

MEDINA VALLEY CENTRE LIMITED

(a company limited by guarantee and not having a share capital)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

CHARITY COMMISSION
FIRST CONTACT

30 SEP 2016

ACCOUNTS
RECEIVED

Company Registration Number: 0809637

Registered Charity Number: 236153

MEDINA VALLEY CENTRE LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2015

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MEDINA VALLEY CENTRE LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2015

Directors / Trustees	Andrew Farley Charlie Gladdis Derek Holbird Paula Mosdell James Topping John Wells Helen Whitley
Chairman	John Wells
Resident General Manager	Frank Cope
Company Secretary	John Wells
Charity Number	236153
Company Number	00809637
Registered Office	Dodnor Lane Newport Isle of Wight PO30 5TE
Auditors	Harrison Black Limited Registered Auditors Pyle House 136/137 Pyle Street Newport Isle of Wight PO30 1JW
Bankers	HSBC 101 St James Street Newport Isle of Wight PO30 1HX
Website	www.medinavalleycentre.org.uk

MEDINA VALLEY CENTRE LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

The trustees present their report and audited accounts of the company for the year ended 31st December 2015.

1. Structure, Governance & Management

1.1 Governing Document

Medina Valley Centre Ltd is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 18th June, 1964 and revised 23rd July, 2004. The company is registered as a charity with the Charity Commission. The trustees of the company are its members and referred to as directors throughout this report.

1.2 Appointment of Directors

1.2.1 New directors are invited by members to stand for election to the post. One third of the board of directors retire by rotation at the annual meeting, those retiring being directors who have been longest in office since their last appointment. Retiring directors may be re-elected.

1.2.2 Any current director may nominate a person for election to the board. The suitability of new directors is considered with respect to the skills they may have to offer the charity, their prior involvement with the charity, and their commitment to the Christian Faith. A broad mix of skills and experience is sought.

1.3 Director Induction and Training

Directors have the opportunity to attend trustee training courses and can be provided with appropriate guidance and training literature. Directors may take part in staff training and staff meetings.

1.4 Organisation

The directors, who are all non-executive and unpaid, meet four times a year to review the company's activities, resources and financial performance, and to make strategic plans. The board appoints a Resident General Manager (who is not a director or trustee) who has delegated authority, within terms approved by the board, for the overall supervision and control of the company's activities and its staff. There are senior staff responsible for the company's key operational areas - field studies and environmental education, water based activities, house residential services and finance and administration. There is a residential host couple responsible for the general welfare of, and Christian outreach to, guests.

1.5 Risk Management

1.5.1 A major business risk remains the heavy reliance on revenue from school groups. The board regularly reviews the situation, taking advice from directors who have particular knowledge of the educational sector.

1.5.2 Health and safety legislation compliance is ensured through a continuous assessment by management, tutors and instructors of the risk profile of the activities undertaken by the company. Criminal Records Bureau checks are carried out for all new employees. Safety and child protection policies are reviewed annually.

1.5.3 The Directors regularly review the operation of the company having regard to commercial risks arising from:

- a legislative changes
- b developments in the field of education
- c lifestyle changes
- d possible loss of key personnel
- e potential loss of premises
- f economic changes that may impact on financial support.

MEDINA VALLEY CENTRE LIMITED
TRUSTEES' ANNUAL REPORT - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2015

2. Objectives and Activities which further the company's charitable purpose for the Public Benefit

2.1 The objectives of the company are:

- a The advancement of the Christian Faith through the conduct of a residential training and conference centre.
- b The advancement of education including social and physical development in an environmental setting through the provision of field studies and outdoor training.
- c Such other purposes as shall be charitable in law.

2.2 The strategies employed by the company to achieve these objectives are to:

- a Promote Christian values through the example of the way staff live and relate to our guests. Included in this is a regular morning "thought" designed to stimulate thinking and promote discussion.
- b Provide accessible educational courses in field studies both residentially and non-residentially, with a view to enhancing the exam grades attained by school students.
- c Promote an attitude of citizenship and environmental stewardship in the conduct of the courses.
- d Provide exciting and challenging outdoor activities such as sailing and canoeing.
- e Promote an attitude of care for the whole person and respect for self and others.

2.3 Major areas of activity are:

- a Field study courses for school students in biology and ecology, environmental studies, geography and geology at GCSE, AS/A2 level and International Baccalaureate.
- b Environmental education with outdoor activities for school students at Key Stages 2 and 3.
- c Dinghy sailing courses for individuals and groups following the Royal Yachting Association programmes, and canoeing/kayaking courses.
- d Environmental consultancy.

2.4 Accessibility

It is the policy of the company to make its courses accessible to school groups, youth clubs, church groups and individuals from all backgrounds and of any faith or none. All directors and many of the staff take responsibility for sharing the Christian message through word and action.

2.5 Bursary Fund

The company has a small bursary fund available to provide assisted places to students who might otherwise not be able to attend. Bursaries are made at the discretion of the Resident General Manager and the directors, and may be given to an individual or to a group.

2.6 Public Benefit

The directors confirm that, in its objectives, strategies and activities, the company has complied with its duty under section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission, and to the Commission's supplementary guidance on the advancement of education and the advancement of religion.

MEDINA VALLEY CENTRE LIMITED
TRUSTEES' ANNUAL REPORT - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2015

3. Business Review

3.1 Staff

The Company is headed by a Resident General Manager, Frank Cope. It employs qualified teaching staff to deliver its field studies courses and environmental consultancy services. Sailing and canoeing/kayaking courses are run by instructors qualified to Royal Yachting Association and British Canoe Union standards. We are currently recruiting a new Chief Instructor. Appropriate catering and domestic staff are employed on a full-time or seasonal basis.

3.2 Field Studies

Located on the banks of the Medina River in the Isle of Wight, Medina Valley Centre is one of the UK's Leading field study centres. 1,211 residential students and 451 non-residential students from a total of 57 schools attended field studies and environmental courses during the year.

3.3 Water-based and Holiday Activities

In the holiday weeks, outside of school terms, the Centre offers residential and non-residential sailing and canoeing/kayaking courses plus an art course, and the use of the facilities as a holiday base for families and groups. During the year, 204 guests visited the Centre to take part in these activities, of which only 43 stayed on a residential basis.

3.4 Conferences, Functions, and other Residential Groups

In addition to Field Studies and Water-based and Holiday Activities, the Centre is seeking to fill unoccupied days with Conferences, Functions, and other Residential Groups. During the year, 309 guests took part in these activities, with 94 being residential.

3.5 Environment Consultancy

Through the Centre's consultancy and research work, links are maintained with local organisations and national environmental bodies. Consultancy work complements the teaching and research activities of the Centre's tutors, enabling them to remain up to date in their knowledge and providing experience and skills that are integrated into the schools courses.

3.6 Publicity

The website (www.medinavalleycentre.org.uk) is the prime means by which the Centre advertises its courses, activities and facilities. There is also some direct mail and marketing to schools as well as local advertising and events for the water base activities.

3.7 Support Staff

The Centre has a residential host couple who live on site and whose purpose is specifically to work with the students outside classroom hours, thus giving the teaching staff a break to recharge. Their role is to care for the emotional, physical and spiritual needs of the young people to ensure that they get the most possible benefit from their stay at the Centre. The majority of the cost of employing the host couple is covered by donations from individual supporters and trusts.

MEDINA VALLEY CENTRE LIMITED
TRUSTEES' ANNUAL REPORT - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2015

4. Financial Review

4.1 Financial Results

The Company has seen a decline in income of resources during the year of around £75k of which £52k was due to a reduction in grants, donations and legacies. Reductions in expenditure have resulted in reducing the deficit for the full year but the results are still disappointing. The Company does not have borrowings and it is the directors' opinion that, with the measures already taken and those outlined in the "future strategy" section later in this report, we can realistically expect improvement in future years.

4.2 Premises

We continue with the plans for the development of the site although we have had limited success with our grant applications. The directors consider it right that we pull back on our fund raising efforts for the time being and use the resources we have for more limited upgrading. We continue, with some success, to market the premises for functions, weddings and holiday accommodation.

4.3 Pension Fund

The company offers eligible employees a money purchase defined contribution pension scheme operated by The Pensions Trust.

4.4 Reserves Policy

An instant access deposit account is maintained alongside the current account. Any operating surpluses are kept in this account where they are available for use as a contingency fund for irregular and major repairs, maintenance and other unexpected costs.

5. Future Strategy

The future strategic objectives of the company will continue to focus on:

- a. Expanding residential field studies courses, for which the company has a high reputation and which can continue to be developed with minimal investment. For 2016/17 we have appointed a marketing consultant whose sole focus will be to increase the business generated from this sector. This is especially important as changes to the biology and geography syllabuses could result in less field A and GCSE level courses being required. Our strategy therefore is to try to
- b. Actively marketing field studies and environmental education courses to mainland schools.
- c. Further developing relationships with Isle of Wight schools to achieve the objective of becoming the Island's first choice of field study centre for non-residential environmental and outdoor education.
- d. Expanding water based and other outdoor activities and to enable this we are actively recruiting a new Chief Instructor.
- e. Marketing the Centre as a venue for holidays during the summer to utilise the spare capacity of underused sleeping accommodation and kitchen staff. This could go some way to improving cashflow.
- f. Passively seeking additional grant funding from trusts, commercial organisations and other sources for capital projects, including the development and improvement of the company's premises and facilities.

MEDINA VALLEY CENTRE LIMITED

TRUSTEES' ANNUAL REPORT - CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER 2015

6. Trustees' Responsibilities Statement

6.1 The trustees (who are also directors of Medina Valley Centre Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

6.2 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:


- a select suitable accounting policies and then apply them consistently;
- b observe the methods and principles in the Charities SORP/2015 (FRSSE);
- c make judgements and estimates that are reasonable and prudent;
- d state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

6.3 The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6.4 In so far as the trustees are aware:

- a there is no relevant audit information of which the charitable company's auditors are unaware; and
- b the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf by


.....
J Wells
Company Secretary

Date: 2/9/16
.....

MEDINA VALLEY CENTRE LIMITED
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

We have audited the financial statements of Medina Valley Centre Limited for the year ended 31 December 2015 which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with 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 trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of Medina Valley Centre Limited 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015, 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.

Opinion on other matter prescribed by the Companies Act 2006

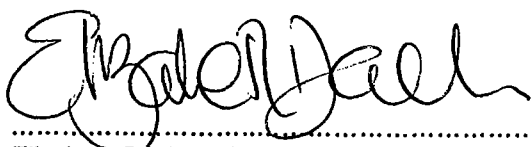
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MEDINA VALLEY CENTRE LIMITED
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



.....
Elizabeth Dack ACA FCCA (Senior Statutory Auditor)
For and on behalf of Harrison Black Limited
Statutory Auditor
136/137 Pyle Street
Newport
Isle of Wight
PO30 1JW

Date.....13 September 2016

MEDINA VALLEY CENTRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2015

		<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total funds 2015</u>	<u>Total funds 2014</u>
Incoming resources	Notes				
<u>Incoming resources from generated funds:</u>					
<u>Voluntary income</u>					
Grants, donations & legacies	2	25,972	18,692	44,664	96,768
<u>Activities for generating funds:</u>					
Shop, bar and games sales		3,251	-	3,251	2,853
Event and catering income		11,427	-	11,427	11,130
<u>Investment income:</u>					
Interest receivable		-	26	26	41
<u>Incoming resources from charitable activities:</u>					
Course fees received		350,299	-	350,299	371,907
Other ancillary income		1,302	-	1,302	994
<u>Other incoming resources:</u>					
Gain on disposal of tangible fixed assets		-	-	-	2,547
Total incoming resources		<u>392,251</u>	<u>18,718</u>	<u>410,969</u>	<u>486,239</u>
Resources expended					
<u>Cost of generating funds:</u>					
Advertising and publicity		7,363	-	7,363	5,126
Support costs	4	22,975	-	22,975	24,291
Shop, bar and games purchases		2,241	-	2,241	2,084
Event and catering costs		2,742	-	2,742	8,888
		<u>35,321</u>	<u>-</u>	<u>35,321</u>	<u>40,389</u>
<u>Charitable activities:</u>					
Residential operations	3	353,885	16,546	370,431	386,388
Governance costs	5	13,773	-	13,773	13,665
Loss on disposal tangible fixed assets		-	-	-	-
		<u>367,658</u>	<u>16,546</u>	<u>384,204</u>	<u>400,053</u>
Total resources expended		<u>402,979</u>	<u>16,546</u>	<u>419,525</u>	<u>440,441</u>
Net (outgoing)/incoming resources before transfers		(10,728)	2,172	(8,556)	45,798
Transfers between funds	12	-	-	-	-
Net movement in funds for the year		<u>(10,728)</u>	<u>2,172</u>	<u>(8,556)</u>	<u>45,798</u>
Balances brought forward 1st January 2015		471,562	73,731	545,293	499,495
Balances carried forward 31st December 2015		<u>460,834</u>	<u>75,903</u>	<u>536,737</u>	<u>545,293</u>

The notes on pages 11 to 18 form part of these accounts.

MEDINA VALLEY CENTRE LIMITED

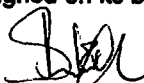
BALANCE SHEET

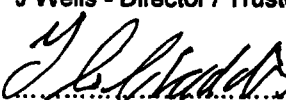
FOR THE YEAR ENDED 31ST DECEMBER 2015

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total Funds</u> <u>2015</u>	<u>Total Funds</u> <u>2014</u>
Fixed assets					
Tangible assets	8	418,636	39,126	457,762	477,382
Current assets					
Stock		5,536	-	5,536	7,214
Debtors	9	12,892	-	12,892	18,193
Cash at bank and in hand		102,876	36,777	139,653	134,230
		<u>121,305</u>	<u>36,777</u>	<u>158,082</u>	<u>159,637</u>
Less Creditors:					
Amounts falling due within 1 year	10	70,514	-	70,514	80,328
Net Current Assets		<u>50,791</u>	<u>36,777</u>	<u>87,568</u>	<u>79,309</u>
Total Assets Less Current Liabilities		<u>469,427</u>	<u>75,903</u>	<u>545,329</u>	<u>556,690</u>
Less Creditors:					
Amounts falling due in > 1 year	11	8,592	-	8,592	11,398
Net assets		<u>460,834</u>	<u>75,903</u>	<u>536,737</u>	<u>545,293</u>
<u>Represented by:</u>					
Funds	12	460,834	75,903	536,737	545,293
		<u>460,834</u>	<u>75,903</u>	<u>536,737</u>	<u>545,293</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 2nd September 2016 and were signed on its behalf by :


.....
J Wells - Director / Trustee


.....
T C Gladis - Director / Trustee

The notes on pages 11 to 18 form part of these accounts.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming Resources

Income consists of fees received and shop sales, and are accounted for on the accruals basis. Also included are donations received to fund the Christian witness activities which are accounted for when received and include income tax recoverable. Grants receivable are accounted for on an accruals basis.

Resources Expended

Resources expended are accounted for on an accruals basis. Support costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year by reference to staff time. Governance costs comprise the costs of external audit, any legal advice, costs of complying with constitutional and statutory requirements such as preparing statutory accounts.

Stock

Stock is valued at lower of cost and net realisable values.

Depreciation

Freehold land is not depreciated. Depreciation is provided on the other tangible fixed assets so as to write off the cost or valuation of the assets over their estimated useful lives using the following rates per annum:

Freehold buildings - 2% on valuation	Water Activities Equipment - 25% reducing balance
Field study equipment - 25% reducing balance	Plant & Equipment - 15% reducing balance
Office Equipment - 25% reducing balance	Soft Furnishings - 20% reducing balance
Motor Vehicles - 25% reducing balance	

Tangible fixed assets costing less than £1,000 are not capitalised.

Deferred Income

Deferred income comprises fees received in advance for courses to be run in the following accounting periods and environmental consultancy fees received which relate to the following accounting period.

Pension Scheme

The company operates a defined benefit scheme. However, as the charity is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis the contributions are charged to the statement of financial activities in the year in which they are payable to the scheme, as if it were a defined contribution scheme.

Fund Accounting

Funds held by the company are either unrestricted general funds, which can be used in accordance with the charitable objects at the discretion of the trustees, or restricted funds that can only be used for particular restricted purposes within the objects of the company.

Gifts in Kind

Donated services and facilities are included at the value to the charity where this can be quantified. The method of valuation of donated assets is dependent on the estimated age and value of the donated asset. For items under £5,000 valuation is undertaken by comparison of similar items, whilst assets of that amount or over are professionally valued.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

2. <u>Voluntary Income: Grants and Donations</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total funds 2015</u>	<u>Total funds 2014</u>
Donations	24,972	16,692	41,664	74,757
Bursary fund	-	-	-	-
Gifts in kind	-	-	-	-
Grants	-	2,000	2,000	22,011
Legacies	1,000	-	1,000	-
	<u>25,972</u>	<u>18,692</u>	<u>44,664</u>	<u>96,768</u>
3. <u>Residential operations expenses</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total funds 2015</u>	<u>Total funds 2014</u>
Staff costs	176,954	-	176,954	180,974
Course direct expenses	39,947	12,865	52,812	54,576
Food and housekeeping	13,123	-	13,123	13,462
Guest speakers, hosts and Christian education (included in staff costs - note 6)	252	-	252	229
Transport costs	14,520	-	14,520	19,999
Motor expenses	2,869	-	2,869	2,420
Travelling expenses	631	-	631	1,323
Postage and stationery	2,733	-	2,733	2,883
Telephone	5,145	2,283	7,428	5,004
Depreciation	17,003	1,398	18,401	20,558
Support costs (note 4)	80,706	-	80,706	84,959
	<u>353,885</u>	<u>16,546</u>	<u>370,431</u>	<u>386,388</u>
4. <u>Support costs</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total funds 2015</u>	<u>Total funds 2014</u>
Staff costs	63,245	-	63,245	62,998
Insurance	11,161	-	11,161	10,651
Rates	10,805	-	10,805	12,065
Light and heat	14,563	-	14,563	13,955
Repairs to buildings and premises	9,587	-	9,587	15,812
Bank charges	1,147	-	1,147	1,404
Hire purchase charges	1,215	-	1,215	1,215
Profit or loss on sale of fixed assets	721	-	721	-
Bad debt	(2)	-	(2)	-
Depreciation	668	-	668	972
Legal & professional	-	-	-	-
	<u>113,113</u>	<u>-</u>	<u>113,113</u>	<u>119,073</u>

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

4. <u>Support costs (continued)</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Funds</u>	<u>Total Funds</u>
<u>Allocation of costs:</u>	<u>funds</u>	<u>funds</u>	<u>2015</u>	<u>2014</u>
Generating voluntary income	23,075	-	23,075	24,291
Residential operations (note 3)	80,706	-	80,706	84,959
Governance costs (note 5)	9,332	-	9,332	9,824
	<u>113,113</u>	<u>-</u>	<u>113,113</u>	<u>119,073</u>

5. <u>Governance costs</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Funds</u>	<u>Total Funds</u>
	<u>funds</u>	<u>funds</u>	<u>2015</u>	<u>2014</u>
Audit and accountancy	4,441	-	4,441	3,841
Support costs (note 4)	9,332	-	9,332	9,824
	<u>13,773</u>	<u>-</u>	<u>13,773</u>	<u>13,665</u>

6. <u>Staff costs</u>	<u>2015</u>	<u>2014</u>
Wages and salaries	225,702	229,600
Social security costs	12,186	12,238
Pension costs	2,563	2,364
	<u>240,451</u>	<u>244,202</u>

No employee earned £60,000 per annum or more. None of the directors received any remuneration.
H Whitley (director) received reimbursement of travel expenses in the year totalling £63 (2014 - £98).

The average number of full time equivalent employees, analysed by function, was:

	<u>2015</u>	<u>2014</u>
Courses	3	4
Management and administration	3	4
Resident house staff	2	2
Other (catering, grounds, maintenance)	5	6
	<u>13</u>	<u>16</u>

7. Net Incoming resources for the year

The net (outgoing)/incoming resources are stated after charging:	<u>2015</u>	<u>2014</u>
Auditors remuneration - audit services	1,945	1,945
Auditors remuneration - non audit services	2,498	1,896
Depreciation of tangible fixed assets	19,069	21,530

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

8. Tangible fixed assets

	<u>Freehold land and buildings</u>	<u>Water activities equipment</u>	<u>Plant equipment & motor vehicles</u>	<u>Total</u>
<u>Cost or Valuation</u>				
At 31st December 2014	542,603	74,584	186,281	803,468
Additions	570	-	-	570
Disposals	-	(1,800)	(6,483)	(8,283)
At 31st December 2015	<u>543,173</u>	<u>72,784</u>	<u>179,798</u>	<u>795,755</u>
<u>Comprising</u>				
Cost	292,603	74,584	186,281	553,468
Valuation at 12th August 1998	250,000	-	-	250,000
	<u>542,603</u>	<u>74,584</u>	<u>186,281</u>	<u>803,468</u>
<u>Depreciation</u>				
At 31st December 2014	116,684	56,411	152,992	326,087
Charge for the year	8,438	4,174	6,456	19,068
Eliminated on disposals	-	(1,800)	(5,362)	(7,162)
At 31st December 2015	<u>125,122</u>	<u>58,785</u>	<u>154,086</u>	<u>337,993</u>
<u>Net Book Value</u>				
At Valuation	200,600	-	-	200,600
At Cost	217,452	13,999	25,712	257,162
At 31st December 2015	<u>418,052</u>	<u>13,999</u>	<u>25,712</u>	<u>457,762</u>
At 31st December 2014	<u>425,919</u>	<u>18,173</u>	<u>33,289</u>	<u>477,381</u>

The freehold property was professionally valued on 12th August 1998 at £250,000 by Kingston & Grist, Chartered Surveyors, on an open market value basis. The historical cost records are not available.

The trustees have not adopted a policy of revaluation of freehold land and buildings, the dates of the last revaluation being shown above. The transitional provisions of Financial Reporting Standard for Smaller Entities have been followed, the revalued book amount on implementation of the Standard being retained.

The net book value of plant, equipment and motor vehicles includes £9,924 (2014 - £12,919) in respect of assets held under finance lease and HP contracts. The amount of depreciation in respect of such assets amounted to £2,995 (2014 - £4,306) for the year.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

9. Debtors	<u>2015</u>	<u>2014</u>
Trade debtors	2,908	3,312
Other debtors	731	700
Prepayments and accrued income	9,253	14,181
	<u>12,892</u>	<u>18,193</u>

10. Creditors falling due within 1 year	<u>2015</u>	<u>2014</u>
Trade creditors	9,115	12,612
PAYE and social security	2,798	2,743
Deferred income	48,891	54,494
Other creditors and accruals	6,906	7,675
Hire purchase contracts	2,805	2,805
	<u>70,514</u>	<u>80,328</u>

11. Creditors falling due after 1 year	<u>2015</u>	<u>2014</u>
Hire purchase contracts	8,592	11,398
	<u>8,592</u>	<u>11,398</u>

12 Restricted funds	<u>Balances</u> <u>01.01.15</u>	<u>Incoming</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>Reclassify</u> <u>/Transfers</u>	<u>Balances</u> <u>31.12.15</u>
Bursary fund	7,735		(100)	-	7,635
Jubilee Appeal	65,996	18,718	(16,446)	-	68,268
	<u>73,731</u>	<u>18,718</u>	<u>(16,546)</u>	<u>-</u>	<u>75,903</u>

The Bursary fund was established to provide places for participants who would otherwise not be able to attend due to financial constraints.

The Jubilee Appeal was established to provide for the improvement of the facilities and equipment at the Centre, namely a new two-storey building to house a dual purpose room that will double as a classroom and function room, with below, a boathouse and equipment store. Also a replacement classroom for Kingfisher and to refurbish the bedroom wings of the main building.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

<u>13. Analysis of net assets between funds</u>	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total Funds 2015</u>
Tangible fixed assets	418,636	39,126	457,762
Current assets	121,305	36,777	158,082
Creditors due within 1 year	(70,514)	-	(70,514)
Creditors due after 1 year	(8,592)	-	(8,592)
	<u>460,833</u>	<u>75,903</u>	<u>536,737</u>

14. Pensions

Permanent staff have the option of making personal pension arrangements with appropriate adjustments to salary rates or of joining a scheme with company contributions of 5.5% of gross salary. The costs to the company in the year and charged in the statement of financial activities were £2,563 (2014 - £2,364). The amount unpaid at the year end was £Nil (2014 - £375).

15. Capital Commitments

Contracted but not provided for in the financial statements

<u>2015</u>	<u>2014</u>
-	-
<u>-</u>	<u>-</u>

16. Related Party Transactions

During the year AJ Wells and Sons Ltd, a company of which J Wells (MVC Chairman) is the Chairman donated a total of £12,000 (2014 - £54,756).

During the year A Wells, a family member of J Wells (Chairman) provided marketing and fundraising services to the centre amounting to £12,048 (2014 - £14,080). These transactions are considered to be at arms length.

A Farley (director) is a partner of Wilsons Solicitors who provide legal services to the centre. No transactions occurred during the year.

17. Ultimate Controlling Party

The directors are the ultimate controlling party as they are also the members of the company.

18. Pension Obligations

Medina Valley Centre Limited participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

18. Pension Obligations (continued)

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Medina Valley Centre Limited paid contributions at the rate of 5.5% during the accounting period. Members paid contributions at the rate of 5.5% during the accounting period.

As at the balance sheet date there were 2 active members of the Plan employed by Medina Valley Centre.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2014 were completed in 2015 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £793 million and the Plan's Technical Provisions (i.e. past service liabilities) were £970 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £177 million, equivalent to a funding level of 82%.

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2015. The update revealed a shortfall of assets compared with the value of liabilities of £207 million, equivalent to a funding level of 81%.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

18. Pensions Obligations (continued)

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2014 valuation was forwarded to The Pensions Regulator in 2015, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. (Our recent correspondence to all employers refers.) The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Medina Valley Centre Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2015. As of this date the estimated employer debt for Medina Valley Centre was £141,895. Since that date £3,769 has been paid leaving an estimated employer debt of £138,126.