

**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 2025**

# SOFT TOUCH ARTS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	S Mahomed (Co-Chair)	
	C Stocker (Co-Chair)	
	KM Hudson (Honorary Treasurer)	
	J Crofton	
	NS Nightingale	
	K Grace	
	S Doshi	(Appointed 4 December 2024)
	D Myers	(Appointed 15 October 2024)
	SP West	(Appointed 4 December 2024)
<b>Charity number</b>	1147318	
<b>Company number</b>	02063893	
<b>Principal address</b>	50 New Walk Leicester LE1 6TF	
<b>Registered office</b>	50 New Walk Leicester LE1 6TF	
<b>Auditor</b>	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT	
<b>Bankers</b>	National Westminster Bank Plc 1 Granby Street Leicester LE1 6EJ	

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# SOFT TOUCH ARTS LIMITED

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# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2025

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The trustees who are also directors of the charitable company present their report and financial statements for the year ended 31 March 2025.

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 between now and 2027.

- 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 and a chance to gain invaluable planning, performance and back stage skills and experience.
- With National Lottery Community Fund Million Hours funding, we have expanded our open access arts and music provision as well as embedding our school holiday week long intensive Million Ideas programme - an expansion on our Step-Up provision.
- We continue to run a project in the hospital schools to do music with young people suffering from debilitating mental health conditions.
- We have continued to refine 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 want young people to find their voice on these issues too.

# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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- Funding from Garfield Weston has provided us with the resources to really explore what young people want to see and do and what feels beneficial to them. We built a programme around giving young people voice. We have given young people the chance to enjoy and have access to nature with trips to the Cornish coast, the Peak District, nature connection sessions in The National Forest, trips to local community gardens, from foraging, from growing willow sculptures, from upcycling workshops and zine making.
- The culmination of this programme, although outside of the 24/25 reporting timeframe in June 25, was Radical Hope - a Festival populated with events composed entirely of ideas young people had inspired by these activities.

#### 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.

- Our succession planning process was almost concluded by the end of this reporting period with a new working co-director and a finance associate director fully embedded and assuming many governance, funding, and financial responsibilities. All long-term working directors will be retired by September 2025.
- The voice and agency we give young people throughout their engagement with our work remains a core principle behind all activities and delivery (see Objectives section below for more detail).

#### 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. After recognising that we still had work to do in equalising the number of male and female participants, especially across our music projects, it is really encouraging to see that the actions we have taken (female only groups, more female session workers across all sessions) have helped us achieve a much better balance in participation (see Achievements section below).
- New Parks and South Wigston are both edge of city neighbourhoods that are socially and economically excluded and have low levels of cultural participation.
- Our long-standing National Lottery funded community-based programme of work in New Parks continues to secure sustained and impactful engagement. This engagement has been further supplemented with Historic England and OPCC funded heritage and street-based projects respectively 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 2025/26.
- Our community-based work in South Wigston, though not as developed as our work in New Parks, continues to receive support from local and national funders and is successfully developing a partnership approach with both local statutory agencies and community groups.
- 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.

#### **Objectives**

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

The Engage-Develop-Progress stages are built upon our core practice of giving young people both voice and agency to shape their sessions and their own development. This practice provides a space for young people unlike they experience in formal education settings which is mostly curriculum based or many other out of school youth provisions which are often set around specific, pre-designed activities.

# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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Guided and supported by our arts, music, food, environmental and heritage workers, young people shape their own sessions with us (Engage) and then their own development (Develop) and alongside this work, they are also given the chance to shape our projects, trips and events as well as more advanced skills and employment opportunities (Progress).

It is a pathway designed and delivered to give young people an increasing amount of voice and agency the longer they work with us.

The Progress and Opportunity stages of our work with young people overlap too in many ways. Embedded in both approaches is the aim to overcome the barriers that prevent access to a sustained engagement in creative activities and employment in the creative sector, including hospitality. We provide the opportunities and connections to enable both.

This model is a pathway designed from an assumed starting point where a young person has not been engaging in creative activities at all. It concludes with a young person who has learned to enjoy and value their own creativity and now understands how regular engagement with art, music, heritage and cooking can make them feel better about themselves and their future. And if we can provide opportunities to potentially earn an income from their newly acquired expertise, all the better.

Of course, not every young person starts and finishes neatly at these points. However, applying our practice of giving voice and agency to a young person to a model which can track their engagement, development and progression as well as the opportunities that we can provide, ensure the quality of the work we deliver retains quality and focus.

#### 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.

In 2024-25:

- We delivered over 179 outreach sessions, 145 fully open access sessions - a third more than our Arts Council England target.
- The number of individuals we engaged with has risen to 903 in 2024/25.
- Two thirds of the young people we engage with are from vulnerable backgrounds.

#### Develop

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

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.

This year just under half of young people who engaged with our projects moved into this stage of our projects. In 2024-25, we delivered 1,497 high quality, supervised project sessions - up 188 from 1,309 last year.

399 of these sessions were female only and 6 of 8 of our paid internships under our Opportunity programme were female. 6 of 8 of our paid interns were also non-white British. There is an obvious link between these two conscious changes and the fact that we now have an equal split across male and female participation and the number of non-white female participants in Develop sessions has doubled from 10% to 21%.

# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Progress

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

About 1 in 3 of those who have developed their confidence and skills in our core Develop programme, then take up the opportunity to further explore how they may progress.

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.

To this end, our youth arts centre exhibited young people's art work for over 150 days and we hosted summer and Christmas markets where young creatives sold their work. We organised 5 public gigs at different venues across the city for our young musicians.

In 2024-25:

- Delivered 173 specific Progress sessions, where life skills, resilience and career development are often part of our work.
- 131 young people attended 10+ sessions so they could be in a position to secure these benefits from our projects. This number is comfortably in excess of our Arts Council Target of 85 and has held steady for a few years.

#### 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 eight.

We aimed to offer work to 20 creative freelance workers from diverse backgrounds – we employed 30 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 906 (466) individual young people for the year ending 31 March 2025 and ran 2,434 (1,309) sessions over 29 (27) programmes and projects.
- All of our projects had a focus on health and wellbeing and 20% (29%) of participants were recorded as having a known disability or extra support needs.

# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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- The largest age group of those accessing Soft Touch were 12–16-year-olds at 42.6% (54%). We are now working with very few young ones at 10% (3%), the majority of this age group accessing our summer events and festivals. However, we are still working with significant numbers from the older age group of 17-24 at 25% (33%).
- 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 39% (46%). As last year, of those for whom a postcode was recorded, we had no participants from the County.
- We had 4,821 (7,680) visitors to events held at our building and other venues and 4,386 (3,118) café visitors. The high number of event visitors in 2023-24 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, which accounted for 4,743 visitors.
- We delivered 29 (27) 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 (working with over 45 (35) young people).

\*Sources: annual statistics submitted to Arts Council England.

#### **Notable achievements and developments**

We are committed to improving the progression opportunities for our young people as described above through our progression strand (through involvement in performances, exhibitions, mentoring, volunteering, work experience and creative enterprise) and opportunity strand (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). Here are some more highlights of what they achieved:

- Paid internships for young people – we have continued our commitment of employing young people on internships, through project funding and including the costs in applications. This means that this year we have had a team of eight young people who have got involved in delivering projects and contributing to the Youth Voice group.
- Trips – our Project Enable young people experienced trips to our local venues such as Curve Theatre and the King Power stadium; as part of our “nature connection” work, a group travelled to Cornwall to visit the Eden Project and got involved in creating art from litter picked from the local beaches.
- Young People’s performances – we have been able to provide a variety of music experiences both at Soft Touch and wider afield at local festivals (e.g. Glastonblaby and Mela) as well as a highlight performance at The International which looks set to be an annual event. These performances were seen by an astonishing 2,644 people.
- Events – we had over 2,000 visitors to our other events, in addition to the musical performances above, including our annual Christmas Market where our young people could showcase (and sell) their work; our inaugural Big Mini exhibition brought together art work from across all projects (the 2025 exhibition aims to reach beyond the walls of Soft Touch and into other creative spaces across the City); and our cafe work extended to events and festivals providing catering experience outside of the Soft Touch Cafe.

#### **FINANCIAL REVIEW**

The results for the year ended 31 March 2025 are shown in the Statement of Financial Activities on page 13. This, together with the balance sheet on pages 14-15, 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 £772,799 (2024: £706,715). The principal funding source continued to be grant income (60% - 2024: 67%). The charity does not carry out significant fundraising activities. Total expenditure for the year amounted to £676,989 (2024: £724,889). A breakdown of expenditure is set out in notes to the financial statements.



# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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After transfers between funds, there was a surplus on unrestricted funds for the year totalling £56,852 and a surplus on restricted funds totalling £38,958. This has resulted in a total increase in funds for the year of £95,810. The funds for the charity at the year-end totalled £1,507,769 which comprise restricted funds of £1,001,083 and unrestricted funds of £506,686, of which £85,000 has been designated and general funds totalling £421,686.

#### **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, being approximately six months unrestricted expenditure. The Board has designated £55,000 for a Property Maintenance reserve for future property capital repairs and maintenance - for example, in 2025-26 we will be having significant repairs to the roof and update to the heating system. Soft Touch Arts currently has £245,320 in free reserves (see note 23), therefore free reserves are in excess of the reserves policy by approximately £79,320. Looking beyond 2025-26, a key funding stream for our "open access" provision will be ending and the Directors feel it is prudent to retain these reserves to provide a back-stop while alternative funding sources are identified to enable this work to continue, and also to provide the additional resources on our most intensive / complex projects.

In addition, the Board has designated a further £30,000 for a Continuing Projects reserve to enable projects to continue after funding has ended.

#### **Risk Management**

The risk management plan is updated every quarter for presentation to the board. The primary increased risk noted is the continuing pressure on staff as the needs of our young people become more varied and complex. We have put short term steps in place to address this through increasing staff numbers on those sessions with the greatest pressure and subscribing to an Employee Assistance Programme which provides a 24/7 helpline and access to counselling. This particular risk is a key driver in our strategic funding plans for 2025 and beyond.

A risk category for succession was added following Arts Council England's flagging of this risk last year. For this year, ACE decreased the rating to 2 from 6 reflecting the work that went into managing the retirement of the three long term directors by September 2025.

### **PLANS FOR THE FUTURE**

#### Funding

- 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 to the National Lottery Community Fund to continue the programme in New Parks (Project Enable) was successful and we continue to use this programme not only to deliver an ongoing in-school and in-community access point to our work but as a basis for other work based in New Parks which can reach young people who may not be taking part in 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 submitting funding applications to improve the equipment and facilities available to young people across all our projects.

#### Succession

- Our 10-year succession plan has successfully been completed. This is reflected in the reduction of our Arts Council England overall risk rating to 2 – the lowest rating we have had since becoming a National Portfolio Organisation.

# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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- The next steps in succession planning will include a wider look at the roles, responsibilities and salaries of all permanent staff, especially in light of the additional hours of provision we are now delivering and the additional income we now secure, especially in fees for our alternative education provision.

#### Salary scales

- We are continuing our work on reviewing of salaries, using NJC local authority scales as a framework for salary progression and promotion, and looking at the Living Wage foundation guidance around pay and pensions.
- 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.

### **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 2024/25:

S Mahomed (Co-Chair)

C Stocker (Co-Chair)

KM Hudson (Honorary Treasurer)

VJ Attwood – resigned 6 May 2025

J Crofton

NS Nightingale

SK Norman – resigned 28 June 2024

HD Abeles – resigned 27 March 2025

KS Grace

GP Place – resigned 6 January 2025

S Lad – resigned 27 May 2024

D Myers – appointed 15 October 2024

S Doshi – appointed 4 December 2024

SP West – appointed 4 December 2024

VJ Attwood, J Crofton, K Grace, SK Norman, HD Pearson and D Myers were 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.

# SOFT TOUCH ARTS LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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At the AGM the board elects a Chair, Vice Chair and Treasurer for an annual term. At the AGM on 4 November 2025, S Mahomed and C Stocker were reappointed as co-Chairs and K Hudson was reappointed Honorary Treasurer.

#### **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
- 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.

# **SOFT TOUCH ARTS LIMITED**

## **TRUSTEES' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2025**

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On behalf of the board of trustees

KM Hudson (Honorary Treasurer)  
**Trustee**

Date: 18 December 2025

# SOFT TOUCH ARTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED

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#### Opinion

We have audited the financial statements of Soft Touch Arts Limited (the 'charitable company') for the year ended 31 March 2025 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 2025 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.

# SOFT TOUCH ARTS LIMITED

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

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### **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 8 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

# SOFT TOUCH ARTS LIMITED

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

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- 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

19 December 2025

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 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
<b>Income from:</b>					
Donations	3	7,508	775	8,283	10,161
Charitable activities	4	371,837	368,953	740,790	672,403
Other trading activities	5	4,814	282	5,096	9,628
Investments	6	13,218	-	13,218	10,390
Other income	7	5,412	-	5,412	4,133
<b>Total</b>		<b>402,789</b>	<b>370,010</b>	<b>772,799</b>	<b>706,715</b>
<b>Expenditure on:</b>					
Raising funds	8	36,778	-	36,778	37,606
Charitable activities	9	308,374	331,735	640,109	687,283
Other	12	-	102	102	-
<b>Total</b>		<b>345,152</b>	<b>331,837</b>	<b>676,989</b>	<b>724,889</b>
<b>Net income/(expenditure)</b>		<b>57,637</b>	<b>38,173</b>	<b>95,810</b>	<b>(18,174)</b>
Transfers between funds	22	(785)	785	-	-
<b>Net movement in funds</b>		<b>56,852</b>	<b>38,958</b>	<b>95,810</b>	<b>(18,174)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		449,834	962,125	1,411,959	1,430,133
<b>Total funds carried forward</b>		<b>506,686</b>	<b>1,001,083</b>	<b>1,507,769</b>	<b>1,411,959</b>

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 2025

	Notes	2025 £	£	2024 £	£
<b>Fixed assets</b>					
Tangible assets	15		1,026,798		1,046,714
<b>Current assets</b>					
Debtors	16	213,615		193,384	
Cash at bank and in hand		435,608		342,733	
		<u>649,223</u>		<u>536,117</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(80,225)		(71,142)	
<b>Net current assets</b>			<u>568,998</u>		<u>464,975</u>
<b>Total assets less current liabilities</b>			<u>1,595,796</u>		<u>1,511,689</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(88,027)		(99,730)
<b>Total net assets</b>			<u><u>1,507,769</u></u>		<u><u>1,411,959</u></u>
<b>The funds of the charity</b>					
Restricted funds	21		1,001,083		962,125
Unrestricted funds:					
Designated funds	22	85,000		85,000	
General funds		<u>421,686</u>		<u>364,834</u>	
			<u>506,686</u>		<u>449,834</u>
<b>Total charity funds</b>			<u><u>1,507,769</u></u>		<u><u>1,411,959</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 2025 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 2025**

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The financial statements were approved and authorised for issue by the board of trustees on 18 December 2025 and are signed on its behalf by:

KM Hudson (Honorary Treasurer)  
**Trustee**

**Company Registration No. 02063893**

The notes on pages 17 - 30 form part of these financial statements.

# SOFT TOUCH ARTS LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		95,148		(26,163)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,313)		(6,179)	
Investment income		13,218		10,390	
<b>Net cash generated from investing activities</b>			8,905		4,211
<b>Financing activities</b>					
Repayment of ICOF loan		(11,178)		(6,957)	
<b>Net cash used in financing activities</b>			(11,178)		(6,957)
<b>Net increase/(decrease) in cash and cash equivalents</b>			92,875		(28,909)
Cash and cash equivalents at beginning of year			342,733		371,642
<b>Cash and cash equivalents at end of year</b>			435,608		342,733

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 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 2025

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### 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	1% 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 2025

### 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 annual depreciation charge for land and buildings is sensitive to changes in the estimated useful economic life and residual value of the building. The useful economic life and residual value is reassessed annually. It is amended when necessary to reflect current estimates.

#### 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 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations	7,508	775	8,283	7,554	2,607	10,161

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 4 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Arts activities	359,093	362,213	721,306	282,745	374,321	657,066
Catering activities	11,544	6,740	18,284	7,363	7,974	15,337
Sponsorship income	1,200	-	1,200	-	-	-
	<u>371,837</u>	<u>368,953</u>	<u>740,790</u>	<u>290,108</u>	<u>382,295</u>	<u>672,403</u>
Income from arts activities include the following:						
Core funding			102,939			102,939
Project grants			362,013			370,920
Project fees			256,354			183,207
			<u>721,306</u>			<u>657,066</u>

### 5 Income from other trading activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fundraising events	4,814	282	5,096	8,817	811	9,628
	<u>4,814</u>	<u>282</u>	<u>5,096</u>	<u>8,817</u>	<u>811</u>	<u>9,628</u>

### 6 Income from investments

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Rental income	8,917	-	8,917	6,392	-	6,392
Interest receivable	4,301	-	4,301	3,998	-	3,998
	<u>13,218</u>	<u>-</u>	<u>13,218</u>	<u>10,390</u>	<u>-</u>	<u>10,390</u>

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 7 Other income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Other income	5,412	-	5,412	1,583	2,550	4,133

### 8 Expenditure on raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Staging fundraising events	2,900	-	2,900	2,831	-	2,831
Staff costs	33,878	-	33,878	34,775	-	34,775
	36,778	-	36,778	37,606	-	37,606

### 9 Expenditure on charitable activities

	Activities undertaken directly Note 10 £	Support Costs Note 11 £	Total 2025 £	Total 2024 £
Arts and catering activities	477,940	162,169	640,109	687,283
Unrestricted funds			308,374	295,836
Restricted funds			331,735	391,447
			640,109	687,283



# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 10 Expenditure on activities undertaken directly

	2025 £	2024 £
Staff costs	341,919	288,978
Project costs	46,140	144,572
Motor and transport costs	10,997	3,514
Project worker costs	78,884	64,584
	<u>477,940</u>	<u>501,648</u>

### 11 Expenditure on support costs

	2025 £	2024 £
Staff costs	80,130	88,467
Depreciation	22,698	34,615
Premises costs	20,457	24,914
Motor and transport costs	5,421	2,886
Audit fees	7,975	6,650
Printing, postage and stationery	823	1,503
Computer costs	2,792	2,552
Telephone	415	1,502
Legal and professional	7,636	9,933
Loan interest and bank charges	8,926	7,486
Irrecoverable VAT	532	1,711
Sundry	4,364	3,416
	<u>162,169</u>	<u>185,635</u>
Charitable activities	<u>162,169</u>	<u>185,635</u>

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

Support costs include governance costs totalling £57,040 (2024: £48,098) which comprise a proportion of staff costs and audit fees.

The amount charged to the SOFA in respect of auditor's remuneration was £7,975 (2024: £6,650).

### 12 Other expenditure

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Loss on disposal of tangible fixed assets	-	102	102	-	-	-

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 13 Trustees

Six trustees received remuneration during the year totalling £144,363 (2024: five received £137,283). This is as permitted by the Articles of Association and is made up as follows:

SK Norman	£13,205 (2024 - £28,161)
VJ Attwood	£21,860 (2024 - £21,120)
HD Abeles	£18,216 (2024 - £17,600)
J Crofton	£36,433 (2024 - £35,201)
KS Grace	£36,433 (2024 - £35,201)
D Myers	£18,216 (2024 - £Nil)

Pension contributions for the above Trustees amounted to £3,342 (2024: £3,357).

Five trustees were reimbursed a total of £2,666 travel expenses (2024: five were reimbursed £3,840).

### 14 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Directors	5	5
Project workers	5	3
Administrative workers	5	6
Sessional workers	6	7
Interns	6	3
Total	27	24
Employment costs	2025 £	2024 £
Wages and salaries	423,295	383,149
Social security costs	24,912	21,917
Other pension costs	7,720	7,154
	455,927	412,220

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 2025

### 15 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2024	1,205,798	167,516	8,016	1,381,330
Additions	-	4,313	-	4,313
Disposals	-	(197)	-	(197)
Capital Goods Scheme adjustment	(1,429)	-	-	(1,429)
At 31 March 2025	1,204,369	171,632	8,016	1,384,017
<b>Depreciation and impairment</b>				
At 1 April 2024	196,747	130,928	6,941	334,616
Depreciation charged in the year	12,372	9,251	1,075	22,698
Eliminated in respect of disposals	-	(95)	-	(95)
At 31 March 2025	209,119	140,084	8,016	357,219
<b>Carrying amount</b>				
At 31 March 2025	995,250	31,548	-	1,026,798
At 31 March 2024	1,009,051	36,588	1,075	1,046,714

### 16 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Trade debtors	142,764	70,901
Prepayments and accrued income	70,851	122,483
	213,615	193,384

### 17 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
ICOF loan	19	9,542	9,017
Taxation and social security		41,242	30,438
Trade creditors		6,690	6,290
Other creditors		3,957	2,109
Accruals and deferred income		18,794	23,288
		80,225	71,142

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 18 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
ICOF loan	19	88,027	99,730

### 19 Loans and overdrafts

	2025 £	2024 £
ICOF loan	97,569	108,747
Payable within one year	9,542	9,017
Payable after one year	88,027	99,730
Amounts included above which fall due after five years:		
Payable by instalments	43,882	58,061

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 £7,720 (2024: £7,154). 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 2025

### 21 Restricted funds

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

	Balance at 1 April 2024	Movement in funds			Transfers	Balance at 31 March 2025
	£	Income	Expenditure	Depreciation charge	£	£
		£	£	£		
Building	744,374	-	-	(9,054)	437	735,757
Time to Shine	22,521	-	(21,907)	-	-	614
Project Enable project 1	102,059	-	(95,123)	(939)	-	5,997
Soft Touch Studio project 1	432	41,965	(40,209)	(159)	-	2,029
Youth Incubator Fund	18,808	2,946	(21,754)	-	-	-
TSIB Grant	5,667	11,333	(17,000)	-	-	-
Project Enable project 2	-	101,280	(19,899)	-	-	81,381
Soft Touch Studio project 2	-	52,940	(9,876)	-	-	43,064
Million Hours / Right Track	2,478	55,537	(21,869)	(323)	-	35,823
Sustainable Soft Touch	-	30,000	(12,759)	-	-	17,241
Melting Pot	-	21,392	(15,382)	-	-	6,010
Other funds	65,786	52,617	(39,043)	(6,541)	348	73,167
	<u>962,125</u>	<u>370,010</u>	<u>(314,821)</u>	<u>(17,016)</u>	<u>785</u>	<u>1,001,083</u>

	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 project 1	107,656	111,550	(116,201)	(946)	-	102,059
Punks	685	111,482	(110,931)	(86)	-	1,150
Soft Touch Studio project 1	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>

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 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**

Funding was received to part-fund the Soft Touch Arts building.

#### **Time to Shine**

Funding was received to employ a young marketing intern for a year.

#### **RAP**

RAP is an offer to fund a full-time one-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.

#### **Project Enable - Project 1 (2022 - 2025) and Project 2 (2025 - 2028)**

Project Enable is a three-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.

#### **Punks**

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

#### **Soft Touch Studios - Project 1 (2022 - 2025) and Project 2 (2025 - 2028)**

Soft Touch Studios is a three-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 three 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 to 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 six-month internships specifically for young women aged 18-25.

#### **TSB Grant**

This grant will help us build our trading income from our community café during the school holidays in 2024 and allow us to use the incentivised match funding to offer the same in 2025. The aim is to firmly establish the café as a valued community space to a larger customer base through consistent, year-round opening.

#### **Million Hours / Right Track**

Million Hours/Right Track funding from the National Lottery Community Fund will allow us to provide additional hours to young people aged 11-18 in Leicester and Leicestershire who are at risk of anti-social behaviour. The project will develop practical skills in a safe and inclusive environment with trusted adults, over two years. The aim is provide 650 additional hours of youth provision over the duration of the project.

#### **Sustainable Soft Touch**

Sustainable Soft Touch is funded by Garfield Weston to enable us to put our sustainability principles into practice, thereby embedding environmentalism into everything we do. Our vision with this current application is that by 2026 we will have moved significantly closer to a carbon-neutral organisation and that young people are leading action and creativity around the climate crisis. It has been developed alongside young people involved in our youth voice group.

# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 21 Restricted funds

(Continued)

#### Melting Pot

The Melting Pot project, funded by Leicester City Council, is a series of term-time cooking sessions and holiday support sessions for refugee families from Syria and Afghanistan, building on previous successful cooking projects with refugees/asylum seekers. The sessions will support participants to source ingredients and cook meals on a budget and connect them to other cost of living support eg repair cafés; computer, bicycle and toy donors. The project will provide an avenue to improve English vocabulary and conversational skill alongside boosting wellbeing and reducing isolation, vital factors in helping refugees towards finding paid work.

#### Other funds

Other funds comprises several funds that have been aggregated together for disclosure purposes, with only material fund balances and movements being disclosed separately. Therefore, not all individual restricted fund balances carried forward from the prior year will appear as individual restricted fund balances on the face of the current year restricted fund note.

### 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 2024 £	Movement in funds			Balance at 31 March 2025 £
		Income £	Expenditure £	Transfers £	
General funds	364,834	402,789	(345,152)	(785)	421,686
<b>Designated funds</b>					
Property maintenance reserve	55,000	-	-	-	55,000
Continuing projects reserve	30,000	-	-	-	30,000
	<u>449,834</u>	<u>402,789</u>	<u>(345,152)</u>	<u>(785)</u>	<u>506,686</u>

	Balance at 1 April 2023 £	Movement in funds			Balance at 31 March 2024 £
		Income £	Expenditure £	Transfers £	
General funds	380,044	318,452	(333,442)	(220)	364,834
<b>Designated funds</b>					
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 2025

### 22 Unrestricted funds

(Continued)

#### 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 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total 2025 £
Fund balances at 31 March 2025 are represented by:				
Tangible assets	264,393	-	762,405	1,026,798
Current assets/(liabilities)	245,320	85,000	238,678	568,998
Long term liabilities	(88,027)	-	-	(88,027)
	<u>421,686</u>	<u>85,000</u>	<u>1,001,083</u>	<u>1,507,769</u>
	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>

### 24 Related party transactions

#### Remuneration of key management personnel

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

	2025 £	2024 £
Aggregate compensation	<u>147,705</u>	<u>140,640</u>

#### Transactions with related parties

During the year, SJ Collier, the spouse of VJ Attwood, was paid £12,595 (2024: £7,691) for her services as an employee.

No guarantees have been given or received.



# SOFT TOUCH ARTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

25	Cash generated from operations	2025 £	2024 £
	Surplus/(deficit) for the year	95,810	(18,174)
	Adjustments for:		
	Investment income	(13,218)	(10,390)
	Loss on disposal of tangible fixed assets	102	-
	Capital Goods Scheme adjustment	1,429	5,352
	Depreciation and impairment of tangible fixed assets	22,698	34,615
	Movements in working capital:		
	(Increase) in debtors	(20,231)	(32,479)
	Increase/(decrease) in creditors	8,558	(5,087)
	<b>Cash generated from/(absorbed by) operations</b>	<b>95,148</b>	<b>(26,163)</b>

## 26 Analysis of changes in net funds

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	342,733	92,875	435,608
Loans falling due within one year	(9,017)	(525)	(9,542)
Loans falling due after more than one year	(99,730)	11,703	(88,027)
	<u>233,986</u>	<u>104,053</u>	<u>338,039</u>
	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>

## 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.