

Company Registration No. 2063893 (England and Wales)

**SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)**

(A COMPANY LIMITED BY GUARANTEE)

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

**SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)
(A COMPANY LIMITED BY GUARANTEE)
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**SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT TO SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Soft Touch Arts Limited (formerly Soft Touch Co-operative Limited) for the year ended 31 March 2007 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

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

21 August 2007

SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)
(A COMPANY LIMITED BY GUARANTEE)
ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	2		103,514		74,321
Current assets					
Debtors		20,660		43,834	
Cash at bank and in hand		72,213		116,117	
		92,873		159,951	
Creditors: amounts falling due within one year		(65,110)		(117,025)	
Net current assets			27,763		42,926
Total assets less current liabilities			131,277		117,247
Creditors: amounts falling due after more than one year			(69,635)		(57,453)
Provisions for liabilities and charges			(4,401)		(3,444)
			57,241		56,350
Accumulated Reserves					
Profit and loss account			57,241		56,350
			57,241		56,350

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 20 August 2007

D E Francis
Director

**SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Compliance with accounting standards

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

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

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

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

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

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

1.7 Deferred taxation

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

1.8 Government grants

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

During the year various grants were received from a number of funding bodies. These included the Big Lottery Young Peoples Fund (Stretch) and from Awards for All.

SOFT TOUCH ARTS LIMITED
(FORMERLY SOFT TOUCH CO-OPERATIVE LIMITED)
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

2 Fixed assets

	Tangible assets £
Cost	
At 1 April 2006	160,792
Additions	45,611
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At 31 March 2007	206,403
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Depreciation	
At 1 April 2006	86,471
Charge for the year	16,418
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At 31 March 2007	102,889
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Net book value	
At 1 April 2006	74,321
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At 31 March 2007	103,514
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