

Charity Registration No. 1147318

Company Registration No. 02063893 (England and Wales)

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	G Brigden (Chairman) TJ Burke (Vice Chairman) KM Hudson (Honorary Treasurer) VJ Attwood N Diamond J Crofton D Myers SK Norman HD Pearson CR Spence CC Wigmore
Charity number	1147318
Company number	02063893
Principal address	50 New Walk Leicester LE1 6TF
Registered office	50 New Walk Leicester LE1 6TF
Auditors	Newby Castleman West Walk Building 110 Regent Road Leicester LE1 7LT
Bankers	National Westminster Bank Plc 1 Granby Street Leicester LE1 6EJ

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SOFT TOUCH ARTS LIMITED (LIMITED BY GUARANTEE) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The Trustees who are also Directors of the Charitable Company present their report and financial statements for the year ended 31 March 2016.

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 Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting standard for Smaller Entities.

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.

The Charity also aims:

4. To advance in life and help young people through:
 - The provision of arts and media activities provided in the interest of social welfare, designed to improve their conditions of life;
 - Providing support and activities, which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
5. To help young people, especially but not exclusively through arts, to develop their capabilities so that they grow to full maturity as individuals and members of society.
6. To act as a resource for young people by providing advice and assistance and organising programmes of physical, educational and other activities as means of:
 - Advancing in life and helping young people;
 - Advancing education;
 - Relieving unemployment; and
 - Providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. And to carry out all other such work incidental to the above objects of the Charity for charitable purposes for the general benefit of the inhabitants of Leicester, Leicestershire and occasionally in other areas of the UK to share good practice or replicated models of delivery.

Soft Touch Arts has adopted a three-year strategic plan to help achieve the above objectives. The plan states that the Company ethos is "to operate as an effective and sustainable Charity, working collectively to improve the lives of young people with limited opportunities. We do this by using creativity to help them grow in confidence, express their ideas, and support their personal development and progression".

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

OBJECTIVES AND ACTIVITIES (Continued)

Our strategic aims for 2014-17 are to:

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

Our key business goals for 2014-17 are to:

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

Public Benefit

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

The main activities undertaken to further the charity's purposes for the public benefit are through participation in arts and catering activities.

Equality and diversity

Soft Touch Arts is committed to promoting, valuing and managing equality and diversity in all aspects of its work.

We do not tolerate discrimination on the basis of age, disability, gender, race, religion or belief, sexual orientation or any other form of discrimination.

In order to ensure that equality and diversity is embedded at every level of operation and service delivery, and that all relevant legislation is complied with, in November 2012 Soft Touch Arts reviewed and revised its Equality and Diversity Policy and the action plan which lays out how, by whom and when the policy will be implemented.

The Equality and Diversity Policy aims to ensure that the people who work for and with Soft Touch are fully representative of the local population. As an organisation that works primarily with young people, Soft Touch aims to involve young people in the development and delivery of our programme of work.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

OBJECTIVES AND ACTIVITIES (Continued)

We have nominated Helen Pearson to be the Director responsible for designing a programme of action, in consultation with staff and the other salaried and voluntary Directors, to implement this policy.

The voluntary Directors (Management Board) are involved in the process of ensuring that the policy and associated Action Plan are appropriate, relevant and current. Helen Pearson carried out a review during the year. Stakeholders are also regularly consulted, as a part of our social impact reporting process.

ACHIEVEMENTS AND PERFORMANCE

Headline statistics;

- 1827 individuals engaged in our activities for the year ended 31 March 2016.
- 1767 (96.72%) came from vulnerable groups.
- 8573 attended events (exhibitions, performances etc)
- 517 (28.3%) of participants attended 3 or more times.

The Building Project

Soft Touch Arts moved into our new building at 50 New Walk, Leicester in May 2015. This was the culmination of a five year process turning our vision of a new arts and heritage centre for young people into a reality. It involved raising over a million pounds and a lot of creative thinking and problem solving all whilst continuing to deliver our programme of work with young people. The building was officially opened by HRH Prince Edward, Earl of Wessex, in June 2015.

The building has presented a wide range of new opportunities for the work of Soft Touch Arts with an exhibition / performance space and a fully commercial project kitchen. We have purpose built spaces for arts activities as well as a live music studio and rehearsal room, music booths and outdoor space for undertaking arts activities and displaying the finished pieces. The central location means we are able to deliver more of our work with young people at our own base and it gives us a high public profile and close proximity to many partner organisations.

The opening exhibition was the culmination of a two-year Heritage Lottery funded project (that was linked to the capital funding they awarded as a part of the building refurbishment scheme) called 'Changing You(th)' a project where young people created an exhibition comparing life for young people in the 1950's (the building was built in 1951) to the present day and attracted over 800 visitors.

We were successful in being chosen as one of four venues for a high profile national touring exhibition for children's art entitled 'Generation Art' and have also held 2 further exhibitions highlighting the work of participants from different projects.

The kitchen has enabled us to run a weekly café as a part of the SMashing project training young people in the skills to cook for and run a café with the aim of participants moving onto paid employment elsewhere.

We have been able to diversify our income through renting out different spaces in the building for both short and long term use including an independent office space on a yearly lease and being able to offer new services such as company team building days.

We have made relationships with and gained funding from new trusts and foundations, such as Lloyds Bank Foundation, Morrisons, Esmee Fairbairn and Rank Foundation. These trusts are supporting Soft Touch with more than just project funding, providing capacity building and pro-bono staff volunteering and opportunities to apply for longer-term funding.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

ACHIEVEMENTS AND PERFORMANCE (Continued)

We have established a business ambassador panel made up of local business leaders who are committed to supporting Soft Touch to bring in more income from local business donations and traded income schemes. Business Ambassadors have introduced us to companies that have sponsored events and exhibitions and also one company has committed to providing pro-bono PR and marketing support. During the year, five companies have made us their charity of the year.

Programme work

Demand for our work has continued to be high as public sector support services for young people has been cut back. However, there is not always the funding available to support these requests. Our flagship Big Lottery funded programme, Big-Up, finishes just after the year end but continuation funding from the Big Lottery has just been confirmed for a five year follow-on programme.

Highlights of programme work include:

Creative Studio

The new building has meant that we have been able to offer one-to-one sessions for young people as alternative education provision. This has been a very successful programme of work and we have built up good relationships with a number of different organisations such as the Autism Outreach Service. The layout of the building ensures that we can provide a quiet safe space that offers a range of creative activities immediately on hand to engage and enthuse the young people.

Kickstart Mentoring programme

The Kickstart Mentoring scheme provided young people, all of whom are Soft Touch participants with multiple challenges in their lives with the opportunity to meet with a mentor once a week for 6 months. 13 people from the business community volunteered their time as mentors for the project. The scheme has been very successful in helping young people move towards employment or further education.

Glen Parva YOI

Our programme of work at Glen Parva, the local Youth Offending Institution in partnership with the NHS Therapeutic Drug and Alcohol Service Unit (which is based within the prison) continued through the year. The unit works with inmates who have had substance misuse and/or mental health issues and many involved have cited this project as a lifeline. An exhibition of their artwork was held within the prison and the group have continued to work towards an exhibition at Soft Touch, which will be the culmination of the project.

Mixt Up

Our three-year Youth Music project started this financial year. This contains elements of both live and digital technology music making both in house and at outside venues such as gypsy and traveller sites, on city estates and in the local Youth Offending Institution.

Fundraising activities

Competition for less money available has continued to be the case with both grant funding and public sector funding. As mentioned above the move to the new building has enabled us to put into place strategies to diversify income streams; expanding private sector fundraising, setting up new trading schemes based at 50 New Walk and expanding paid referrals to our Creative Studio one to one programme.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

FINANCIAL REVIEW

The results for the year ended 31 March 2016 are shown in the Statement of Financial Activities on page 10. This, together with the Balance Sheet on page 11 should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP (2015 FRSSE).

Total income for the year amounted to £734,009 (2015 - £1,229,144). The results for this and the previous year are distorted because of income received for the new premises totalling £92,350 (2015 - £808,896). The principal funding source continued to be grant income. Total expenditure for the year amounted to £529,388 (2015 - £486,077). A breakdown of expenditure is set out in note 7 to the financial statements.

Post transfers, there was a surplus on general funds totalling £43,374, a surplus on designated funds totalling £5,840 and a surplus on restricted funds totalling £155,407. This has resulted in a total increase in funds for the year of £204,621.

Reserves

It is the policy of the Board of Trustees to maintain unrestricted general reserves equivalent to three months total expenditure (being approximately £130,000) in case Soft Touch suffers an immediate drop in income caused by external unforeseeable circumstances. Current levels of unrestricted general reserves are £128,966.

There Generations Art Grant (Cat Match) and the SMashing (CAT Match) restricted funds both reflect deficits at the year end. These have arisen because expenditure has been allocated to these projects in advance of income being received.

The Charity reports periodically to its principal funder and ensures funds are expensed in accordance with the funding agreement.

PLANS FOR THE FUTURE

Tailored programmes of creative activities for young people will continue as our core activity. We plan to develop a programme of exhibitions curated by and for young people using our new exhibition space at 50 New Walk as well as a comprehensive programme of mentoring and volunteer opportunities to help with the progression of young people.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Soft Touch Arts Limited is a Company limited by guarantee and is governed by its Memorandum and Articles of Association. It is a Charity registered with the Charity Commission. 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.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

The following Trustees have served since 1 April 2015:

G Brigden (Chairman)
TJ Burke (Vice Chairman)
KM Hudson (Honorary Treasurer)
VJ Attwood
N Diamond
J Crofton
D Myers
SK Norman
HD Pearson
CR Spence
CC Wigmore

VJ Attwood, J Crofton, SK Norman, HD Pearson and CC Wigmore are the only salaried Directors. These salaried Directors deliver projects as well as operating as the Charity's executive Directors. The Board meet on a periodic basis to make decisions on strategy and direct the management of the Charity's affairs. The Articles of Association sets 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. New Trustees are given a full induction programme when they join and are offered training opportunities.

At the AGM the Board elects a Chairman, Vice Chairman and Treasurer for an annual term. On 10 December 2015 G Brigden was reappointed Chairman, TJ Burke was reappointed Vice Chairman, and K Hudson was reappointed Honorary Treasurer.

Risk Management

The Trustees have identified and reviewed the major risks to which the Charity is exposed and procedures have been established to mitigate these risks.

The main key risks for the Charity:

- The Capital project and the move – Soft Touch moved into the premises in May 2015, eighteen months after the original deadline for this, two months after the revised deadline. Rising costs meant extra finances needed to be raised. The move itself was a huge project and because of missing the second deadline the move had to be undertaken whilst a full programme of work continued. A successful outcome was achieved by careful planning and a lot of hard work and goodwill by Directors, staff and volunteers over a lengthy period of time.
- Long term funding – opportunities for grant and fee based income is continuing to decline coupled with greater competition for these funds and increased demand for our services. The core funding we receive from Arts Council England and Leicester City Council is also continually under threat to either reduce or be cut completely. We have been working for several years now on a strategy to diversify and widen our income together with a detailed long-term fundraising strategy, which is reviewed and updated regularly.
- Succession planning – four of the five salaried Directors will be looking at retirement over the next ten years. Succession plans have been made and these now need to be set into action to ensure the long term sustainability of the charity.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Charity and of the incoming resources and application of resources of the charity for that year.

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 (2015 FRSSSE);
- 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 proper adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

Auditors

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board of Trustees

.....
KM Hudson (Honorary Treasurer)
Trustee

Date

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED**

We have audited the financial statements of Soft Touch Arts Limited for the year ended 31 March 2016 set out on pages 10 to 26. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities, effective January 2015 (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

This report is made solely to the Charitable Company's Trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts;
or
- the Charitable Company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....

Dated:

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

Newby Castleman is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

		Unrestricted funds			Total	Total
	Notes	General funds	Designated funds	Restricted funds	2016	2015
		£	£	£	£	£
Income from:						
Donations	2	24,002	5,840	13,423	43,265	27,047
Charitable activities	3	224,261	-	449,698	673,959	1,199,511
Other trading activities	4	1,200	-	6,200	7,400	-
Investments	5	7,379	-	-	7,379	1,843
Other	6	1,772	-	234	2,006	743
Total		258,614	5,840	469,555	734,009	1,229,144
Expenditure on:	7					
Raising funds		31,216	-	-	31,216	25,824
Charitable activities		183,539	-	314,633	498,172	460,253
Total		214,755	-	314,633	529,388	486,077
Net income		43,859	5,840	154,922	204,621	743,067
Transfers between funds	18	(485)	-	485	-	-
Net movement in funds		43,374	5,840	155,407	204,621	743,067
Reconciliation of funds:						
Total funds brought forward		85,592	15,651	974,133	1,075,376	332,309
Total funds carried forward		128,966	21,491	1,129,540	1,279,997	1,075,376

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets:					
Tangible assets	13		1,211,477		1,108,509
Current assets:					
Debtors	14	192,968		82,876	
Cash at bank and in hand		133,907		233,906	
			<u>326,875</u>		<u>316,782</u>
Liabilities:					
Creditors: amounts falling due within one year	15	(91,148)		(160,333)	
Net current assets			<u>235,727</u>		<u>156,449</u>
Total assets less current liabilities			<u>1,447,204</u>		<u>1,264,958</u>
Creditors: amounts falling due after more than one year	16		<u>(167,207)</u>		<u>(189,582)</u>
Net assets			<u>1,279,997</u>		<u>1,075,376</u>
The funds of the charity:					
Restricted funds	18		1,129,540		974,133
Designated funds	19	21,491		15,651	
General funds		128,966		85,592	
			<u>150,457</u>		<u>101,243</u>
Total Charity funds			<u>1,279,997</u>		<u>1,075,376</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

For the year ending 31 March 2016 the company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies, but it is subject to audit under the Charities Act 2011 by virtue of its governing document.

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 requirement of the Companies Act with respect to accounting records and the preparation of financial statements.

The accounts were approved by the Board on

.....
KM Hudson (Honorary Treasurer)
Trustee

Company Registration No. 02063893

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

1.2 Income recognition

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when income has been received. Gifts in kind and donated assets are valued at cost and are included in the SOFA and Balance Sheet when criteria for their recognition are met. No amounts are included in the financial statements for services donated by volunteers.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned (as the related goods or services are provided).

Deferred income is recognised when:

- the grant or donation must only be used in future accounting periods; or
- conditions have been imposed which must be met before the Charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category.

Costs of charitable activities are those costs incurred in providing the various activities required in order for the Charity to achieve its objectives.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. Governance costs are those costs incurred in connection with the constitutional requirements of the charity. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Expenditure is classified as exceptional when, in the opinion of the Trustees, it requires separate disclosure by virtue of its size, nature or incidence to enable a full understanding of the Charity's performance.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies

(Continued)

1.4 Tangible fixed assets and depreciation

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

Freehold land is not depreciated	
Freehold buildings	2% per annum on cost
Leasehold property	Straight line over 20 years
Fixtures, fittings & equipment	10% per annum of net book value, straight line over 7 years & straight line over 3 years
Motor vehicles	20% per annum of net book value

1.5 Pensions

The Charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.6 Company Status

The Charity is a company limited by guarantee. The members of the Company are the Trustees named on page 6. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.7 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Transfers arise between unrestricted and restricted funds because general reserves are used to underwrite the overspend on the restricted projects.

1.8 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies

(Continued)

1.11 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations

	Unrestricted funds			Total	Total
	General funds	Designated funds	Restricted funds	2016	2015
	£	£	£	£	£
Donations	24,002	5,840	13,423	43,265	27,047

Of the £27,047 received in the prior year £2,427 was general, £6,290 was designated and £18,330 was restricted.

Included in donations are the following amounts recognised in respect of donated assets £Nil (2015 - £14,800).

3 Charitable activities

	Unrestricted Funds			Total	Total
	General funds	Designated funds	Restricted funds	2016	2015
	£	£	£	£	£
Arts activities	218,500	-	449,698	668,198	1,199,511
Catering activities	5,761	-	-	5,761	-
	224,261	-	449,698	673,959	1,199,511

Included within income relating to Arts activities are the following:

Core funding	111,110	-	-	111,110	112,727
Project grants	6,280	-	438,589	444,869	1,010,064
Project fees	101,110	-	11,109	112,219	75,910
Other	-	-	-	-	810
	218,500	-	449,698	668,198	1,199,511

Of the £1,199,511 received in the prior year £189,666 was general, £404 was designated and £1,009,441 was restricted.

SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

4 Other trading activities

	Unrestricted funds			Total 2016 £	Total 2015 £
	General funds £	Designated funds £	Restricted funds £		
Sponsorship income	-	-	6,200	6,200	-
Fundraising events	1,200	-	-	1,200	-
	<u>1,200</u>	<u>-</u>	<u>6,200</u>	<u>7,400</u>	<u>-</u>

Included within sponsorship income is £2,200 in relation to 'brick sponsorship', an appeal to help raise funds for the cost of the new building and £4,000 in relation to sponsorship for an event when the new building was opened.

5 Investments

	Unrestricted funds			Total 2016 £	Total 2015 £
	General funds £	Designated funds £	Restricted funds £		
Rental income	7,350	-	-	7,350	1,665
Interest receivable	29	-	-	29	178
	<u>7,379</u>	<u>-</u>	<u>-</u>	<u>7,379</u>	<u>1,843</u>

All of the £1,843 received in the prior year was general.

6 Other

	Unrestricted funds			Total 2016 £	Total 2015 £
	General funds £	Designated funds £	Restricted funds £		
Net gain on disposal of fixed assets	-	-	234	234	-
Other income	1,772	-	-	1,772	743
	<u>1,772</u>	<u>-</u>	<u>234</u>	<u>2,006</u>	<u>743</u>

All of the £743 received in the prior year was general.

SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

7 Expenditure	Staff costs £	Depreciation £	Other costs £	Total 2016 £	Total 2015 £
Raising funds	31,216	-	-	31,216	25,824
Charitable activities					
Arts and catering activities	228,658	-	44,007	272,665	205,437
Support costs	114,208	37,377	73,922	225,507	254,816
	342,866	37,377	117,929	498,172	460,253
Total	374,082	37,377	117,929	529,388	486,077

All of the £25,824 expensed in the prior year with respect to raising funds was unrestricted.

Of the £460,253 expensed in the prior year with respect to charitable activities £184,676 was general and £275,577 was restricted.

8 Arts and catering activities	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Staff costs	65,287	163,371	228,658	179,699
Project costs	11,364	28,752	40,116	18,261
Motor and transport	1,068	2,823	3,891	7,477
	77,719	194,946	272,665	205,437

Of the £205,437 expensed in the prior year £81,823 was unrestricted and £123,614 was restricted.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

9 Support and governance costs

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Staff costs	51,176	63,032	114,208	126,427
Depreciation	6,831	30,546	37,377	50,290
Other costs:				
Premises costs	8,365	4,992	13,357	22,698
Motor and transport	4,208	1,551	5,759	9,650
Printing, postage and stationery	4,384	1,476	5,860	4,644
Computer costs	3,989	4,883	8,872	4,017
Telephone	1,236	1,076	2,312	1,230
Legal and professional	4,945	10,181	15,126	14,044
Auditors' remuneration	4,150	1,950	6,100	6,100
Loan interest	10,075	-	10,075	10,577
Sundry	1,375	-	1,375	1,881
Bank charges	713	-	713	616
Irrecoverable VAT	4,373	-	4,373	2,642
	105,820	119,687	225,507	254,816

Of the £254,816 expensed in the prior year £102,853 was unrestricted and £151,963 was restricted.

Included within depreciation is an exceptional item for the sum of £Nil (2015 - £36,570) relating to the loss on disposal of the leasehold land and buildings.

Included in support costs are governance costs in the sum of £80,083 (2015 - £90,293). This comprises auditors remuneration in the sum of £6,100 (2015 - £6,100) and staff costs in the sum of £68,086 (2015 - £84,183).

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

10 Trustees

Five of the Trustees received remuneration during the year totalling £144,910 (2015 - 147,828). This is as permitted by the Articles of Association and is made up as follows:

SK Norman	£26,062 (2015 - £25,824)
VJ Attwood	£32,577 (2015 - £32,280)
HD Pearson	£21,117 (2015 - £25,824)
CC Wigmore	£32,577 (2015 - £32,280)
J Crofton	£32,577 (2015 - £31,620)

Pension contributions for the above Trustees amounted to £7,618 (2015 - £4,542)

Two Trustees were reimbursed a total of £361 travelling expenses (2015 - Two were reimbursed £467).

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2016	2015
	Number	Number
Directors	5	5
Project workers	4	3
Administrative	4	3
Sessional workers	13	3
Apprentice	1	1
Intern	2	1
	<u>29</u>	<u>16</u>

Employment costs

	2016	2015
	£	£
Wages and salaries	343,474	305,628
Social security costs	20,255	19,335
Other pension costs	10,353	6,987
	<u>374,082</u>	<u>331,950</u>

There were no employees whose annual remuneration was £60,000 or more in the current or prior year.

12 Taxation

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

SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

13 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2015	1,052,636	130,269	35,799	1,218,704
Additions	109,338	31,021	-	140,359
Disposals	-	-	(15,336)	(15,336)
At 31 March 2016	1,161,974	161,290	20,463	1,343,727
Depreciation				
At 1 April 2015	-	79,969	30,226	110,195
On disposals	-	-	(15,322)	(15,322)
Charge for the year	20,035	14,814	2,528	37,377
At 31 March 2016	20,035	94,783	17,432	132,250
Net book value				
At 31 March 2016	1,141,939	66,507	3,031	1,211,477
At 31 March 2015	1,052,636	50,300	5,573	1,108,509

14 Debtors

	2016 £	2015 £
Trade debtors	31,002	30,828
Other debtors	-	26,086
Prepayments and accrued income	161,966	25,962
	192,968	82,876

15 Creditors: amounts falling due within one year

	2016 £	2015 £
ICOF loan	5,470	5,153
LCC loan	12,250	9,800
Directors' loan accounts	7,152	6,982
Trade creditors	24,524	28,329
Taxes and social security costs	14,319	5,914
Accruals and deferred income	27,433	104,155
	91,148	160,333

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

16 Creditors: amounts falling due after more than one year	2016	2015
	£	£
ICOF loan	149,465	154,888
LCC loan	9,800	19,600
Directors' loan accounts	7,942	15,094
	<u>167,207</u>	<u>189,582</u>
Analysis of loans		
ICOF loan	154,935	160,041
LCC loan	22,050	29,400
Directors' loan accounts	15,094	22,076
	<u>192,079</u>	<u>211,517</u>
Included in current liabilities	(24,872)	(21,935)
	<u>167,207</u>	<u>189,582</u>
Instalments not due within five years	<u>123,995</u>	<u>130,878</u>

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.

17 Pension scheme

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

	2016	2015
	£	£
Contributions payable by the Company for the year	<u>10,353</u>	<u>6,987</u>

SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

18 Restricted funds

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

	Balance at 1 April 2015	Income Expenditure		Depreciation charge	Transfers	Balance at 31 March 2016
	£	£	£	£	£	£
New Building	871,212	92,350	(5,473)	(24,769)	1,933	935,253
BIG Lottery (BIG-UP New Parks)	3,624	106,755	(120,636)	(253)	17,500	6,990
Arts Council England Catalyst	82,926	-	(9,495)	(135)	(60,770)	12,526
Tender Education	1,046	7,470	(14,969)	-	6,453	-
Youth Music (Back on Track)	(3,068)	3,515	(32)	-	-	415
Youth Music (Elevated Risk)	(4,340)	-	(213)	(739)	5,292	-
HLF - 1950's	(7,874)	30,040	(10,766)	-	-	11,400
Short Breaks - Capital	4,494	-	-	(854)	(1,933)	1,707
Glen Parva	6,866	-	(5,876)	-	-	990
Lloyds SSE	1,000	9,000	(9,470)	-	(530)	-
Game Over 2	504	-	(500)	-	-	4
City Classroom Sessions	2,140	1,342	(3,482)	-	-	-
Bloom in New Parks	4,500	-	(4,500)	-	-	-
Summer Art Trail	5,000	-	(5,000)	-	-	-
Big Lottery (Stretch)	260	-	-	(260)	-	-
Mash Up	957	167	-	(942)	(182)	-
Musical Van	4,606	-	-	(2,303)	-	2,303
UK Online	280	-	-	(210)	-	70
Ford Transit	-	67	-	-	(67)	-
TMC Start	-	23,675	(16,600)	-	(5,000)	2,075
Generations Art Grant (Cat Match)	-	8,990	(14,396)	-	4,100	(1,306)
Mentoring - Kickstart	-	14,500	(9,401)	-	2,000	7,099
SMashing (Cat Match)	-	4,567	(14,185)	(46)	7,000	(2,664)
Part of Cat Match	-	-	(10,286)	-	10,286	-
Ghivass (Cat Match)	-	-	(503)	-	503	-
Glen Parva - Phase 2 Grant	-	2,800	(1,434)	-	-	1,366
Refab	-	4,785	(3,219)	-	-	1,566
Pulled Both Ways (Cat Match)	-	-	(2,874)	-	3,000	126
Mixt Up - Youth Music	-	38,953	(4,272)	(35)	4,900	39,546
Re-Imagine India	-	2,000	(2,000)	-	-	-
Time to Shine	-	8,463	(3,830)	-	-	4,633
County Cooking	-	1,000	(2,437)	-	-	(1,437)
Local Sustainability Fund Grant	-	89,116	-	-	-	89,116
Esmee Fairbairn Grant	-	20,000	(2,238)	-	-	17,762
Diwali Projection Project (Cat Match)	-	-	(1,000)	-	1,000	-
Corporate Creative Team Building Project (Cat Match)	-	-	(2,000)	-	2,000	-
Luv Leicester Highcross Exhibition (Cat Match)	-	-	(1,500)	-	1,500	-
Walk a Mile in My Shoes (Cat Match)	-	-	(1,500)	-	1,500	-
	974,133	469,555	(284,087)	(30,546)	485	1,129,540

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

18 Restricted funds

(Continued)

The Generations Art Grant (Cat Match) and the SMashing (CAT Match) restricted funds both reflect deficits at the year end. These have arisen because expenditure has been allocated to these projects in advance of income being received.

New building

Part funding received in respect of the new Soft Touch building. A transfer of £1,933 has been made from the Short Breaks Capital fund because income was received in Short Breaks to contribute towards an asset which has been capitalised in the New Building fund.

BIG Lottery (BIG-UP New Parks)

5 year community development programme in New Parks ward in Leicester engaging young people and adults through creative activities. A transfer of £17,500 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

Arts Council England Catalyst

3 years of funding from Arts Council England for regularly funding organisations to support research into gaining alternative sources of funding. Transfers of £55,000 have been made from this fund to other restricted funds to allocate the match funding income against new projects. Transfers of £5,770 have been made to general funds being the correction of errors made in prior years.

Tender Education

Educational work in schools with young people using drama to examine healthy relationships. A transfer of £6,453 has been made from general funds to cover the cash deficit.

Youth Music (Back on Track)

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

Youth Music (Elevated Risk)

Working with hard to reach young people in their communities and signposting them to regular music workshops at Soft Touch to engage and progress them. This project ceased during the year which left a cash deficit of £6,769 and assets with a net book value of £1,477. A transfer of £5,292 has been made from general funds to cover this deficit.

HLF - 1950's

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

Short Breaks - Capital

Funding from Leicestershire County Council to provide specialist equipment for people with disabilities in the new Soft Touch building. A transfer of £1,933 has been made to the New Building fund because income was received in Short Breaks to contribute towards an asset, which has been capitalised in the New Building fund.

Glen Parva

Arts workshop with young prisoners at the Glen Parva Youth Offending Institute.

Lloyds SSE

Strategy, development and business skills training from the Lloyds Foundation. A transfer of £1,000 has been made from restricted funds to unrestricted funds because the assets have fulfilled their restrictive purpose. A transfer of £470 has been made from general funds to cover the cash deficit.

Game Over 2

Funding from the Police and Crime Commissioner's Office to fund a series of workshops in schools on the topic of misbehaviour and the consequences of crime.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

18 Restricted funds

(Continued)

City Classroom Sessions

A Mighty Creatives initiative using the arts to connect young people with their city.

Bloom in New Parks

A flower and music festival run in New Parks ward in Leicester, to engage young people and adults through creative activities.

Summer Art Trail

Grant funding received to support the Summer Art Trail in Leicester.

Big Lottery (Stretch)

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

Mash Up

Two year programme of music and arts work with young people from New Parks. An asset was disposed of during the year having fulfilled its restrictive purpose. The proceeds of £182 have been transferred to general funds.

Musical Van

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

UK Online

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

Ford Transit

This van which has been fully depreciated for many years was disposed of during the year having fulfilled its restrictive purpose. The proceeds of £67 have been transferred to general funds.

TMC Start

This restricted fund can be subdivided into four restricted funds:

- 1) Start - weekly drop-in arts and music session for referred young people with a range of different issues who would not attend mainstream provision providing a safe and supportive environment.
- 2) Discover in a Day - funding to support young people in an arts award project.
- 3) Business Development - funding to develop the business.
- 4) Interns - funding to recruit interns. A transfer of £5,000 has been made to the general funds because expenditure was incurred for this fund in 2015.

Generations Art Grant (Cat Match)

A partnership project with Leicester New Walk Museum as a part of a national childrens art exhibition. A transfer of £4,100 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

Mentoring - Kickstart

Matched young people aged 14-25 with a mentor on a one-to-one basis offering support, direction and encouragement to help them make positive steps forward. A transfer of £2,000 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

SMashing (Cat Match)

2 year programme enabling young people to develop cooking and front of house skills whilst running a café at Soft Touch Arts. A transfer of £7,000 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

18 Restricted funds

(Continued)

Part of Cat Match

Creative activities project aimed at young people in the care system as a route to the mentoring programme. A transfer of £10,000 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects. A transfer of £286 has also been made from general funds to cover the cash deficit.

Ghivass (Cat Match)

Day of activities for a visiting group of young people from the Ghivass Cultural Centre in Bethlehem. A transfer of £500 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects. A transfer of £3 has also been made from general funds to cover the cash deficit.

Glen Parva- Phase 2 Grant

Continuation of work with young men under the care of the NHHS Therapeutic Drug and Alcohol Team in Glen Parva Youth offending Institution to produce artwork working towards an exhibition at Soft Touch.

Refab

Upcycling project aimed at creating a social enterprise for the young people involved.

Pulled Both Ways (Cat Match)

Video produced with young people from New College and Leicester High School about the impact of parental separation on young people. A transfer of £3,000 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

Mixt up - Youth Music

3 year music programme bringing together different young people and musical styles using both in-house and outreach projects. A transfer of £4,900 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

Re-Imagine India

Research trip visiting artists in India as part of the development work for Leicester's Re-Imagine India project.

Time to Shine

Funding to employ a young marketing intern for a year.

County Cooking

Working with three groups of vulnerable/disadvantaged county based people to learn about healthy eating and cooking.

Local Sustainability Fund Grant

Funding from the Big Lottery for one year to implement organisation change and access professional advice.

Esmee Fairbairn Grant

Funding for 2 years towards the salary of a sessional chef to lead the development of food focused social enterprises known as Smashing, which enables young people to develop cooking and front of house skills whilst running a cafe at Soft Touch Arts.

Diwali Projection Project (Cat Match)

Funding for the objection of digital images to celebrate Diwali. A transfer of £1,000 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

Corporate Creative Team Building Project (Cat Match)

Funding to research and develop corporate teambuilding. A transfer of £2,000 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

18 Restricted funds

(Continued)

Luv Leicester Highcross Exhibition (Cat Match)

Funding to run an exhibition of young peoples artwork in an empty shop in Highcross. A transfer of £1,500 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

Walk a Mile in My Shoes (Cat Match)

Funding to run a project for young people to explore the theme of journeys which different people make. A transfer of £1,500 has been made from the Arts Council England Catalyst fund to allocate the match funding income against new projects.

19 Designated funds

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

	Balance at 1 April 2015 £	Movement in funds		Balance at 31 March 2016 £
		Income £	Expenditure £	
New Building	15,651	5,840	-	21,491
	<u>15,651</u>	<u>5,840</u>	<u>-</u>	<u>21,491</u>

New building

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

20 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2016 are represented by:				
Tangible fixed assets	292,640	-	918,837	1,211,477
Current assets	73,036	21,491	232,348	326,875
Creditors: amounts falling due within one year	(69,503)	-	(21,645)	(91,148)
Creditors: amounts falling due after more than one year	(167,207)	-	-	(167,207)
	<u>128,966</u>	<u>21,491</u>	<u>1,129,540</u>	<u>1,279,997</u>

**SOFT TOUCH ARTS LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

21 Capital commitments

	2016	2015
	£	£
At 31 March 2016 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	-	52,433
	<u> </u>	<u> </u>

22 Related parties

Included in creditors notes 15 and 16, are amounts due to the following directors of the company:
SK Norman £5,390 (2015 - £7,884)
HD Pearson £5,390 (2015 - £7,884)
CC Wigmore £4,314 (2015 - £6,308)

During the year ER Crofton, a spouse of a director, was paid £2,491 (2015 - £Nil) for her services to the company.

During the year income of £13,760 (2015 - £500) was received from the Mighty Creatives Limited, a company where D Myers is the commercial director.

23 Controlling party

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