

Company Registration No. 2063893 (England and Wales)

SOFT TOUCH ARTS LIMITED

(A COMPANY LIMITED BY GUARANTEE)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2012**

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

Directors

SK Norman
VJ Attwood
CC Wigmore
G Brigdon
TJ Burke
D E Francis
V Manship
J Crofton
H Pearson
D Steadman (Appointed 2 November 2011)
K Hudson (Appointed 9 May 2011)

Secretary

D E Francis

Company number

2063893

Registered office

120A Hartopp Road
Leicester
LE2 1WF

Auditors

Newby Castleman
West Walk Building
110 Regent Road
Leicester
LE1 7LT

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012.

Principal activities

The principal activity of the company is that it uses the arts to offer people with limited opportunities the chance to work together to effect positive change for themselves and their communities.

Directors

The following directors have held office since 1 April 2011:

SK Norman	
VJ Attwood	
CC Wigmore	
G Brigdon	
TJ Burke	
D E Francis	
V Manship	
J Crofton	
H Pearson	
M Mohammed	(Resigned 2 November 2011)
A Hallett	(Resigned 23 May 2011)
D Steadman	(Appointed 2 November 2011)
K Hudson	(Appointed 9 May 2011)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company 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)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

D E Francis
Director

25 September 2012

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

TO THE MEMBERS OF SOFT TOUCH ARTS LIMITED

We have audited the financial statements of Soft Touch Arts Limited for the year ended 31 March 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS 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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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

26 September 2012

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
Turnover		334,790	512,386
Administrative expenses		(366,927)	(491,529)
Operating (loss)/profit	2	(32,137)	20,857
Other interest receivable and similar income		445	185
Interest payable and similar charges		(33)	(293)
(Loss)/profit on ordinary activities before taxation		(31,725)	20,749
Tax on (loss)/profit on ordinary activities	3	(39)	-
(Loss)/profit for the year	9	(31,764)	20,749

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	4		92,982		107,033
Current assets					
Debtors	5	16,822		38,020	
Cash at bank and in hand		94,296		126,245	
			111,118	164,265	
Creditors: amounts falling due within one year	6	(56,940)		(82,502)	
Net current assets			54,178		81,763
Total assets less current liabilities			147,160		188,796
Creditors: amounts falling due after more than one year	7		(51,554)		(61,425)
			95,606		127,371
Accumulated Reserves					
Profit and loss account	9		95,606		127,371
			95,606		127,371

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 25 September 2012

D E Francis
Director

Company Registration No. 2063893

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents grants receivable and the amount derived from the provision of goods and services which fall within the company's ordinary activities.

1.4 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	Straight line over 20 years
Hyped project equipment	Straight line over 5 years
Fixtures, fittings & equipment	10% per annum of net book value, straight line over 7 years & straight line over 3 years
Motor vehicles	20% per annum of net book value

1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.6 Grants receivable

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

2 Operating (loss)/profit	2012	2011
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	16,896	14,521
Auditors' remuneration	4,250	4,250
Directors' emoluments	140,467	140,156
and after crediting:		
Grants receivable	(290,230)	(412,029)
	<u> </u>	<u> </u>

Deferred grants of £88,899 (2011 - £117,573) will be included in future years' profit and loss.

Directors' emoluments includes pension costs.

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2011- 4).

3 Taxation	2012	2011
	£	£
Current tax		
Adjustment for prior years	39	-
	<u> </u>	<u> </u>
Total current tax	<u> </u>	<u> </u>

HM Revenue and Customs have acknowledged that the company is a non profit making organisation.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

4 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2011	63,041	163,955	35,799	262,795
Additions	-	3,369	-	3,369
Disposals	-	(525)	-	(525)
	<u>63,041</u>	<u>166,799</u>	<u>35,799</u>	<u>265,639</u>
Depreciation				
At 1 April 2011	17,015	121,577	17,169	155,761
Charge for the year	3,152	8,636	5,108	16,896
	<u>20,167</u>	<u>130,213</u>	<u>22,277</u>	<u>172,657</u>
Net book value				
At 1 April 2011	<u>46,026</u>	<u>42,377</u>	<u>18,630</u>	<u>107,033</u>
At 31 March 2012	<u>42,874</u>	<u>36,586</u>	<u>13,522</u>	<u>92,982</u>

5 Debtors

	2012 £	2011 £
Trade debtors	4,955	33,575
Prepayments and accrued income	11,867	4,445
	<u>16,822</u>	<u>38,020</u>

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

6	Creditors: amounts falling due within one year	2012	2011
		£	£
	Trade creditors	6,275	6,503
	Taxes and social security costs	6,927	11,823
	Other creditors	530	1,511
	Accruals and deferred income	31,668	49,805
	Deferred grants	11,540	11,215
		<u>56,940</u>	<u>82,502</u>

7	Creditors: amounts falling due after more than one year	2012	2011
		£	£
	Deferred grants	<u>51,554</u>	<u>61,425</u>

8 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2012	2011
	£	£
Contributions payable by the company for the year	<u>7,301</u>	<u>6,584</u>

9 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 April 2011	127,370
Loss for the year	(31,764)
Balance at 31 March 2012	<u>95,606</u>

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2012

10 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013:

	2012	2011
	£	£
Operating leases which expire:		
Between two and five years	717	717
	<u>717</u>	<u>717</u>

11 Related party relationships and transactions

During the year £11,985 (2011 - £11,485) was due to Soft Touch Community Arts Limited Retirement Benefit Scheme for the rental of business premises. The directors CC Wigmore, SK Norman, VJ Attwood and H Pearson are members of this scheme.

£1,170 (2011 - £670) was owed to the Soft Touch Community Arts Benefit Scheme as at the year end.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

ALL ACTIVITIES

	2012		2011	
	£	£	£	£
Income				
Leicester City Council		22,600		22,600
Grant and project fees received		173,793		210,651
Arts Council England Grant		73,279		78,710
Big Lottery Grant		65,118		-
Mash Up Grant		-		171,715
Mash Up match funding		-		28,710
		<u>334,790</u>		<u>512,386</u>
Expenditure				
Wages and salaries	100,475		184,413	
Staff pension	2,532		2,652	
Directors' remuneration	135,698		136,224	
Directors' pension	4,769		3,932	
Training & conference fees	1,620		2,441	
Rent	11,985		11,485	
Rates	181		627	
Insurance	8,698		8,551	
Light & heat	4,701		5,849	
Materials & project costs	18,728		20,928	
Repairs & renewals	1,232		1,774	
Fees for workshop sessions	19,181		35,247	
Printing, postage & stationery	4,612		3,544	
Telephone	1,299		2,072	
Computer costs	2,365		5,774	
Hire of equipment	1,061		1,089	
Motor & travel expenses	10,494		14,135	
Legal & professional	5,317		20,667	
Book-keeping	3,013		4,200	
Audit fees	4,250		4,250	
Bank charges	728		910	
Bad debts	2,330		607	
Miscellaneous expenses	4,237		3,156	
Depreciation of tangible assets	16,896		14,521	
Loss on disposal of tangible assets	525		2,481	
		<u>(366,927)</u>		<u>(491,529)</u>
		<u>(32,137)</u>		<u>20,857</u>
Interest receivable				
Bank deposit interest		445		185
Interest payable				
Bank interest		(33)		(293)
		<u>(31,725)</u>		<u>20,749</u>
(Loss)/Profit before taxation		<u>(31,725)</u>		<u>20,749</u>

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

CORE ACTIVITIES EXCLUDING SEPARATELY DISCLOSED GRANTS

	2012		2011	
	£	£	£	£
Income				
Leicester City Council		22,600		22,600
Grant and project fees received		143,609		201,418
Arts Council England Grant		73,279		78,710
Mash Up Grant		-		171,715
Mash Up match funding		-		28,710
		<u>239,488</u>		<u>503,153</u>
Expenditure				
Wages and salaries	35,786		182,393	
Staff pension	2,532		2,652	
Directors' remuneration	120,034		130,449	
Directors' pension	4,769		3,932	
Training & conference fees	1,620		2,441	
Rent	11,377		11,485	
Rates	160		627	
Insurance	8,551		8,551	
Light & heat	3,759		5,849	
Materials & project costs	9,236		20,436	
Repairs & renewals	1,139		1,774	
Fees for workshop sessions	19,181		35,247	
Printing, postage & stationery	2,785		3,444	
Telephone	974		2,072	
Computer costs	2,251		5,774	
Hire of equipment	880		1,089	
Motor & travel expenses	9,915		14,135	
Legal & professional	5,317		20,667	
Book-keeping	3,013		4,200	
Audit fees	4,250		4,250	
Bank charges	728		910	
Bad debts	2,330		607	
Miscellaneous expenses	3,618		3,156	
Depreciation of tangible assets	16,896		13,675	
Loss on disposal of tangible assets	525		2,481	
		<u>(271,625)</u>		<u>(482,296)</u>
		<u>(32,137)</u>		<u>20,857</u>
Interest receivable				
Bank deposit interest		445		185
Interest payable				
Bank interest		(33)		(293)
(Loss)/Profit before taxation		<u><u>(31,725)</u></u>		<u><u>20,749</u></u>

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

BIG LOTTERY FUND GRANT

	£	2012 £
Income		
Amounts received in year	70,362	
Deferred income c/fwd	<u>(15,536)</u>	54,826
Match funding		<u>10,292</u>
Income included in profit and loss account		65,118
Expenditure		
Directors remuneration, wages and salaries	58,117	
Materials & other project costs	<u>7,001</u>	<u>(65,118)</u>
Profit before taxation		<u><u>-</u></u>
 <u>Grant reconciliation</u>		
Income as above		65,118
Deferred revenue grant		<u>15,536</u>
Total income received in the year		<u><u>80,654</u></u>

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

HOME OFFICE COMMUNITIES AGAINST GANGS, GUNS AND KNIVES FUND GRANT

		2012
	£	£
Income		
Amounts received in year		9,703
Expenditure		
Directors remuneration, wages and salaries	7,797	
Materials & other project costs	1,747	
	<u> </u>	(9,544)
Project underspend - returned		(159)
Profit before taxation		<u> </u> <u> </u> -

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

YOUTH MUSIC GRANT

	£	2012 £
Income		
Amounts received in year	21,992	
Deferred grant c/fwd	<u>(8,462)</u>	
		13,530
Match funding		6,105
Capital grant released		<u>846</u>
Income included in profit and loss account		20,481
Expenditure		
Directors remuneration, wages and salaries	14,439	
Materials & other project costs	<u>6,042</u>	
		<u>(20,481)</u>
Profit before taxation		<u><u>-</u></u>

Grant reconciliation

Deferred capital grant released in year	(846)
Deferred revenue grant b/fwd	(725)
Income as above	20,481
Deferred revenue grant c/fwd	<u>8,462</u>
Total income received in the year	<u><u>27,372</u></u>