is planning to carry out a detailed risk assessment and produce a risk management plan for the capital project and will also produce a detailed and timetabled long-term fundraising strategy.

Equality and diversity

Soft Touch Arts is committed to promoting, valuing and managing equality and diversity in all aspects of its work.

We do not tolerate discrimination on the basis of age, disability, gender, race, religion or belief, sexual orientation or any other form of discrimination

In order to ensure that equality and diversity is embedded at every level of operation and service delivery, and that all relevant legislation is complied with, in November 2012 Soft Touch Arts reviewed and revised its Equality and Diversity Policy and the action plan which lays out how, by whom and when the policy will be implemented.

The Equality and Diversity Policy aims to ensure that the people who work for and with Soft Touch are fully representative of the local population. As an organisation that works primarily with young people, Soft Touch aims to involve young people in the development and delivery of our programme of work.

We have nominated one worker director and one voluntary director to be responsible for designing a programme of action, in consultation with staff and the other directors, to implement this policy.

The voluntary directors (management board) are involved in the process of ensuring that the Policy and associated Action Plan are appropriate, relevant and current. One nominated worker director and one nominated voluntary director carry out a review during 2013/14. Stakeholders are also regularly consulted, as a part of our social impact reporting process.

Highlights of the year

2012-13 saw a return to a full programme of work and exciting steps forward, following a year of uncertainty in 2011-12 (due to the recession and cut-backs and redundancies amongst commissioning organisations).

Shortly after the year end we signed the contract to purchase 50 New Walk, a new building which will open up an exciting range of future possibilities and opportunities. The process took almost two years to reach this stage and fundraising to refurbish the building is now underway with a planned move in summer 2014.

A successful application for three years of funding from the Arts Council Catalyst Programme has meant that the Strategic Business Director, Christina Wigmore, has been able to concentrate on developing links with the business community with the ultimate aim of diversifying the income streams for the Charity. Links forged have led onto other benefits, particularly in providing some of our participants with mentoring and work experience opportunities.

Under the mission statement of 'creating brighter futures for young people' Soft Touch ran 40 programmes and projects over the year ranging from two, three and five-year programmes to one or two day events.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT FOR THE YEAR END 31 MARCH 2013

A crucial element underpinning the successful development and delivery of these programmes and projects is the continued Arts Council National Portfolio funding which provided £88,000 in revenue support during 2012/13. Our Arts Council annual review characterised Soft Touch as a 'low risk' organisation which is "professional, pro-active, forward thinking and ambitious".

The National Lottery funded BIG-UP programme in New Parks, Leicester, which started in 2011, got fully underway in 2012-13. The full programme has projects working with young people to provide positive activities that divert them away from anti-social behaviour and crime; tackle bullying; increase health and well-being; improve skills and confidence; provide opportunities to perform and exhibit work; and provide opportunities to contribute to the community through volunteering. Projects for adults develop confidence, skills and capacity and also provide volunteering opportunities. In year one (August 2011-July 2012) Soft Touch worked with 454 New Parks residents through this programme.

Fundraising

Successful funding applications have been made to a wide range of trusts and foundations and the National Lottery, which together with fees and commissions have funded the programme of activities. These have been supplemented by fundraising activities and corporate/public donations, an area that the Strategic Business Director is working on expanding.

Financial review

Incoming resources increased this year totalling £470,311 which is an increase of £136,452 compared with the previous year. Overall expenses were £403,415 which is an increase of £5,591.

Cash balances at the end of the year were £122,935.

Reserves

Restricted reserves stood at £164,214 at the end of the year. The policy of holding three months of unrestricted reserves is a current work in progress which the new fundraising plan will be aiming to contribute towards.

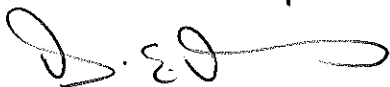
Plans for the future

Plans for the future revolve around the new opportunities presented by re-locating to 50 New Walk. Its central and visible location will mean a higher profile for the Charity and easier access for young people from all parts of the city and county. Space for exhibitions and performances, a training kitchen, outdoor space and a garden will present new possibilities for work with young people.

Auditors

A resolution to reappoint Newby Castleman as our auditors will be put to Board members at the forthcoming Annual General Meeting.

On behalf of the board of trustees



D E Francis
Trustee

Dated: 05.12.13

**SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees, who are also the directors of Soft Touch Arts Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

**SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT**

TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED

We have audited the accounts of Soft Touch Arts Limited for the year ended 31 March 2013 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Soft Touch Arts Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its 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.

**SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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



**Paul Barnett FCCA (Senior Statutory Auditor)
for and on behalf of Newby Castleman**

Dated: 6 December 2013

Chartered Accountants
Statutory Auditor
110 Regent Road
Leicester
LE1 7LT

Newby Castleman is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 (As Restated) £
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	1,000	65	1,065	300
Investment income	3	1,374	-	1,374	445
		<u>2,374</u>	<u>65</u>	<u>2,439</u>	<u>745</u>
Incoming resources from charitable activities	4	161,399	306,473	467,872	333,114
Total incoming resources		<u>163,773</u>	<u>306,538</u>	<u>470,311</u>	<u>333,859</u>
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating donations and legacies	5	24,322	-	24,322	24,007
Charitable activities					
Cost of Arts Activities		62,824	231,223	294,047	292,500
Governance costs		85,046	-	85,046	81,317
Total resources expended		<u>172,192</u>	<u>231,223</u>	<u>403,415</u>	<u>397,824</u>
Net (expenditure)/income for the year/ Net movement in funds		<u>(8,419)</u>	<u>75,315</u>	<u>66,896</u>	<u>(63,965)</u>
Fund balances at 1 April 2012		<u>95,605</u>	<u>88,899</u>	<u>184,504</u>	<u>248,469</u>
Fund balances at 31 March 2013		<u>87,186</u>	<u>164,214</u>	<u>251,400</u>	<u>184,504</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	2013		2012 (As Restated)	
		£	£	£	£
Fixed assets					
Tangible assets	11		82,184		92,982
Current assets					
Debtors	12	68,239		16,822	
Cash at bank and in hand		122,935		94,296	
			191,174		111,118
Creditors: amounts falling due within one year	13	(21,958)		(19,596)	
Net current assets			169,216		91,522
Total assets less current liabilities			251,400		184,504
Income funds					
Restricted funds	15		164,214		88,899
Unrestricted funds			87,186		95,605
			251,400		184,504

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2013, although an audit has been carried out under section 145 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

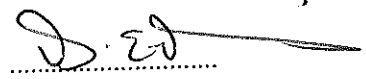
The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET (CONTINUED)**

AS AT 31 MARCH 2013

The accounts were approved by the Board on 11.11.13



.....
D E Francis
Trustee

Company Registration No. 02063893

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Changes in accounting policies

Prior Year Adjustment

On 18 May 2012 the company became a registered charity (Charity Commission Registration Number 1147318). The accounts therefore have been prepared in accordance with the SORP issued by the Charity Commission in March 2005. Adoption of the SORP has obliged the Charity to revise certain accounting policies, changes to which have resulted in the following prior year adjustments.

Where appropriate; comparatives have been adjusted so that they are consistent with the current year's presentation. Subject to the following prior year adjustments there were no other adjustments to the reported result for 2012.

Balances held for the individual funds were previously treated as deferred income and reflected in creditors. These balances are now disclosed as restricted reserves and movements on restricted reserves are disclosed through the Statement of Financial Activities. This has given rise to a prior year adjustment and the corresponding amounts have been amended accordingly. The effect on the opening reserves is to increase restricted reserves and reduce creditors by £25,804.

Capital grants received were previously treated as deferred income and amortised to match the depreciation of the fixed asset. From this year capital grants are accounted for in full in the Statement of Financial Activities when received and treated as a restricted fund against which the relevant proportion of depreciation will be charged. This change in policy has given rise to a prior year adjustment and the corresponding amounts have been amended accordingly. The effect on the opening reserves is to increase restricted reserves and reduce creditors by £63,094.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

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. No amounts are included in the financial statements for services donated by volunteers.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

(continued)

1 Accounting Policies

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation must only be used in future accounting periods; or
The donor has imposed conditions which must be met before the Charity has unconditional entitlement.
Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support care activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

1.4 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is included in the Statement of Financial Activities gross of value added tax, except where it can be reclaimed under the partial exemption rules.

Costs of arts activities are those costs incurred in providing the various activities required in order for the charity to achieve its objectives. Governance costs are those costs incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

Charitable expenditure is that which is incurred in furtherance of the charity's objectives. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings

Fixtures, fittings & equipment

Motor vehicles

Straight line over 20 years

10% per annum of net book value, straight line over 7 years
& straight line over 3 years

20% per annum of net book value

1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting Policies

(continued)

1.7 Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

A deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.8 Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. 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.

1.9 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim 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.

1.10 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Donations and gifts	1,000	65	1,065	300

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

3 Investment income

	2013 £	2012 £
Rental income	1,150	-
Interest receivable	224	445
	<u>1,374</u>	<u>445</u>

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Cost of Arts Activities	<u>161,399</u>	<u>306,473</u>	<u>467,872</u>	<u>333,114</u>

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
Costs of generating funds					
Costs of generating donations and legacies	24,322	-	-	24,322	24,007
Charitable activities					
<u>Cost of Arts Activities</u>					
Activities undertaken directly	134,537	-	122,950	257,487	255,314
Support costs	21,964	14,596	-	36,560	37,186
Total	<u>156,501</u>	<u>14,596</u>	<u>122,950</u>	<u>294,047</u>	<u>292,500</u>
Governance costs	<u>78,546</u>	<u>-</u>	<u>6,500</u>	<u>85,046</u>	<u>81,317</u>
	<u>259,369</u>	<u>14,596</u>	<u>129,450</u>	<u>403,415</u>	<u>397,824</u>

Governance costs includes payments to the auditors of £6,500 (2012: £4,250) for audit fees.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

6 Activities undertaken directly

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Other costs relating to cost of arts activities comprise:				
Project costs	8,374	31,503	39,877	37,090
Premises costs	18,887	4,272	23,159	27,153
Motor and transport	8,373	4,452	12,825	10,494
Printing, postage and stationary	3,046	1,301	4,347	5,032
Computer costs	2,123	1,058	3,181	2,365
Telephone	703	659	1,362	1,299
Legal and professional	3,926	26,010	29,936	8,330
Sundry	2,445	400	2,845	6,509
Other costs	4,281	1,137	5,418	36,961
	<u>52,159</u>	<u>70,792</u>	<u>122,950</u>	<u>135,233</u>

7 Support costs

	2013 £	2012 £
Staff costs	21,964	20,290
Depreciation	14,596	16,896
	<u>36,560</u>	<u>37,186</u>

8 Trustees

Five of the trustees received remuneration during the year amounting to £142,416 (2012 - £135,698). These directors are heavily involved in the day to day running of the charity and its projects. Two of them were reimbursed a total of £197 travelling expenses (2012: Two were reimbursed £136).

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2013	2012
	Number	Number
Directors	5	5
Project Workers	5	5
Administrative	2	2
Sessional Workers	5	5
	<u>17</u>	<u>17</u>

Employment costs

	2013	2012
	£	£
Wages and salaries	233,588	217,163
Social security costs	19,192	19,009
Other pension costs	6,589	7,302
	<u>259,369</u>	<u>243,474</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Taxation

The company is a Registered Charity and no provision is considered necessary for taxation.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2012	63,041	166,799	35,799	265,639
Additions	-	3,799	-	3,799
At 31 March 2013	63,041	170,598	35,799	269,438
Depreciation				
At 1 April 2012	20,167	130,214	22,277	172,658
Charge for the year	3,152	8,728	2,716	14,596
At 31 March 2013	23,319	138,942	24,993	187,254
Net book value				
At 31 March 2013	39,722	31,656	10,806	82,184
At 31 March 2012	42,874	36,586	13,522	92,982

12 Debtors	2013	2012
	£	£
Trade debtors	27,803	4,955
Other debtors	38,990	-
Prepayments and accrued income	1,446	11,867
	68,239	16,822

Other debtors consists of £38,990 paid in respect of a deposit for new premises.

13 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	2,899	6,275
Taxes and social security costs	11,468	6,927
Other creditors	-	530
Accruals	7,591	5,864
	21,958	19,596

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2013 are represented by:			
Tangible fixed assets	30,242	51,942	82,184
Current assets	78,902	112,272	191,174
Creditors: amounts falling due within one year	(21,958)	-	(21,958)
	<u>87,186</u>	<u>164,214</u>	<u>251,400</u>