

Charity registration number 1147318

Company registration number 02063893 (England and Wales)

SOFT TOUCH ARTS LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2024**

SOFT TOUCH ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Mahomed (Co-Chair) C Stocker (Co-Chair) KM Hudson (Honorary Treasurer) VJ Attwood J Crofton NS Nightingale HD Abeles K Grace GP Place
Charity number	1147318
Company number	02063893
Principal address	50 New Walk Leicester LE1 6TF
Registered office	50 New Walk Leicester LE1 6TF
Auditor	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
Bankers	National Westminster Bank Plc 1 Granby Street Leicester LE1 6EJ

SOFT TOUCH ARTS LIMITED

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SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charitable company present their report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

OBJECTIVES AND ACTIVITIES

The charity's objects per the Articles of Association 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.

Aims

Our aims for 2023-27 are aligned to Arts Council England's Investment Principles, with an overarching objective for each year identified for each Principle. We give headline achievements below for each of these.

Ambition and Quality

Deliver an inclusive programme of arts activities in partnership across the city and county for young people with limited access to the arts in high-quality and ambitious creative projects and use improved data collection to inform areas of development to focus on in years 2-3.

- Soft Touch Studios is our Youth Music-funded programme which engages a very diverse set of vulnerable young people and has now established the quarterly Step Up performances as an uplifting celebration of their achievements.
- Pulled Both Ways saw young people from Beauchamp and Leicester Colleges to making a series of films about how parents could have done things better when looking at custody of children during and after divorce and/or highlighting how they handled things well.
- We were awarded funding by the National Lottery Community Fund to deliver a week's intensive arts and music engagement project in the Easter holidays for young people at risk of getting involved in anti-social behaviour.
- We ran a project in the hospital schools to do music with young people suffering from debilitating mental health conditions.
- We have refined our use of the Upshot system to produce more useful data. For example, we have improved recording of young people's progression.

Environmental responsibility

To embed environmental awareness into delivery of projects with young people that are disconnected and unaware of their personal place in making a contribution to reducing impact on the environment and provide training to enable improved advice and advocacy within our creative sessions.

- We made great progress with this aim through the Re/action environmental festival which saw young people learning about the climate emergency through creating a public exhibition of sculptures made from upcycled materials.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

- One of our young workers worked with the Youth Voice group to make a film for Culture Declares Emergency.
- We developed funding applications to enable to make even greater strides next year.

Dynamism

Use of our robust strategic planning and review process to identify opportunities and risks to our sustainability and programme quality, relevance and delivery. This involves collective input from staff, board and young people as part of the business planning process.

- We brought our board into the succession planning process, which has resulted in making internal promotions, to bring in a new working co-director and a finance associate director. These are major steps in preparation for long-term working directors retiring in 2024 and 2025.
- The Youth Voice group meets regularly and members have attended board meetings to report back on activities and give their input.
- We ran two sessions for all staff which enabled a much wider input of ideas into the future development of our programme.

Inclusivity and relevance

Implement a new approach in our diversity and equality action plan to give a better overview of project participants, staff, board & leadership team characteristics & set targets & principles to achieve the creative case for diversity.

- We conducted a detailed analysis which clearly showed who we were reaching and where the gaps are. This showed that we still have work to do in equalising the number of male and female participants but that we are doing really well reaching people with physical and mental health conditions.
- We identified a local 'Levelling Up' area where we are not currently working, South Wigston, and started development work towards applying for a long-term programme of work. Initially, we were successful with an application to the Police and Crime Commissioner, which will see a mural project in 2024/25.
- We employed five young people over the course of the year who have inputted loads of ideas into how we run and what we could be doing differently so young people have an even better experience at Soft Touch.
- Vitality Dance is a new project, funded by Sport England, which engages with 11–25-year-olds to become more physically active. At the beginning of the year, we set three objectives and monitored progress with these through regular reviews:

Objectives

The programme is delivered to a four-stage model: Engage – Develop – Progress - Opportunity.

Engage

Inspire and engage young people in fun, high-quality creative activities at our centre and locations across the city and county.

We run creative outreach sessions in communities, such as New Parks, and with specific groups of young people with special educational needs or disabilities, or those at risk of poor life outcomes such as young offenders or looked after children. We also work in Leicestershire schools and hospitals.

Once again, the number of individuals we engaged with has gone down, from 648 in 2022/23 to 466 in 2023/24. The reasons for this are that we have only included participants formally registered on the Upshot system; the trend is for more for young people to stay with us longer and to take part in several projects; we also have a high number of individual young people doing one to one sessions. However, as reported below, the upward trend on the number of sessions has continued and this means we delivered actually 6,502 user sessions, compared to 4,872 last year.

Develop

Longer term creative projects which facilitate in-depth learning, support wellbeing, and develop personal and social skills.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

This is the core of our work: we get to know a young person and their interests, and to understand the best way to make them feel better about themselves, the world around them and their future. This process works through the positive relationships built by our staff with participants with most work taking place at our arts centre.

In 2023-24 we aimed to deliver 1,100 high quality, supervised project sessions. In fact, we delivered 1,309, up 106 from last year.

Progress

Progression through involvement in performances, exhibitions, mentoring, volunteering, work experience and creative enterprise.

Our projects are designed to recognise and record young people's progress. Meaningful personalised outcomes include: performing live music; public exhibitions of creative work; selling artwork; volunteering in our café; working on life goals with a mentor; support into volunteering, work experience and employment.

In 2023/24 we aimed for 85 young people to attend 10+ sessions and/or report feeling more confident about going into further education, applying for a job or living independently. Achieved: 139 (151). This represents a significant increase in the proportion of participants from last year at 30% of participants.

Opportunity

An employment programme to support young people and freelancers from under-represented backgrounds to begin and sustain a career in the creative sector through paid internships, training & support.

We aimed to offer three paid internships to young people over the year – in fact we employed six and hosted a further two employed by De Montfort University. We also committed to two training sessions for our freelance workers, which were done in December 2023. We aimed to offer work to 30 creative freelance workers from diverse backgrounds – we employed 24 sessional and freelance project workers and 16 freelance artists on one-off or short contracts.

Public Benefit Statement

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives.

The charity provides public benefit through the services provided to disadvantaged young people in Leicester city and Leicestershire and occasionally in other areas of the UK to share good practice or replicated models of delivery.

ACHIEVEMENTS AND PERFORMANCE

We measure success through monitoring user engagement and evaluating the impact of projects and programmes. This includes using Upshot software for quantitative recording and evaluation tools such as those based on the 'Outcomes Star'.

Summary of the main activities

During the year we were able to bring back a full programme of activities.

Headline statistics* (last year in brackets):

- We worked with 466 (648) individual young people for the year ending 31 March 2024 and ran 1,309 (1,203) sessions over 27 (25) programmes and projects. The reasons for this are noted above.
- All of our projects had a focus on health and wellbeing and 29% (26.5%) of participants were recorded as having a known disability or extra support needs.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

- The largest age group of those accessing Soft Touch were 12–16-year-olds at 54% (56%). We are now working with very few young ones at 3% (5%). However, we still have larger numbers from the older age group of 17-24 at 33% (24%). Those older than 24 are at 6% (6%) with 3% (9%) unknown.
- Once again, the area with the highest number of participants was the north west of the city, covering the deprived neighbourhood of New Parks at 46% (58%) of those for whom a postcode was recorded.
- We had 7,680 (2,611) visitors to events held at our building and other venues and 3,118 (2,980) café visitors. The high number of event visitors reflects the fact that we had some off-site events that attracted large numbers, e.g. for National Play Day and the Punks Weekender festival.
- We delivered 27 (25) projects and programmes encompassing those delivered from our building and out in the community. These covered group creative sessions, café sessions and one to one support.

*Sources: annual statistics submitted to Leicester City Council and extracted from Upshot records

Notable achievements and developments

- Punks: Rage and Revolution – this project involved young people contributing to an exhibition held between Soft Touch and Leicester Art Gallery, alongside creating punk-inspired artwork and music. The project won the National Lottery project of the year award for 2023.
- Paid internships for young people – we have been able to up the number of young people we employ through project funding and including the costs in applications. This means that this year we have had a team of five young people who have got involved in delivering projects and contributing to the Youth Voice group.
- Trips – through a partnership with the Youth Hostels Association (YHA) we have been able to take groups of young people to residencies in Derbyshire. On one, our young people worked with Turner Prize-shortlisted artist and filmmaker, Luke Fowler, to make Ilam Actual (version), a series of short film and sound pieces, in partnership with the National Trust's Ilam Park and YHA Ilam Hall.
- Young People's performances – we have been able to provide a variety of opportunities for young people to perform both at Soft Touch and out in the community. Running the stage at the Glastonblaby summer festival is now a regular event and we are running quarterly Step Up showcases in the building which have been very well attended by our young people and their family members and friends.

The following are examples of how we have achieved the aims and objectives described above:

- Project Enable – through this long-term programme on the deprived New Parks Estate we are reaching some of the city's most vulnerable people. Through initial engagement, many then develop their skills and confidence, some go onto the progression stage, and we have been able to offer opportunities through two paid internships.
- Diversifying funding streams –
 - We have an ever-increasing list of schools and agencies who refer into our paid for Creative Studio service.
 - A new grant funder to come on stream is Million Hours, a joint Lottery/Government scheme, which is enabling us to bring in new young people who are at risk of anti-social behaviour.
 - A big boost came through to support the café to generate more income through the Social Investment Business.
- New partners – we have worked in partnership with Beauchamp College and YHA. In South Wigston we have established positive working relationships with local area co-ordinator team at Leicestershire County Council; the Community Safety Team at Oadby and Wigston Borough Council; the local Police; and Step-Out, the local community hub.
- We adopted a set of environmental principles and have applied for core and project funding to work towards putting them fully into practice. In summer 2023 we delivered an Eco Fest as part of the local Re/action festival, which saw young people learning about the climate crisis and making artwork in response.
- The Youth Voice has really developed this year, with one of our young interns supporting the group towards a greater level of self-organisation. They have directly inputted into project applications, e.g. for a follow up to the Eco Fest.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

The results for the year ended 31 March 2024 are shown in the Statement of Financial Activities on page 12. This, together with the balance sheet on pages 13-14, should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP 2019 (FRS 102).

Total income for the year amounted to £706,715 (2023: £601,625). The principal funding source continued to be grant income. The charity does not carry out significant fundraising activities. Total expenditure for the year amounted to £713,931 (2023: £705,278). A breakdown of expenditure is set out in notes to the financial statements.

After transfers between funds, there was a deficit on unrestricted funds for the year totalling £15,210 and a surplus on restricted funds totalling £7,994. This has resulted in a total decrease in funds for the year of £7,216. The funds for the charity at the year-end totalled £1,402,908 which comprise restricted funds of £973,083 and unrestricted funds of £429,825, of which £85,000 has been designated and general funds totalling £344,825.

Reserves

Reserves are needed to cover any immediate drop in income caused by external unforeseeable circumstances. It is the policy of the board of trustees to maintain free reserves (unrestricted general funds less tangible fixed assets and long-term liabilities) at £166,000, equal to approximately six months' unrestricted expenditure. Soft Touch Arts currently has £197,444 in free reserves (see note 23), so free reserves are currently in excess of the reserves policy by approximately £30,000. The mental health needs of our young people are becoming more prevalent and complex, so while Soft Touch Arts are seeking funding to help bring in more expertise, the Board has agreed to use up to £10,000 (reviewed by the Board on a quarterly basis) to address the immediate need through additional staffing on high-demand projects and by recruiting a mental health worker to help support both staff and young people. The Board feels that it is prudent to retain the remaining surplus of £20,000 in the medium term to mitigate the impact of inflation on future operating costs and to help fund projects affected by rising costs over the coming years.

In addition, the Board has designated £55,000 for a Property Maintenance reserve to cover future property capital repairs and maintenance, and a further £30,000 for a Continuing Projects reserve to enable projects to continue after funding has ended.

Risk Management

The risk management plan via the risk register is updated quarterly for presentation to the Board. The register highlights:

- The key risks the charity may face, using SWOT (strength, weakness, opportunity and threat) and PESTLE (political, economic, social, technological, legal and environmental) to categorise the risks identified.
- A risk rating based on impact and likelihood of risk arising.
- The systems, processes or procedures in place to mitigate those risks and minimise the impact should they arise.

Inflationary pressures continue to pose a threat; however, we have robust budget management processes in place to monitor spend and react where necessary.

Changes to the political landscape and funding of both the arts sector and the mental health sector are both key risks to our funding and activity levels. This is reviewed via the Board and fundraising committee, and we continue to diversify our income streams to mitigate the impact of any changes.

An ongoing risk has been the changes to the senior management team due to the departure of a long-term director and the retirement of the three other long-term directors by September 2025. Significant work has been done with the Director group in planning a smooth transition between the outgoing and new Directors.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

A risk category for succession was added following Arts Council England's flagging of this risk last year. For this year, ACE increased the rating by one point to 6 (the highest "minor" rating).

PLANS FOR THE FUTURE

Funding

- We will be applying to the National Lottery Heritage Fund to build our capacity to work around heritage. We have already put in applications to build environmental principles into the core of the organisation and for the development of Youth Voice. We have been invited by Arts Council England to apply for a fourth year of National Portfolio funding (for 2026/27).
- Longer term projects – an application will be going in to the National Lottery Community Fund to continue the programme in New Parks (Project Enable). We are in the process of developing a further application to the same fund for a programme in South Wigston. We hope to participate in a consortium applying for environmental projects with schools.
- Capital – we will be coming back to looking at bringing in capital funding to extend and improve our building.

Succession

- During 2024/25 two long term directors will be retiring, and one will retire in 2025/26. The other long-term director moved on in January 2024. With this major transition in mind we have been working to a 10-year succession plan.
- From April 2024 two staff members will move up into the senior management team, one to become a full co-director and the other (our finance officer) to become an associate director. This will mean a team of four from September 2025.
- The next steps in succession planning will include looking at support roles, such as project management and communications, and deciding how these will be structured and resourced.

Salary scales

- In 2023/24 we started a review of salaries to bring them back in line with the NJC local authority scales.
- Alongside this we are working on a new appraisal and review process whereby people will be able to progress up their salary scale, and progress within the organisation in terms of their roles and levels of responsibility.

Governance

- Board membership was stable during 2023/24 but we now need to look for a new voluntary trustee as Sima Lad will be resigning at the 2024 AGM.
- We have invited a long-term sessional worker to attend board meetings as an invited member.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Soft Touch Arts Limited is a company limited by guarantee (number 02063893) and is governed by its Memorandum and Articles of Association. It is a charity registered with the Charity Commission (number 1147318). The charity is based in Leicester and aims to engage with and change the lives of disadvantaged young people through the use of arts, media and music activities.

The following trustees / directors have served during 2023/24:

S Mahomed (Co-Chair)

C Stocker (Co-Chair)

KM Hudson (Honorary Treasurer)

VJ Attwood

J Crofton

NS Nightingale

SK Norman – resigned 28 June 2024

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

HD Abeles

KS Grace

GP Place

S Lad – resigned 27 May 2024

VJ Attwood, J Crofton, K Grace, SK Norman and HD Abeles are the only salaried directors. These salaried directors deliver projects as well as operating as the charity's executive directors. Remuneration of salaried directors is decided upon by independent, non-salaried, board members. The board meets on a periodic basis to make decisions on strategy and direct the management of the charity's affairs.

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

The trustees are appointed in accordance with the company's Articles of Association and are chosen to bring in the various knowledge, skills and experience required to meet the charity's objectives generally selected through open recruitment through an application and selection process. There are times when the board decides to approach a particular individual to become a trustee where it is felt important to bring on people who will make the board more fully representative of the communities which our participants come from. New trustees are given a full induction programme, which includes the safeguarding policy and procedures, when they join and are offered training opportunities.

At the AGM the board elects a Chair, Vice Chair and Treasurer for an annual term.

Wider networks

Soft Touch is an active member of a number of networks, including the Cultural Education Partnership; East Midlands Participatory Arts Forum; Leicester/shire Music Education Hub; Children's Trust Board; RankNet; Culture Declares Emergency. A co-director took part in a governance inquiry led by Cause4.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial 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 period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 charitable 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 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

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

- 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

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

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 of trustees

KM Hudson (Honorary Treasurer)
Trustee

Date: 30 October 2024

SOFT TOUCH ARTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED

Opinion

We have audited the financial statements of Soft Touch Arts Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustee's report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustee's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees Report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6 the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charitable company.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company by considering the nature of the industry in which the charitable company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Charities Act 2011, UK Generally Accepted Accounting Practice and UK tax legislation; and
- assessing how the charitable company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the company's control environment regarding compliance with regulations and fraud prevention; and

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED

- assessing the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the charitable company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and
- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks of irregularities identified

Our procedures to respond to risks identified included the following:

- performing audit work over revenue recognition including analytical procedures and substantive tests of detail of a sample of revenue transactions; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charitable company staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

26 November 2024

Newby Castleman LLP 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 2024

		Unrestricted funds 2024	Restricted funds 2024	Total 2024	Total 2023 as restated
	Notes	£	£	£	£
Income from:					
Donations	3	7,554	2,607	10,161	7,345
Charitable activities	4	290,108	382,295	672,403	573,934
Other trading activities	5	8,817	811	9,628	7,358
Investments	6	10,390	-	10,390	8,775
Other income	7	1,583	2,550	4,133	4,213
Total		318,452	388,263	706,715	601,625
Expenditure on:					
Raising funds	8	37,606	-	37,606	44,081
Charitable activities	9	295,836	391,447	687,283	657,248
Other	12	-	-	-	3,949
Total		333,442	391,447	724,889	705,278
Net expenditure		(14,990)	(3,184)	(18,174)	(103,653)
Transfers between funds	22	(220)	220	-	-
Net movement in funds		(15,210)	(2,964)	(18,174)	(103,653)
Reconciliation of funds					
Total funds brought forward		465,044	965,089	1,430,133	1,533,786
Total funds carried forward		449,834	962,125	1,411,959	1,430,133

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

All income and expenditure derive from continuing activities.

SOFT TOUCH ARTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		1,046,714		1,080,502
Current assets					
Debtors	16	193,384		160,905	
Cash at bank and in hand		342,733		371,642	
		<u>536,117</u>		<u>532,547</u>	
Liabilities					
Creditors: amounts falling due within one year	17	(71,142)		(74,572)	
Net current assets			464,975		457,975
Total assets less current liabilities			<u>1,511,689</u>		<u>1,538,477</u>
Creditors: amounts falling due after more than one year	18		(99,730)		(108,344)
Total net assets			<u><u>1,411,959</u></u>		<u><u>1,430,133</u></u>
The funds of the charity					
Restricted funds	21		962,125		965,089
Unrestricted funds:					
Designated funds	22	85,000		85,000	
General funds		364,834		380,044	
		<u>449,834</u>		<u>465,044</u>	
Total charity funds			<u><u>1,411,959</u></u>		<u><u>1,430,133</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 March 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

SOFT TOUCH ARTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The financial statements were approved and authorised for issue by the board of trustees on 30 October 2024 and are signed on its behalf by:

KM Hudson (Honorary Treasurer)
Trustee

Company Registration No. 02063893

The notes on pages 16 - 30 form part of these financial statements.

SOFT TOUCH ARTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	25		(26,163)		(15,457)
Investing activities					
Purchase of tangible fixed assets		(6,179)		(13,770)	
Investment income		10,390		8,775	
Net cash generated from/(used in) investing activities			4,211		(4,995)
Financing activities					
Repayment of ICOF loan		(6,957)		(6,606)	
Net cash used in financing activities			(6,957)		(6,606)
Net decrease in cash and cash equivalents			(28,909)		(27,058)
Cash and cash equivalents at beginning of year			371,642		398,700
Cash and cash equivalents at end of year			342,733		371,642

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Soft Touch Arts Limited is a private company limited by guarantee incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office and place of business is given in the legal and administrative information page of these financial statements.

1.1 Basis of preparation

The charity is a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: the Statement of Recommended Practice for charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

1.4 Income recognition

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes income received from local authorities, project fees and other grant providers. Income from these categories is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from trading activities comprises sponsorship income and income derived from fundraising events.

Investment income is earned through holding assets for investment purposes. It comprises bank interest and rental income, which are recognised on an accruals basis.

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure recognition

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 recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds - includes costs incurred in seeking donations, grants and fundraising.
- Expenditure on charitable activities - includes individual project costs to further the deliverance of the objectives of the charity.
- Other expenditure - includes the loss on disposal of fixed assets.

Irrecoverable VAT is charged against the category of resources expensed for which it was incurred.

1.6 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 11.

1.7 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold buildings	2% per annum of cost
Fixtures, fittings & equipment	10% per annum of net book value, straight line over 3, 5 or 7 years
Motor vehicles	20% per annum of net book value

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities ("SOFA").

Loans are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Taxation

Soft Touch Arts Limited is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of land and buildings

The impairment of land and buildings has been assessed by the trustees, who consider that the market value is consistent with the net book value included in the accounts.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

3 Income from donations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations	7,554	2,607	10,161	5,191	2,154	7,345

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Arts activities	282,745	374,321	657,066	267,055	249,071	516,126
Catering activities	7,363	7,974	15,337	2,914	8,894	11,808
Sponsorship income	-	-	-	-	46,000	46,000
	<u>290,108</u>	<u>382,295</u>	<u>672,403</u>	<u>269,969</u>	<u>303,965</u>	<u>573,934</u>
Income from arts activities include the following:						
Core funding			102,939			102,939
Project grants			370,920			243,165
Project fees			183,207			170,022
			<u>657,066</u>			<u>516,126</u>

5 Income from other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fundraising events	8,817	811	9,628	7,358	-	7,358
	<u>8,817</u>	<u>811</u>	<u>9,628</u>	<u>7,358</u>	<u>-</u>	<u>7,358</u>

6 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Rental income	6,392	-	6,392	7,896	-	7,896
Interest receivable	3,998	-	3,998	879	-	879
	<u>10,390</u>	<u>-</u>	<u>10,390</u>	<u>8,775</u>	<u>-</u>	<u>8,775</u>

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Other income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Other income	1,583	2,550	4,133	4,200	13	4,213

8 Expenditure on raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Staging fundraising events	2,831	-	2,831	3,169	-	3,169
Staff costs	34,775	-	34,775	40,912	-	40,912
	37,606	-	37,606	44,081	-	44,081

9 Expenditure on charitable activities

	Activities undertaken directly Note 10 £	Support Costs Note 11 £	Total 2024 £	Total 2023 £
Arts and catering activities	501,648	185,635	687,283	657,248
Unrestricted funds			295,836	212,166
Restricted funds			391,447	445,082
			687,283	657,248

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Expenditure on activities undertaken directly

	2024 £	2023 £
Staff costs	288,978	356,045
Project costs	144,572	78,296
Motor and transport costs	3,514	4,441
Project worker costs	64,584	56,263
	<u>501,648</u>	<u>495,045</u>

11 Expenditure on support costs

	2024 £	2023 £
Staff costs	88,467	66,071
Depreciation	34,615	36,397
Premises costs	24,914	19,170
Motor and transport costs	2,886	5,219
Audit fees	6,650	7,375
Printing, postage and stationery	1,503	1,816
Computer costs	2,552	3,471
Telephone	1,502	1,474
Legal and professional	9,933	6,778
Loan interest and bank charges	7,486	8,523
Irrecoverable VAT	1,711	4,130
Sundry	3,416	1,779
	<u>185,635</u>	<u>162,203</u>
Charitable activities	<u>185,635</u>	<u>162,203</u>

All support costs have been allocated to charitable activities based on their usage.

Support costs include governance costs totalling £48,098 (2023: £51,416) which comprise a proportion of staff costs and audit fees.

The amount charged to the SOFA in respect of auditor's remuneration was £6,650 (2023: £7,375).

12 Other expenditure

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Loss on disposal of intangible fixed assets	-	-	-	3,949	-	3,949

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Trustees

Five of the trustees received remuneration during the year totalling £137,283 (2023: £134,843). This is as permitted by the Articles of Association and is made up as follows:

SK Norman	£28,161 (2023 - £26,811)
VJ Attwood	£21,120 (2023 - £24,042)
HD Abeles	£17,600 (2023 - £16,798)
J Crofton	£35,201 (2023 - £33,596)
KS Grace	£35,201 (2023 - £33,596)

Pension contributions for the above Trustees amounted to £3,357 (2023: £3,314).

Five trustees were reimbursed a total of £3,840 travel expenses (2023: four were reimbursed £2,759).

14 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Directors	5	5
Project workers	3	5
Administrative workers	6	7
Sessional workers	7	7
Intern	3	4
Total	24	28
Employment costs	2024 £	2023 £
Wages and salaries	383,149	430,773
Social security costs	21,917	24,670
Other pension costs	7,154	7,585
	412,220	463,028

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

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Tangible fixed assets

	Freehold land and buildings as restated	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2023	1,226,514	165,982	8,016	1,380,503
Additions	4,645	1,534	-	6,179
Capital Goods Scheme adjustment	(5,352)	-	-	(5,352)
At 31 March 2024	1,225,807	167,516	8,016	1,381,330
Depreciation and impairment				
At 1 April 2023	173,786	109,461	5,796	289,043
Depreciation charged in the year	22,961	21,467	1,145	45,573
At 31 March 2024	196,747	130,928	6,941	334,616
Carrying amount				
At 31 March 2024	1,009,051	36,588	1,075	1,046,714
At 31 March 2023	1,032,719	45,563	2,220	1,080,502

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	70,901	84,058
Prepayments and accrued income	122,483	76,847
	193,384	160,905

17 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
ICOF loan	19	9,017	7,360
Taxation and social security		30,438	31,290
Trade creditors		6,290	8,521
Other creditors		2,109	2,371
Accruals and deferred income		23,288	25,030
		71,142	74,572

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
ICOF loan	19	99,730	108,344

19 Loans and overdrafts

	2024 £	2023 £
ICOF loan	108,747	115,704
Payable within one year	9,017	7,360
Payable after one year	99,730	108,344
Amounts included above which fall due after five years:		
Payable by instalments	58,061	73,579

The loans are secured by a first legal charge over the freehold land and property and a fixed and floating charge over all other assets.

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees.

The charge to the SOFA in respect of defined contribution schemes was £7,154 (2023: £7,585). This expenditure has been allocated to support costs and unrestricted general funds.

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

21 Restricted funds

The funds of the charity include restricted funds held for specific purposes:

	Balance at 1 April 2023	Movement in funds			Transfers	Balance at 31 March 2024
	£	Income	Expenditure	Depreciation charge	£	£
		£	£	£		
Building	767,436	-	-	(23,062)	-	744,374
Time to Shine	-	28,675	(6,154)	-	-	22,521
RAP	15,774	-	(10,488)	-	-	5,286
Thursday Cafe - Awards for All	14,082	14,625	(22,682)	(426)	-	5,599
Project Enable	107,656	111,550	(116,201)	(946)	-	102,059
Punks	685	111,482	(110,931)	(86)	-	1,150
Soft Touch Studio	6,129	35,092	(40,630)	(159)	-	432
Youth Incubator Fund	-	26,514	(7,706)	-	-	18,808
Other funds	53,327	60,325	(46,062)	(5,914)	220	61,896
	<u>965,089</u>	<u>388,263</u>	<u>(360,854)</u>	<u>(30,593)</u>	<u>220</u>	<u>962,125</u>

	Balance at 1 April 2022	Movement in funds			Transfers	Balance at 31 March 2023
	£	Income	Expenditure	Depreciation charge	£	£
		£	£	£		
Building	787,347	-	-	(19,911)	-	767,436
Time to Shine	8,315	8,962	(17,509)	-	232	-
UpSTart	45,917	-	(42,055)	(1,162)	-	2,700
STARS and Soft Sell	12,359	13	(8,269)	-	-	4,103
RAP	14,514	23,700	(22,440)	-	-	15,774
Thursday Cafe - Awards for All	14,763	15,408	(15,663)	(426)	-	14,082
What If	27,846	-	(25,934)	(151)	-	1,761
Cre8ive Tv	28,709	6,817	(34,103)	(403)	-	1,020
Project Enable	93,654	126,607	(112,076)	(529)	-	107,656
Punks	-	77,079	(76,308)	(86)	-	685
Garfield Weston	22,047	-	(17,582)	(392)	-	4,073
Soft Touch Studio	-	34,800	(28,548)	(123)	-	6,129
Other funds	47,686	12,746	(17,317)	(4,095)	650	39,670
	<u>1,103,157</u>	<u>306,132</u>	<u>(417,804)</u>	<u>(27,278)</u>	<u>882</u>	<u>965,089</u>

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

21 Restricted funds

(Continued)

Transfers have been made into restricted funds from unrestricted funds to cover any incidental costs following the end of projects.

Building

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

Time to Shine

Funding to employ a young marketing intern for a year.

UpSTart

The UpSTart programme had five years of funding from the Big Lottery targeting young people from the New Parks, Beaumont Leys, Stocking Farm and Mowmacre Hill areas of Leicester. The programme has three phases of engagement, development, and progression for participating young people. This fund has been included within "other funds" in the current year.

STARS and Soft Sell

STARS & Soft Sell Creative Enterprise project aims to support budding artists and makers with selling and marketing their work. Participants work closely with our Creative Enterprise programme coordinator as well as receiving guidance from industry professionals on a range of creative business skills. In addition, Soft Touch support these artists and makers by providing a space for them to sell work at weekly market events and online, use their extensive network to reach out to local businesses to commission work and provide participants with opportunities to network and find work experience. This fund has been included within "other funds" in the current year.

RAP

RAP is an offer to fund a full-time 1-year internship through RANK at the national living wage to develop an intern as a young leader, moving them forward in life and offering them further opportunity with support from RANK and Soft Touch Arts.

Thursday Cafe

The funding enables Soft Touch Arts to employ a sessional chef and project worker to run a weekly training café enabling young people to develop cooking and front of house skills.

What If

The "What IF..." inspiring futures project is designed for young people aged 15-24, living in the Leicester or Leicestershire area and have left school or college in the last couple of years feeling unsure of the next steps required to access employability or college.

The main aims of the project are to engage with young people through The Arts and increase their employability through personal development and creative skills. Running through the core of the project will be creativity.

Throughout the "What IF..." project young people will learn interpersonal skills, employer expectations, interview techniques, managing emotions and behaviours for the workplace and confidence building skills. During practical sessions they will experience creative workshops such as graffiti art and music whilst working on skills to help them in the next stage of their life, whether that's finding a job, going to college or getting an apprenticeship. This fund has been included within "other funds" in the current year.

Cre8ive TV

The Cre8ive TV project involves working with ex-offenders to produce 30 x 30 minutes creative TV shows to screen straight into prison cells in 53 prisons across the country. This fund has been included within "other funds" in the current year.

Project Enable

Project Enable is a 3 year partnership project in the New Parks area working with New College and Team Hub to reach out to 11-16 year olds from the area.

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

21 Restricted funds

(Continued)

Punks

The Punks project involves working with young people to produce an exhibition looking at the Punk era through the eyes of young people today. The exhibition will take place at Leicester Museum and at Soft Touch Arts in Summer 2023.

Garfield Weston

We received funding to launch a youth leadership development project which also ties in with our 35th year of operation. Through facilitated ongoing sessions they will feed their ideas into shaping our annual programme content and future programme development. At the same time, developing communication and leadership skills. The funding will also help us showcase how our work benefits young people and how we involve them in shaping our projects as we celebrate our 35th year. This fund has been included within "other funds" in the current year.

Soft Touch Studios

Soft Touch Studios is a 3 year programme of work for young people from Leicester and Leicestershire. The aim of the project is to target young people with challenging life circumstances, and those who may have additional needs and need support, to reach their potential. We currently have 3 different sessions, a Monday night session aimed at young people who identify as female, a Tuesday evening referral session, focusing on young people who need extra support, and also a Friday night session, aimed at young people from urban areas and estates.

Youth Incubator Fund

The Youth Incubator Fund is a grant fund designed and managed by Youth Music (with funding from PPL) with the goal of helping open up access to sustainable careers in music for people aged 18-25 - particularly those who are underrepresented - and to support creative employers to innovate and incubate new and diverse talent. We were awarded the funding to provide three 6-month internships specifically for young women aged 18-25.

Other funds

Other funds comprises of several funds that have been aggregated together for disclosure purposes, with only material fund balances and movements being disclosed separately.

22 Unrestricted funds

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

	Balance at 1 April 2023 as restated £	Movement in funds			Balance at 31 March 2024 £
		Income £	Expenditure £	Transfers £	
General funds	380,044	318,452	(333,442)	(220)	364,834
Designated funds					
Property maintenance reserve	55,000	-	-	-	55,000
Continuing projects reserve	30,000	-	-	-	30,000
	<u>465,044</u>	<u>318,452</u>	<u>(333,442)</u>	<u>(220)</u>	<u>449,834</u>

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

22 Unrestricted funds

(Continued)

	Balance at 1 April 2022 as restated £	Movement in funds		Transfers	Balance at 31 March 2023 £
		Income £	Expenditure £	£	£
General funds	375,629	295,493	(260,196)	(30,882)	380,044
Designated funds					
Property maintenance reserve	55,000	-	-	-	55,000
Continuing projects reserve	-	-	-	30,000	30,000
	<u>430,629</u>	<u>295,493</u>	<u>(260,196)</u>	<u>(882)</u>	<u>465,044</u>

Designated funds

Property maintenance reserve

The Trustees have designated £55,000 for use in respect of future property repairs and maintenance.

Continuing projects reserve

The Trustees have designated £30,000 via a transfer for use in respect of continuing projects that are no longer funded by the original grant provider.

23 Analysis of net assets between funds

	General funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 March 2024 are represented by:				
Tangible assets	267,120	-	779,594	1,046,714
Current assets/(liabilities)	197,444	85,000	182,531	464,975
Long term liabilities	(99,730)	-	-	(99,730)
	<u>364,834</u>	<u>85,000</u>	<u>962,125</u>	<u>1,411,959</u>
	General funds 2023 as restated £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:				
Tangible assets	276,143	-	804,359	1,080,502
Current assets/(liabilities)	212,245	85,000	160,730	457,975
Long term liabilities	(108,344)	-	-	(108,344)
	<u>380,044</u>	<u>85,000</u>	<u>965,089</u>	<u>1,430,133</u>

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel (including Trustees) is as follows:

	2024 £	2023 £
Aggregate compensation	140,640	138,157

Transactions with related parties

During the year, ER Crofton, the spouse of J Crofton, was paid £Nil (2023: £3,432) for her services as an employee. SJ Collier, the spouse of VJ Attwood, was paid £7,691 (2023: £2,104) for her services as an employee.

No guarantees have been given or received.

25 Cash generated from operations

	2024 £	2023 as restated £
Deficit for the year	(18,174)	(103,653)
Adjustments for:		
Investment income	(10,390)	(8,775)
(Gain)/loss on disposal of tangible fixed assets	-	3,949
Capital Goods Scheme adjustment	5,352	-
Depreciation and impairment of tangible fixed assets	34,615	36,397
Movements in working capital:		
(Increase)/decrease in debtors	(32,479)	42,550
(Decrease)/increase in creditors	(5,087)	14,075
Cash absorbed by operations	(26,163)	(15,457)

SOFT TOUCH ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

26 Analysis of changes in net funds

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	371,642	(28,909)	342,733
Loans falling due within one year	(7,360)	(1,657)	(9,017)
Loans falling due after more than one year	(108,344)	8,614	(99,730)
	<u>255,938</u>	<u>(21,952)</u>	<u>233,986</u>
	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	398,700	(27,058)	371,642
Loans falling due within one year	(7,521)	161	(7,360)
Loans falling due after more than one year	(114,789)	6,445	(108,344)
	<u>276,390</u>	<u>(20,452)</u>	<u>255,938</u>

27 Controlling party

Soft Touch Arts Limited is a company limited by guarantee and not having a share capital; it is incorporated under the Companies Act and governed by the Memorandum and Articles of Association of the company. The Trustees of the company are elected members and act as directors of the company and are deemed to be the controlling party of the company.

28 Prior period adjustment

The prior period adjustment relates to a restatement of the previously reported balance sheet figures in relation to the cost of freehold property following capital goods scheme adjustments and the inclusion of movements in reserves. The comparative figures, have been adjusted as follows:

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated £
Fixed assets			
Tangible assets	<u>1,060,493</u>	<u>20,009</u>	<u>1,080,502</u>
Capital funds			
Restricted funds	965,089	-	965,089
Unrestricted funds	<u>445,035</u>	<u>20,009</u>	<u>465,044</u>
Total equity	<u>1,410,124</u>	<u>20,009</u>	<u>1,430,133</u>