

REGISTERED COMPANY NUMBER: 809637 (England and Wales)
REGISTERED CHARITY NUMBER: 0236153

CHARITY COMMISSION
FIRST CONTACT

2 OCT 2017

ACCOUNTS
RECEIVED

236153

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2016
FOR
MEDINA VALLEY CENTRE LIMITED

Harrison Black Limited
Statutory Auditor
Pyle House
136/137 Pyle Street
Newport
Isle of Wight
PO30 1JW

MEDINA VALLEY CENTRE LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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MEDINA VALLEY CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the company are:

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

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

- 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.
- Provide accessible education courses in field studies, both residentially and non-residentially, with a view to enhancing the exam grades attained by school students.
- Promote an attitude of citizenship and environmental stewardship in the conduct of the courses.
- Provide exciting and challenging outdoor activities such as sailing and canoeing.
- Promote an attitude of care for the whole person and respect for self and others.

Significant activities

Major areas of activity are:

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

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.

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.

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENT AND PERFORMANCE

Staff

The company is headed by a Resident General Manager, Frank Cope. It employs qualified teaching staff to deliver 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. Appropriate catering and domestic staff are employed on a full-time or seasonal basis.

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. 1,011 residential students and 634 non-residential students from a total of 51 schools attended field studies and environmental courses during the year.

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 and the use of the facilities as a holiday base for families and groups. During the year, 196 guests visited the Centre to take part in these activities, of which only 41 stayed on a residential basis.

Functions

In the addition to the traditional activities of the Centre, during the year 5 Wedding Receptions and 5 Conferences were hosted bringing in an additional 565 people.

Environmental Consultancy

Through the Centre's consultancy and research work, links are maintained with local organizations 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.

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 based activities.

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. Traditionally the costs of the host couple have been covered by donations.

MEDINA VALLEY CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL REVIEW

Financial position

The company has seen a further decline in income of resources during the year of around £59k which has resulted in a deficit of £34k. This is largely due to curriculum changes in the biology and geography syllabuses which, whilst anticipated, hit us harder than we thought they would. Whilst there is some expectation that the new syllabus changes will bring an increase in groups the Centre is doubtful if these alone will be sufficient to reverse the fortunes of the Centre. The only increase during 2016 was in the functions category i.e. weddings etc. Cash flow will become a problem later in 2017 and there will be a need to borrow to fund working capital. Whilst loans may be forthcoming, secured against the premises, there is little merit in borrowing unless there is an expectation of repayment. The Centre outlines under "future strategy" plans to reverse the decline.

Premises

The Centre continues to maintain the property as necessary but major capital projects have been put on hold for the time being.

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.

Funds in deficit

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

FUTURE STRATEGY

In the light of the financial situation the directors believe that they need to accelerate changes in operations that will bring in increased revenue. They have already identified the fact that they wish to seek more junior education groups and plan to increase their efforts in this direction using residential multi-activity courses. This will involve some capital expenditure in 2018. The Centre will increase its marketing in existing areas as the directors do believe that there may be some increase as other centres cease to operate in these fields. A five year business plan has been produced that shows a need for working capital borrowing and some capital expenditure requirement. The Plan envisages borrowing from Friends of the Centre, of which there are many, with loans secured against the premises. Our previous grant seeking efforts indicate that there could be grants available that could help with the purchase of necessary capital equipment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Recruitment and appointment of new directors

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.

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.

MEDINA VALLEY CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organizational structure

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 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.

Induction and training of new trustees

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.

Risk management

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

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.

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

- legislative changes
- developments in the field of education
- lifestyle changes
- possible loss of key personnel
- potential loss of premises
- economic changes that may impact on financial support

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
809637 (England and Wales)

Registered Charity number
0236153

Registered office
Dodnor Lane
Newport
Isle of Wight
PO30 5TE

MEDINA VALLEY CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

A Farley

C Gladdis

D Holbrid

Mrs P Mosdell

- resigned 28.11.16

J Topping

J Wells

Mrs H Whitley

Company Secretary

J Wells

Auditors

Harrison Black Limited

Statutory Auditor

Pyle House

136/137 Pyle Street

Newport

Isle of Wight

PO30 1JW

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Medina Valley Centre Limited 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.

MEDINA VALLEY CENTRE LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITORS

The auditors, Harrison Black Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 8TH SEPTEMBER 2017 and signed on its behalf by:



.....
J Wells - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MEDINA VALLEY CENTRE LIMITED

We have audited the financial statements of Medina Valley Centre Limited for the year ended 31 December 2016 on pages nine to twenty one. 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).

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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page five, 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.

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 Report of the Trustees 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

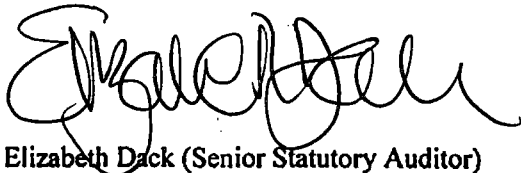
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MEDINA VALLEY CENTRE LIMITED**

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



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

Date:

27 September 2017

MEDINA VALLEY CENTRE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		28,218	5,805	34,023	44,664
Charitable activities					
Residential operations expenses		294,427	-	294,427	351,601
Activities for generating fund s/ Incoming resources from charitable activities	2	23,499	-	23,499	14,678
Investment income	3	-	20	20	26
Total		346,144	5,825	351,969	410,969
EXPENDITURE ON					
Raising funds		19,614	-	19,614	12,347
Charitable activities					
Residential operations expenses		362,438	1,048	363,486	391,738
Other		3,000	-	3,000	6,441
Total		385,052	1,048	386,100	410,526
NET INCOME/(EXPENDITURE)		(38,908)	4,777	(34,131)	443
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		(4,999)	-	(4,999)	(35,000)
Net movement in funds		(43,907)	4,777	(39,130)	(34,557)
RECONCILIATION OF FUNDS					
Total funds brought forward		339,833	75,903	415,736	450,293
TOTAL FUNDS CARRIED FORWARD		<u>295,926</u>	<u>80,680</u>	<u>376,606</u>	<u>415,736</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

MEDINA VALLEY CENTRE LIMITED

**BALANCE SHEET
AT 31 DECEMBER 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	8	437,192	38,078	475,270	457,762
CURRENT ASSETS					
Stocks	9	5,389	-	5,389	5,536
Debtors	10	13,613	-	13,613	12,892
Cash at bank and in hand		<u>29,284</u>	<u>42,602</u>	<u>71,886</u>	<u>139,653</u>
		48,286	42,602	90,888	158,081
CREDITORS					
Amounts falling due within one year	11	<u>(72,552)</u>	-	<u>(72,552)</u>	<u>(70,515)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(24,266)</u>	<u>42,602</u>	<u>18,336</u>	<u>87,566</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		412,926	80,680	493,606	545,328
CREDITORS					
Amounts falling due after more than one year	12	-	-	-	(8,592)
PENSION LIABILITY	15	<u>(117,000)</u>	-	<u>(117,000)</u>	<u>(121,000)</u>
NET ASSETS		<u>295,926</u>	<u>80,680</u>	<u>376,606</u>	<u>415,736</u>
FUNDS	14				
Unrestricted funds				295,926	339,833
Restricted funds				<u>80,680</u>	<u>75,903</u>
TOTAL FUNDS				<u>376,606</u>	<u>415,736</u>

The notes form part of these financial statements

MEDINA VALLEY CENTRE LIMITED

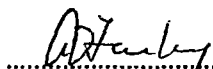
BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2016

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.

The financial statements were approved by the Board of Trustees on 8th September 2017 and were signed on its behalf by:



.....
J Wells -Trustee



.....
A Farley -Trustee

The notes form part of these financial statements

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. 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, as modified by the revaluation of certain assets.

This is the first year in which the financial statements have been prepared under FRS 102 Section 1A, please refer to note 17 for an explanation of the transition.

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 are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Grant income is recognised when received. In the event that a grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank

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.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 2% on cost
Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- at variable rates on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Tangible fixed assets, other than land and buildings, are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.

Freehold land is not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

2. ACTIVITIES FOR GENERATING FUNDS/INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2016	2015
	£	£
Shop, bar and games sales	1,868	3,251
Event and catering income	<u>21,631</u>	<u>11,427</u>
	<u>23,499</u>	<u>14,678</u>

MEDINA VALLEY CENTRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016****3. INVESTMENT INCOME**

	2016	2015
	£	£
Deposit account interest	<u>20</u>	<u>26</u>

4. NET INCOME/(EXPENDITURE)

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

	2016	2015
	£	£
Auditors' remuneration	4,396	4,441
Depreciation - owned assets	19,043	10,629
Deficit on disposal of fixed asset	<u>1,552</u>	<u>721</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2016	2015
Courses	4	3
Management and administration	3	3
Resident house staff	2	2
Other	<u>5</u>	<u>5</u>
	<u>14</u>	<u>13</u>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	25,972	18,692	44,664
Charitable activities			
Residential operations expenses	351,601	-	351,601

MEDINA VALLEY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Activities for generating fund s/ Incoming resources from charitable activities	14,678	-	14,678
Investment income	<u>-</u>	<u>26</u>	<u>26</u>
Total	392,251	18,718	410,969
EXPENDITURE ON			
Raising funds	12,347	-	12,347
Charitable activities			
Residential operations expenses	375,192	16,546	391,738
Other	<u>6,441</u>	<u>-</u>	<u>6,441</u>
Total	393,980	16,546	410,526
NET INCOME/(EXPENDITURE)	(1,729)	2,172	443
Other recognised gains/(losses)			
Actuarial gains/losses on defined benefit schemes	<u>(35,000)</u>	<u>-</u>	<u>(35,000)</u>
Net movement in funds	(36,729)	2,172	(34,557)
RECONCILIATION OF FUNDS			
Total funds brought forward	376,562	73,731	450,293
TOTAL FUNDS CARRIED FORWARD	<u>339,833</u>	<u>75,903</u>	<u>415,736</u>

MEDINA VALLEY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Land £	Plant and machinery £
COST OR VALUATION			
At 1 January 2016	483,174	60,000	176,927
Additions	2,880	-	35,573
Disposals	-	-	(7,246)
Revaluations	-	-	-
At 31 December 2016	<u>486,054</u>	<u>60,000</u>	<u>205,254</u>
DEPRECIATION			
At 1 January 2016	125,122	-	151,102
Charge for year	8,438	-	7,389
Eliminated on disposal	-	-	(6,506)
At 31 December 2016	<u>133,560</u>	<u>-</u>	<u>151,985</u>
NET BOOK VALUE			
At 31 December 2016	<u>352,494</u>	<u>60,000</u>	<u>53,269</u>
At 31 December 2015	<u>358,052</u>	<u>60,000</u>	<u>25,825</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2016	10,395	42,037	23,222	785,755
Additions	-	-	-	38,453
Disposals	-	(16,982)	(20,517)	(44,745)
Revaluations	-	-	-	10,000
At 31 December 2016	<u>10,395</u>	<u>25,055</u>	<u>2,705</u>	<u>789,463</u>
DEPRECIATION				
At 1 January 2016	8,667	32,112	20,990	337,993
Charge for year	386	2,482	348	19,043
Eliminated on disposal	-	(16,982)	(19,355)	(42,843)
At 31 December 2016	<u>9,053</u>	<u>17,612</u>	<u>1,983</u>	<u>314,193</u>
NET BOOK VALUE				
At 31 December 2016	<u>1,342</u>	<u>7,443</u>	<u>722</u>	<u>475,270</u>

MEDINA VALLEY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
At 31 December 2015	<u>1,728</u>	<u>9,925</u>	<u>2,232</u>	<u>457,762</u>

9. STOCKS

	2016	2015
	£	£
Stocks	<u>5,389</u>	<u>5,536</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	3,334	2,908
Other debtors	642	731
Prepayments and accrued income	<u>9,637</u>	<u>9,253</u>
	<u>13,613</u>	<u>12,892</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Hire purchase (see note 13)	8,592	2,805
Trade creditors	11,951	9,115
Social security and other taxes	2,142	2,798
Accruals and deferred income	<u>49,867</u>	<u>55,797</u>
	<u>72,552</u>	<u>70,515</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Other creditors	<u>-</u>	<u>8,592</u>

MEDINA VALLEY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. LEASING AGREEMENTS

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	<u>8,592</u>	<u>2,805</u>

14. MOVEMENT IN FUNDS

	At 1.1.16	Net movement in funds	At 31.12.16
	£	£	£
Unrestricted funds			
General fund	89,833	(43,907)	45,926
Revaluation reserve	<u>250,000</u>	<u>-</u>	<u>250,000</u>
	339,833	(43,907)	295,926
Restricted funds			
Bursary Fund	7,635	100	7,735
Jubilee appeal	<u>68,268</u>	<u>4,677</u>	<u>72,945</u>
	75,903	4,777	80,680
TOTAL FUNDS	<u>415,736</u>	<u>(39,130)</u>	<u>376,606</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	346,144	(385,052)	(4,999)	(43,907)
Restricted funds				
6,606		-	-	100
Jubilee appeal	<u>5,725</u>	<u>(1,048)</u>	<u>-</u>	<u>4,677</u>
	5,825	(1,048)	-	4,777
TOTAL FUNDS	<u>351,969</u>	<u>(386,100)</u>	<u>(4,999)</u>	<u>(39,130)</u>

15. EMPLOYEE BENEFIT OBLIGATIONS

- continued

SCHEME: TPT Retirement Solutions - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023: £13.9m per annum (payable monthly and increasing by 3% each on 1st April)

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognizes a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost

MEDINA VALLEY CENTRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2016****15. EMPLOYEE BENEFIT OBLIGATIONS
- continued****PRESENT VALUES OF PROVISION**

	31 December 2016 (£000s)	31 December 2015 (£000s)	31 December 2014 (£000s)
Present value of provision	117	121	95

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 December 2016 (£000s)	Period Ending 31 December 2015 (£000s)
Provision at start of period	121	95
Unwinding of the discount factor (interest expense)	3	2
Deficit contribution paid	(12)	(11)
Re-measurements - impact of any change in assumptions	5	(3)
Re-measurements - amendments to the contribution schedule	-	38
Provision at end of period	117	121

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 December 2016 (£000s)	Period Ending 31 December 2015 (£000s)
Interest expense	3	2
Re-measurements - impact of any change in assumptions	5	(3)
Re-measurements - amendments to the contribution schedule	-	38

ASSUMPTIONS

	31 December 2016 % per annum	31 December 2015 % per annum	31 December 2014 % per annum
Rate of discount	1.44	2.50	1.99

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

MEDINA VALLEY CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2016

16. RELATED PARTY DISCLOSURES

During the year AJ Wells and Sons Ltd, a company of which John Wells (MVC Chairman) is the Chairman donated a total of £12,000 (2015- £12,000).

Alan Wells (Sales Consultant), brother of John Wells, provides Marketing and Fundraising Services to the Centre. In the year he provided services to the value of £13,276 (2015- £11,663).

17. FIRST YEAR ADOPTION

This is the first year that the company has presented its result under FRS 102 Section 1a. The last financial statements under UK GAAP were for the year ended 31st December 2015. The date of transition to FRS 102 Section 1a was 1st January 2015. Below are the details of the adjustments required to bring the figures previously reported under UK GAAP inline with the accounting treatment of FRS 102 Section 1a.

	31/12/15 £	01/01/15 £
Capital and reserves as previously stated:		
Unrestricted Funds	460,834	471,562
Pension Liability (a)	(121,000)	-
Restricted Funds	<u>75,903</u>	<u>73,731</u>
Capital and reserves under FRS 102 Section 1a	<u>415,737</u>	<u>545,293</u>

(a) FRS 102 requires the Charity to recognise the Defined Benefit Scheme deficit as a liability, measured as the present value of the contributions payable that arise from the deficit recovery agreement. TPT Retirement Solutions has been provided with an actuarial valuation for the pension liability for Medina Valley Centre Limited of £121,000 as at 31st December 2015.

	£
Deficit for 2015 as previously reported	(8,557)
Defined Benefit Scheme: Deficit Contributions Paid	11,000
Defined Benefit Scheme: Unwinding of the Discount Factor (Interest Expense)	<u>(2,000)</u>
Surplus for 2015 under FRS 102 Section 1a	<u>443</u>

MEDINA VALLEY CENTRE LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	33,023	41,664
Legacies	-	1,000
Grants	<u>1,000</u>	<u>2,000</u>
	34,023	44,664
Activities for generating fund s/ Incoming resources from charitable activities		
Shop, bar and games sales	1,868	3,251
Event and catering income	<u>21,631</u>	<u>11,427</u>
	23,499	14,678
Investment income		
Deposit account interest	20	26
Charitable activities		
Course fees and other income	<u>294,427</u>	<u>351,601</u>
Total incoming resources	351,969	410,969
EXPENDITURE		
Other trading activities		
Shop, bar and games purchases	865	2,241
Event and catering costs	5,528	2,742
Advertising and publicity	<u>13,221</u>	<u>7,364</u>
	19,614	12,347
Charitable activities		
Wages	169,441	168,909
Course direct expenses	41,338	53,064
Food and housekeeping	9,482	13,123
Transport, motor and travel	11,318	18,020
Telephone	2,532	7,428
Postage and stationery	1,923	2,733
Freehold property	8,438	8,438
Plant and machinery	7,390	6,531
Carried forward	251,862	278,246

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MEDINA VALLEY CENTRE LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Charitable activities		
Brought forward	251,862	278,246
Fixtures and fittings	385	437
Motor vehicles	2,481	2,995
Computer equipment	<u>348</u>	<u>-</u>
	255,076	281,678
Other		
Interest on pension scheme liabilities	3,000	2,000
Support costs		
Other		
Wages	53,993	60,195
Rates and water	10,257	10,805
Insurance	11,251	11,161
Light and heat	12,753	14,563
Bad debt	-	(2)
Repairs to buildings	10,730	9,587
Plant and machinery	-	668
Loss on sale of tangible fixed assets	1,552	721
Bank charges	1,164	1,147
Hire purchase	1,215	1,215
Consultancy	<u>1,099</u>	<u>-</u>
	104,014	110,060
Governance costs		
Auditors' remuneration	<u>4,396</u>	<u>4,441</u>
Total resources expended	386,100	410,526
	<u> </u>	<u> </u>
Net (expenditure)/income	<u>(34,131)</u>	<u>443</u>

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