

REGISTERED COMPANY NUMBER: 04370289

REGISTERED CHARITY NUMBER: 1093838

**Report of the Trustees and
Consolidated Financial Statements for the year ended 31st August 2019
for
THE VINE TRUST WALSALL AND SUBSIDIARIES**

Bakers, Registered Auditors
(The practising name of
Baker (Midlands) Limited)
Arbor House
Broadway North
Walsall
West Midlands
WS1 2AN

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

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for the year ended 31st August 2019**

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THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 4370289)

Charity Reference and Administrative Details

Year ended 31st August 2019

Incorporation 8th February 2002

Charity registration number 1093838

Company registration number 04370289

Directors
M.A. Harland
P.B.J. Powell
J.R. Tipper
J.P. Sargent
D. Lomax
L.A. Attwood
J.A. Reid

Chief executive officer & Company secretary K.R. Davis

Registered Office
33 Lower Hall Lane
Walsall
West Midlands
WS1 1RR

Independent Examiners
Bakers, Registered Auditors
(The practising name of Baker
(Midlands) Limited)
Arbor House
Broadway North
Walsall
WS1 2AN

VINE TRUST WALSALL (REGISTERED NUMBER 04370289)

Trustees' Annual Report Year ended 31st August 2019

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31st August 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

M.A. Harland
P.B.J. Powell
J.R. Tipper
J.P. Sargent
D. Lomax
L.A. Attwood
J.A. Reid

Objectives and activities

Vine Trust Group Vision

'Our work with young people will be a catalyst for Christ centred community transformation'

Vine Trust Group Mission

'Preparing young people for life and godliness'

Values

- 1. We are entrepreneurial - Apostolic**
- 2. We are nurturing - Pastoral**
- 3. We are advocating - Evangelistic**
- 4. We are understanding - Teaching**
- 5. We are visionary - Prophetic**

Objectives

'To advance the Christian religion among women and young people of either sex'

'To advance their education'

'To relieve their poverty'

'To provide facilities for recreational and other leisure time occupation for the said persons irrespective of ethnic origin, gender or religious belief, in the interests of social welfare and with the object of improving their conditions of life'

Trustees' Annual Report
Year ended 31st August 2019

Operations

1. Empowerment – The aim is that our work with young people can be a catalyst for community transformation;
2. Education - To promote a learning culture via the development of a wider range of learning opportunities and training programmes, which will equip young people with confidence, aspirations, skills and the qualifications required to reach their goals and sustain employment;
3. Engagement – To engage all young people in positive activities which will enable them to participate and be respected as responsible citizens in the community offering them access to specialist information, advice and guidance.
4. Employment – To work with partners to provide programmes which will prepare and support young people for the world of work.
5. Enterprise – To model sustainability by growing market share, and developing new services and products, to increase the Trust's economic value and impact within the community.

For such other charitable purposes according to the laws of England and Wales in such parts of the United Kingdom or the world as the directors in their absolute discretion may from time to time decide.

History

The Parent was conceived in 1989 as a direct result of the farsighted vision of local churches. Their conception was based around their concern that the system had failed to deal adequately for an increasing number of the youth of Walsall, who were seen as a burden to society in general. They purchased the derelict Vine Inn, to be a positive base for young people. The 'Vine Trust' was born. The Christian ethos is the foundation of the Vine Trust, and is the motivation in providing young people with the necessary education, training and practical skills leading to permanent employment and fulfilling lives.

Public benefit statement

The Trustees have paid due regard to the Charity Commission's guidance on public benefit when examining their aims, objectives and future plans of the organisation.

Principle 1.a. What are the benefits?

The identifiable benefit or benefits are recognised from the quantifiable improvements we have made in the situations and opportunities for young people classed as hard to engage, and the challenging of negative attitudes in the communities in which they live.

Principle 1.b. The Benefits as related to our aims

Outcomes

- Young people can be a catalyst for community transformation
- Young people outside traditional school can reach their full academic and vocational potential
- Every young person can be employed without impediment
- Every young person in our sphere of influence will be able to make informed decisions for work, training lifestyle and faith

Trustees' Annual Report
Year ended 31st August 2019

Principle 1.c. Ensuring our work delivers our aims

We review our aims, objectives and activities each year. In this year, our 30th Anniversary, sought to embed the group's 5 year plan. The plan focusses on key areas of work and the benefits to the young people we have set out to help. We have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing our aims and activities and planning our future activities, and are satisfied our activities pose no detriment or harm (Principle 1c)

Principle 2. Who used and benefitted from our services

Benefit to the public.

We have supported a significant group of young people who have performed poorly at school, having high exclusion rates and consequently lack social skills complicated by anti-social behaviour.

We have facilitated the creation of jobs and work experience for 'harder to employ' young people.

Young people applying to Walsall Studio School, students come from within a 5 miles radius of Walsall Town Centre.

Through its strategic oversight, the Vine Trust has worked to ensure these young people access education, support, counselling, positive activities and work skills programmes, with the aim to get them back into mainstream education, at schools or colleges or into further training and work.

STRATEGIC REPORT

During 2018/19 The Vine Trust has sought to respond to the needs of young people, by 'preparing them for life and godliness'. From initiatives to re-**Engagement** (drop-in facilities, advice and guidance) to **Education**, (Studio School and the new Mercian Trust) to a range of social **Enterprises** (restaurants, events, workspace letting) and employer awareness initiatives, to transform **Employment** for Young People. The Group have sought to **Empower** its communities to make it suitable for young people, through the themes of **Live, Work, Play, Learn, and Worship**.

Achievements and performance

Employment

The Ladder Apprenticeship Foundation

Inspired by the Evening Standard's 2012 'Ladder for London' Apprenticeship initiative, and the Vine Trust's leadership in subsequent initiatives in the Midlands, Staffordshire, and Shropshire, The Vine Trust has transformed the Vine Education Trust into the Ladder Apprenticeship Foundation.

At the House of Commons, the foundation was launched to steward the legacy, by extending more regional newspaper employment campaigns across the country.

The launch, facilitated by Robert Halfon MP, Chair of the Education Select committee, assembles representatives of various newspaper groups, commerce, and education, to inspire the creation of 10,000 new jobs, and address issues of social mobility.

Trustees' Annual Report
Year ended 31st August 2019

Robert Halfon said *"I am delighted that the 'Ladder for...' initiative is continuing to expand across our county and I'm proud to be supporting the launch of their new foundation. This will give thousands more apprentices the chance to climb the ladder of opportunity to gain the skills and training they need to get jobs, security and prosperity for their futures."*

Regional Apprenticeship campaigns.

In this period, we launched the Greater Birmingham Ladder campaign, at the LEP Conference in September 18, with our media partners Reach, Performance Through People, and the Greater Birmingham and Solihull Local Enterprise Partnership

Reach's 'Birmingham Post/ Mail/ & Live' titles, with the Foundation, wanted to run the campaign for 1000 apprentices, this being one 10th of its 10,000 targets over the next 3 years. At the time of this report, 802 Apprenticeships have been created, with the further following outcomes:

- 20 Delivery Partners signed up to date
- 2 Universities
- 14 Reach Stories in National Apprenticeship Week
- Up-dated Ladder Website – Partners and Employers
- Year long Editorial Plan
- Breakfast Meetings
- Ladder Telesales Campaign
- 802 Apprenticeship start – Achieved 80% of target
- 68% of enrolments are at level 3 or above
- 33% of enrolments are BAME – Target 30%

In partnership with Reach, we held the Ladder for Greater Birmingham Awards at Edgbaston Cricket ground, July we held the recognising apprentices across six individual categories while a further five celebrated employers and training providers.

Kevin Naylor was named Outstanding Apprentice of the Year in the Public and Charitable Sector before being chosen ahead of the five other individual category winners to be crowned overall Birmingham Apprentice of the Year.

Over 250 guest attended, with Mayor Andy Street as our keynote speaker, and Konnie Huq as our MC.

We were targeting further English regions/ areas beyond Greater Birmingham, Black Country to Staffordshire, London, Shropshire, and Manchester.

There has been a review of the relationship with the campaign and HRH the Duke of York

Enterprise

Vines Catering

The Trust continues to support the operation of Vines, the longstanding restaurant, in the original Vine building, facilitating apprenticeships, and community engagement

Trustees' Annual Report
Year ended 31st August 2019

Vine Workspaces - Goldmine Centre.

The Centre has operated, with its substantive tenants Walsall Studio School, and Walsall Community Church. The Trust have successfully negotiated with Education Skills & Funding Agency, to purchase the freehold for the Studio School, committing to further investment to extend the centre, a long standing goal of the Trust. Proceeds of the sale, will be used to compensate investors, and shore up the financial position of the Trust.

Vine Workspaces - 33 Lower Hall Lane.

The extended facility to the original Vine building has provided lettable spaces to Walsall Studio School, to accommodate their 6th form. The initial 2 year let, has been extended for a further year, whilst the Trust successfully supported the school's efforts to get a longer term accommodation solution, which will be delivered in the next 2 years. As part of the sale of the Goldmine centre, the Trust, have novated the Walsall Community lease to 33 Lower Hall Lane.

Vine Support services

The department continues to operate at an 'at cost' HR, finance, and property support services to all Vine Trust, subsidiary / partner operations, and other charities.

Education

Mercian Trust

The Vine Trust Walsall is a Member of the Mercian Trust, a 'co-owner' alongside the Queen Mary's Foundation, sending 2 members out of the 5 member seats. This membership features in future accounts of the Vine Trust Walsall.

The Vine Trust, and the Foundation, jointly approved the make-up of the board of Directors / Trustees, which was initially formed by the chairs of the respective school's governing bodies of the founding schools.

The investment represents the charity's interest in The Mercian Trust a Multi academy Trust (MAT) formed by a group of Government funded schools working together under a common banner and an overarching structure of governance. It has as its member, The Vine Trust Walsall, with effectively two voting member seats, and The Queen Mary's Foundation, with effectively three voting member seats. From the 'significant Influence' that its two seats (one corporate membership and one individual appointee) gives the interest in The Mercian Trust is stated at 40% of its Total restricted Funds at 31 August 2019 according to the Audited Accounts.

The investment is restricted as representing government funding solely for the purpose of educating students in the Mercian Trust Schools.

Walsall Studio School

As the founder, the intellectual property, assets / staff and liabilities of Walsall Studio School, have been novated into the Mercian Trust, and the existing Walsall Studio School company will be wound up when all practical transitions have been completed. As the founder of the 2 schools, the Vine Trust continue to nominate the governors for the respective schools.

The Trust looks forward to a successful outcome to the expected Ofsted inspection of Walsall Studio School. The school was judged to be good in its first full Ofsted inspection in April 2015 with some outstanding features.

Trustees' Annual Report
Year ended 31st August 2019

The Ladder Alternative Provision School

Following the Trust's strategic decision to close the independent Second Chances AP School, in favour for a bid for a more sustainable, directly funded Alternative Provision free school. The Mercian Trust, and partners have opened the Ladder School, working with the Trust to secure temporary, and longer-term accommodation. The Trust has supported the successful recruitment of Chris Bury as the school's Principal.

Engagement

The Trust has continued to work with partners to promote the economic inclusion and social mobility agenda in the St Matthew's Quarter, and the wider Black Country. To this end, we welcome the appointment of our CEO Kevin Davis to the Board of the Black Country Local Enterprise Partnership

Reserves Policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be where possible be approximately 3 months of the expenditure. The Trustees have decided that the proceeds of sale of the Goldmine Centre, would be used to underpin this policy.

The purpose of the reserve is:

- To keep sufficient in general reserves to cover approximately 13 weeks expenditure
- To capitalise on opportunities and future needs.
- To meet substantial redundancy costs in the event of the winding up of the Charity
- Support with Cashflow challenges.

The reserves where possible are needed to meet the working capital requirements of the charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of reserves available to the charity falls significantly short of this target level. Although the strategy is to continue to build reserves through planned operating surpluses, the Trustees are well aware that it unlikely that the target range can be reached for at least three years, hence the proceeds from the Goldmine sale to the Mercian Trust backers in government will sure support the aim. In the short term the Trustees has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

The reserves policy is to be reviewed annually at the Annual General Meeting prior to the publication of the annual report.

Plans for future periods

The Charity's strategic review is titled Vine 30 - The Economy of Together

Live - We will continue to work to create supported Live/ work spaces in the St Matthew's Quarter in and around Goldmine Centre and beyond, supporting the needs of businesses which can demonstrate social, economic or environmental benefits to young people.

Work - We will continue the partnership with employers and HRH the Duke of York, and regional newspapers to expand the Ladder campaign, creating more apprentices for our region and beyond. The Ladder aims to be "one-stop shop for all apprenticeships".

Trustees' Annual Report
Year ended 31st August 2019

Play - We will continue to support the development of the ST Matthews Quarter and the wider town Centre a positive destination for its residents and visitors.

Learn - Through its membership oversight of the Mercian Multi Academy Trust, the Vine Trust Group will continue to work to offer educational pathways for children in Walsall whatever their abilities or interests. The Trust's vision is to expand across the whole education piece. The Trust will continue through its nominated Governors, support the Ladder School, and the Walsall Studio School.

Worship - All the Vine's work is motivated by its Christian Faith, and our "Worship" theme will continue to support the hosting of activities Love Walsall and the housing of Walsall Community Church.

Structure, governance and management

Vine Trust Walsall is the 'parent' or controlling member of a group of charitable companies trading overall as the Vine Trust Group. The Group board of Trustee Directors consists of directors of the subsidiary boards as well as independent Vine Trust Walsall members. Members are responsible individually and collectively for overseeing the conduct and affairs of the charity, and for supervising Group management, to whom the Board had delegated certain authority for the day-to-day conduct of the charity.

They are also responsible for:

- Strategic Planning Process
- Operating Planning
- Monitoring Senior Management
- Monitoring the Effectiveness of the Board and its Committees
- Setting and Monitoring the Effectiveness of Corporate Policies
- Managing Risk
- The Integrity of Corporate Internal Control and Management
- Overseeing Information Systems
- Overseeing Communications Policy

Sub-Committees

The sub-committees have powers delegated to them by the board of trustee directors. Members of the committees may be co-opted from outside the board and include non-executive advisers with particular expertise. There are divided into key operational areas:

- Personnel and performance
- Finance
- Buildings and Health & Safety

Subsidiary Boards

Vine Access Centres – dormant

Vine Education Trust – converted into The Ladder Apprenticeship Foundation

Walsall Studio School – novated into the Mercian Trust, but the trading arm is dormant, ahead of closure

Vine Social Enterprises – dormant awaiting wind down, having served its purpose

Partner Board

Mercian Trust

Trustees' Annual Report
Year ended 31st August 2019

Chief Executive Officer

The office of the Group Chief Executive (CEO) is the senior officer of the Group Trust and has delegated powers from the board of Trustee Directors, to manage the strategic and operation

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985. It operates as an innovative faith inspired Charitable company, working to support and elevate the lives of 'hard to reach' young people (13-25 year olds).

Trustees Responsibilities

The Trustees (who are also directors of Vine Trust Walsall for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board


.....
P B Powell

Chairman

Date

16/7/2020

Independent Examiner's Report to the Members and Trustees
Year ended 31st August 2019

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st August 2019 which are set out on pages 11 to 26.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of *Institute of Chartered Accountants*, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



John Davis FCA (Independent Examiner)
For and on behalf of
Bakers, Registered Auditors
(The practising name of Baker (Midlands) Limited)
Arbor House
Broadway North
Walsall
WS1 2AN

27 Jun 2020

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
Year ended 31st August 2019

	Note	Unrestricted Funds	2019 Restricted Funds	Total Funds	2018 Total Funds
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	66,706	18,333	85,039	266,363
Charitable activities	3	106,662	-	106,662	271,368
Other trading activities	4	266,477	-	266,477	397,891
Investments	5	-	-	-	4
Other	6	310,188	-	310,188	23,982,659
Total income and endowments		750,033	18,333	768,366	24,918,285
Expenditure on:					
Charitable activities	8	544,853	18,333	563,186	918,810
Other	7	-	-	-	764,712
Bad debt		-	-	-	146,299
Total expenditure		544,853	283,333	563,186	1,829,821
Net losses on investments	18	-	265,000	265,000	-
Net income / (expenditure)		205,180	(265,000)	(59,820)	23,088,464
Other recognised gains/(losses):					
Losses on revaluation of fixed assets		(51,675)	-	(51,675)	-
Net movement in funds		153,505	(265,000)	(111,495)	23,088,464
Reconciliation of funds:					
Total funds brought forward		(129,210)	23,919,000	23,789,790	701,326
Total funds carried forward		24,295	23,654,000	23,678,295	23,789,790

All income and expenditure derive from continuing activities.
The Statement of Financial Activities includes all gains and losses recognised in the year.

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

**Consolidated Balance Sheet
Year ended 31st August 2019**

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	16	2,006,692	2,136,167
Investments	18	23,654,000	23,919,000
		<u>25,660,692</u>	<u>26,055,167</u>
Current Assets			
Debtors	19	15,757	9,669
Cash at bank and in hand		800	3,654
		<u>16,557</u>	<u>13,323</u>
Creditors			
Amounts falling due within one year	20	(1,724,503)	(425,093)
Net current liabilities		<u>(1,707,946)</u>	<u>(411,770)</u>
Total assets less current liabilities		<u>23,952,746</u>	<u>25,643,397</u>
Creditors			
Amounts falling due after more than one year	21	(274,451)	(1,853,607)
		<u>23,678,295</u>	<u>23,789,790</u>
Charity Funds			
Unrestricted funds	22	24,295	(129,210)
Restricted funds	22	23,654,000	23,919,000
		<u>23,678,295</u>	<u>23,789,790</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Trustees on 16 July 2020 and were signed on its behalf by:


P B J Powell Trustee

The notes form part of these financial statements

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

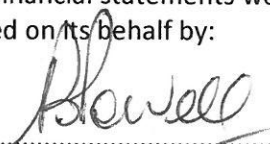
Charity Balance Sheet

Year ended 31st August 2019

	Note	2019	2018
		£	£
Fixed Assets			
Tangible assets	17	2,006,692	2,136,167
Current Assets			
Debtors	19	12,885	7,919
Cash at bank and in hand		641	2,692
		<u>13,526</u>	<u>10,611</u>
Creditors			
Amounts falling due within one year	20	(1,711,385)	(402,814)
Net current liabilities		<u>(1,697,859)</u>	<u>(392,203)</u>
Total assets less current liabilities		<u>308,833</u>	<u>1,743,964</u>
Creditors			
Amounts falling due after more than one year	21	(229,451)	(1,808,607)
		<u>79,382</u>	<u>(64,643)</u>
Charity Funds			
Unrestricted funds		79,382	(64,643)
Restricted funds		-	-
		<u>79,382</u>	<u>(64,643)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Trustees on 16 July 2020 and were signed on its behalf by:



 P B J Powell Trustee

The notes form part of these financial statements

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

Consolidated Statement of Cash Flows
Year ended 31st August 2019

	Note	2019	2018
		£	£
Net cash flows from operating activities	24	(23,994)	(784,626)
Cash flows from investing activities			
Purchase of tangible fixed assets		(737)	(31,773)
Disposal of tangible fixed assets		27,117	710,139
Cash flows from financing activities			
Interest paid	15	(5,240)	(72,687)
Increase/(decrease) in cash and cash Equivalents in the year		(2,854)	(178,947)
Cash and cash equivalent at 1 September 2018		3,654	182,601
Cash and cash equivalents at 31 August 2019		800	3,654

Notes to the Financial Statements
Year ended 31st August 2019

1. **Accounting Policies**

General information and basis of preparation

Vine Trust Walsall is a charitable company incorporated in England. 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 is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to empower, educate, engage, and employ young people.

The charity constitutes a public benefit entity as defined by FRS 102. 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 applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The group financial statements consolidate the accounts of the Company and its subsidiary undertakings. Intra-group transactions and profits are eliminated on consolidation.

Funds

Unrestricted funds 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.

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.

Income

All incoming resources are included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Notes to the Financial Statements

Year ended 31st August 2019

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities includes provision of personal coaching services; and
- Other expenditure represents those items not falling into the categories above

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost 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 5.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful economic life.

Land and buildings	- 2% on cost
Motor vehicles, fixtures etc	- 20% to 25% on cost

Freehold land with an estimated cost of £50,000 is not depreciated.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if their fair value can be measured reliably.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Notes to the Financial Statements
Year ended 31st August 2019

Leasing commitments

Rentals paid under operating leases are charged to the statement of financial activity on a straight line basis over the period of the lease.

Employee benefits

Where employees have rendered service to the charity, short term benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension benefits

The charity contributes to a defined contribution pension scheme for certain members of staff. Contributions are expensed as they become payable.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

As shown in the financial statements the Group had net income on unrestricted funds of £153,505 for the year and at 31 August 2019 had net assets on unrestricted funds of £24,295. The Group have prepared income and cash flow projections for a period of 12 months from the date of the approval of these financial statements which indicate a positive position including the disposal of freehold property as disclosed in note 26. On this basis and on indications from supporters that they will continue to provide additional financial resources as required, the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

2. Income from donations and legacies

	2019 £	2018 £
Donations		
Unrestricted - General	27,766	264,696
Grant Income		
Unrestricted - General	4,000	-
Unrestricted – Linked In	19,940	-
Unrestricted – Ladder	15,000	-
Restricted – Big Feed	18,333	1,667
Total	85,039	266,363

£18,333 (2018: £1,667) of the above income was attributable to restricted funds.

Notes to the Financial Statements
Year ended 31st August 2019

3. Income from charitable activities

	2019	2018
	£	£
Guidance services	-	97,300
Second chances school	-	59,204
Ikea	-	77,536
Restaurant	77,134	37,328
J10 Arc Project	16,656	
Ladder School	2,532	
Walsall Studio School	6,586	
Other	3,754	-
Total	106,662	271,368

All of the above income was attributable to unrestricted funds.

4. Income from trading activities

	2019	2018
	£	£
Events	1,749	5,495
Property cost recharges	244,175	283,393
Support cost recharges	4,992	104,081
Project management	6,852	-
Fund raising	-	740
Other	8,709	4,182
Total	266,477	397,891

All of the above income was attributable to unrestricted funds.

5. Income from investments

	2019	2018
	£	£
Interest received	-	4
Total	-	4

All of the above income was attributable to unrestricted funds.

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

Notes to the Financial Statements
Year ended 31st August 2019

6. Other income

	2019	2018
	£	£
Waiver of SIB loan	310,188	-
Vines Catering reserves	-	63,659
Interest in Mercian Trust (note 16)	-	23,919,000
Total	310,188	23,982,659

In 2018, £23,919,000 of the above income was attributable to restricted funds.

7. Other expenditure

	2019	2018
	£	£
P390 reserves	-	12,371
Walsall Studio School transfer	-	752,341
Total	-	764,712

8. Analysis of expenditure on charitable activities

	Direct Costs	Support Costs	Total
	£	£	£
Property	281,854	62,952	344,806
Support	38,900	5,261	44,161
Restaurants & catering	116,611	4,905	121,516
Ikea	11,372	4,905	16,277
Ladder School	35,283	1,143	36,426
Total	484,020	79,166	563,186

Notes to the Financial Statements
Year ended 31st August 2019

9. Charitable activities cost

	2019	2018
	£	£
Purchases	27,284	19,484
Wages & salaries	273,102	510,762
Staff training	1,184	931
Service charges	5,813	-
Rent, rates & water	35,865	49,773
Insurance	12,488	15,288
Heat & light	75,024	72,797
Repairs & maintenance	20,460	26,381
Advertising	1,354	1,070
Post, print & stationery	7,379	11,036
Telephone	8,806	36,580
Travel, subs & entertaining	2,583	2,825
General expenses	9,417	9,424
Professional fees	5,113	7,732
Donations	-	5,871
Loan interest & charges	5,240	72,687
Depreciation	51,420	51,273
Governance	20,654	24,866
Total	<u>563,186</u>	<u>918,810</u>

10. Governance costs

	2019	2018
	£	£
Professional fees	1,898	4,596
Auditors remuneration	8,250	5,550
Miscellaneous	10,506	14,720
Total	<u>20,654</u>	<u>24,866</u>

11. Net income for year

Net income is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	51,420	51,273
Impairment of tangible fixed assets	51,675	-
Loss on fair value movement of investments	265,000	-

Impairment losses arose as a result of the Lower Hall Lane property being revalued.

Notes to the Financial Statements
Year ended 31st August 2019

12. Independent Examiners remuneration

The independent examiner's remuneration amounts to a fee of £3,500 (2018: £3,500 for audit) and for accounts and others services £4,750. (2018: £2,050).

13. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018: £Nil).

The trustees did not have any expenses reimbursed during the year (2018: £Nil).

The total employee benefits (including employer pension contributions) received by key management personnel is £75,124 (2018: £73,288). The Trust considers its key management personnel to be the Chief Executive Officer.

14. Staff costs and employee benefits

The average number of employees and full time equivalent (FTE) during the year was as follows:

	2019	2019	2018	2018
	Number	FTE	Number	FTE
Charitable activities	15	12	27	22

The total staff costs and employee benefits were as follows:

	2019	2018
	£	£
Wages and salaries	239,283	472,661
Social security costs	18,488	32,966
Pension costs	4,641	5,165
Redundancy	10,690	-
Total	273,102	510,792

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

£70,001 - £80,000	1	1
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15. Interest payable

	2019	2018
	£	£
Bank loans and overdrafts	3,572	2,348
Other loans	1,668	70,339
Total	5,240	72,687

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

**Notes to the Financial Statements
Year ended 31st August 2019**

16. Tangible Fixed Assets – Group

	Land & Buildings £	Plant & Machinery £	Total £
Cost			
At 1 st September 2018	2,461,517	180,350	2,641,867
Additions	-	737	737
Disposals	(27,117)	-	(27,117)
At 31 st August 2019	2,434,400	181,087	2,615,487
Depreciation			
At 1 st September 2018	329,211	176,489	505,700
Charge for year	48,229	3,191	51,420
Revaluation	51,675	-	51,675
At 31 st August 2019	429,115	176,680	608,795
Net Book Values			
At 31 st August 2019	2,005,285	1,407	2,006,692
At 31 st August 2018	2,132,306	3,861	2,136,167

17. Tangible Fixed Assets – Charity

	Land & Buildings £	Plant & Machinery £	Total £
Cost			
At 1 st September 2018	2,461,517	180,350	2,641,867
Additions	-	737	737
Disposals	(27,117)	-	(27,117)
At 31 st August 2019	2,434,400	181,087	2,615,487
Depreciation			
At 1 st September 2018	329,211	176,489	505,700
Charge for year	48,229	3,191	51,420
Revaluation	51,675	-	51,675
At 31 st August 2019	429,115	176,680	608,795
Net Book Values			
At 31 st August 2019	2,005,285	1,407	2,006,692
At 31 st August 2018	2,132,306	3,861	2,136,167

Notes to the Financial Statements
Year ended 31st August 2019

18. Fixed Assets Investments

	Other Investments £
Valuation	
At 1 st September 2018	23,919,000
At 31 st August 2019	<u>23,919,000</u>
Impairment	
Written off in year	265,000
At 31 st August 2019	<u>265,000</u>
Carrying amount:	
At 31 st August 2019	<u>23,654,000</u>
At 31 st August 2018	<u>23,919,000</u>

The investment represents the charity's interest in The Mercian Trust a Multi Academy Trust (MAT) formed by a group of Government funded schools working together under a common banner and an overarching structure of governance. It has, as its members, The Vine Trust Walsall, with effectively two voting member seats, and The Queen Mary's Foundation, with effectively three voting member seats.

From the 'significant Influence' that its two seats (one corporate membership and one individual appointee) gives, the interest in The Mercian Trust is stated at 40% of its total restricted Funds at 31st August 2019 according to the Audited Accounts. Its registered office address is C/O Whitehouse Ridsdale, 26 Birmingham Road, Walsall, West Midlands, WS1 2LZ. At the year end, the aggregate reserves of The Mercian Trust amounted to £61,278,488 (2018: £62,048,812) of which £59,135,394 (2018: £59,795,806) were restricted, following a decrease in funds of £770,324 for the year (2018: increase of £51,991,869).

The investment is restricted as representing government funding solely for the purpose of educating students in the Mercian Trust Schools.

19. Debtors: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	14,907	9,556	12,035	6,614
Amounts owed by group companies	-	-	-	1,192
Prepayments and accrued income	850	113	850	113
Total	<u>15,757</u>	<u>9,669</u>	<u>12,885</u>	<u>7,919</u>

Notes to the Financial Statements
Year ended 31st August 2019

20. Creditors: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	1,350,957	57,751	1,350,957	57,751
Trade creditors	44,384	33,261	36,519	27,922
Amounts owed to group companies	-	-	6,247	1,999
Taxation and social security	43,866	18,614	43,866	16,475
Accruals and deferred income	59,063	162,091	59,063	159,541
Other creditors	226,233	153,376	214,733	139,126
Total	<u>1,724,503</u>	<u>425,093</u>	<u>1,711,385</u>	<u>402,814</u>

21. Creditors: Amounts falling due after more than one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	137,364	151,171	137,364	151,171
Other loans	-	1,538,232	-	1,538,232
Other creditors	137,087	164,204	92,087	119,204
Total	<u>274,451</u>	<u>1,853,607</u>	<u>229,451</u>	<u>1,808,607</u>

Bank loans include aggregate amounts of £78,230 (2018: £93,175) and other loans include aggregate amounts of £Nil (2018: £1,366,270) which fall due after five years and which are payable by instalments.

22. Fund Reconciliation

	Balance at 1 st Sept 2018 £	Income £	Expenditure £	Gains / (Losses) £	Balance at 31 st August 2019 £
Unrestricted Funds					
General funds	(129,210)	750,033	(544,853)	(51,675)	24,295
	<u>(129,210)</u>	<u>750,033</u>	<u>(544,853)</u>	<u>(51,675)</u>	<u>24,295</u>
Restricted Funds					
Big Feed	-	18,333	(18,333)	-	-
Mercian Trust	23,919,000	-	-	(265,000)	23,654,000
	<u>23,919,000</u>	<u>18,333</u>	<u>(18,333)</u>	<u>(265,000)</u>	<u>23,654,000</u>
	<u>23,789,790</u>	<u>768,366</u>	<u>(563,186)</u>	<u>(316,675)</u>	<u>23,678,295</u>

Notes to the Financial Statements
Year ended 31st August 2019

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,006,692	23,654,000	25,660,692
Current assets	16,557	-	16,557
Current liabilities	(1,724,503)	-	(1,724,503)
Creditors falling due after more than one year	(274,451)	-	(274,451)
Total	<u>24,295</u>	<u>23,654,000</u>	<u>23,678,295</u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income (expenditure) for the year	(111,495)	23,088,464
Fixed asset investment	-	(23,919,000)
Interest payable	5,240	72,687
Depreciation and impairment of tangible fixed assets	103,095	51,273
Losses on investments	265,000	-
Decrease (increase) in stock	-	1,500
(Increase) decrease in debts	(6,088)	241,755
Increase (decrease) in creditors	(279,746)	(321,305)
	<u>(23,994)</u>	<u>(784,626)</u>

25. Pensions and Similar Obligations

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £4,641 (2018: £5,165).

26. Post balance sheet events

Since the balance sheet date, the sale of the Goldmine Centre property has been agreed at £1.93m which will enable the Charity to clear its mortgage and loans and continue its charitable activities. Completion of this took place on 13th September 2019. The net book value of the Goldmine Centre at 31 August 2019 was £1.63m.

27. Ultimate controlling party

During the year, the Charity was under the control of the Trustees.

Notes to the Financial Statements
Year ended 31st August 2019

28. Transactions with Trustees

A limited guarantee has been given by J Price, J Tipper, P Powell and M Masters to Barclays Bank PLC for £20,000.

At 31st August 2019 the charity owed £70,000 (2018: £62,000) to House on the Corner, a charity in which P Powell is a trustee.

At 31st August 2019 the charity owed £20,800 (2018: £15,000) to J Sargent, a director and trustee. At the balance sheet date £937 was due to J Sargent in respect of interest on the loan.

At 31st August 2019 the charity owed £15,000 (2018: £15,000) to P Powell, a director and trustee.

At 31st August 2019 the charity owed £24,000 (2018: £15,000) to M Harland, a director and trustee.

At 31st August 2019 the charity owed £25,000 to J Tipper, a director and trustee.

The Company has taken advantage of the exemptions contained within Financial Reporting Standard No.8 not to disclose intra-group transactions on the basis that all subsidiaries are 100% owned and all transactions with other Group companies are eliminated in the consolidated financial statements.