Charity Registration No. 1147318

Company Registration No. 02063893 (England and Wales)

SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

SOFT TOUCH ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Alizart (Co-Chair)	
	DE Francis (Co-Chair)	
	KM Hudson (Honorary Treasurer)	
	VJ Attwood	
	TJ Burke	
	J Crofton	
	NS Nightingale	(Appointed 11 November 2019)
	S Norman	
	HD Pearson	
	CC Wigmore	
Charity number	1147318	
Company number	02063893	
Principal address	50 New Walk Leicester LE1 6TF	
Registered office	50 New Walk Leicester LE1 6TF	
Auditor	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT	
Bankers	National Westminster Bank Plc 1 Granby Street Leicester LE1 6EJ	

SOFT TOUCH ARTS LIMITED

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SOFT TOUCH ARTS LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The trustees who are also directors of the charitable company present their report and financial statements for the year ended 31 March 2020.

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.

Creating Opportunity: Changing Lives

Since 1986 we've been using arts, media and music to create positive change for young people across Leicestershire

Vision	Purpose	Beneficiaries
For young people to enjoy happy and healthy lives and make a positive contribution to their communities	To give vulnerable young people opportunities to engage in creative projects which support their personal development	Young people whose life circumstances put them at a disadvantage in education and other areas of their lives

Where we work

From 50 New Walk and across Leicestershire

Our arts centre sits opposite New Walk Museum in the heart of Leicester and is the city's only dedicated youth arts centre. It houses art, music and craft studios, a project kitchen, and a large multi-purpose exhibition and event space which hosts a Wednesday and Thursday lunchtime café. We also deliver projects and events in schools, youth and community centres, and through street-based work in different neighbourhoods.
In 2018/19 our centre attracted 10,500+ visitors.

Our Model of Working – Engage – Develop – Progress

We have a three-stage process which takes young people with challenging lives on a developmental journey; through engaging positive and inspiring activities, developing creative and life skills and giving them opportunities to progress in a positive way. To do this we work with a range of funders and partners from the public sector and business community, to ensure we have robust support mechanisms and progression opportunities for each young person we work with.

How we work: our 3-stage delivery model and the impact we have

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 Beaumont Leys 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 prisons.

1200 young people engaged in our creative activities over a 12 month period during 2019

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. Most of this work takes place at our New Walk arts centre.

We delivered 61 hours per week of high quality supervised project sessions

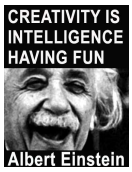
Progress

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

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

70 young people reported feeling more confident about going into further education, applying for a job or living independently

Our Values



Our values of creativity, respect, integrity, co-operation and caring, shape the way we engage children and young people who are struggling because of the life challenges they face. Experience and evaluation show that the creative processes we use (music, art, film, fashion, craft, cooking) are fun, inspiring and help people to feel good about themselves. The quality of the process, with creativity at its heart, along with the engagement skills of our staff, fosters trust, unlocks self-belief and untapped talent and inspires young people to feel valued as members of their communities and to aspire to a more positive future.

The need/case for support

If you don't have the security of a happy and stable home or have problems relating to others it can be difficult to view the future positively and know how to move forward. It can seem easier to withdraw from or fight against society. Leicester has one of the highest levels of child poverty in England, 40%. Children that live in poverty are more likely to leave school without five good GCSEs, and have low aspirations and an uncertain or insecure future in terms of finding employment. They are at increased risk of teenage pregnancy, drug use and anti-social behaviour. They have multiple challenges at an important transition point in their lives where their more privileged peers are far more likely to go into further education or find jobs.

What we do

The young people we work with have chaotic home lives, are in the care system, have mental health and behaviour issues, learning or physical disabilities, have been in trouble or in prison, or live in homes with very low incomes. They struggle to access activities that benefit their personal development, health and wellbeing and have often missed out on, or been failed by mainstream education.

Soft Touch Arts has been using creative projects to engage and bring out the best in young people that the system has failed in Leicestershire since 1986. Our creative projects unlock creativity, facilitate self-expression and a sense of purpose, and support the development of personal and social skills. We support young people to have a more positive outlook and introduce them to new and inspiring opportunities, people and places.

Our work has kept young people out of prison, helped them re-engage with education, gives them employability skills and improves health and wellbeing and social and communication skills. You can see what young people say about the impact of our work here:
https://www.youtube.com/watch?v=0r0Gf4Q8jBc

In 2016/17, we reviewed our strategic vision and set a 10-year mission to be more focused in our delivery to ensure that young people have the opportunity to engage in longer-term personal development opportunities. We developed our Access – Develop – Progress model which underpins our fundraising strategy. Our current challenge is to secure more resources and generate income in our 'progress stage' to give young people opportunities to grow through work experience, mentoring and involvement in creative enterprise activities.

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.

ACHIEVEMENTS AND PERFORMANCE

Headline statistics:

- We worked with 1,184 individual young people for the year ending 31 March 2020 and ran 6,150 sessions over 78 programmes and projects.
- All of our projects had a focus on health and wellbeing and 41% of participants had special educational needs/disability support needs
- The largest age group of those accessing Soft Touch were those aged 12-14 (18%) followed by those aged 15-16 (11%).
- We had 13,364 visitors to events and 2,886 café visitors.

Programme work
2019-2020 has been a year of consolidation with a number of our major programmes continuing through the year. These include:

- Big Lottery funded UpSTart programme working across New Parks, Beaumont Leys and Stocking Farm
- NHS Partnership Trust art and wellbeing programme delivered in East Midlands prisons
- NoteAble Youth Music funded programme

We also received ongoing support from Arts Council England as a National Portfolio funded organisation and from Leicester City Council. Both these funders contribute to our core costs.

Demand for our work has remained high with new partnerships, opportunities and funding streams emerging. Our Creative Studio alternative education work has continued to expand and new smaller projects have taken place.

For much of the year we had three young apprentices and interns supplementing the staff team funded through the Rank Foundation Time to Shine programme and Youth Music. One of our former music participants successfully applied for a Rank Foundation RAP placement and has been developing his skills in working with young people. As well as developing their skills in their own areas they also worked together to devise a creative and innovative way of consulting Soft Touch participants about the services provided by Soft Touch.

The year ended with the imposition of lockdown and the remainder of March was spent on redesigning how we communicated and work with each other from home, moving sessions online and developing a survival strategy.

At the time of writing young people are just starting to come back to Soft Touch for small, socially distanced sessions. We anticipate that this could well stop and start as the year continues and have planned to be as flexible as possible.

Examples of our projects and programmes this year include:

<u>Mods: Shaping a Generation</u>
For our most ambitious exhibition project to date, Soft Touch joined forces with Arch Creative, independent author and curator Shaun Knapp, New Walk Museum and Art Gallery, original Mods and over a hundred young people to create the Mods: Shaping a Generation exhibition. Interviews with the original Mods formed the basis of the exhibition celebrating Mod Culture in the main gallery at New Walk Museum. Young people from different schools and colleges used Mod culture as inspiration to create their own exhibition, 'Modified', in the gallery space at Soft Touch Arts. Funding from the National Lottery Heritage Fund and BID Leicester enabled the project to happen and the exhibitions were visited by 35,000 people from all over the country and beyond.

The associated ReVive festival involved venues and shops putting on a wide range of Mod-related events, and together the exhibition and festival boosted the local economy by £1.7m.

The project won the 'best free event category' at the 2019 Leicestershire Tourism Awards.

One visitor stated: "*here with my Dad from New Zealand who is over here visiting me. Such an amazing exhibition and to be here with my dad an 'original mod'. Thank you very much"*

Another stated (about the Modified exhibition): *"such a good exhibition – all the young people involved are so talented"*

<u>Music projects</u>
The past year has seen us engage over 400 young people in music making.

Our main music programme, NoteAble, funded by Youth Music, runs three regular weekly sessions:

- A girls' and young women's session
- A referral session focusing on young people with additional needs
- An urban music session

These have been very popular and attendance continued to rise throughout the year. There have also been music sessions in Special Educational Needs schools in partnership with the Leicestershire Music Service, and the Philharmonia Orchestra. The Saturday morning EnSENble sessions for SEN young people with Autism/severe/moderate learning disabilities have continued. Three music showcases took place during the year with young people from different projects performing. All the young people involved were very supportive of each other regardless of their different backgrounds and interest in specific music genres.

Parent of EnSENble participant: "*As a parent, I have always wanted to find a group for my son, who is nearly 18, and diagnosed with autism, and disordered and delayed speech development, that accepted him, and he wanted to be a part of. He absolutely loves his music group and feels that he is loved and he is good at things. The group has helped massively with his communication skills and willingness to communicate. We [the participant and his family] all leave the session feeling happy and very proud of what he has accomplished*."

YES project

Now in its fourth year, YES is an employability project run in partnership with several other voluntary sector organisations in the city and county. Our role within the programme is to engage those for whom finding a job or something positive to do is most difficult. Young people with complex needs often start or end their YES journey with us, where in a supportive environment they can develop the skills and confidence to access the employability courses or work experience offered by other partners.

An example of this is someone who was referred to the Soft Touch arm of the YES project as she had severe anxieties which were preventing her getting a job despite being very well skilled. Whilst on YES she also worked with a business mentor. She has now got a job, which is one day a week with an independent charity helping improve their social media presence and appearance. It is felt that a one-day commitment is a great way for her to start putting her skills into practice without putting too much stress on her and risking her anxieties becoming too much to manage again.

Your Festival

Your Festival was a new two-day festival primarily aimed at young people with special educational needs and their families and carers. The Festival took over the whole ground floor and outdoor space at Soft Touch as well as the green space of Museum Square on New Walk, opposite the Soft Touch centre. Day 1 engaged 100 young people and 50 support workers from their schools in arts and music activity. On Day 2 we engaged around 150 children, young people, families and carers. The young people danced, painted and took part in singing, music and other creative activities. We worked with four arts organisations who enhanced our own workshop offer - the Philharmonia, Muddy Boots, Sidekick Dance and What If circus.

The Festival:

- created a catalyst for partnership work within the city, to encourage more joint working either creatively or practically, forming relationships to enhance the cultural and artistic accessibility of the city.
- generated new sessions for young people to access services at Soft Touch Arts, enabling more quality arts alternative curriculum activities for young people with additional needs.
- brought young people to the city that ordinarily wouldn't access the city due to lack of accessible facilities.
- encouraged schools, support staff and young people to try new things they wouldn't usually do.
- allowed young people to create new relationships with the support staff and Soft Touch Arts.
- created opportunity to show what young people with additional needs can really do, through workshops, performance and participation.

Unlocked

In the second year of a three-year programme, Unlocked continued working with men at HMP Leicester, with a small consistent group of those serving a sentence in the community, and with men from the Arts Academy at HMP Stocken. Working on the wing was the only option at the time at HMP Leicester because of a lack of suitable dedicated space available. It was a challenge, in a noisy and chaotic environment, that our workers met admirably.

The end of year exhibition, with the theme of Hope, was planned with these working conditions in mind and resulted in an exhibition at New Walk Museum and a display of individual pieces of artwork at Soft Touch Arts.

Men from HMP Stocken designed the idea of the exhibition and built a prototype. Men from Leicester recorded some very moving interviews about life in prison and how hope plays a role. Those serving a sentence in the community created animations and helped build and install the exhibitions. Individual pieces of artwork were submitted from all three groups plus some individuals from other establishments including our first contact with a women's prison. The exhibitions opened on 7 March 2020 but unfortunately had to close a week early because of lockdown. A video of the installation and a virtual exhibition of the individual pieces of artwork can be viewed on the Soft Touch Arts website https://www.soft-touch.org.uk/event/unlocked-2/. (Requires registration register with the Artsteps programme to view the virtual exhibition but this is quick and easy.)

One HMP Leicester prisoner stated: *"Doing the art has been a blessing, I'd be stuck without it, I'd struggle to sit here and just be still"*

Another participant serving a sentence in the community stated: *"Ending up on probation has been a really low point in my life that I never want to return to, but coming to Soft Touch as a result has given me real hope for the future"*

A visitor to the exhibition commenting on the cell stated: *"Interesting to see what life would be like. Very miserable and dull colours – extremely depressing. A great exhibition of real understanding"*

STart project

The STart sessions are first and foremost about providing a creative space for young people who may have become isolated due to mental or physical health issues. The young people who access STart often have conditions that are incurable and needs that will require support for the whole of their lives. However, STart participants do move on and STart has been the place where they have been able to work on overcoming anxiety, learn to socialise with their peers, find a creative interest, or get a portfolio together for college, work placements or apprenticeships.

Parents and guardians say there is a huge gap in support for their children once they turn 18, STart fills this gap and there is always a waiting list to join.

Soft Touch is also involved in a number of joint enterprises with other arts and community organisations and charities. One example of this is the City Classroom.

Creative Enterprise Programme

This programme attracted considerable support during the year from the NatWest Skills and Opportunities Fund, Arts Council England and Cambridge and Counties Bank. The programme supported 60 young people with an interest in developing their creative skills and talents. They were supported to learn enterprise skills through selling their work; undertaking commissions; participating in creative skills sessions; and support with job interviews, volunteering and work placements.

The City Classroom

The City Classroom is Leicester/shire's cultural education partnership. It aims to raise the standards and level of provision of locally-based cultural education activity and to enrich the cultural experience of every child in Leicester and Leicestershire. The City Classroom brings together six arts organisations, schools, artists and creatives to provide a co-ordinated, planned and strategic approach to providing cultural experiences for local young people.

The partnership ensures that young interns and apprentices are part of the team delivering activity days for schools at cultural venues such as the Space Centre and New Walk Museum and Art Gallery. As part of the City Classroom project Soft Touch also trained up and involved arts ambassadors from New College, a school who we have a close relationship with. Both our young staff members and the arts ambassadors were part of a young team who helped deliver a recent city classroom conference at DeMontfort University.

Business Development Board

The Soft Touch Business Development Board was set up in 2015 to complement the skills of the Management Board. It is made up of local business leaders who advocate for Soft Touch within the business community and encourages new business partnerships and fundraising initiatives.

During the year the Board organised several fundraising events and increased collaborations with local businesses, leading to a significant growth in activities, engagements and sponsorships. A second very successful Art Auction was held in October 2019 with a venue generously donated by Mattioli Woods wealth management company and artworks kindly donated by local artists. This event raised £9,000 contributing significantly to the £20,000+ raised through the year.

Covid-19

Covid-19 and lockdown have, of course, had an impact on Soft Touch Arts. When lockdown started, we had to move all sessions with young people online. We made every effort we could to contact young people to inform them about this and to find out how they were coping with lockdown. Most young people chose to engage online, some didn't and a few preferred this as a means of communication including some who returned having previously stopped attending in person.

Some carefully managed and socially distanced face-to-face sessions have now restarted, blended with some contact continuing online. If there is a further lockdown, we now feel confident that we have the systems in place to quickly and efficiently move everything back online.

FINANCIAL REVIEW

The results for the year ended 31 March 2020 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 £524,521 (2019 - £672,579). The principal funding source continued to be grant income. Total expenditure for the year amounted to £600,382 (2019 - £563,299). A breakdown of expenditure is set out in notes to the financial statements.

After transfers between funds, there was a deficit on unrestricted funds for the year totalling £15,471 and a deficit on restricted funds totalling £60,390. This has resulted in a total decrease in funds for the year of £75,861. The funds for the charity at the year-end totalled £1,236,264 which comprise unrestricted funds of £159,012 and restricted funds of £1,077,252.

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 funds less tangible fixed assets and long-term liabilities) at £70,000, being approximately three months unrestricted expenditure. Soft Touch Arts currently has £895 in free reserves (see note 22). Although free reserves are currently below the reserves policy, the trustees are diversifying income generation streams to increase the level of free reserves held going forward.

Since March 2020, we have been working under the shadow of COVID-19 and adapting the way we work to minimise the effects on us, the people we work with, our employees and our finances.

Lockdown resulted in an immediate cessation of face-to-face sessions:

- Our grant funders have continued to support us to give us the time to adapt to new ways of delivering the outcomes expected.
- As online sessions were developed and became available, some of our fee-based projects were able to resume, others are only just returning with the reopening of schools.

However, we have been able to continue to pay all our salaried staff their full wages, taking advantage of the Coronavirus Job Retention Scheme while work was not available.

We have also been fortunate to have received in excess of £40,000 of emergency funding from various government sources and several of our regular supporters. Soft Touch Business Development Board took to the challenge, setting up a fundraising page, and to date have raised over £2,000 for us.

PLANS FOR THE FUTURE

After the disruption of the full lockdown caused by Covid-19, we are now in a position to take stock and start looking to the future again. Our core activity continues to be tailored programmes of creative activities for young people. After running our projects online during lockdown, we will use this experience and incorporate online sessions into our delivery programme when it is the better option.

Regular grant funding streams are starting to re-emerge after most were diverted to emergency Covid related activities, and we are reassessing our fundraising plan.

Work continues on succession planning and a reduction in days worked by some of the experienced directors has released funding to employ a new part-time marketing assistant. Giving opportunities for apprenticeships and internships is high on our agenda – we currently have two interns and hope we will be able to add a third in January offering valuable experience to young people and getting their skills, enthusiasm and hard work in return.

Fundraising plans continue to be formed by the Business Board with the option of conducting some of these online if necessary.

We are currently fundraising for capital works, especially to improve disabled access and streamline the use of the areas that we already use.

Although the future is a bit more of an unknown quantity for everyone at the moment, we are planned and prepared and confident.

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.

The following trustees / directors have served during 2019/20:
S Alizart (co-Chair)
DE Francis (co-Chair)
KM Hudson (Honorary Treasurer)
VJ Attwood
TJ Burke
N Diamond – resigned 12 March 2020
J Crofton
NS Nightingale – appointed 11 November 2019
SK Norman
HD Pearson
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 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. New trustees are given a full induction programme when they join and are offered training opportunities.

At the AGM the board elects a Chair, Vice Chair and Treasurer for an annual term. On 11 November 2019 DE Francis and S Alizart were reappointed as co-Chairs and K Hudson was reappointed Honorary Treasurer. It was decided that the role of Vice Chair was not needed as there are co-Chairs.

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 and are regularly addressed at the Board meetings.

The main key risks for the charity:

- The financial impact of Covid-19 and lockdown leading to the loss of fee-based income, the suspension of major grant programmes and anticipated greater competition for grant funding when programmes are reintroduced. Strategies are in place to help minimise the negative impact however, as the pandemic is continuing at the time of writing, the future is still very unknown.

- The impact of leaving the European Union, ending access to certain strands of European funding and an uncertain economic future for the country.

- Succession planning and finding ways and sources of funding to ensure there is a smooth transition from the existing structure and personnel to a changed internal structure set to be introduced in 2026.

STATEMENT OF TRUSTEES' RESPONSIBILITES

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.

On behalf of the board of trustees

KM Hudson (Honorary Treasurer)
Trustee

Date: 16 November 2020

SOFT TOUCH ARTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SOFT TOUCH ARTS LIMITED

Opinion

We have audited the financial statements of Soft Touch Arts Limited (the 'charitable company') for the year ended 31 March 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 10 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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 20 November 2020
Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

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 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from					
Donations	**3**	20,067	3,477	23,544	20,100
Charitable activities	**4**	184,632	276,919	461,551	595,358
Other trading activities	**5**	21,446	800	22,246	38,105
Investments	**6**	12,095	-	12,095	13,806
Other	**7**	1,802	3,283	5,085	5,210
Total		240,042	284,479	524,521	672,579
Expenditure on					
Raising funds	**8**	31,507	-	31,507	32,883
Charitable activities	**9**	233,808	335,067	568,875	530,416
Total		265,315	335,067	600,382	563,299
Net income / (expenditure)		(25,273)	(50,588)	(75,861)	109,280
Transfers between funds		9,802	(9,802)	-	-
Net movement in funds		(15,471)	(60,390)	(75,861)	109,280
Reconciliation of funds					
Total funds brought forward		174,483	1,137,642	1,312,125	1,202,845
Total funds carried forward	**22**	159,012	1,077,252	1,236,264	1,312,125

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 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**14**		5,051		-
Tangible assets	**15**		1,128,764		1,154,324
			1,133,815		1,154,324
Current assets					
Debtors	**16**	82,730		149,034	
Cash at bank and in hand		227,749		218,033	
		310,479		367,067	
Liabilities					
Creditors: amounts falling due within one year	**17**	(83,843)		(78,176)	
Net current assets			226,636		288,891
Total assets less current liabilities			1,360,451		1,443,215
Creditors: amounts falling due after more than one year	**18**		(124,187)		(131,090)
Net assets			1,236,264		1,312,125
The funds of the charity					
Restricted funds	**21**		1,077,252		1,137,642
Unrestricted funds			159,012		174,483
Total charity funds	**22**		1,236,264		1,312,125

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 2020 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.

The financial statements were approved and authorised for issue by the board of trustees on 16 November 2020 and are signed on its behalf by:

KM Hudson (Honorary Treasurer)
Trustee

Company Registration No. 02063893

The notes on pages 17 - 31 form part of these financial statements.

SOFT TOUCH ARTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**25**		20,826		88,957
Investing activities					
Purchase of intangible assets		(5,510)		-	
Purchase of tangible fixed assets		(11,177)		(12,854)	
Investment income		12,095		13,806	
Net cash (used in)/generated from investing activities			(4,592)		952
Financing activities					
Repayment of directors' loans		-		(617)	
Repayment of ICOF loan		(6,518)		(6,125)	
Net cash used in financing activities			(6,518)		(6,742)
Net increase in cash and cash equivalents			9,716		83,167
Cash and cash equivalents at beginning of year			218,033		134,866
Cash and cash equivalents at end of year			227,749		218,033

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.

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. Income is received in exchange for supplying goods and services and is recognised when entitlement occurs.

1 Accounting policies **(Continued)**

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

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.

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 Intangible fixed assets other than goodwill

Intangible assets are measured at cost, net of amortisation and any impairment losses.

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

Software	10 years

1.8 Tangible fixed assets

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

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

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

1.9 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 Accounting policies **(Continued)**

1.10 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").

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the SOFA on a straight line basis over the term of the relevant lease.

1.14 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.

Valuation of land and buildings

The valuation of land and buildings has been assessed by the trustees, who consider that the value in use by the charity is consistent with the value included in the accounts.

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and gifts	20,067	3,477	23,544	20,100
Unrestricted funds				19,955
Restricted funds				145
				20,100

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Arts activities	181,012	271,814	452,826	586,850
Catering activities	3,620	5,105	8,725	8,508
	184,632	276,919	461,551	595,358
Unrestricted funds				245,677
Restricted funds				349,681
				595,358
Income from arts activities include the following:				
Core funding			101,310	101,310
Project grants			245,501	349,515
Project fees			106,015	136,025
			452,826	586,850

5 Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Sponsorship income	500	800	1,300	34,159
Fundraising events	20,946	-	20,946	3,946
	21,446	800	22,246	38,105
Unrestricted funds				8,179
Restricted funds				29,926
				38,105

6 Income from investments

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Rental income	11,757	-	11,757	13,648
Interest receivable	338	-	338	158
	12,095	-	12,095	13,806
Unrestricted funds				13,806
Restricted funds				-
				13,806

7 Other income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other income	1,802	3,283	5,085	5,210

Unrestricted funds	5,130
Restricted funds	80
	5,210

8 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Staging fundraising events	2,604	-	2,604	-
Staff costs	28,903	-	28,903	32,883
	31,507	-	31,507	32,883

Unrestricted funds	32,883
Restricted funds	-
	32,883

9 Expenditure on charitable activities

	Activities undertaken directly Note 10 £	Support Costs Note 11 £	Total 2020 £	Total 2019 £
Arts and catering activities	414,918	153,957	568,875	530,416

Unrestricted funds	233,808	257,511
Restricted funds	335,067	272,905
	568,875	530,416

10 Expenditure on activities undertaken directly

	2020	2019
	£	£
Staff costs	313,794	270,852
Project costs	66,673	57,978
Motor and transport costs	4,713	5,611
Project worker costs	29,738	39,957
	414,918	374,398

11 Expenditure on support costs

	2020	2019
	£	£
Staff costs	49,077	54,550
Depreciation	37,196	38,417
Premises costs	16,662	16,583
Motor and transport costs	5,497	3,926
Audit fees	8,125	8,786
Printing, postage and stationery	4,663	2,668
Computer costs	2,631	3,202
Telephone	2,970	3,311
Legal and professional	6,361	7,786
Loan interest and bank charges	8,745	9,143
Irrecoverable VAT	1,925	2,290
Sundry	10,105	5,356
	153,957	156,018
Charitable activities	153,957	156,018

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

Support costs include governance costs totalling £57,203 (2019: £63,336) which comprise a proportion of staff costs and audit fees.

The amount charged to the SOFA in respect of auditor's remuneration was £8,125 (2019 - £8,786).

12 Trustees

Five of the trustees received remuneration during the year totalling £131,235 (2019 - £137,981). This is as permitted by the Articles of Association and is made up as follows:

SK Norman	£26,545 (2019 - £26,282)
VJ Attwood	£26,545 (2019 - £26,282)
HD Pearson	£18,419 (2019 - £19,711)
CC Wigmore	£26,545 (2019 - £32,853)
J Crofton	£33,181 (2019 - £32,853)

Pension contributions for the above Trustees amounted to £3,263 (2019 - £3,299).

Five trustees were reimbursed a total of £1,121 travelling expenses (2019 - five were reimbursed £747).

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Directors	5	5
Project workers	5	5
Administrative workers	6	5
Sessional workers	7	6
Apprentice	1	-
Intern	2	1
	26	22

Employment costs	2020 £	2019 £
Wages and salaries	360,186	331,579
Social security costs	25,111	21,245
Other pension costs	6,477	5,461
	391,774	358,285

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

14 Intangible fixed assets

	Software £
Cost	
At 1 April 2019	-
Additions	5,510
At 31 March 2020	5,510
Amortisation and impairment	
At 1 April 2019	-
Amortisation charged for the year	459
At 31 March 2020	459
Carrying amount	
At 31 March 2020	5,051
At 31 March 2019	-

15 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2019	1,183,529	158,642	8,016	1,350,187
Additions	-	11,177	-	11,177
At 31 March 2020	1,183,529	169,819	8,016	1,361,364
Depreciation and impairment				
At 1 April 2019	82,525	112,122	1,216	195,863
Depreciation charged in the year	22,771	12,821	1,145	36,737
At 31 March 2020	105,296	124,943	2,361	232,600
Carrying amount				
At 31 March 2020	1,078,233	44,876	5,655	1,128,764
At 31 March 2019	1,101,004	46,520	6,800	1,154,324

16 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Trade debtors	21,059	61,644
Prepayments and accrued income	61,671	87,390
	82,730	149,034

17 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	**£**
ICOF loan	**19**	6,928	6,543
Taxation and social security		22,283	27,994
Trade creditors		2,190	3,636
Other creditors		1,842	1,443
Accruals and deferred income		50,600	38,560
		83,843	78,176

Deferred income is provided for in respect of grant income and income invoiced in advance for projects occurring in the next financial year.

18 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	**£**
ICOF loan	**19**	124,187	131,090

19 Loans and overdrafts

	2020	2019
	£	**£**
ICOF loan	131,115	137,633
Payable within one year	6,928	6,543
Payable after one year	124,187	131,090

Amounts included above which fall due after five years:

Payable by instalments	91,861	100,626

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 £6,477 (2019 - £5,461). This expenditure has been allocated to support costs and unrestricted general funds.

21 Restricted funds

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

		Movement in funds				
	Balance at 1 April 2019	Income	Expenditure	Depreciation charge	Transfers	Balance at 31 March 2020
	£	£	£	£	£	£
New Building	856,283	-	-	(25,843)	-	830,440
HLF - 1950s	10,967	-	(519)	(357)	-	10,091
Time to Shine	8,152	8,668	(13,608)	-	-	3,212
UpSTart	82,840	94,354	(72,691)	(746)	-	103,757
Prison Unlocked	50,129	39,000	(24,595)	(7)	-	64,527
STARS and Soft Sell	46,258	17,615	(37,221)	-	-	26,652
MODS Grant	38,702	11,351	(47,435)	-	(2,618)	-
NOTEable	-	49,179	(44,629)	-	-	4,550
RAP	-	20,094	(11,375)	-	-	8,719
Profit for Good	-	11,233	(11,160)	-	-	73
Other funds	44,311	32,985	(42,879)	(2,002)	(7,184)	25,231
	1,137,642	284,479	(306,112)	(28,955)	(9,802)	1,077,252

		Movement in funds				
	Balance at 1 April 2018	Income	Expenditure	Depreciation charge	Transfers	Balance at 31 March 2019
	£	£	£	£	£	£
New Building	882,665	-	-	(26,382)	-	856,283
HLF - 1950s	11,216	-	-	(249)	-	10,967
Mixt Up - Youth Music	41,821	15,875	(50,581)	(789)	-	6,326
Time to Shine	343	12,577	(4,425)	-	(343)	8,152
UpSTart	60,493	99,485	(76,490)	(648)	-	82,840
Prison Unlocked	3,000	58,072	(10,943)	-	-	50,129
STARS and Soft Sell	-	63,593	(17,335)	-	-	46,258
MODS Grant	-	91,999	(53,297)	-	-	38,702
Other funds	35,449	38,231	(29,438)	(2,328)	(3,929)	37,985
	1,034,987	379,832	(242,509)	(30,396)	(4,272)	1,137,642

21 Restricted funds **(Continued)**

Transfers have been made into restricted funds from unrestricted funds to underwrite a cash deficit on a fund. Transfers have been made from restricted funds into unrestricted funds to transfer the balance of unutilised cash and fixed assets after the restriction lapsed.

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

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.

Mixt up - Youth Music
3 year music programme bringing together different young people and musical styles using both in-house and outreach projects.

Time to Shine
Funding to employ a young marketing intern for a year.

UpSTart
The UpSTart programme has five years of funding from the Big Lottery targeting young people from the New Parks, Beaumont Leys, stocking Farm and Mowmacre Hill areas of Leicester. The programme has three phrases of engagement, development, and progression for participating young people.

Prison Unlocked
Prison Unlocked is a three year programme working on behalf of Leicestershire Partnership (NHS) Trust in partnership with HMP Prison and probation aiming to use art as a means to improving mental health and wellbeing. The programme will have annual exhibitions across the New Walk Museum and Soft Touch Arts sites as well as other smaller exhibitions throughout each year. De Montfort University are conducting research alongside the programme into the positive effects of art on mental health and wellbeing.

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

MODS Grant
Mods: Shaping a Generation told the story of a 1960s first youth subculture through a major exhibition at Soft Touch Arts and New Walk Museum. The project was made possible with funding from the National Heritage Lottery and BID Leicester.
Soft Touch Arts, Joe Nixon of Arch Creative and author and curator Shaun Knapp worked together with original Mods and young people to bring the Mods: Shaping a Generation exhibition to life.

NOTEable
The very popular Mixt up funding from youth music came to an end in December 2018 with another busy year of sessions at our studios, however youth music have kindly continued to fund us, continuing sessions at Soft Touch Arts studios. This will allow us to continue our sessions in 2019/20 with a focus on girls, people with SEN needs, deprived neighbourhoods and also a strand of outreach sessions working with the YOS.

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

21 Restricted funds **(Continued)**

Profit for Good
Profit for Good is an enterprise capacity building project funded by the Rank Foundation to support the development of our café and cooking projects with young people and to help us increase the income we generate through activities to reinvest into the project.

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

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Intangible fixed assets	5,051	-	5,051
Tangible assets	277,253	851,511	1,128,764
Current assets/(liabilities)	895	225,741	226,636
Long term liabilities	(124,187)	-	(124,187)
	159,012	1,077,252	1,236,264

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2019 are represented by:			
Tangible assets	275,873	878,451	1,154,324
Current assets/(liabilities)	29,700	259,191	288,891
Long term liabilities	(131,090)	-	(131,090)
	174,483	1,137,642	1,312,125

23 Events after the reporting date

The coronavirus (COVID-19) pandemic resulted in projects being cancelled or held online. Income after date is expected to reduce significantly. More detail is included in the trustees report on how COVID-19 has impacted the charity and the measures the trustees have taken to try and mitigate its impact.

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	146,123	141,279

Transactions with related parties

During the year, ER Crofton, the spouse of J Crofton, was paid £290 (2019: £1,809) for her services as an employee. SJ Collier, the spouse of VJ Attwood, was paid £2,584 (2019: £2,574) for her services as an employee. Purchases totalling £Nil (2019: £484) were made from SCS, a business owned by SJ Collier. Purchases totalling £1,300 (2019: £Nil) were made from C Lincoln, the spouse of C Wigmore.

During the year business support totalling £Nil (2019: £2,001) was paid to CASE (Co-operative and Social Enterprise), a company where D Francis is a director.

No guarantees have been given or received.

25 Cash generated from operations

	2020	2019
	£	£
(Deficit)/surplus for the year	(75,861)	109,280
Adjustments for:		
Investment income	(12,095)	(13,806)
Amortisation and impairment of intangible assets	459	-
Depreciation and impairment of tangible fixed assets	36,737	38,417
Movements in working capital:		
Decrease/(increase) in debtors	66,304	15,502
Increase/(decrease) in creditors	5,282	(60,436)
Cash generated from operations	20,826	88,957

26 Analysis of changes in net funds

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	218,033	9,716	227,749
Loans falling due within one year	(6,543)	(385)	(6,928)
Loans falling due after more than one year	(131,090)	6,903	(124,187)
	80,400	16,234	96,634

	At 1 April 2018	Cash flows	At 31 March 2019
	£	£	£
Cash at bank and in hand	134,866	83,167	218,033
Loans falling due within one year	(6,783)	240	(6,543)
Loans falling due after more than one year	(137,592)	6,502	(131,090)
	(9,509)	89,909	80,400

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.