

Company Registration No. 2063893 (England and Wales)

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2009**

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

Directors

SK Norman
VJ Attwood
CC Wigmore
G Bridgen
TJ Burke
D E Francis
V Manship
PE Roberts
H Pearson
A Hallett
M Sallah

Secretary

D E Francis

Company number

2063893

Registered office

120A Hartopp Road
Leicester
LE2 1WF

Auditors

Newby Castleman
West Walk Building
Leicester
LE1 7LT

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

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities

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

Directors

The following directors have held office since 1 April 2008:

SK Norman
VJ Attwood
CC Wigmore
G Bridgen
TJ Burke
D E Francis
V Manship
PE Roberts
H Pearson
A Hallett
M Sallah

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Newby Castleman be reappointed as auditors of the company will be put to the Annual General Meeting.

Statement of directors' responsibilities

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

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

**SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

.....

D E Francis

Director

Date:

SOFT TOUCH ARTS LIMITED

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOFT TOUCH ARTS LIMITED

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF SOFT TOUCH ARTS LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

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

Date:

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Turnover		373,103	354,460
Core project expenditure		(379,425)	(358,688)
Other operating income		1,870	1,765
Operating loss	2	(4,452)	(2,463)
Other interest receivable and similar income		1,084	2,631
Interest payable and similar charges		(841)	(1,245)
Loss on ordinary activities before taxation		(4,209)	(1,077)
Tax on loss on ordinary activities	3	(599)	3,522
(Loss)/profit for the year	9	(4,808)	2,445

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	4		101,085		110,413
Current assets					
Debtors	5	33,668		45,046	
Cash at bank and in hand		58,417		71,571	
			<u>92,085</u>	<u>116,617</u>	
Creditors: amounts falling due within one year	6	(77,598)		(95,670)	
Net current assets			<u>14,487</u>		<u>20,947</u>
Total assets less current liabilities			<u>115,572</u>		<u>131,360</u>
Creditors: amounts falling due after more than one year	7		<u>(60,694)</u>		<u>(71,674)</u>
			<u>54,878</u>		<u>59,686</u>
Accumulated Reserves					
Profit and loss account	9		<u>54,878</u>		<u>59,686</u>
			<u>54,878</u>		<u>59,686</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 24 August 2009

D E Francis
Director

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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 2007).

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	20% per annum of net book value

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 Grants receivable

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

During the year various grants were received from a number of funding bodies. These included the Big Lottery Fund Grant.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

2 Operating loss	2009	2008
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	16,408	15,490
Auditors' remuneration	4,000	5,625
Directors' emoluments	103,441	103,454
and after crediting:		
Grants receivable	(268,711)	(181,135)
	<u> </u>	<u> </u>

Deferred grants of £107,674 (2008 £133,179) will be included in future years' profit and loss.

Directors' emoluments includes pension costs.

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2008- 4).

3 Taxation	2009	2008
	£	£
Current year tax		
U.K. corporation tax	599	879
	<u> </u>	<u> </u>
Current tax charge	599	879
Deferred tax		
Origination and reversal of timing differences	-	(4,401)
Increase in discount	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	599	(3,522)
	<u> </u>	<u> </u>

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

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

4 Tangible fixed assets

	Land and buildings Leasehold	Hyped project equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2008	63,041	4,942	144,431	14,936	227,350
Additions	-	-	2,738	4,342	7,080
At 31 March 2009	63,041	4,942	147,169	19,278	234,430
Depreciation					
At 1 April 2008	7,601	4,942	89,458	14,936	116,937
Charge for the year	3,110	-	12,430	868	16,408
At 31 March 2009	10,711	4,942	101,888	15,804	133,345
Net book value					
At 1 April 2008	55,440	-	54,973	-	110,413
At 31 March 2009	52,330	-	45,281	3,474	101,085

5 Debtors

	2009	2008
	£	£
Trade debtors	23,234	41,536
Other debtors	-	560
Prepayments and accrued income	10,434	2,950
	33,668	45,046

6 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	7,020	6,506
Corporation tax	599	879
Other taxes and social security costs	9,105	9,331
Other creditors	3,706	4,373
Accruals and deferred income	47,802	62,293
Deferred grants	9,366	12,288
	77,598	95,670

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

7	Creditors: amounts falling due after more than one year	2009	2008
		£	£
	Deferred grants	56,344	64,451
	Other loans	4,350	7,223
		<u>60,694</u>	<u>71,674</u>

8 Pension costs

Defined contribution

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

	2009	2008
	£	£
Contributions payable by the company for the year	<u>5,078</u>	<u>5,551</u>

9 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 April 2008	59,686
Loss for the year	(4,808)
Balance at 31 March 2009	<u>54,878</u>

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2009

10 Financial commitments

At 31 March 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2010:

	2009	2008
	£	£
Operating leases which expire:		
Within one year	10,815	1,199
Between two and five years	1,235	10,815
	<u>12,050</u>	<u>12,014</u>

11 Related party transactions

During the year the company paid £10,815 (2008 £10,973) to the Soft Touch Community Arts Limited Retirement Benefit Scheme for the rental of business premises. The directors CC Wigmore, SK Norman, VJ Attwood and H Pearson are members of this scheme.

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2009

SOFT TOUCH ARTS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

CORE ACTIVITIES

	2009	2008
	£	£
Income		
Leicester City Council	22,000	21,400
Grant and project fees received	234,556	243,653
Arts Council England Grant	75,000	52,900
SEEM Grant	2,641	2,232
Big Lottery Fund Grant	38,906	34,275
	<u>373,103</u>	<u>354,460</u>
Expenditure		
Wages and salaries	139,474	134,084
Staff pension	1,287	2,235
Directors' remuneration	99,650	100,138
Directors' pension	3,791	3,316
Training & conference fees	2,585	1,584
Rent	9,914	10,071
Rates	1,939	1,587
Insurance	8,287	5,113
Light and heat	3,858	3,165
Materials & project costs	29,767	20,510
Repairs and renewals	3,884	4,612
Fees for workshop sessions	11,478	21,954
Printing, postage and stationery	11,044	8,753
Telephone	1,222	1,457
Computer costs	9,964	1,960
Hire of equipment	1,694	1,753
Motor & travel expenses	8,523	7,170
Legal and professional	4,164	1,924
Book keeping	2,160	1,440
Audit fees	4,000	5,625
Bank charges	822	707
Bad debts	319	79
Miscellaneous expenses	3,191	3,492
Depreciation of tangible assets	16,408	15,490
Loss on sale of tangible assets	-	469
	<u>(379,425)</u>	<u>(358,688)</u>
	(6,322)	(4,228)
Other operating income		
Rent receivable	2,671	2,666
Rent expenses	901	901
Sundry income	100	-
	<u>1,870</u>	<u>1,765</u>
	(4,452)	(2,463)
Interest receivable		
Bank deposit interest	1,084	2,631
Interest payable		
Bank interest	(841)	(1,245)
Loss before taxation	<u>(4,209)</u>	<u>(1,077)</u>