

Charity registration number 1074539

Company registration number 03593394 (England and Wales)

VALLEY HOUSE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

VALLEY HOUSE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Whittington	
	R Smith	
	L Burman	(Appointed 3 August 2022)
	E Maffey	(Appointed 23 August 2023)
	W Williams	(Appointed 20 September 2023)
Secretary	LJ Winterburn	
Charity number	1074539	
Company number	03593394	
Registered office	55-57 Bell Green Road Coventry West Midlands CV6 7GQ	
Auditor	Burgis & Bullock 23-25 Waterloo Place Leamington Spa Warwickshire CV32 5LA	
Bankers	Barclays Bank plc 25 High Street Coventry CV1 5QZ	
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES	

VALLEY HOUSE

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VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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).

Name, registered office and constitution of the charity

The full name of the charity is Valley House.

The legal registration details are:

Date of incorporation	6 July 1998
Company registration number	03593394
Registered office	Coventry CV6 7GQ
Charity registration number	1074539

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

B Whittington	
R Smith	
J Martin	(Resigned 20 September 2023)
L Burman	(Appointed 3 August 2022)
G Parker	(Resigned 16 November 2022)
S Kasli	(Resigned 16 November 2022)
D Janda	(Resigned 26 October 2022)
E Maffey	(Appointed 23 August 2023)
W Williams	(Appointed 20 September 2023)

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

1. Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 6th July 1998 and registered as a charity on 5th March 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.00.

2. Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Trustee Board. Under the requirements of the Articles of Association the members of the Trustee Board are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

3. Trustee Induction and Training

All trustee vacancies are widely advertised through existing local partnerships and the Reach Volunteering trustee recruitment site. All interested individuals meet with the Chair of the Board and one other Trustee and/or member of the Senior Management Team as relevant to their potential trustee role. Trustee induction includes meeting with the Chair of the Board who explains the role and responsibilities of being a trustee at Valley House. They also meet with the Chief Executive and any other member of the Senior Management Team that may be relevant to their trustee role. All trustees are encouraged to attend training specific to the trustee role.

Appointment to the Board consists of attendance at a Board meeting and a vote by trustees.

Additional training opportunities are available at the Board away day held each year. The Board identifies their training needs and an internal or external trainer will be sourced to meet this need.

4. Decision Making

The Board of Trustees delegates day to day operational decision making to the Chief Executive and the Senior Management Team, who are listed on the legal and administrative information page. The Board retains decision making powers in relation to strategic matters and for setting the pay and remuneration of the charity's key management personnel. The Board delegates the benchmarking exercise needed to set these pay levels to the Chief Executive, or where it is in relation to the Chief Executive, an external independent person. Benchmarking information is collated from similar roles in similar charities in a similar geographical area.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

5. Organisational Structure

There are currently 4 Trustee Board Members (see page 1 for details).

The Board meets 6 times a year, with 2 of these being specifically focused on business and operational planning. The Audit and Risk Committee meets 4 times a year and consists of the Treasurer, 2 Trustees, the Chief Executive, the Director of Finance and Resources and the Director of Operations. Additionally, the Treasurer, the Director of Finance and Resources and the Chief Executive meet in advance of the Audit and Risk Committee. Sub-groups are established for individual projects as necessary.

Day-to-day operations are overseen by the Chief Executive. The organisation management structure is as follows:

Senior Management Team consisting of the Chief Executive; the Director of Operations, the Director of Finance and Resources and the Business Support Manager.

During 2022/23 Valley House provided the following services;

- Domestic Abuse Safe and Supported Accommodation
- Complex Needs Domestic Abuse Safe and Supported Accommodation
- Young Parent's Supported Accommodation and Community Support
- Community Wellbeing
- Counselling
- Nursery

In recognition of the importance of safeguarding, in relation to the vulnerability of the children we work with the Children's Safeguarding Lead post continued to be funded, with cross organisational responsibility for providing expert advice and support to staff and volunteers in relation to all levels of safeguarding; internal safeguarding training for staff, volunteers and board members and acting as the operational link with Family Hubs. The Children's Safeguarding Lead reports directly to the Chief Executive.

Business Development and associated activities were the direct responsibility of the Chief Executive, supported by the Senior Management Team.

Marketing & Communications were undertaken on a day-to-day basis by the Communications Officer.

Training is a shared responsibility of the Management Team and overseen by the Director of Operations.

The Board of Trustees delegates day to day management to the Chief Executive and the Senior Management Team.

The trustees take advice from the Chief Executive and the Senior Management Team, the organisation's appointed auditors and any other relevant professionals.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Risk Management

The Trustees have a risk management strategy which comprises:

- A risk register which identifies the risks the charity may face.
- Regular reviews of the risk register.
- The establishment of systems and procedures to mitigate those risks identified in the plan.
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This work ensures continuously improving contingency planning. Financial risk is mitigated by establishing a reserves policy, which is reviewed annually by trustees, together with the diversification of the funding base.

In response to the spiralling energy costs, a small working group was convened to explore the options available to mitigate the financial risk this posed. Work by members of this group has led to a different model being implemented from 1 April 2023.

Rising inflation has increased costs across the organisation and spend on renewals, replacements and general office costs are being closely monitored with cheaper alternatives being purchased where possible.

Objectives and activities

The principle purposes and aims of the organisation are:

To offer support and/or accommodation appropriate to the needs of individuals within the city of Coventry and the surrounding area who are homeless, with the aim of enabling them to move into and sustain their own accommodation; to support and motivate people to re-engage with educational opportunities, that will allow them to develop their potential and have more life choices and the advancements of education, training or retraining, including among unemployed people, and providing unemployed people with work experience.

To provide quality services for the advancements of the lives of children in partnership with parents, to enable children and young people to develop their physical and mental capacities so that they may achieve their potential as individuals and members of society and their conditions of life may improve.

To promote, safeguard and protect the good health, both mental and physical, of adults, children and young people.

The issues we seek to tackle are wide ranging and we evolve to meet those needs as those individuals and families approaching us for support continue to grow in complexity of need. Whilst we continue to adhere to our purpose and aims the types of interventions and service delivery models we use continue to evolve.

The broad-brush changes we seek to make through our work are encapsulated by our Mission Statement "To work alongside people to take control of their lives and create their own futures". This can range from a survivor of domestic abuse taking control of their finances for the first time through to someone feeling able to attend an appointment by themselves.

We seek to bring public benefit most usually but not exclusively to the more vulnerable, disadvantaged, and disengaged members of the community by enabling them through appropriate holistic professional support to develop their potential and take control of the quality and independence of their lives.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

We deliver a wide range of services specifically designed to support us in achieving our aims and objectives:

Valley House is a specialist high support needs provider. Coventry City Council commissioned us to offer supported accommodation and support in the community to young parents. We provided 6 units of supported accommodation, where each family has their own flat and 4 units of floating support (community based support for our young parents when they move on from our accommodation). This contract ended in November 2022.

Valley House is the domestic abuse safe and supported accommodation provider for Coventry City Council. We provided 67 units of accommodation between April 2022 and October 2022 which was a combination 54 units from our main contract with Coventry City Council and 13 units were funded through the additional funding Coventry City Council received to implement the expectations placed on Local Authorities as a result of the new Domestic Abuse Act 2021. As part of the Coventry City Council domestic abuse review the additional 13 units were de-commissioned and replaced with 7 units of accommodation for domestic abuse survivors that have complex needs. Our accommodation is made up of single flats, single family homes, shared houses and accommodation units where staff are on site. We also secured additional funding during this period to increase our family support work offer.

The emotional and practical support we offer across both these services includes 24 hour staff availability, structured support and safety plans, 1 to 1 work and group work. In order to increase our health and wellbeing offer to service users, we created a Service User Health and Wellbeing Coordinator who leads on this area of work.

We have a dedicated maintenance team for our supported accommodation services.

Our Community Wellbeing Service is part of a consortium of organisations across Coventry and Warwickshire that provide a free employment support service. the aim of the consortium is to build confidence, help with training opportunities, improving skills and providing valuable work experience – all geared towards helping individuals find a job that suits them.

Our Counselling Service has 2 strands. We provide counselling for any individual that is accessing any of our Valley House services. This is for up to 6 months, with the counselling being undertaken by our volunteer counsellors. Additionally, we provide counselling for Kairos service users, a local organisation that provides support to women who have experienced or are at risk of sexual exploitation.

Our Nursery provides a quality service, focused on enabling children to develop their personal capabilities and achieve their potential, despite the barriers they may face. We have both Government funded and fee paying children attending the nursery.

2022-2023 saw an increase in the number of volunteering hours across our services reaching 1136.65 hours as compared to 2021-2022 (384.25 hours). We had volunteers within our counselling service, domestic abuse service, young parents service and within our business support team.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

Our current success measurements are funder driven and include both quantitative and qualitative data capture. The tool used for individual qualitative data capture, specifically mapping a service user's journey and outcomes achieved is the nationally recognised Outcomes Star. Additionally, we have developed a number of internal qualitative data capture tools that use including pre and post service user questionnaires, mapped to defined service user outcomes for our group work programmes.

Quantitative success is measured through achieving the outputs as specified and agreed with the funder prior to commencement of delivery.

Achievements and performance

Reflecting on the opportunities and challenges we identified in our 2021-2022 Annual Trustees Report highlights the range and scope of achievements for 2022-2023.

We rolled out our Hybrid Working policy and encouraged staff to consider this alongside our Flexible Working policy. We will be monitoring the benefits of this throughout the next year and expect to see a positive impact in terms of staff wellbeing and work life balance, productivity and improved employer/employee trust.

Our 2 Domestic Abuse Support Worker apprenticeships have been a great success with one apprenticeship being completed and the apprentice moving into a permanent Support Worker role. We expect our second apprentice to complete into 2023-2024. We are currently looking to recruit 2 more apprenticeships during 2023-2024, creating learning and employment opportunities in our local community.

Our partnership with Kairos, a local organisation working with women experiencing or at risk of sexual exploitation was due to end in January 2023. The feedback from the Kairos service users that were supported by this partnership was very positive and on this basis this partnership has been extended for another year.

The Domestic Abuse Bill and the funding attached to its implementation allowed us to work with Coventry City Council to identify how best to utilise this within our Domestic Abuse Service. We were able to increase our family support work offer due to an increase in staffing numbers and an activity budget to cover travel, childcare and groupwork costs. Since September 2022 when we received the funding, we have increased the number of children who now can access 1 to 1 work on dealing with the trauma they have experienced, as well as running a number of parenting groups. Feedback from these interventions is very positive and we will continue to build on learning from this going forward into 2023-2024.

We launched our Strategic Plan 2022-2025 and have worked hard to meet the targets we set ourselves for year one. Good progress has been made across all areas of the plan, including the development of our Environmental Sustainability Strategy, Fundraising Strategy and our Communications Plan.

In partnership with Coventry City Council we secured funding to pilot a domestic abuse complex needs service for survivors who are in need of safe and supported accommodation and have higher level mental health, drugs and/or alcohol issues. This was in response to us identifying and evidencing the need for an enhanced level of support for this group. The service launched in November 2022 and is being externally evaluated to support learning and further refine the model.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

As part of our commitment to our staff we committed funds to recruit a Staff Health and Wellbeing Manager. We are currently working on recruiting into this post.

We achieved the Silver Level Thrive at Work Award in recognition of our commitment to staff health and wellbeing. When our Staff Health and Wellbeing Manager is in post, we will be looking at working towards Gold Level.

As a result of our service users asking for additional group work opportunities we re-configured our staffing and created a Service User Health and Wellbeing Coordinator. This post went live in September 2022 and had led to a near 4 times increase in the number of groups that were run in the second half of the year and a corresponding increase in service user satisfaction which now sits at 96%.

During 2022-2023 Valley House supported a total of 594 people across all our services.

Service	Adults	Young Parents	Children
Domestic Abuse	131		113
Family Support			99
Complex Needs	8		1
Service User Wellbeing	51		
Young Parent		9	6
Community Wellbeing	11		
Nursery			135
Counselling (Kairos)	14		
Counselling (Valley House)	16		

Supporting those more vulnerable members of our community to optimise their potential and take control of their lives is achieved through providing the following services and activities:

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

Supported Accommodation and Young Parent Community Support

Within our domestic abuse supported accommodation service we supported 131 adults and 113 children. During the year of those that moved into their own accommodation, 91% were effectively managing their own tenancy and 93.75% reported that the relationship between themselves and their children had improved.

99 children were supported through 1 to 1 and groupwork by our specialist Family Support Workers. This was possible due to the increase in funding during the year. Of all the children who were with us during the year 96.7% were regularly attending school.

Within the young parents service, we supported 9 young parents and 6 children. Of those young parents that completed their full stay with us 100% reported at the beginning of their stay they knew they were responsible for building a positive routine and boundaries with their children but found it hard. By the end of their stay they all confirmed that they now had a positive routine that supported their family and their children behaved well enough.

Domestic Abuse Complex Needs Service

The service launched in November 2022 and as yet we have limited outcome data. As a pilot, the service is being externally evaluated by EAP Research Consultancy – well known and respected in the field of domestic abuse evaluations.

Service User Wellbeing

Responding to service user feedback, we re-configured staffing within the service to create a Service User Health and Wellbeing Coordinator who came into post in September 2022. Since then, she has worked with 51 service users 1 to 1 in relation to their health and wellbeing. Additionally, she has delivered/coordinated 56 group work sessions utilising partner agencies. In terms of the lifestyle – eating well, exercising and sleeping well 1 to 1 work, 71% reported that they were not thinking about this or were open to finding out how they could make improvements. Over a 6 month period 100% reported that they had made changes and felt better due to this.

Community Wellbeing

Our community wellbeing service supported 11 adults. Our role within the Accelerate consortium is to provide therapeutic type interventions and practical support to enable isolated and vulnerable individuals to better manage their health and wellbeing and in turn feel more able to move closer to education, training and employment.

Funding for the consortium ended on 31 March 2023 with a final evaluation report being produced. The report evidenced that every £1 spent generated £2.42 of net economic and social value.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Nursery

Valley House runs a self-funded nursery offering full day care to both funded and fee-paying families. It offers a creative and fun experience to children and seeks to optimise their readiness for school. During 2022/23 135 children accessed our nursery and holiday club provision). We have a wide range of families from different cultural and ethnic backgrounds and good working relationships with statutory services. However, our families can have multiple disadvantages. During the last year we have supported 18 children who are classified as having additional needs, utilising our purpose-built sensory space to help support them in their learning and development.

Counselling

Our Counselling Service supported 14 Kairos service users and 16 Valley House service users. We provide up to 6 months of 1 to 1 counselling (face to face or virtual). It is a safe space for an individual to explore the issue that are impacting on them which can include depression, anxiety, anger, self-esteem, bereavement, relationships. At the start of the counselling 60% reported that they felt like hurting themselves. Of those that completed their counselling this had reduced to 0%.

Training and Education

Valley House offers student placements to Social Work and Counselling course students in partnership with local universities and childcare placement opportunities in partnership with local colleges. We offered 1 social work placement, 7 counselling placements and 13 nursery student placements.

Much of the above shows the public benefit within individual services. Looking across Valley House services more generally, one can see a range of public benefits achieved for vulnerable and disadvantaged citizens as well as the wider community including:

- Promoting Health & Wellbeing, including emotional and psychological wellbeing
- Enabling marginalised individuals and family's access to training, education and work readiness
- Directly tackling violence/abuse effects on victims and children, promoting their confidence and independence and holding perpetrators to account
- Promoting individual's/families' aspirations, self-confidence, and engagement
- Supporting parenting skills, child development and take up of children and family services
- Championing the confidence, aspirations and constructive engagement of young people.

Fundraising

The charity did not carry out any significant external fundraising in the year. The charity is registered with the fundraising regulator. There were no complaints in the year

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Challenges

The rising energy costs impacted on our organisational finances leading to an unforeseen spend in this area. Having explored a number of options throughout the year and listening to how other providers were managing this, we have now moved to a different model which should help mitigate the financial impact of this area of expenditure.

The rapid rise in inflation over the year increased spend across all other elements of our budget. We have worked hard during the year to limit spend and try and find areas where we can reduce costs.

A number of trustees stepped down this year. Recruiting new trustees has been problematic leading us to reflect on how best to attract new trustees. As a result of this, we are moving to a more flexible model to include the option to attend meetings virtual rather than in person, having seen how this has worked during COVID. We have updated our IT to support implementing this change.

Opportunities

2022-2023 presented a range of opportunities for us.

Following us submitting our Domestic Abuse Service Development Plan in 2021-2022, Coventry City Council commissioned Valley House to set up and deliver a Domestic Abuse Complex Needs Service. This is a pilot aimed at establishing whether offering an enhanced level of support for survivors of domestic abuse who have higher mental health, drugs and/or alcohol issues will lead to increased engagement and positive outcomes. The service went live in November 2022, with funding in place until June 2024. An external evaluator has been commissioned and initial interviews with staff, service users and partner agencies have taken place.

We received additional funding in September 2022 to enhance our family support work offer – increasing the number of children that can access 1 to 1 support and creating the opportunity to deliver groups to help support the children and families living with us. This has been very well received by the children and young people in our domestic abuse service. Feedback from the older children who live with us has highlighted a need for additional and different types of support. A package of interventions has been co-produced with them and this will be launched in 2023-2024.

During the year we spent time with our Nursery parents/carers to co-produce a package of support they would find helpful in meeting their needs as individuals and as families. The type of support and interventions they wanted fit well with our community wellbeing offer. We are actively sourcing funding for us to take this forward.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Looking to the future

This next year will see us working hard to meet the commitments we have made as part of the second year of our Strategic Plan and year 1 of our Environmental Sustainability Strategy, Fundraising Strategy and our Communications Plan.

We are keen to make good on our commitment to staff health and wellbeing by employing a Staff Health and Wellbeing Manager and embedding the progress we have already made in this area.

We will be working with the Family Nurse Partnership and young parents living in Coventry to co-produce a wellbeing offer that can support them as parents as well as young people to be the best they can be. Once we have designed this model, we will look to source funding.

We will be rolling out our offer to the older children who live in our domestic abuse accommodation to support them on their road to recovery, evaluating what is working and what we could do differently.

We will be learning in real time through continued engagement with EAP Research Consultancy who are undertaking the external evaluation of our Domestic Abuse Complex Needs Service, reflecting on and modifying the service offer to best meet the needs of our service users.

We continue to seek to maximise spend on our charitable aims while remaining financially sustainable. We have set our reserves at a prudent level, relative to our turnover, to allow us sufficient time to respond if there were to be a significant drop in funding. Thus, in establishing contingency reserves of £400k-£500k against a turnover of approximately £1.8m, we are seeking to provide ourselves with the ability to cover our liabilities for approximately a quarter of a year. This will allow us to address any extreme financial situation that might arise and is in line with our Reserves Policy.

We have committed resources via our Development Fund to allow Valley House to respond to ideas from both staff and service users on how we could improve what we do. Whilst we would always seek to source external funding for such ideas, there isn't always a 'good fit' externally. Having our own internally designated fund allows for additional flexibility and innovation.

Financial review

The financial statements for the year ended 31 March 2023 show net incoming resources of £21,538 (2022 - £141,045). While our major source of funding continues to be from the Local Authority, Valley House recognises that this provision is rapidly changing and still seeks both to diversify funding and identify sources of income-generating work.

a) Investment policy

Under the Articles of Association, the charity has the power to invest in any way the trustees consider fit. The Board of Trustees has considered the most appropriate policy for investing funds and currently any cash surplus to day to day requirements is invested in medium to long term funds.

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

b) Reserves policy

The Board of Trustees is responsible for establishing that the level of reserves (that is those funds that are freely available) is sufficient to be able to continue the current activities of the charity in the event of a significant drop in funding, albeit for a limited time, to enable us to replace the funding or reduce services in a way not detrimental to our service users. This figure is reviewed annually and at 31 March 2023 the ideal minimum level considered necessary was £400,000 to £500,000.

The free reserves, identified as the General Fund at 31 March 2023, were £202,040 (2022 - £200,145). In order to enable our future strategic and development plans to move forward, the Trustees have designated Contingency, Development and Capital Funds from free reserves. This allows us to make necessary infrastructure improvements as well as pilot developmental opportunities and invest in capital projects. The Development Fund has been set at £24,000 at 31 March 2023 with the appropriate spend reviewed on an annual basis. The Capital Fund has been increased to £485,000 at 31 March 2023, utilising surpluses of £35,000 from the General Fund.

The Funds resources will be used to:

- Finance capital and infrastructure projects to ensure we have sufficient capacity going forward
- Establish additional aspects of service delivery to ensure the appropriate levels of support to our core areas of business activity
- Establish pilot projects to develop new ways of delivering our services and innovative ideas for earning money

The Contingency Fund has been set at £457,643 (2022 - £469,358) at 31 March 2023 for the purpose of allowing us to address any extreme financial situation that might arise (see note 22). The Contingency Fund is held with CCLA Investment Management Limited in a COIF Charities Ethical Investment Fund. The value of the fund has increased significantly from the initial investment of £300,000 in 2014. Any increase in value is reinvested in more units with the aim of providing long-term protection from inflation with a good level of distributions and a wide range of ethical restrictions.

Previously Restricted funds where capital grants have been spent on the assets for which the donations were intended and there are no longer trust law restrictions in place have been reclassified as Endowment Funds.

i) Amount of reserves	£1,648,769
ii) Amount of any restricted funds	£92,398
iii) Amount of reserves fund that can only be realised by disposing of tangible fixed assets	£508,769
iv) Amount of reserves after making allowance for ii) and iii) above	£1,047,602

c) Principal funding sources

These are service contracts £738,485 (2022 - £755,817) (please refer to analysis in note 4) and tenant welfare services income £511,019 (2022 - £563,128).

VALLEY HOUSE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Valley House for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

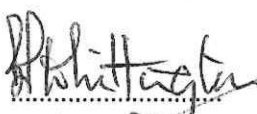
Auditor

In accordance with the company's articles, a resolution proposing that Burgis & Bullock be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



B Whittington
Trustee

Date: 2/12/23

VALLEY HOUSE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALLEY HOUSE

Opinion

We have audited the financial statements of Valley House (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

VALLEY HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VALLEY HOUSE

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

VALLEY HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VALLEY HOUSE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Charity and the industry in which it operates and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the Charity and industry we identified that the principal risk of non-compliance with laws and regulations related to breaches of Health & Social Acts, Human Rights Act, Safeguarding, Mental Capacity Act, Health & Safety and Environmental Regulations, GDPR, Charities Act 2011, Companies Act 2006 and UK Employment Law. We also evaluated management incentive and opportunities for fraudulent manipulations of the financial statements.

VALLEY HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VALLEY HOUSE

Audit procedures performed included:

- Identifying and assessing the design effectiveness of controls in management have in place to prevent and detect fraud.
- Challenging assumptions and judgments made by management in their significant accounting estimates and assessing if these indicate evidence of management bias.
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the charity's normal course of business.
- Reviewing the accounting records for large and unusual journal entries and testing any identified and in particular the rationale for any transactions outside the charity's normal course of business.
- Testing a sample of debit entries in the profit and loss account to check they are bona-fide costs.
- Testing a sample of bank payments to source documentation.
- Reviewing correspondence and communication with regulators.
- Discussions with management, including consideration of known or suspected incidences of non-compliance with laws and regulation and fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

WA Hubbard

Wende Hubbard FCCA (Senior Statutory Auditor)
for and on behalf of Burgis & Bullock

2nd December 2023

Chartered Accountants
Statutory Auditor

23-25 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA

VALLEY HOUSE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total	Total
	Notes	2023 £	2023 £	2023 £	2023 £	2023 £	2022 £
Income from:							
Donations and legacies	3	9,617	-	-	-	9,617	-
Charitable activities							
Tenant welfare services	4	511,019	-	-	-	511,019	563,128
Service contracts	4	738,485	-	-	-	738,485	755,817
Grants	4	-	-	52,466	-	52,466	54,330
Nursery fees	4	329,487	-	-	-	329,487	276,667
Other trading activities	5	2,800	-	-	-	2,800	2,200
Investments	6	2,463	-	-	-	2,463	1,551
Total income		1,593,871	-	52,466	-	1,646,337	1,653,693
Expenditure on:							
Raising funds	7	11,694	1,154	-	-	12,848	1,213
Charitable activities	8	1,359,437	27,287	62,156	10,290	1,459,170	1,403,670
Other	13	141,065	-	-	-	141,065	174,117
Total expenditure		1,512,196	28,441	62,156	10,290	1,613,083	1,579,000
Net gains/(losses) on investments	14	-	(11,716)	-	-	(11,716)	66,352
Net incoming/(outgoing) resources before transfers		81,675	(40,157)	(9,690)	(10,290)	21,538	141,045

VALLEY HOUSE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Endowment funds	Total	Total
Notes	2023 £	2023 £	2023 £	2023 £	2023 £	2022 £
Net incoming/(outgoing) resources before transfers	81,675	(40,157)	(9,690)	(10,290)	21,538	141,045
Gross transfers between funds	(79,780)	74,442	5,338	-	-	-
Net movement in funds	1,895	34,285	(4,352)	(10,290)	21,538	141,045
Fund balances at 1 April 2022	200,145	932,358	96,750	397,978	1,627,231	1,486,186
Fund balances at 31 March 2023	202,040	966,643	92,398	387,688	1,648,769	1,627,231

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Income from donations and legacies was £9,617 (2022 - £nil), of which £9,617 (2022 - £nil) related to General Funds, £nil (2022 - £nil) related to Designated Funds and £nil (2022 - £nil) related to Restricted Funds.

Expenditure on charitable activities was £1,459,170 (2022 - £1,403,670), of which £1,359,437 (2022 - £1,303,381) related to General Fund, £27,287 (2022 - £5,138) related to Designated Funds, £62,156 (2022 - £84,861) related to Restricted Funds and £10,290 (2022 - £10,290) related to Endowment Funds.

VALLEY HOUSE
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	16		3,105,540		3,096,364
Current assets					
Debtors	18	110,094		78,264	
Investments	19	627,642		639,358	
Cash at bank and in hand		516,115		545,474	
		<u>1,253,851</u>		<u>1,263,096</u>	
Creditors: amounts falling due within one year	21	<u>(163,993)</u>		<u>(182,229)</u>	
Net current assets			1,089,858		1,080,867
Total assets less current liabilities			4,195,398		4,177,231
Creditors: amounts falling due after more than one year	22		<u>(2,546,629)</u>		<u>(2,550,000)</u>
Net assets			<u>1,648,769</u>		<u>1,627,231</u>
Capital funds					
<u>Endowment funds</u>					
Expendable endowment		387,688		397,978	
	25		387,688		397,978
Income funds					
Restricted funds	26		92,398		96,750
<u>Unrestricted funds</u>					
Designated funds	27	966,643		932,358	
General unrestricted funds		<u>202,040</u>		<u>200,145</u>	
			1,168,683		1,132,503
			<u>1,648,769</u>		<u>1,627,231</u>

The financial statements were approved by the Trustees on 2/12/23

B Whittington
Trustee

Company registration number 03593394

VALLEY HOUSE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	33		(3,308)		194,298
Investing activities					
Purchase of tangible fixed assets		(36,859)		(1,084,941)	
Investment income received		2,463		1,551	
Net cash used in investing activities			(34,396)		(1,083,390)
Financing activities					
Repayment of bank loans		(3,371)		850,000	
Net cash (used in)/generated from financing activities			(3,371)		850,000
Net decrease in cash and cash equivalents			(41,075)		(39,092)
Cash and cash equivalents at beginning of year			1,184,832		1,223,924
Cash and cash equivalents at end of year			1,143,757		1,184,832
Relating to:					
Cash at bank and in hand			516,115		545,474
Short term deposits included in current asset investments			627,642		639,358

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Valley House is a private company limited by guarantee incorporated in England and Wales. The registered office is 55-57 Bell Green Road, Coventry, West Midlands, CV6 7GQ. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member. It is principally engaged to support those more vulnerable members of our community to optimise their potential and take control of their lives.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Given the uncertain nature of funding available to the entity, the charitable company prepares projected year-end budget forecasts every month which are reviewed bi-monthly by the Board and monitored against actual performance. The budgets are supported by long term strategic aims and objectives. The trustees are taking steps to adapt the charity's current activities, such as diversifying the range of funding streams, to secure the future of the charitable company. At time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Designated funds are unrestricted funds of the charitable company which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are restricted funds which either cannot be spent (permanent endowment) or where there is no actual requirement to spend or apply the capital unless, or until, the trustees decide to spend it (expendable endowment).

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Investment income

Investment income is included in the Financial Statements when receivable.

Activities for generating funds

Student placements and other income is included in the Financial Statements when receivable.

Tenant welfare services

Tenant welfare services is accounted for on an accruals basis for all tenants in residence during the financial year.

Grants

Revenue grants are included on a receivable basis. Capital grants in respect of building costs are to be written off over the estimated useful life of the buildings from the date of occupancy.

Nursery income

Nursery fees are included on a receivable basis.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charitable company's activities. Refer to note 10 for the analysis of support and governance costs. Support costs are generally allocated based on revenue.

The charitable company initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Costs of generating funds

Comprise the costs associated with attracting voluntary income.

Charitable expenditure

Comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It included costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance

Includes those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees.

1.6 Tangible fixed assets

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

All additions greater than £1000 are capitalised and brought into account in accordance with normal accounting practice.

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

Freehold buildings	50 years (straight line) from date of first use
Fixtures and fittings	4 years (straight line)
Community garden	3 years (straight line) from date of first use
SASC properties	10 years (straight line) from date of first use

Included in land, buildings and SASC properties is land at a cost of £748,650 that is not being depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charitable company has charitable status for taxation purposes and its activities are not subject to corporation tax.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

1.13 Leases

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Support cost allocation

Support costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Total 2022 £
Donations and gifts	9,617	-

4 Charitable activities

	Tenant welfare services 2023 £	Service contracts 2023 £	Grants 2023 £	Nursery fees 2023 £	Total 2023 £	Total 2022 £
Sales within charitable activities	511,019	738,485	52,466	329,487	1,631,457	1,649,942
Analysis by fund						
Unrestricted funds - general	511,019	738,485	-	329,487	1,578,991	1,595,612
Restricted funds	-	-	52,466	-	52,466	54,330
	511,019	738,485	52,466	329,487	1,631,457	1,649,942

For the year ended 31 March 2022

	Tenant welfare services £	Service contracts £	Grants £	Nursery fees £	Total 2022 £
Sales within charitable activities	563,128	755,817	54,330	276,667	1,649,942
Analysis by fund					
Unrestricted funds - general	563,128	755,817	-	276,667	1,595,612
Restricted funds	-	-	54,330	-	54,330
	563,128	755,817	54,330	276,667	1,649,942

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Student placements	2,800	2,200

6 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	2,463	1,551

7 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
<u>Fundraising and publicity</u>				
Other fundraising costs	8,371	1,154	9,525	347
<u>Trading costs</u>				
Other trading activities	3,000	-	3,000	866
Support costs	323	-	323	-
Trading costs	3,323	-	3,323	866
	11,694	1,154	12,848	1,213

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	Property costs 2023	Nursery 2023	Supported accommodation 2023	Floating support 2023	Counselling 2023	Training Childrens' centre		Total 2023	Total 2022
	£	£	£	£	£	2023	£	£	£
Staff costs	140,351	157,906	539,235	13,091	81,870	-	-	932,453	858,988
Depreciation and impairment	19,234	475	-	-	-	-	4,353	24,062	22,659
Other direct costs	188,758	46,298	95,532	4,781	15,850	11,173	-	362,392	384,688
	348,343	204,679	634,767	17,872	97,720	11,173	4,353	1,318,907	1,266,335
Share of support costs (see note 9)	51,687	27,402	56,184	204	4,786	-	-	140,263	137,335
	400,030	232,081	690,951	18,076	102,506	11,173	4,353	1,459,170	1,403,670
Analysis by fund									
Unrestricted funds - general	388,586	232,081	690,951	18,076	29,743	-	-	1,359,437	1,303,381
Unrestricted funds - designated	1,154	-	-	-	14,960	11,173	-	27,287	5,138
Restricted funds	-	-	-	-	57,803	-	4,353	62,156	84,861
Endowment funds	10,290	-	-	-	-	-	-	10,290	10,290
	400,030	232,081	690,951	18,076	102,506	11,173	4,353	1,459,170	1,403,670

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

For the year ended 31 March 2022

(Continued)

	Property costs	Nursery	Supported accommodation	Floating support	Counselling	Training	Total 2022
	£	£	£	£	£	£	£
Staff costs	128,126	156,454	470,191	29,332	74,885	-	858,988
Depreciation and impairment	18,258	49	-	-	4,352	-	22,659
Other direct costs	211,244	46,155	95,454	7,735	18,962	5,138	384,688
	357,628	202,658	565,645	37,067	98,199	5,138	1,266,335
Share of support costs (see note 9)	54,526	20,429	55,955	588	5,837	-	137,335
	412,154	223,087	621,600	37,655	104,036	5,138	1,403,670
Analysis by fund							
Unrestricted funds - general	401,864	223,087	621,600	37,655	19,175	-	1,303,381
Unrestricted funds - designated	-	-	-	-	-	5,138	5,138
Restricted funds	-	-	-	-	84,861	-	84,861
Endowment funds	10,290	-	-	-	-	-	10,290
	412,154	223,087	621,600	37,655	104,036	5,138	1,403,670

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	118,121	24,491	142,612	125,108	25,730	150,838
Depreciation	3,621	-	3,621	2,560	-	2,560
Other costs	18,844	1,491	20,335	9,667	1,325	10,992
Audit fees	-	6,525	6,525	-	6,662	6,662
	<u>140,586</u>	<u>32,507</u>	<u>173,093</u>	<u>137,335</u>	<u>33,717</u>	<u>171,052</u>
Analysed between						
Trading	323	-	323	-	-	-
Charitable activities	140,263	-	140,263	137,335	-	137,335
Other	-	32,507	32,507	-	33,717	33,717
	<u>140,586</u>	<u>32,507</u>	<u>173,093</u>	<u>137,335</u>	<u>-</u>	<u>171,052</u>

Governance costs includes payments to the auditors of £6,525 (2022 - £6,662) for audit fees.

10 Net movement in funds

	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	6,525	6,662
Depreciation of owned tangible fixed assets	<u>27,683</u>	<u>25,219</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Trustees were reimbursed for expenses totalling £nil (2022- £22) within the year.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Service providers / admin	43	43
Maintenance	5	5
Total	48	48

Employment costs	2023 £	2022 £
Wages and salaries	960,207	905,073
Social security costs	83,556	73,351
Other pension costs	31,302	31,402
	1,075,065	1,009,826

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,001 to £80,000	1	1

The aggregate redundancy costs during the year amounted to £9,055 (2022 - £1,369).

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Other

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Governance	32,507	33,717
Financing costs	108,558	140,400
	<u>141,065</u>	<u>174,117</u>

14 Net gains/(losses) on investments

	Unrestricted funds designated 2023 £	Unrestricted funds designated 2022 £
Revaluation of investments	(11,716)	66,352
	<u>(11,716)</u>	<u>66,352</u>

15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Community garden £	SASC properties £	Total £
Cost					
At 1 April 2022	1,235,342	21,504	44,151	2,576,916	3,877,913
Additions	4,227	3,654	-	28,978	36,859
At 31 March 2023	1,239,569	25,158	44,151	2,605,894	3,914,772
Depreciation and impairment					
At 1 April 2022	720,729	12,596	44,151	4,073	781,549
Depreciation charged in the year	17,533	5,100	-	5,050	27,683
At 31 March 2023	738,262	17,696	44,151	9,123	809,232
Carrying amount					
At 31 March 2023	501,307	7,462	-	2,596,771	3,105,540
At 31 March 2022	514,613	8,908	-	2,572,843	3,096,364

At the end of the 10 year term the properties will revert to SASC as repayment of the outstanding loan facility.

This provides an effective residual value at the end of the 10 year period equivalent to cost and consequently the depreciation charge amounts to £nil.

Valley House also has the option to re-acquire the properties at their fair value at any point any loan facility has been discharged.

17 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	627,642	639,358

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	23,993	38,876
Other debtors	78,100	29,951
Prepayments and accrued income	8,001	9,437
	<u>110,094</u>	<u>78,264</u>

Other debtors include reduced debt servicing charge to SASC of £13,000 for 2020/21 and £20,600 for 2021/22 following a re-evaluation of the debt servicing charge mechanism agreed at the end of 2022/23. These debtors will be offset against future indebtedness to SASC. Other debtors also include a repayment of rental charges incorrectly claimed in 2021/22 by Stonewater, totalling £15,000. This overpayment was agreed late in 2022/23 and has been received in 2023/24.

19 Current asset investments

	2023	2022
	£	£
Unlisted investments	<u>627,642</u>	<u>639,358</u>

20 Loans and overdrafts

	2023	2022
	£	£
Bank loans	<u>2,546,629</u>	<u>2,550,000</u>
Payable after one year	<u>2,546,629</u>	<u>2,550,000</u>

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		36,524	28,189
Deferred income	23	62,979	54,288
Other creditors		5,225	24,772
Accruals and deferred income		59,265	74,980
		<u>163,993</u>	<u>182,229</u>

22 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	20	<u>2,546,629</u>	<u>2,550,000</u>

SASC started providing funds in 2020 of up to £2.55m for the purchase of up to 22 properties. These funds will be available for 10 years and the properties have a restrictive covenant preventing sale other than to SASC. The properties will revert to SASC after 10 years if the funds remain unpaid at that time, with no further liabilities accruing. To date, the Charity has utilised £2,546,629 of these funds and purchased 22 properties. The balance of £3,371 has been repaid to SASC.

This loan is secured on a first legal charge over the land and buildings and a fixed charge over a new established Rent Account held by the Borrower.

A debt servicing charge for the loan facility has been agreed which is linked to the collection of rents from the underlying tenants of the properties, after taking into account management and service income retained by Valley House.

The debt servicing charge for the period amounted to £108,558 (2022 - £140,400). The figure for 2022/23 includes prior year reductions of charges of £33,695 agreed with SASC.

23 Deferred income

	2023 £	2022 £
Other deferred income	<u>62,979</u>	<u>54,288</u>

Deferred income is included in the financial statements as follows:

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23	Deferred income	(Continued)	
		2023	2022
		£	£
	Deferred income is included within:		
	Current liabilities	62,979	54,288
		<u> </u>	<u> </u>
	Movements in the year:		
	Deferred income at 1 April 2022	54,288	46,264
	Released from previous periods	(248,357)	(17,746)
	Resources deferred in the year	257,048	25,770
		<u> </u>	<u> </u>
	Deferred income at 31 March 2023	62,979	54,288
		<u> </u>	<u> </u>

24 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £31,302 (2022 - £31,402).

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

25 Endowment funds

	Balance at 1 April 2021 £	Resources expended £	Balance at 1 April 2022 £	Resources expended £	Balance at 31 March 2023 £
LSC Regeneration Budget	6,204	(475)	5,729	(475)	5,254
Coventry Children's Centres - Canopy	1,251	(94)	1,157	(94)	1,063
Coventry Children's Centres - Conservatory	10,610	(282)	10,328	(282)	10,046
Big Lottery Fund - Young People's Fund	3,273	-	3,273	-	3,273
General Charities - Servers	2,114	-	2,114	-	2,114
General Charities - Capital Fund	20,000	-	20,000	-	20,000
Counselling Suite	19,842	(839)	19,003	(839)	18,164
National Lotteries Charity Board	98,843	(2,159)	96,684	(2,159)	94,525
25 Bell Green Road	123,905	(3,302)	120,603	(3,302)	117,301
Counselling Suite 25 Bell Green Road	17,904	-	17,904	-	17,904
Improvements to garden, car park	32,522	(1,486)	31,036	(1,486)	29,550
Navigation Centre extension	71,800	(1,653)	70,147	(1,653)	68,494
	<u>408,268</u>	<u>(10,290)</u>	<u>397,978</u>	<u>(10,290)</u>	<u>387,688</u>

Endowment Funds are made up of reclassified restricted expenditure where capital grants have been spent on the assets for which donations were intended or reclassified designated funds for capital projects.

Amortisation is shown at the same rate as the asset is depreciated.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £				Incoming resources £	Resources expended £			
Coventry Children's Centres	101,102	-	(4,352)		-	96,750	-	(4,352)		-	92,398
Coventry CAB Rooted/Breakthrough	-	11,095	(8,108)		(2,987)	-	-	-		-	-
CDA Accelerate	-	43,235	(72,401)		29,166	-	52,466	(57,803)		5,337	-
	101,102	54,330	(84,861)		26,179	96,750	52,466	(62,155)		5,337	92,398

Grants for capital purchases have been spent on the assets for which the donations were intended. Amortisation is shown at the same rate as the asset is depreciated. Where there are no longer trust law restrictions in place the funds are reclassified as endowment funds.

Coventry City Council provided funds in 2006 for an expansion of the Nursery and improvements to the Children's Centre with the restriction that the property is used as a Nursery for 25 years. A restriction is also placed on the registered title of the property that no disposition, sale or lease may take place unless accompanied by a certificate of the Council of the City of Coventry stating there is no payment due under the grant agreement.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Movement in funds				Balance at 1 April 2022 £	Movement in funds				Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £		Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Development funds											
Training fund	3,500	-	(5,138)	8,638	-	7,000	-	(11,174)	18,174	-	14,000
Pilot projects	-	-	-	6,000	-	6,000	-	(5,905)	5,905	-	6,000
Consultancy	-	-	-	-	-	-	-	(2,308)	(3,692)	-	(6,000)
Redundancy costs	-	-	-	-	-	-	-	(9,055)	9,055	-	-
Fundraising strategy and action plan	-	-	-	-	-	-	-	-	10,000	-	10,000
Capital projects	365,000	-	-	85,000	-	450,000	-	-	35,000	-	485,000
Contingency funds	403,006	66,352	-	-	-	469,358	(11,715)	-	-	-	457,643
	771,506	66,352	(5,138)	99,638	-	932,358	(11,715)	(28,442)	74,442	-	966,643

Designated funds are monies set aside by the Trustees to be spent on projects specified and have no trust law restrictions.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Designated funds

(Continued)

The Development Fund is designated for revenue projects and the Capital Project Fund is for capital projects. Capital expenditure incurred is re-designated to a named fund and amortisation is stated at the same rate as the asset is depreciated.

Contingency funds are monies relating to investments which have been designated to cover any large unforeseen expenditure.

28 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted Endowment funds	Total Unrestricted funds	Designated funds	Restricted Endowment funds	Total
	2023	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:							
Tangible assets	121,081	-	2,596,771	3,105,540	66,246	2,632,140	3,096,364
Current assets/(liabilities)	80,960	966,643	42,255	1,089,858	133,900	14,609	1,080,867
Long term liabilities	-	-	(2,546,629)	(2,546,629)	-	(2,550,000)	(2,550,000)
	202,041	966,643	92,397	1,648,769	200,146	96,749	1,627,231

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

29 Financial commitments, guarantees and contingent liabilities

Due to the general nature of grant funding the Charity could be exposed to potential liabilities in respect of clawbacks of funding already received in certain circumstances. Each funder sets their own criteria for when and how any such liabilities may arise.

30 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	19,656	14,906
Between two and five years	36,750	14,260
	<u>56,406</u>	<u>29,166</u>

31 Related party transactions

Remuneration of key management personnel

Key management have been identified as the Chief Executive, Director of Operations and Director of Finance & Resources.

	2023 £	2022 £
Aggregate compensation	<u>183,499</u>	<u>179,687</u>

32 Controlling parties

The charitable company is under the control of its trustees, directors and management committee.

VALLEY HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

33	Cash generated from operations	2023	2022	
		£	£	
	Surplus for the year	21,538	141,045	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(2,463)	(1,551)	
	Depreciation and impairment of tangible fixed assets	27,683	25,219	
	Movements in working capital:			
	(Increase)/decrease in debtors	(31,830)	4,575	
	(Decrease)/increase in creditors	(26,927)	16,986	
	Increase in deferred income	8,691	8,024	
	Cash (absorbed by)/generated from operations	(3,308)	194,298	
34	Analysis of changes in net (debt)/funds			
		At 1 April 2022	Cash flows	At 31 March 2023
		£	£	£
	Cash at bank and in hand	545,474	(29,359)	516,115
	Cash equivalents	639,358	(11,716)	627,642
		1,184,832	(41,075)	1,143,757
	Loans falling due after more than one year	(2,550,000)	3,371	(2,546,629)
		(1,365,168)	(37,704)	(1,402,872)