

SOFT TOUCH ARTS LIMITED

**TRUSTEES' REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2014**

NEWBY FORWARD
THINKING
ADVICE
CASTLEMAN
CHARTERED ACCOUNTANTS
LEADING THE WAY - PERSONALLY

Charity Registration No. 1147318

Company Registration No. 02063893 (England and Wales)

SOFT TOUCH ARTS LIMITED

**TRUSTEES' REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2014**

SOFT TOUCH ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

SK Norman
VJ Attwood
CC Wigmore
H Pearson
J Crofton
G Brigden (Chair)
TJ Burke (Vice Chair)
K Hudson (Treasurer)
D Steadman
D Myers

Secretary

DE 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
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Bankers

National Westminster Bank Plc
1 Granby Street
Leicester
LE1 6EJ

SOFT TOUCH ARTS LIMITED

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditors' report	6 - 7
Statement of financial activities	8
Balance sheet	9 - 10
Notes to the accounts	11 - 23

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

Structure, governance and management

The charity is a company limited by guarantee and is a charity registered with the Charity Commission. It is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

SK Norman

VJ Attwood

CC Wigmore

H Pearson

J Crofton

G Brigden (Chair)

TJ Burke (Vice Chair)

K Hudson (Treasurer)

DE Francis (Company Secretary)

(Resigned 16 September 2014)

D Steadman

V Manship

(Resigned 9 September 2013)

D Myers

(Appointed 9 September 2013)

SK Norman, VJ Attwood, CC Wigmore, H Pearson and J Crofton are salaried directors and the rest are voluntary. These salaried directors deliver projects as well as operating as the charity's executive directors. The Board meet on a periodic basis to make decisions on strategy and direct the management of the charity's affairs.

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. All new directors are given a full induction programme when they join and are offered training opportunities.

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

The Board elects a Chair, Vice Chair and Treasurer for an annual term at each AGM and a Company Secretary.

Risk Management

The Trustees have considered various areas where the charity and its operations could be vulnerable as follows:

- Capital project - this started in September 2014 and there is a risk strategy in place which is managed by the lead designer, rg+p architects and there are also systems in place to manage cash flow. There is now a low risk of the project going over budget and there is sufficient contingency funding in place to respond to unforeseen expenses. Our move to the new premises is expected in April 2015 which presents some risk in terms of business interruption. There is a budget head in the project to cover this and a plan in place to manage the move.
- 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 carried out a detailed risk assessment and produced a risk management plan for the capital project. A detailed and timetabled long-term fundraising strategy is in place and is reviewed and updated regularly by a named director.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

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.
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 2014-17 are to:

1. Involve young people in the design and delivery of our activities and develop their creative leadership and enterprise skills.
2. Target the needs of young people and their communities and demonstrate a positive social impact.
3. Increase opportunities for disadvantaged young people to engage in our activities by delivering both building-based and community outreach creative programmes.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

Our key business goals for 2014-17 are to:

1. Implement a financial strategy that increases income generated from fees, the private sector, donations, traded income and fundraising events to 30% of annual turnover.
2. Operate a marketing and communications strategy that builds strong partnerships with the public and private sector, and increases our donor and public support.
3. Maintain strong leadership with a skilled management board and support network drawn from the public sector, business and academic community.
4. Underpin our delivery programme with excellent management systems which demonstrates the quality of our arts programmes and our commitment to social responsibility.

Public Benefit

The Trustees have referred to the Charity Commission's guidance on public benefit in relation to the charity's aims and objectives.

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 carried out a review during 2013/14. Stakeholders are also regularly consulted, as a part of our social impact reporting process.

Achievements and performance

Headline statistics:

- 1,691 people engaged in our projects (an increase of 687 from the previous year);
- Of these 99% came from vulnerable groups and 30% were regularly engaged (ie attending three or more times);
- 91% of people completing stakeholder surveys rated the quality of their experience with Soft Touch and the quality of creative activities as 'excellent' or 'good'.

Winning the not-for-profit category of the Leicester Mercury Business Awards was definitely the highlight of the year for the Catalyst strand of work. The win was a reflection of all the hard work which has been put in to develop relationships with businesses across Leicestershire and has given Soft Touch a strong reputational boost within the business community. Since the Awards we have seen an increase in the number of businesses who have heard of Soft Touch as well as increased receptiveness to building partnerships.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

An example was the Luv Leicester project which attracted sponsorship of £500 from Kaplan East Midlands as well as support from the Highcross Centre, Arch Creative and professional photographer, Tom Wren. A group of young people worked with Tom to document what they 'luv' about Leicester through the medium of photography. The photographs were then exhibited in an empty unit of the Highcross Centre, along with other art work produced by young people at Soft Touch projects. Over 1,000 people visited the exhibition over ten days. The photographs have attracted a lot of attention since and a catalogue has been produced to enable people to purchase prints.

Our biggest programme, BIG-UP New Parks launched a very successful new course for unemployed adults. Through working on interior design skills, the Style Your Space courses have enabled participants to achieve significant progression in moving forward with education and employment as well as boosting confidence, creative skills and positive mental health.

A very welcome development from BIG-UP was approval of a three-year Arts Council project in partnership with New Parks Library which will give us the opportunity to work with a wider section of the local community on creative project based around words.

There have been many uplifting examples of young people's achievements, but the highlight was Erica Smith winning a Lord Lieutenant's young people's award for Leicestershire volunteer of the year. This was a wonderful achievement for Erica, who has been involved in Soft Touch projects for three years, volunteering her time to help us to deliver our Well Cool programme of health and wellbeing work.

Fundraising activities

We have secured a further three years of National Portfolio funding from Arts Council England, which makes a major contribution towards our core costs. This funding was won in a climate of greater competition for less money and our application was awarded an overall score of 'outstanding' by the Arts Council.

Through the Catalyst project we have successfully diversified our funding sources to include a greater number of trusts and foundations as well as for the first time bringing in donations from businesses and individuals.

Our biggest fundraising challenge has taken place in the financial year to 31 March 2015, which was for the capital project. We succeeded in bringing in a large capital grant of £616,000 from Arts Council England. A further £305,000 in match funding (exceeding our target of £190,000) ensures that we are able to meet the increased costs of the project. A big success was securing match funding from Leicester City Council (from Youth Services and Arts and Museums), an indication of the strength of long term support from the City Mayor and the local authority.

Financial review

The Statement of Financial Activities for the year is set out in the financial statements on page 8.

Total incoming resources for the year increased from £470,311 to £531,812. The principle funding source continued to be grant income. Total resources expended for the year increased from £403,415 to £475,787. A breakdown of resources expended is set out in note 6 to the accounts.

There was a surplus on restricted funds in the sum of £50,859 and a surplus on unrestricted funds in the sum of £5,166 resulting in a total increase in funds for the year in the sum of £56,025.

Reserves

It is the policy of the Board of Trustees to maintain unrestricted reserves to cover the charity's operating costs for a three month period should it suffer an immediate drop in income caused by external unforeseeable circumstances. Current levels of unrestricted reserves held as net current assets are considerably short of this target figure but the trustees consider the new fundraising plan will ultimately increase the reserves to the appropriate level.

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

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.

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 charitable company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

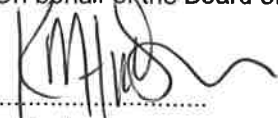
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

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

This report has been prepared in accordance with the special provisions for small companies under the Companies Act 2006.

On behalf of the Board of Trustees


.....
K Hudson (Treasurer)

Trustee

Dated: 6.11.14

SOFT TOUCH ARTS LIMITED

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 2014 set out on pages 8 to 23. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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

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.



Newby Castleman

Dated: 10 November 2014

Chartered Accountants
Statutory Auditor
West Walk Building
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

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Unrestricted funds			Total	Total
		General funds	Designated funds	Restricted funds	2014	2013
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	625	8,711	1,060	10,396	1,065
Investment income	3	2,435	-	-	2,435	1,374
		<u>3,060</u>	<u>8,711</u>	<u>1,060</u>	<u>12,831</u>	<u>2,439</u>
Incoming resources from charitable activities	4	173,573	246	341,491	515,310	467,872
Other incoming resources	5	2,951	-	720	3,671	-
		<u>179,584</u>	<u>8,957</u>	<u>343,271</u>	<u>531,812</u>	<u>470,311</u>
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	6	25,320	-	-	25,320	24,322
Charitable activities						
Arts Activities		116,687	-	219,961	336,648	294,047
Governance costs		16,484	-	72,451	88,935	85,046
		<u>158,491</u>	<u>-</u>	<u>292,412</u>	<u>450,903</u>	<u>403,415</u>
Net income for the year/ Net movement in funds		21,093	8,957	50,859	80,909	66,896
Fund balances at 1 April 2013		87,186	-	164,214	251,400	184,504
		<u>108,279</u>	<u>8,957</u>	<u>215,073</u>	<u>332,309</u>	<u>251,400</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

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	12		370,686		82,184
Current assets					
Debtors	13	43,177		68,239	
Cash at bank and in hand		181,718		122,935	
		<u>224,895</u>		<u>191,174</u>	
Creditors: amounts falling due within one year	14	(51,775)		(21,958)	
Net current assets			<u>173,120</u>		<u>169,216</u>
Total assets less current liabilities			<u>543,806</u>		<u>251,400</u>
Creditors: amounts falling due after more than one year	15		(211,497)		-
Net assets			<u>332,309</u>		<u>251,400</u>
Income funds					
Restricted funds	17		215,073		164,214
Unrestricted funds:					
Designated funds	18		8,957		-
General funds			108,279		87,186
			<u>332,309</u>		<u>251,400</u>

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 2014, 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

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2014

The accounts were approved by the Board on ...6/11/14...



K Hudson (Treasurer)

Trustee

Company Registration No. 02063893

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

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 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.

Voluntary income including donations 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.

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.

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

1.3 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.

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 activities is that which is incurred in furtherance of the charity's objectives. Governance costs are those incurred in connection with compliance issues and constitutional and statutory requirements. Support costs include those costs not directly attributable to charitable work and are allocated to charitable activities and governance on a basis consistent with the use of resources.

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

(Continued)

1.4 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

Straight line over 20 years

Leasehold property

Straight line over 20 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 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.

1.6 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.

1.7 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.

1.8 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 Voluntary income

	Unrestricted funds		Restricted	Total	Total
	General	Designated	funds	2014	2013
	funds	funds	funds	£	£
	£	£	£		
Donations	625	8,711	1,060	10,396	1,065

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

3 Investment income

	2014 £	2013 £
Rental income	2,094	1,150
Interest receivable	341	224
	<u>2,435</u>	<u>1,374</u>

4 Incoming resources from charitable activities

	Unrestricted funds			Total	Total
	General funds	Designated funds	Restricted funds	2014	2013
	£	£	£	£	£
Arts Activities	<u>173,573</u>	<u>246</u>	<u>341,491</u>	<u>515,310</u>	<u>467,872</u>
Included within income relating to Arts Activities are the following:					
Core funding	110,752	-	11,121	121,873	110,600
Project grants	18,599	-	316,570	335,169	309,768
Project fees	44,172	-	13,800	57,972	47,504
Other	50	246	-	296	-
	<u>173,573</u>	<u>246</u>	<u>341,491</u>	<u>515,310</u>	<u>467,872</u>

5 Other incoming resources

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2014	2013
	£	£	£	£
Other income	<u>2,951</u>	<u>720</u>	<u>3,671</u>	<u>-</u>

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2014 £	Total 2013 £
Costs of generating funds					
Costs of generating voluntary income	25,320	-	-	25,320	24,322
Charitable activities					
<u>Arts Activities</u>					
Activities undertaken directly	159,974	-	23,423	183,397	178,843
Support costs	44,230	14,679	94,342	153,251	115,204
Total	204,204	14,679	117,765	336,648	294,047
Governance costs	82,835	-	6,100	88,935	85,046
	<u>312,359</u>	<u>14,679</u>	<u>123,865</u>	<u>450,903</u>	<u>403,415</u>

Other governance costs includes payments to the auditors of £6,100 (2013: £6,500) for audit fees.

7 Activities undertaken directly

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Costs relating to Arts Activities comprise:				
Staff costs	42,565	117,409	159,974	155,937
Project costs	5,012	13,712	18,724	18,477
Motor and transport	1,225	3,474	4,699	4,429
	<u>48,802</u>	<u>134,595</u>	<u>183,397</u>	<u>178,843</u>

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

8 Support costs

	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
Staff costs	12,691	31,539	44,230	21,964
Depreciation	1,785	12,894	14,679	14,596
Premises costs	12,819	10,414	23,233	23,159
Motor and transport	7,967	966	8,933	8,396
Printing, postage and stationery	3,599	4,443	8,042	4,347
Computer costs	3,044	469	3,513	3,181
Telephone	628	677	1,305	1,362
Legal and professional	4,234	22,281	26,515	31,039
Loan interest	9,982	-	9,982	-
Sundry	6,835	1,683	8,518	2,845
Other costs	4,301	-	4,301	4,315
	67,885	85,366	153,251	115,204

9 Trustees

Five of the trustees received remuneration during the year totalling £145,263 (2013 - £138,166). This is made up as follows:

SK Norman £25,320 (2013 - £23,858)

VJ Attwood £31,983 (2013 - £30,686)

HD Pearson £31,644 (2013 - £24,332)

CC Wigmore £25,320 (2013 - £30,416)

J Crofton £30,996 (2013 - £28,874)

Pension contributions for the above trustees amounted to £408 (2013 - £4,249)

These directors are heavily involved in the day to day running of the charity and its projects. Three of them were reimbursed a total of £538 travelling expenses (2013: Two were reimbursed £197).

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Directors	5	5
Project Workers	4	4
Administrative	2	2
Sessional Workers	3	1
	<u>14</u>	<u>12</u>

Employment costs

	2014 £	2013 £
Wages and salaries	288,804	233,588
Social security costs	20,800	19,192
Other pension costs	2,755	6,589
	<u>312,359</u>	<u>259,369</u>

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

11 Taxation

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

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2013	-	63,041	170,598	35,799	269,438
Additions	289,601	-	13,581	-	303,182
Disposals	-	-	(38,998)	-	(38,998)
At 31 March 2014	289,601	63,041	145,181	35,799	533,622
Depreciation					
At 1 April 2013	-	23,319	138,942	24,993	187,254
On disposals	-	-	(36,398)	-	(36,398)
Charge for the year	-	3,152	6,283	2,645	12,080
At 31 March 2014	-	26,471	108,827	27,638	162,936
Net book value					
At 31 March 2014	289,601	36,570	36,354	8,161	370,686
At 31 March 2013	-	39,722	31,656	10,806	82,184

13 Debtors

	2014 £	2013 £
Trade debtors	13,713	27,803
Other debtors	28,067	38,990
Prepayments	1,397	1,446
	43,177	68,239

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

14 Creditors: amounts falling due within one year	2014	2013
	£	£
Bank loans	4,829	-
Other loans	9,800	-
Directors' current accounts	6,817	-
Trade creditors	8,847	2,899
Taxes and social security costs	11,983	11,468
Accruals	9,499	7,591
	<u>51,775</u>	<u>21,958</u>
	<u>51,775</u>	<u>21,958</u>
15 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Bank loans	160,021	-
Other loans	29,400	-
Directors' current accounts	22,076	-
	<u>211,497</u>	<u>-</u>
	<u>211,497</u>	<u>-</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	164,850	-
Wholly repayable within five years	68,093	-
	<u>232,943</u>	<u>-</u>
Included in current liabilities	(21,446)	-
	<u>211,497</u>	<u>-</u>
	<u>211,497</u>	<u>-</u>
Instalments not due within five years	<u>143,591</u>	<u>-</u>
	<u>143,591</u>	<u>-</u>

The charity's indebtedness to its bankers is secured by a first legal charge over the freehold property and a fixed and floating charge over all other assets.

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

16 Pension scheme

The company operates a defined contribution scheme. Contributions are charged in the financial statements as they are incurred and there are no outstanding contributions at the balance sheet date.

	2014 £	2013 £
Contributions payable by the company for the year	2,755	6,589

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2014 £
	Balance at 1 April 2013 £	Incoming resources £	Resources expended £	Depreciation £	
New Building	21,139	61,336	(14,163)	(320)	67,992
County Youth Work	21	-	(21)	-	-
Big Lottery (BIG-UP New Parks)	16,297	111,082	(113,205)	(253)	13,921
Game Over (Guns and Knives)	467	-	(467)	-	-
Arts Council England Catalyst	46,171	60,881	(48,235)	(135)	58,682
Tender Education	1,994	18,632	(19,713)	-	913
Youth Music (Back on Track)	8,937	15,884	(9,084)	-	15,737
Innovation Challenge	17,246	-	(17,246)	-	-
Youth Music (Elevated Risk)	-	30,000	(19,870)	(738)	9,392
Unlimited	-	720	(720)	-	-
HLF - 1950's	-	10,890	(9,261)	-	1,629
Gilmorton Project	-	6,000	(6,000)	-	-
Short Breaks - Capital	-	6,200	-	(853)	5,347
Short Breaks - Revenue	-	7,246	(7,246)	-	-
TMC (Start)	-	14,400	(14,286)	-	114
Leasehold Improvements	33,197	-	-	(2,641)	30,556
Big Lottery (Stretch)	4,554	-	(671)	(2,948)	935
Fuzed	188	-	-	(188)	-
Mash Up	3,716	-	(437)	(1,093)	2,186
Musical Van	9,212	-	-	(2,303)	6,909
UK Online	1,075	-	-	(315)	760
	<u>164,214</u>	<u>343,271</u>	<u>(280,625)</u>	<u>(11,787)</u>	<u>215,073</u>

New building

Part funding received in respect of the new Soft Touch building.

County Youth Work

Arts and music sessions using the Soft Touch mobile studio on the streets of designated areas of the county to engage disaffected young people and counteract anti-social behaviour.

BIG-UP New Parks

5 year community development programme in New Parks ward in Leicester engaging young people and adults through creative activities.

Game Over

Funding from the Police and Crime Commissioners Office to fund arts and music sessions on the streets of New Parks to counteract anti social behaviour.

Arts Council England Catalyst

3 years of funding from Arts Council England for regularly funding organisations to support research into gaining alternative sources of funding.

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

17 Restricted funds

(Continued)

Tender Education

Educational work in schools with young people using drama to examine healthy relationships.

Music (Back on Track)

Music workshops for young people to engage them through music to get their lives back on track.

Innovation Challenge

Health related work with a group of traveller women looking at ways to promote health messages successfully within gypsy and traveller communities.

Young Music (Elevated Risk)

Working with hard to reach young people in their communities and signposting them to regular music workshops at Soft Touch to engage and progress them.

Unlimited

Funding to support a young person engaged through the BIG-UP programme to develop and fund a series of creative workshops for parents and children in this locality.

HLF - 1950's

Heritage project working with young people to create an exhibition looking at the similarities and differences between being young in the 1950's and today.

Gilmorton Project

Summer project with young people on the Gilmorton estate in Leicester to create a mural and sculpture to brighten up their play area.

Short Breaks - Capital

Funding from Leicestershire County Council to provide specialist equipment for people with disabilities in the new Soft Touch building.

Short Breaks - Revenue

Funding from Leicestershire County Council to undertake arts and music projects in County Schools aimed at young people with disabilities.

TMC (Start)

Weekly drop-in arts and music session for referred young people with a range of different issues who would not attend mainstream provision providing a safe and supportive environment.

Leasehold improvements

Improvements to the current premises of the Soft Touch charity.

Big Lottery (Stretch)

Arts workshops for disadvantaged young people bringing together young people from different areas.

Fuzed

Drumming workshops with young people from different areas of Leicester resulting in performances at different venues and festivals.

Mash Up

Two year programme of music and arts work with young people from New Parks.

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

17 Restricted funds

(Continued)

Musical Van

Funding to purchase and refurbish a new van to convert into a mobile music and arts studio.

UK Online

Funding to engage people who would not normally use technology in using technology.

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2013 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 March 2014 £
New Building	-	8,957	-	8,957
	-	8,957	-	8,957

New building

Monies set aside by the Trustees for use in respect of the new Soft Touch building.

19 Analysis of net assets between funds

	Unrestricted funds			Total
	General funds £	Designated funds £	Restricted funds £	£
Fund balances at 31 March 2014 are represented by:				
Tangible fixed assets	300,803	-	69,883	370,686
Current assets	70,748	8,957	145,190	224,895
Creditors: amounts falling due within one year	(51,775)	-	-	(51,775)
Creditors: amounts falling due after more than one year	(211,497)	-	-	(211,497)
	108,279	8,957	215,073	332,309

SOFT TOUCH ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

20 Related parties

Included in creditors notes 14 and 15, are amounts in respect of the credit balances on the following directors' current accounts with the charity:

	Initial loan amount	Amounts repaid	Interest paid	Total balance outstanding	Split:-	
					Creditors due in less than one year	Creditors due in more than one year
	£	£	£	£	£	£
SK Norman	12,500	(2,434)	253	10,319	2,435	7,884
HD Pearson	12,500	(2,434)	253	10,319	2,435	7,884
CC Wigmore	10,000	(1,947)	202	8,255	1,947	6,308
	<u>35,000</u>	<u>(6,815)</u>	<u>708</u>	<u>28,893</u>	<u>6,817</u>	<u>22,076</u>

WEST WALK BUILDING 110 REGENT ROAD LEICESTER LE1 7LT
T: 0116 254 9262 F: 0116 247 0021 E: INFO@NEWBYC.CO.UK

ELTHAM HOUSE 6 FOREST ROAD LOUGHBOROUGH LE11 3NP
T: 01509 263 500 F: 01509 234 811 E: LOUGH@NEWBYC.CO.UK

NEWBY FORWARD
THINKING
ADVICE
CASTLEMAN
CHARTERED ACCOUNTANTS
LEADING THE WAY - PERSONALLY

WWW.NEWBYCASTLEMAN.CO.UK