

REGISTERED COMPANY NUMBER: 03717865 (England and Wales)
REGISTERED CHARITY NUMBER: 1074840

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020
FOR
VALLEYS KIDS**

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 10
Consolidated Statement of Financial Activities	11
Consolidated Balance Sheet	12
Charity Balance Sheet	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Financial Statements	16 to 30

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the group for the year ended 31 March 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects as stated in the Memorandum of Association are:

To provide and assist in the provision of facilities and services for education, play, arts, recreation and other leisure time occupation for the benefit of the residents of South Wales, these being facilities and services:

- i) of which such people have the need by reason of their youth, poverty or social and economic circumstances
- ii) which will improve the conditions of life for such people by promoting their physical, mental and spiritual wellbeing.

Public benefit

The trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the commission.

Valleys Kids ensures that our objectives and our work provide benefit to the public. All our work takes place in areas suffering from social disadvantage and our core activities are provided free of charge. They are open to everyone in the areas we serve while focusing on those most in need. They provide substantial benefit to children and families that participate, as demonstrated in our Report of the Trustees.

OBJECTIVES AND ACTIVITIES

Significant activities

Who Matters - Everyone - Open Access Provision

Valleys Kids Community and Family Hubs offer 'Open Access' provision welcoming everyone who wants to attend whether it is pre-school, play, youth or adult services and activities. We provided targeted provision supporting people to deal with particular issues, usually in the form of a 8/10 week programme. While these targeted programmes are important, 10 weeks does not solve the challenges completely. The continued support required is available through the Open Access provision.

Who Has Potential? Everyone

Valleys Kids believe that everyone has potential and our role is to enable people of all ages to believe in themselves to grow in confidence and realise that they have potential. It is a real joy when you see people grow and develop; a young person getting engaged in education and hear about how they are succeeding in school, college, university and in employment.

Who is Valued? Every child - Play

Every child deserves the best start in life, and this is the aim of our pre-school provision. Out of school play opportunities have been one of Valleys Kids commitments from the beginning because we believe that play is important in the development and wellbeing of children. Valleys Kids play provides exciting opportunities for children to experiment and help them grow and develop. Most importantly all our play is about children having fun and discovering they 'can do' lots of different things.

Who Can Succeed? Everyone - Youth Work

Youth Work is about helping young people to face up to the challenges in their lives and help them to seek solutions. Valleys Kids aim is to provide for all young people but with a commitment to engage the most challenging and challenged. To do this we create situations that young people want to be part of, a place they feel is theirs, by providing a warm welcoming, friendly space with quality youth workers. In depth youth work happens because we create spaces where young people feel comfortable and develop trusting relationships with the youth work staff.

OBJECTIVES AND ACTIVITIES

Significant activities

What Matters? Culture and the Arts Matter

Valleys kids have always believed that involving people in the Arts can be a transformative experience. Sparc, Valleys Kids Youth Arts Team have been helping young people to transform their lives through drama workshops, youth theatre, dance and music. The development of the partnerships with the Wales Millennium Centre and the Tate Exchange have given them even greater experiences and broadened their horizons.

The Factory continues to develop as a Hub for the Arts and cultural industries. The Art in the Attic Robert Maskery Gallery has had a new exhibition every month exhibiting the work of both local and professional artists. One of the exhibitions this year brought a new experience to the Gallery with an exhibition of limited editions of books and prints that had never been exhibited in South Wales. Valleys Kids Artist In Residence delivers art classes each week for adults who come from a range of backgrounds and situations. Some of the people attending have physical disabilities while others have emotional and mental health issues. The classes are more than just an art session the groups support and care about the wellbeing of each other.

What Matters? The Family

As more scientific evidence highlights the dangers of Adverse Childhood Experience (ACEs) the Family Team continue to develop therapeutic programmes that enable families to understand how behaviour affects their children and enables them to explore how they can change.

What Matters? Different Opportunities

We have always believed that it is important to give people opportunities that take them out of their normal environment. In 2004 we acquired a cottage in the Gower - Little Bryn Gwyn - to ensure that we could take people on residential. We try to provide the highest quality possible with all our premises and Little Bryn Gwyn had many limitations. In 2016 we were awarded £583,000 from the People's Postcode Lottery and the transformation of the cottage began. The cottage has gone but as this year drew to a close, we were completing the final phase of building work. So instead of a very limited cottage we now have a beautiful residential centre and activity centre. Those who have visited have fond memories of the cottage but are very excited by the new Little Bryn Gwyn.

One of the Social Enterprises - the Play Yard - is provided many exciting play opportunities for children including breakfast with Santa. After the success of last year when this year event was advertised in September it was sold out in ten days. The two 3G pitches provide training space for rugby and football teams. However, exploring the needs of teenagers, this year, one of the pitches has started to be transformed into the Ninja Academy, an assault course, which will cater for older children (10 plus) and adults.

The Old Library Penygraig continues to provide a charity shop, a book exchange and Coffi Red provides a welcoming place for community groups such as "Knit and Natter" to meet.

What Matters When Covid-19 Strikes? The Whole Community

In March it was a shock when all our premises had to be closed to the public. This meant that we had to close the Social Enterprises and that meant a loss of income and as a result all the staff paid by Valleys Creative were put on furlough.

The remaining staff immediately began to find out what the community needed and wanted. As a result, the staff began shopping for older people and for those who were shielding. Families found themselves in situations they had never experienced. With the help of immediate financial support, the Staff Team and Volunteers began preparing and delivering lunches for children and food parcels for families.

It was important that we maintained contact with individuals. Community Staff contacted people by telephone on a weekly basis, Youth Work staff used digital platforms to make contact with young people. Art classes, family programmes, youth programmes were delivered using these digital platforms. A Digital Online Practice and Policy was developed to ensure all these platforms were used in a safe way for staff and members.

Play packs were prepared for children who usually came to play sessions in the Hubs, similarly youth packs for teenagers and feeling good packs for older adults were prepared.

By the end of August 2020 we had made hundreds of phone calls each week and provided 20,000 free lunches for children, 30,000 meals for families through providing food parcels, over 2,000 play packs, 500 youth packs, 500 feeling good packs for the community. Each week 100 families had their shopping done and delivered. The Art Gallery was able to continue to have exhibitions - it became a virtual gallery.

OBJECTIVES AND ACTIVITIES

Staff - paid and voluntary

One of the greatest assets of any organisations is its staff and Valleys Kids seeks to create a workplace within which staff can flourish and operate in a creative, constructive and fair environment

It is only with qualified and experienced staff that it's possible to deliver the high-quality services that the communities we work with deserve. Both paid and voluntary staff continue to access training to enable them to fulfill their role to the highest quality. We are very proud of our 38 paid staff and over 100 volunteers. A number of the paid staff began as community volunteers but are now very well qualified professionals.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

For 40 years Valleys Kids have worked in communities in the South Wales Valleys supporting people to grow in self-confidence, improving their skills and knowledge and encouraging them to have high aspirations and high expectations to achieve their potential.

We have four Community and Family Hubs in disadvantaged communities where activities and services are provided for all ages: - from babies to those over 90. We have also developed a Hub for the Arts and Cultural Industries so that the people from the Valleys' communities can gain the skills and knowledge to enable them to secure employment in this growing industry in Wales. The Family Team provides targeted services for the most challenged families. Little Bryn Gwyn will provide young and old with new opportunities. We are developing social enterprises; the Play Yard, Charity Shop, Child Care, Play at the Factory and three Coffi Red cafes based in our own premises.

PARTICIPATION

3,578 individuals

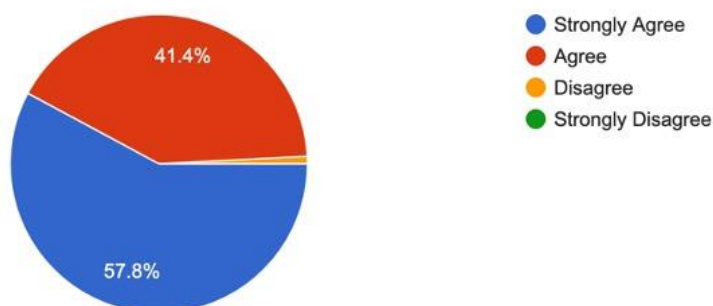
1,359 children under 11

835 young people 12 - 18

1,384 adults

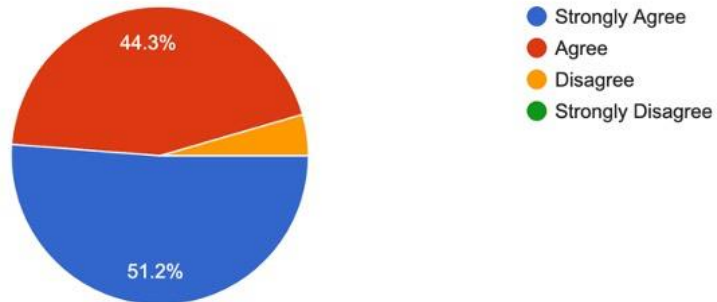
IMPACT

The support has improved our wellbeing

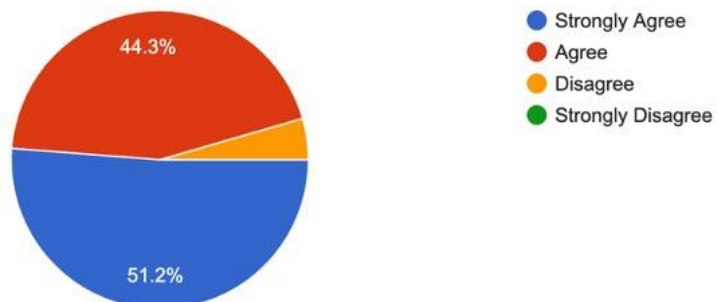


ACHIEVEMENT AND PERFORMANCE
Charitable activities

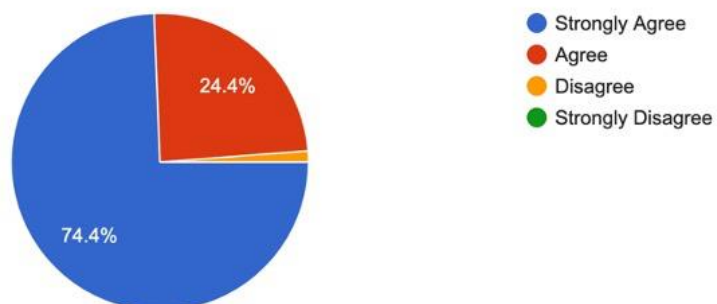
I feel more connected to my community as a result of the support received



I feel more connected to my community as a result of the support received



I am happy with the service I have received from Valleys Kids



**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

FINANCIAL REVIEW

Financial position

This year the expenditure on charitable activities with children and families was £1,801,439. The total income for 2019/2020 was £1,872,528. This includes funding for the capital redevelopment of our Residential Centre in the Gower. This has resulted in a surplus in the Statement of Financial Activities due to the expenditure on the capital building at Little Bryn Gwyn and grants paid in advance.

The trustees had set up a designated fund for the capital development of the Residential Centre in the Gower, known as Little Bryn Gwyn and earmarked certain unrestricted grants to support this fund. The designated fund balance at 31 March 2020 was £nil as the funds were fully spent in the year to 31 March 2020.

The risks

Valleys Kids trustees and staff have considered the major risks that affect our work and have put in place controls to deal with them. The controls include clearly documented accounting procedures and risk / benefit assessments throughout the organisation. We review our risk register regularly to ensure that we are aware of any emerging threats to the organisation.

Reserves policy

The trustees believe it is necessary to maintain reserve funds to ensure that the charity is able to meet ongoing commitments. At the 31 March 2020 total funds amounted to £4,553,619. The unrestricted funds were £4,539,025 and the free reserves after excluding designated funds, fixed assets and associated loans were £78,687. The trustees believe this is adequate to safeguard ongoing commitments in the short term, but they intend to gradually increase reserves to meet the trustees' policy of having sufficient funding to cover two months operating costs, which is approximately £220,000.

FUTURE PLANS

The Year Ahead

Our Community and Family Hubs provide a welcoming atmosphere, are not judgmental and operate open access activities free at the point of access. We offer targeted activities including health, parenting, youth programmes and provide challenging activities enabling people to explore their lives and see that they have potential, that they can change and improve the quality of their lives and of the communities where they live. We consult with our local people in a variety of ways to ensure that our activities and services meet the needs of the communities. We continually explore different ways and methods of working to ensure that we offer the best opportunities to the people.

Our priorities for the next year

Valleys Kids mission is to work with and support people living in disadvantaged communities supporting them to realise their potential. The people we work with are involved in shaping the services we provide. We will:

- Seek to develop our core team to include fundraisers to ensure that Valleys Kids will be a sustainable organisation into the future.
- Provide services and activities in all our premises that welcome everyone in the community and through play, youth work, community work and the arts.
- Encourage children, young people and adults, supporting them to develop their self-confidence and to achieve their potential.
- Work in partnership with other agencies and organisations to ensure that people and the communities receive the best possible services.
- ensure that our services and activities deliver the vision of the Social Services and Wellbeing (Wales) Act and the Wellbeing and Future Generations (Wales) Act.
- Secure resources to deliver our programme of services and activities.
- We will also continue to raise funds to complete our vision for Little Bryn Gwyn and the Factory.
- Develop social businesses to ensure sustainability.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

FUTURE PLANS

Financial Impact of the Pandemic

There was considerable uncertainty about the future when the pandemic struck in March with immediate reduction in funding from some sources. As our building had to close, we immediately looked at measures to mitigate the financial challenges.

Most of our funders were very supportive and allowed considerable flexibility to respond to the emergency. Our main grant providers have continued to support our work and have increased support so that we can make extra provision for disadvantaged communities suffering from the effects of the pandemic. We have also made use of a number of specific support schemes.

Coronavirus Job Retention Scheme: We made use of the scheme to furlough 16 Valleys Kids staff and 16 staff from our trading subsidiary from the middle of March.

Coronavirus - Business support grants: We were successful in obtaining grants towards some of our premises in Rhondda Cynon Taff and Swansea.

Staff Reductions: We inevitably had to make a number of posts redundant when the Coronavirus Job Retention Scheme ended.

Government Support: We have been able to utilise grants from Welsh Government to both tackle the pandemic and underpin the organisation.

Current Situation: We are continuing to offer a socially distanced activities and support to the communities and are developing new and innovative responses to supporting children and families while maintaining social distancing.

Due to the immediate support provided by the UK Government and the Welsh Government we are in a stronger financial position now than at the start of the financial year. Although we have had to make some posts redundant most of our staff are in post working to support people through this very difficult time.

The longer-term fallout from the pandemic is only now beginning to appear and we expect the demands on our services to increase substantially over the next year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Valleys Kids is a registered charity and is a company limited by guarantee, incorporated in 1999, governed by its Memorandum and Articles of Association.

The charity has a trading subsidiary, Valleys Creative Limited, which undertakes all non-charitable trading activity. The taxable profits of Valleys Creative are distributed to Valleys Kids in full each year.

Organisational structure

Members of the Board of Trustees are also the directors of the company. They are responsible for overseeing the management of all the affairs of Valleys Kids. They are subject to fixed-term appointments and election or re-election according to procedures set out in our Memorandum and Articles of Association. Working groups are established to undertake specific pieces of work.

New trustees take part in an induction to the charity that includes meetings with staff and existing trustees. They are provided with a history of the charity and copies of the Charity Commission's Guidance for trustees.

The Board seeks to ensure that all activities are within UK law and come within agreed charitable objectives. Its work includes setting strategic direction and agreeing the financial plan. The Board acts on advice and information from regular meetings with the senior managers. Decisions made at other levels of the organisation are reported to the Board. Trustees are able, where appropriate, to take independent professional advice.

Equal opportunities

Valleys Kids is committed to the principle and practice of Equal Opportunities. Our activities are open to all and we take every opportunity to integrate those with disabilities within our everyday work. We aim to be an equal opportunities employer and seek to ensure that all staff receive equal treatment.

Policies and procedures are in place for Child Protection, Whistle Blowing and Health and Safety.

Key management remuneration

Valleys Kids align our pay with the Local Government NJC pay scales. Staff are paid between point 12 and 41. Key management personnel are paid between point 36 and 41. No member of staff is paid above point 41.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03717865 (England and Wales)

Registered Charity number

1074840

Registered office

1 Cross Street
Penygraig
Tonypanyd
CF40 1LD

Trustees

Chair	Philip Evans
Vice Chair	Nadine Hussien
Treasurer	Marian Stokes
Trustees	Ceri Assiratti
	Rebecca Booth
	Howell Edwards
	Lyn Evans
	Rhiannon Howells
	John McGrath

Company secretary

Richard Morgan

Executive team

Richard Morgan
Margaret Jervis

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Solicitors

Darwin Gray Solicitors
Helmont House
Churchill Way
Cardiff
CF10 2HE

Bank

Unity Trust Bank PLC
4 Brindleyplace
Birmingham
B1 2JB

Barclays Bank UK PLC
1 Churchill Place
London
E14 5HP

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Valleys Kids for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper 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 so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Approved by order of the Board of Trustees on8th January 2021..... and signed on its behalf by:



.....
P J Evans - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 15 January 2021.....

VALLEYS KIDS
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

		Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	131,610	50,000	181,610	274,883
Charitable activities	6				
Community Projects		789,371	352,864	1,142,235	1,458,240
Community Outreach		-	164,904	164,904	195,192
Sparc (Artworks)		25,657	208,761	234,418	177,973
Other trading activities	4	124,197	-	124,197	105,753
Investment income	5	25,164	-	25,164	21,772
Other income		-	-	-	-
Total		1,095,999	776,529	1,872,528	2,233,813
EXPENDITURE ON					
Raising funds	7	147,657	-	147,657	150,926
Charitable activities	8				
Community Projects		905,185	176,227	1,081,412	1,086,039
Community Outreach		122,866	164,904	287,770	253,908
Sparc (Artworks)		75,839	208,761	284,600	230,812
CAT		-	-	-	-
Total		1,251,547	549,892	1,801,439	1,721,685
NET INCOME/(EXPENDITURE)		(155,548)	226,637	71,089	512,128
Transfers between funds	22	553,001	(555,361)	-	-
Net movement in funds		399,813	(328,724)	71,089	512,128
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		4,139,212	343,318	4,482,530	3,970,402
TOTAL FUNDS CARRIED FORWARD		4,539,025	14,594	4,553,619	4,482,530

The notes form part of these financial statements

VALLEYS KIDS

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2020**

		Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	16	4,920,337	-	4,920,337	4,372,397
CURRENT ASSETS					
Stock		3,801	-	3,801	3,089
Debtors	17	80,261	46,200	126,461	103,353
Cash at bank and in hand		<u>65,814</u>	<u>53,973</u>	<u>119,787</u>	<u>402,077</u>
		149,876	100,173	250,049	508,519
CREDITORS					
Amounts falling due within one year	18	(211,396)	(85,579)	(296,975)	(63,924)
NET CURRENT ASSETS		<u>(61,520)</u>	<u>14,594</u>	<u>(46,926)</u>	<u>444,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,858,817	14,594	4,873,411	4,816,992
CREDITORS					
Amounts falling due after more than one year	19	(319,792)	-	(319,792)	(334,462)
NET ASSETS		<u>4,539,025</u>	<u>14,594</u>	<u>4,553,619</u>	<u>4,482,530</u>
FUNDS	22				
Unrestricted funds				4,539,025	4,139,212
Restricted funds				<u>14,594</u>	<u>343,318</u>
TOTAL FUNDS				<u>4,553,619</u>	<u>4,482,530</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved for issue by the Board of Trustees on 8th January 2021 and were signed on its behalf by:



.....
P J Evans -Trustee

The notes form part of these financial statements

VALLEYS KIDS

**CHARITY BALANCE SHEET
AT 31 MARCH 2020**

		Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	16	4,861,988	-	4,861,988	4,310,589
CURRENT ASSETS					
Debtors	17	132,035	46,200	178,235	141,948
Cash at bank and in hand		<u>55,303</u>	<u>53,973</u>	<u>109,276</u>	<u>375,856</u>
		187,338	100,173	287,511	517,804
CREDITORS					
Amounts falling due within one year	18	(197,853)	(85,579)	(283,432)	(52,175)
NET CURRENT ASSETS		<u>(10,515)</u>	<u>14,594</u>	<u>4,079</u>	<u>465,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,851,473	14,594	4,866,067	4,776,218
CREDITORS					
Amounts falling due after more than one year	19	(310,678)	-	(310,678)	(323,069)
NET ASSETS		<u>4,540,795</u>	<u>14,594</u>	<u>4,555,389</u>	<u>4,453,149</u>
FUNDS					
Unrestricted funds				4,540,795	4,109,831
Restricted funds				<u>14,594</u>	<u>343,318</u>
TOTAL FUNDS				<u>4,555,389</u>	<u>4,453,149</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved for issue by the Board of Trustees on 8th January 2021 and were signed on its behalf by:



.....
P J Evans -Trustee

The notes form part of these financial statements

VALLEYS KIDS
**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	297,587	641,313
Interest paid		<u>(13,144)</u>	<u>(13,572)</u>
Net cash provided by (used in) operating activities		<u>284,443</u>	<u>627,741</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(691,892)	(442,259)
Interest received		<u>10</u>	<u>8</u>
Net cash provided by (used in) investing activities		<u>(691,882)</u>	<u>(442,251)</u>
Cash flows from financing activities:			
Loan repayments in year		(11,851)	(11,424)
New loan in year		<u>137,000</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>125,149</u>	<u>(11,424)</u>
Change in cash and cash equivalents in the reporting period		<u>(282,290)</u>	<u>174,066</u>
Cash and cash equivalents at the beginning of the reporting period		<u>402,077</u>	<u>228,011</u>
Cash and cash equivalents at the end of the reporting period		<u>119,787</u>	<u>402,077</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	71,089	512,128
Adjustments for:		
Depreciation charges	143,952	153,333
Interest received	(10)	(8)
Interest paid	13,144	13,572
Increase in debtors	(23,108)	(49,103)
Increase in creditors	93,232	11,790
Increase in stock	(712)	(399)
Net cash provided by (used in) operating activities	<u>297,587</u>	<u>641,313</u>

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank and in hand	402,077	(250,870)	119,787
Debt			
Debts falling due within one year	(11,781)	(137,540)	(149,321)
Debts falling due after one year	<u>(323,069)</u>	<u>12,391</u>	<u>(310,678)</u>
	<u>(334,850)</u>	<u>(125,149)</u>	<u>(459,999)</u>
Total	<u>67,227</u>	<u>(376,019)</u>	<u>(340,212)</u>

1. STATUTORY INFORMATION

Valleys Kids is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is 1 Cross Street, Penygraig, Tonypandy, Mid Glamorgan, CF40 1LD. The nature of the charitable company's operations is to provide and assist in the provision of facilities and services for education, play, arts, recreation and other leisure time occupations with the object of improving the conditions of life.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Valleys Kids meets the definition of a public benefit entity as demonstrated within the Report of the Trustees.

There have been no material departures from Financial Reporting Standard 102.

Going concern

The trustees have assessed the charity's ability to continue as a going concern taking into account the financial impact of Covid-19 which is set out in the Report of the Trustees. The charity's forecasts and projections show that the charity should be able to continue to operate and is well placed to manage its risks successfully in the coming 12 months. The trustees, therefore, have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or, are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income

Investment income is recognised on a receivable basis.

Other income

Other income is recognised on a receivable basis

2. ACCOUNTING POLICIES - continued**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Tangible fixed assets

Fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimate residual value over the useful economic life of the asset as follows:

Property	2% straight line
Vehicles	20% straight line
Equipment	20% straight line

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Termination payments

The charitable company recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade debtors and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

Significant accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	121,860	124,333
Penygraig Community Project grant	59,700	150,000
Legacies	<u>50</u>	<u>550</u>
	<u>181,610</u>	<u>274,883</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Retail income	4,473	4,642
Income from Valleys Creative Limited	<u>119,724</u>	<u>101,111</u>
	<u>124,197</u>	<u>105,753</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	25,154	21,764
Deposit account interest	<u>10</u>	<u>8</u>
	<u>25,164</u>	<u>21,772</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Community activities	Community Projects	11,302	8,022
Grants	Community Projects	988,817	1,329,987
Childcare	Community Projects	44,600	1,669
Party and play	Community Projects	61,871	72,128
Hire income	Community Projects	35,645	46,434
Grants	Community Outreach	164,904	195,192
Community activities	Sparc (Artworks)	657	-
Grants	Sparc (Artworks)	233,761	177,973
		<u>1,541,557</u>	<u>1,831,405</u>

Grants received, included in the above, are as follows:

	2020 £	2019 £
RCTCBC - Community Education Penygraig	10,000	10,000
RCTCBC - Families First	215,976	216,965
Coleg y Cymoedd	5,993	(9,735)
RCTCBC - Older Persons Grant	-	500
RCTCBC - Welsh Churches Grant	-	9,766
Interlink	2,207	28,215
Community First	173,046	179,823
Arts Council Wales	122,383	122,383
Arts Council Wales - BD Grant	-	1,000
Big Lottery Fund - Families Today	-	170,192
Sports Council for Wales Community Chest Sport Grant	-	1,483
Groundwork Wales Cymru Tesco Rhydyfelin	-	2,000
Big Lottery Fund - Working Families	87,663	18,377
Bernard Sunley Charitable Foundation	20,000	5,000
Gwendoline and Margaret Davies Charity	-	10,000
Janet and Peter Swinburn Fund - CAF America	31,216	50,111
Community Foundation in Wales	-	10,000
Moondance Foundation	25,000	250,000
Nineveh Charitable Trust	-	5,000
Welsh Government	-	250,000
Big Lottery Fund	-	10,000
Cwm Taf Morgannwg University Health Board	40,000	60,000
Children in Need	43,924	32,558
Comic Relief	27,000	48,000
Wales Millennium Centre - Paul Hamlyn	56,378	54,590
Pen Y Cymoedd Community Fund	85,129	141,724
The Clothworkers' Foundation	35,200	-
Colwinston Charitable Trust	20,000	-
Integrated Care Fund Voluntary Action	32,106	25,200
People's Postcode Lottery	20,000	-
The Waterloo Foundation	10,000	-
29th May 1961 Charitable Trust	7,500	-
The Percy Bilton Charity	4,483	-
Millennium Stadium Charitable Trust	5,000	-
Johnnie Johnson Trust	5,000	-
Edgar E Lawley Foundation	1,500	-
National Lottery - Awards for All	9,594	-
Big Lottery Fund - Family Links	164,904	-
T.E.D.S.	90,000	-
Esmee Fairbairn Foundation	30,000	-
RCT CBC - Funding Youth	6,280	-
	<u>1,387,482</u>	<u>1,703,152</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

7. RAISING FUNDS

Raising donations and legacies

	2020 £	2019 £
Staff costs	43,633	31,354
Travel	-	55
Staff training	-	-
Telephone and postage	-	59
Printing and stationery	-	29
Activities	15,706	13,265
Premises costs	17,421	17,174
Depreciation	1,101	2,496
Trading subsidiary costs	69,796	86,494
	<u>147,657</u>	<u>150,926</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
Community Projects	888,006	193,406	1,081,412
Community Outreach	208,907	78,863	287,770
Sparc (Artworks)	211,881	72,719	284,600
	<u>1,308,794</u>	<u>344,988</u>	<u>1,653,782</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	877,018	854,471
Travel	13,694	12,109
Staff training	11,610	6,602
Telephone and postage	2,241	1,830
Printing and stationery	-	-
Activities	130,736	128,631
Premises costs	150,788	153,543
Repairs and renovations	-	-
Depreciation	122,707	149,336
	<u>1,308,794</u>	<u>1,306,522</u>

10. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Community Projects	44,929	12,316	128,327	7,834	193,406
Community Outreach	18,666	3,915	54,066	2,216	78,863
Sparc (Artworks)	17,212	3,610	49,853	2,044	72,719
	<u>80,807</u>	<u>19,841</u>	<u>232,246</u>	<u>12,094</u>	<u>344,988</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	9,100	8,594
Auditors' remuneration for non-audit work	2,994	3,683
Depreciation	<u>143,952</u>	<u>153,332</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 or for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 or for the year ended 31 March 2019.

13. STAFF COSTS

	2020	2019
	£	£
Employee costs during the year		
Wages and salaries	1,021,149	959,164
Employer's National Insurance contributions	74,715	72,395
Pension costs	<u>18,442</u>	<u>17,851</u>
	<u>1,114,306</u>	<u>1,049,410</u>
 Number of employees	 63	 58
Equivalent full time employees	43	37

No employee received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year was £80,807 (2019: £109,074).

14. RESULTS OF PARENT CHARITABLE COMPANY

The income of the parent charitable company was £1,623,113 and net income was £102,240.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	249,883	25,000	274,883
Charitable activities			
Community Projects	748,056	710,184	1,458,240
Community Outreach	25,000	170,192	195,192
Sparc (Artworks)	-	177,973	177,973
Other trading activities	105,753	-	105,753
Investment income	21,772	-	21,772
Other income	-	-	-
Total	1,150,464	1,083,349	2,233,813
EXPENDITURE ON			
Raising funds	150,926	-	150,926
Charitable activities			
Community Projects	960,134	125,905	1,086,039
Community Outreach	83,716	170,192	253,908
Sparc (Artworks)	52,839	177,973	230,812
CAT	-	-	-
Total	1,247,615	474,070	1,721,685
NET INCOME/(EXPENDITURE)	(97,151)	609,279	512,128
Transfers between funds	291,448	(291,448)	-
Net movement in funds	194,297	317,831	512,128
RECONCILIATION OF FUNDS			
Total funds brought forward	3,944,915	25,487	3,970,402
TOTAL FUNDS CARRIED FORWARD	<u>4,139,212</u>	<u>343,318</u>	<u>4,482,530</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

16. TANGIBLE FIXED ASSETS – GROUP

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2019	5,407,990	721,741	30,519	6,160,250
Additions	654,222	13,371	24,299	691,892
	-	(514,864)	(29,519)	(544,383)
At 31 March 2020	<u>6,062,212</u>	<u>220,248</u>	<u>25,299</u>	<u>6,307,759</u>
DEPRECIATION				
At 1 April 2019	1,128,545	628,789	30,319	1,787,853
Charge for year	108,160	32,552	3,240	143,952
	-	(514,864)	(29,519)	(544,383)
At 31 March 2020	<u>1,236,705</u>	<u>146,477</u>	<u>4,240</u>	<u>1,387,422</u>
NET BOOK VALUE				
At 31 March 2020	<u>4,825,507</u>	<u>73,771</u>	<u>21,059</u>	<u>4,920,337</u>
At 31 March 2019	<u>4,279,445</u>	<u>92,952</u>	-	<u>4,372,397</u>

TANGIBLE FIXED ASSETS – CHARITY

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2019	5,361,331	671,541	30,519	6,063,391
Additions	654,222	13,159	24,299	691,680
Disposals	-	(514,864)	(29,519)	(544,383)
At 31 March 2020	<u>6,015,553</u>	<u>169,836</u>	<u>25,299</u>	<u>6,210,688</u>
DEPRECIATION				
At 1 April 2019	1,128,545	593,738	30,519	1,752,802
Charge for year	107,227	29,814	3,240	140,281
Eliminated on disposal	-	(514,864)	(29,519)	(544,383)
At 31 March 2020	<u>1,235,772</u>	<u>108,688</u>	<u>4,240</u>	<u>1,348,700</u>
NET BOOK VALUE				
At 31 March 2020	<u>4,779,781</u>	<u>61,148</u>	<u>21,059</u>	<u>4,861,988</u>
At 31 March 2019	<u>4,232,786</u>	<u>77,803</u>	-	<u>4,310,589</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP AND CHARITY

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade debtors	17,384	43,168	17,384	42,778
Other debtors	13,675	20,041	13,675	20,041
Amounts owed by group undertakings	-	-	92,644	68,693
Prepayments and accrued income	95,402	36,687	54,532	10,436
VAT	-	3,457	-	-
	<u>126,461</u>	<u>103,353</u>	<u>178,235</u>	<u>141,948</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – GROUP AND CHARITY

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Bank loans and overdrafts (see note 20)	12,321	11,781	12,321	11,781
Other loans (see note 20)	137,000	-	137,000	-
Trade creditors	46,314	4,160	44,189	3,713
Social security and other taxes	19,854	-	19,854	-
Other creditors	5,160	-	1,482	-
VAT	4,316	-	-	-
Accruals and deferred income	<u>72,010</u>	<u>47,983</u>	<u>68,586</u>	<u>36,681</u>
	<u>296,975</u>	<u>63,924</u>	<u>283,432</u>	<u>52,175</u>

Included within deferred income above is the following:

	2020 £	2019 £
Interlink	-	2,207
Comic Relief	-	2,000
	<u>-</u>	<u>4,207</u>

The deferred income relates to income received in advance of project delivery. All amounts deferred in the year ended 31 March 2019 were released to the Statement of Financial Activities during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - GROUP

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Bank loans (see note 20)	310,678	323,069	310,678	323,069
Accruals and deferred income	<u>9,114</u>	<u>11,393</u>	<u>-</u>	<u>-</u>
	<u>319,792</u>	<u>334,462</u>	<u>310,678</u>	<u>323,069</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Bank loans	12,321	11,781
Other loans	<u>137,000</u>	<u>-</u>
	<u>149,321</u>	<u>11,781</u>
Amounts falling between one and two years:		
Bank loans	<u>12,798</u>	<u>12,297</u>
Amounts falling due between two and five years:		
Bank loans	<u>41,578</u>	<u>39,950</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	<u>256,302</u>	<u>270,822</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>322,999</u>	<u>334,850</u>

The bank loan is secured by a fixed charge over the freehold properties known as The Pop Factory, Welsh Hills Works, Jenkin Street, Porth and Little Bryn Gwyn Cottage.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

22. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted Funds				
General fund	4,089,101	(163,048)	612,972	4,539,025
Designated fund - Little Bryn Gwyn	<u>50,111</u>	<u>7,500</u>	<u>(57,611)</u>	<u>-</u>
	4,139,212	(155,548)	555,361	4,539,025
Restricted Funds				
National Lottery – Awards for All	-	9,594	-	9,594
Escape from the Ordinary Project	-	20,000	(20,000)	-
Millennium Stadium Charitable Trust	-	5,000	-	5,000
Big Lottery Fund	10,000	2,360	(2,360)	-
Little Bryn Gwyn Fund	<u>333,318</u>	<u>189,683</u>	<u>(523,001)</u>	<u>-</u>
	343,318	226,637	(555,361)	14,594
TOTAL FUNDS	<u>4,482,530</u>	<u>71,089</u>	<u>-</u>	<u>4,553,619</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,088,499	(1,249,187)	(160,688)
Designated fund - Little Bryn Gwyn	<u>7,500</u>	<u>-</u>	<u>7,500</u>
	1,095,999	(1,249,187)	(153,188)
Restricted funds			
Sparc	208,761	(208,761)	-
BBC Children in Need - Dinas	33,974	(33,974)	-
BBC Children in Need	9,950	(9,950)	-
Colwinston Charitable Trust	20,000	(20,000)	-
Comic Relief	27,000	(24,640)	2,360
Big Lottery Fund - Working Families	87,663	(87,663)	-
Big Lottery Fund – Family Links	164,904	(164,904)	-
Millennium Stadium Charitable Trust	5,000	-	5,000
Little Bryn Gwyn Fund	189,683	-	189,683
National Lottery – Awards for All	9,594	-	9,594
Escape from the Ordinary Project	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	776,529	(549,892)	226,637
TOTAL FUNDS	<u>1,872,528</u>	<u>(1,801,439)</u>	<u>71,089</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted Funds				
General fund	3,808,007	(147,262)	428,356	4,089,101
Designated fund - Little Bryn Gwyn	<u>136,908</u>	<u>50,111</u>	<u>(136,908)</u>	<u>50,111</u>
	3,944,915	(97,151)	291,448	4,139,212
Restricted Funds				
Colwinston Charitable Trust	13,178	(13,178)	-	-
Dulverton Trust	12,309	(12,309)	-	-
Big Lottery Fund	-	10,000	-	10,000
RCTCBC – Welsh Churches Grant	-	9,766	(9,766)	-
Little Bryn Gwyn Fund	<u>-</u>	<u>615,000</u>	<u>(281,682)</u>	<u>333,318</u>
	25,487	609,279	(291,448)	343,318
TOTAL FUNDS	<u>3,970,402</u>	<u>512,128</u>	<u>-</u>	<u>4,482,530</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,100,353	(1,247,615)	(147,262)
Designated fund - Little Bryn Gwyn	<u>50,111</u>	<u>-</u>	<u>50,111</u>
	1,150,464	(1,247,615)	(97,151)
Restricted funds			
Sparc	177,973	(177,973)	-
BBC Children in Need	32,558	(32,558)	-
Colwinston Charitable Trust	-	(13,178)	(13,178)
Comic Relief	48,000	(48,000)	-
Dulverton Trust	-	(12,309)	(12,309)
Big Lottery Fund	10,000	-	10,000
Big Lottery Fund - Working Families	18,377	(18,377)	-
Big Lottery Fund - Families Today	170,192	(170,192)	-
Sports Council for Wales Community Chest	1,483	(1,483)	-
RCTCBC - Welsh Churches Grant	9,766	-	9,766
Little Bryn Gwyn Fund	<u>615,000</u>	<u>-</u>	<u>615,000</u>
	1,083,349	(474,070)	609,279
TOTAL FUNDS	<u>2,233,813</u>	<u>(1,721,685)</u>	<u>512,128</u>

22. MOVEMENT IN FUNDS - continued

Designated funds

Funds were received from the following organisations and designated by the board for use in the development of Little Bryn Gwyn:

- **29th May 1961 Charitable Trust**

Prior year designated funds

Funds were received from the following organisations and designated by the board for use in the development of Little Bryn Gwyn:

- **Jane Hodge Foundation**
- **Janet and Peter Swinburn Fund**

Restricted funds

Grant funding was received from the following organisations as contributions toward the Sparc programme which focuses on involving young people in a range of art activities:

- **Arts Council of Wales**
- **Wales Millennium Centre**
- **Esmee Fairbairn Foundation**

The **National Lottery** provided grant funding of £87,663 towards Working Families which is a project, based in Rhondda Cynon Taf, working in partnership with Spice to provide opportunities for working families experiencing in-work poverty. By using a time credit model, individuals will increase in confidence, self-esteem and health and well-being, whilst also building resilience and increasing social capital, and being empowered to participate in activities and experiences that they cannot ordinarily access, thus improving their quality of life.

BBC Children in Need provided grant funding to fund a part-time Play Worker (as well as training and travel), sessional staff, small equipment and trips and activities in Dinas.

BBC Children in Need provided additional grant funding towards the costs of sessional staff, activity and project support costs for three centres other than Dinas.

Comic Relief contributed grant funding towards youth initiatives at The Factory.

Colwinston Charitable Trust contributed funds to support the Artist in residence salary plus a contribution towards participatory arts workshops and the exhibitions programme.

The **Millennium Stadium Charitable Trust** contributed £5,000 towards restoration and upgrade work on the Soar Centre.

People's Postcode Lottery awarded grant funding in support of the project "Escape from the Ordinary".

The **Big Lottery Fund** awarded grant funding in support of the People and Places - Family Links project which focuses on working with families in poverty or struggling to cope following austerity measures in RCT. The grant will fund one full time project co-ordinator, two full time family support workers, two part time family support workers and one part time monitoring and evaluation officer. The grant will also be used for project delivery costs, training and expenses and project overheads.

National Lottery - Awards For All provided grant funding for the Sensory Oasis at The Play Yard.

In addition, **National Lottery** contributed £10,000 towards the purchase of a vehicle and pizza oven for the new residential centre at Little Bryn Gwyn.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

22. MOVEMENT IN FUNDS - continued

During the year grant funding was received from the following organisations as a contribution towards the development of Little Bryn Gwyn:

- **Johnnie Johnson Trust**
- **Cwm Taf Morgannwg University Health Board**
- **Garfield Weston Foundation**
- **The Clothworkers' Foundation**
- **Waterloo Foundation**
- **Moondance Foundation**
- **The Bernard Sunley Charitable Foundation**
- **The Percy Bilton Charity**

Prior year restricted funds

Grant funding was received from **Rhondda Cynon Taff County Borough Council - Welsh Churches** to finance capital expenditure in Rhydyfelin.

The **National Lottery** provided grant funding of £170,192 towards Families Today which focusses on delivering targeted interventions for disadvantaged families with children in Rhondda Cynon Taff, helping them overcome challenges in their lives and developing their skills, knowledge and confidence. Sessions will be offered in areas such as social networking, parenting and dealing with challenging behaviour. Participants will also be able to develop essential skills.

Grant income was received from the **Sports Council for Wales Community Chest** to fund the purchase of sporting equipment.

The **Dulverton Trust** contributed grant funding towards funding art projects for young people to gain new experiences.

Funding was received from the **Colwinston Charitable Trust** to fund the "Art in the Attic" project at The Factory.

Grant funding was received from the following organisations as a contribution towards the development of Little Bryn Gwyn:

- **Bernard Sunley Charitable Foundation**
- **Moondance Foundation**
- **Community Foundation in Wales**
- **Gwendoline and Margaret Davies Charity**
- **Nineveh Charitable Trust**
- **Welsh Government**
- **Cwm Taf Morgannwg University Health Board**
- **Garfield Weston Foundation**

Transfers between funds

Transfers totalling £555,361 were made between funds to reflect the purchase of fixed assets.

23. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £18,442 (2019: £16,995). Contributions outstanding at the year end amounted to £nil (2019: £nil).

24. CONTINGENT LIABILITIES

Freehold property include amounts of £1,575,557 which represent funding received for the project from the Arts Council of Wales and Welsh Assembly Government. The funding is subject to a charge on property (Soar Centre) which will not be released until 18th August 2030. If the property is sold at any time in the period to that date, both organisations reserve the right, at their discretion, to reclaim a percentage of the sale proceeds up to but not exceeding £1,575,557.

Funding of £250,000 was received from the Welsh Assembly Government in 2019 for the purchase of and improvements to Little Bryn Gwyn. The funding is subject to a charge on the land known as Valleys Kids, Little Bryn Gwyn, Cilibion, Llanrhidian, Swansea, SA3 1 ED.

No liabilities are expected to arise in the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

25. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £390 (2019: £240) from two (2019: one) trustee.

The trustees of the Penygraig Community Project charity are also trustees of Valleys Kids and therefore the two charities are related parties. During the year, the following transactions occurred between Valleys Kids and the Penygraig Community Project charity:

	2020 £	2019 £
Rent expense paid	22,296	22,296
Grant income received	<u>59,700</u>	<u>150,000</u>

No amounts were outstanding at year end.

26. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	33,759	33,759
Between one and five years	<u>2,500</u>	<u>2,500</u>
	<u>36,259</u>	<u>36,259</u>

Total operating lease payments recognised as an expense in the year was £75,106 (2019: £75,606).

27. SUBSIDIARY COMPANY

Valleys Creative Limited, company number 08151686, was incorporated on 20 July 2012 as a company limited by guarantee. It is wholly owned by Valleys Kids with the guarantee limited to £1.

Valleys Creative Limited provides recreational, educational and wellbeing facilities. The total net profit is donated to Valleys Kids.

A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	193,340	179,884
Cost of sales	<u>(62,929)</u>	<u>(65,118)</u>
Gross profit	130,411	114,766
Other income	86,353	157,053
Expenditure	<u>(219,441)</u>	<u>(242,438)</u>
Net profit	<u>(2,677)</u>	<u>29,381</u>

The aggregate of the assets and liabilities at 31 March were:

	2020 £	2019 £
Assets	117,944	121,216
Liabilities	<u>(119,714)</u>	<u>(91,835)</u>