

VALLEYS KIDS

England & Wales · Charity number 1074840

Details

Status Registered

Legal form Charitable company

Company number [03717865](#)

Registered 1999-03-24

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: TO PROVIDE AND ASSIST IN THE PROVISION OF FACILITIES AND SERVICES FOR EDUCATION, PLAY, ARTS, RECREATION AND OTHER LEISURE TIME OCCUPATION FOR THE BENEFIT OF THE RESIDENTS OF SOUTH WALES, THESE BEING FACILITIES AND SERVICES.1. OF WHICH SUCH PEOPLE HAVE NEED BY REASON OF THEIR YOUTH, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES2. WHICH WILL IMPROVE THE CONDITIONS OF LIFE FOR SUCH PEOPLE BY PROMOTING THEIR PHYSICAL, MENTAL AND SPIRITUAL WELL BEING.

Activities: Valleys Kids is established as a community development organization working in some of the most deprived communities in the South Wales Valleys. Through working with communities and providing activities including play, youth, arts, training, etc help people to achieve their potential.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, Other Defined Groups

Geography

- **Area of benefit:** SOUTH WALES
- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,359,995	£1,639,847	£2,767,574	44
2024-03-31	£1,358,327	£1,904,312	£3,047,393	55
2023-03-31	£1,477,296	£3,103,465	£3,421,445	51
2022-03-31	£2,190,264	£1,805,455	£5,070,877	50
2021-03-31	£1,846,987	£1,714,538	£4,654,373	41

Trustees

Name	Role	Appointed
PHILLIP EVANS	Chair	2018-07-12
CERI ASSIRATTI		2012-01-16
Dr RHIANNON HOWELLS		
Jason Camilleri		2021-02-05
Lyn Watcyn Evans		2019-11-07
MARION STOKES		
Nadine Hussien		2018-07-02
REBECCA BOOTH		

VALLEYS KIDS

England & Wales - Charity number 1074840

Accounts

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

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
VALLEYS KIDS**

Bevan Buckland LLP (Statutory Auditors)
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

VALLEYS KIDS

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VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

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 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Summary Report

The full report presents a comprehensive and honest assessment of the charity's financial challenges and the rigorous actions taken through our Transformation Business Plan (TBP).

Financial Position and Transparency

Valleys Kids continues to face severe financial challenges, despite considerable operational changes. Key financial realities include:

- **Cumulative Deficits:** The charity experienced cumulative deficits of £1 million across the 2022/23 and 2023/24 financial years.
- **Cash Reserves Depletion:** Cash reserves, which stood at £355k on March 31, 2023, have been fully utilised to cover deficits.
- **Reliance on Debt:** Running costs in 2024 were supported by a monthly renewable overdraft facility of £140k from Unity Bank. We remain reliant on loans and/or an overdraft facility to maintain liquidity in the short term.
- **Financial Reporting Failures:** The primary cause of the crisis was a lack of robustness in financial reporting and auditing processes that were insufficiently rigorous to alert us in a timely enough way to the changing funding environment. This included the loss of long-term funding from the local authority, Welsh Government and the EU. Engaging external professional accounting expertise was a crucial factor in ensuring that we had timely reporting, forecasting and planning (which we have shared with key stakeholders).

Immediate Risks

Despite strategic planning and cost reductions, the financial forecast reveals continued instability:

- **Projected Deficit:** The three-year Budget Recovery Plan projects a continued large deficit for the current year (FY 24-25), with only a small projected surplus of £19,410 in the subsequent year (FY 25-26).
- **Critical Funding Dependency:** The organisation's immediate future is contingent upon securing external financing. A submission has been made to WCVA for a £150k loan; approval is essential for stabilisation.
- **VAT Liability:** The sale of Little Bryn Gwyn introduces a significant immediate liability: a VAT repayment of £178,000 to HMRC, which requires immediate attention and will impact remaining cash reserves.
- **Long-Term Grant Gap:** There is a big gap in expected grant funding compared to historical levels, with the current forecast expectation at £700k versus prior years of £900k+. Securing sufficient capacity for securing competitive, targeted grants remains a key goal.
- **Reserves Deficit:** The reserves policy section notes that free reserves as of March 31 2025, were (£334,663), far below the target of approximately £300,000 (three months of operating costs)

VALLEYS KIDS

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Transformation Business Plan (TBP)

The TBP (focusing on People, Property, Income Generation, and Service Provision) has provided us with a structured approach and implementation has been monitored closely. However, full implementation at strategic and operational levels is ongoing and risk remains high.

TBP Strand	Actions Taken/Planned	Critique
People	Implemented a small, targeted redundancy programme (compulsory and voluntary), reduced hours, and a policy of only backfilling critical or funded roles. Total annual savings of £72k were realised through a Q1/2025 redundancy programme.	This has created a smaller, more connected leadership team and a strongly motivated workforce, delivering services to a high standard. Further reconfiguration of services will have an impact upon staff numbers. Work to clarify roles and responsibilities in the light of downsizing is underway. We are implementing a skills and capacity analysis to determine next steps.
Property	Divested three non-core properties (Bute St, Tylacelyn Rd, and the Library), resulting in a net cash injection of £282k in FY 24/25, with the sale of Cross Street completed. Lease termination on Rhydyfelin Community Centre saved £26k annually. Divestment of Little Bryn Gwyn (valued over £1m) completed August 2025.	We remain aware that property divestment is not income generation but rather "liquidating reserves," thereby reducing overall balance sheet stability. Furthermore, future property divestment is more difficult as remaining properties are core to service delivery and achieving income potential.
Income Generation	Secured £100,000 of unrestricted investment from the Waterloo Foundation toward core costs and income generation. Working with Manchester Business School to design a new marketing strategy. Identified significant potential in utilising current remaining property assets (under occupied @£34k) with a potential income of £80k.	The target for donations is currently minimal (£20k), suggesting untapped potential, with a suggested target being 10% of income (£100k). The success of the recovery plan hinges on rapidly building income-generating capability to fill the funding gap.
Service Provision	Reduced physical footprint by focusing delivery within fewer hubs (two Community and Family Hubs now remain). Adopted a flexible model using sessional workers for specialist projects. Launched new initiatives like Penny Farthings café.	Our commitment is to protect services notwithstanding a leaner operational base by focusing resources where they deliver the "greatest benefit". The reduction from four hubs to two represents a significant cut in physical presence but this has been offset by focusing on impact and achieving targets for participation.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

Service Delivery Operational Highlights

Despite the profound financial difficulties, we can highlight numerous achievements that demonstrate continued commitment to the charity's mission.

- **Community Support:** Continued delivery of the Keeping Connected with your Community initiative to combat isolation among older people.
- **Programme Adaptation:** Successfully adapted Stay and Play pre-school sessions to include supports for neurodivergent children.
- **Partnerships and Innovation:** Established Penny Farthings at Soar, a fully inclusive café following the closure of the Old Library café. Collaborated with the National Gallery on the Take One Picture programme and Black Mountain College on horticulture.
- **Impact Metrics:** The report documents 7,070 total visits by 684 unique visitors across all activities in the past year, reflecting the sustained reach of the programmes.

Viability Considerations

The full Trustees report describes our detailed roadmap for securing the charity's future but also the severe existential nature of the current situation. The immediate reliance on external short-term funding and the large VAT liability present acute liquidity risks.

The trustees have a clear set of emergency options if critical external funding (such as the WCVA loan) is not approved. These options include exploring alternative loans, controlled wind-down and voluntary liquidation, or forced liquidation if the organisation is becoming insolvent. This framework serves as a sober reminder that, while the transformation plan is in place and actions have been taken, our "going concern" status remains precarious, depending heavily on the successful implementation of the Transformation Business Plan strategies and favourable external financing decisions.

In summary, continuing deficits have put us in jeopardy and made us dependent on external financial support. However, actions such as oswever, property sales, redundancies, service configuration, costs reduction and better financial management have enabled us to stay afloat. Key stakeholders such as the bank and the local authority have demonstrated confidence by providing ongoing, concrete support. We now need to time to implement plans for increasing income generation and financial management capacity.

THE FULL REPORT

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the group for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

AIMS, OBJECTIVES AND ACTIVITIES

The charity's objectives are:

To provide and assist in the provision of facilities and services for education, play, arts, recreation, and other leisure time occupation to residents of South Wales, targeting those in need because of youth, poverty, or social and economic circumstances, thereby improving their physical, mental, and spiritual well-being. Valleys Kids meets these objectives by continually adapting its community support projects to the changing needs of the community.

Public Benefit

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 (i.e., to have due regard to public benefit guidance published by the Charity Commission). Our objectives and our work provide benefit to the public. All our work takes place in areas experiencing social disadvantage and we provide our core activities free of charge. While focusing on those most in need, the facilities are open to everyone in the areas we serve and provide substantial benefit to the children and families who participate, as demonstrated in this report.

VALLEYS KIDS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Our Principles

We operate under the following principles.

1. Every child is Valued

Every child deserves the best start in life; this is the aim of our pre-school provision. Because we believe that play has a key role in the development and well-being of children, providing out-of-school play opportunities has been one of our commitments from the beginning. Valleys Kids' play services offer exciting opportunities for children to experiment and help them grow. Most importantly, all our play is about children having fun and discovering they can do many different things.

2. Everyone matters

In pursuit of our commitment to place-based community development, Valleys Kids Community and Family Hubs welcome everyone who wants to attend local facilities that offer pre-school, play, youth or adult services and activities. We also provide time-limited, targeted provision which helps people to deal with particular issues, problems or needs.

Often these important programmes are supplemented by continued support available through open access provision. Nobody should be left behind.

3. Everyone has potential.

Our role is to enable people of all ages to believe in themselves, grow in confidence and realise their ambitions. We take considerable pride in creating the many pathways to increased well-being and achievements needed by people of all ages in all our communities. This can range from a young person getting re-engaged in education and succeeding in school/college/university, training and employment to an isolated older person taking advantage of opportunities to socialise, getting involved in arts and acting as a volunteer. Our Youth Work is about helping young people face up to the challenges in their lives and to seek solutions. Valleys Kids' aim is to provide for all young people but with a commitment to engage the most challenging and challenged. To do this, we create situations where young people want to participate, places which they feel belong to them and which are warm, welcoming and friendly spaces staffed by quality youth workers. In-depth youth work happens when young people feel comfortable and able to develop relationships with trusted adults.

ACTIVITIES

For nearly fifty years, Valleys Kids has worked in communities in the South Wales Valleys, supporting people to grow in self-confidence, improving their skills and knowledge and encouraging them to have high aspirations and high expectations to achieve their potential. We now have two Community and Family Hubs in disadvantaged communities where activities and services are provided for all ages, from babies to those over ninety. We have also developed a Hub for the Arts and Cultural Industries so that the people from Valleys communities can gain the skills and knowledge which will enable them to secure employment in this growing industry in Wales. The Family Team provides targeted services for the most disadvantaged families. We are developing the social enterprise of Valleys Creative through the Play Yard, Coffee Shops and The Factory. Our Arts programme through Sparc continues to thrive with the inclusion of visual arts.

Operational Highlights and Impact (FY 24-25)

Despite significant organisational changes this year, we have maintained a comprehensive programme of support, engaging people across all age groups. Key achievements include:

- **Impact Metrics:** In the past year, we recorded 7,070 total visits by 684 unique visitors across all activities, demonstrating our continued presence and value in the community during a challenging time.
- **Service Continuity and Innovation:** Building on previous work, we adapted our Stay and Play pre-school sessions to better support neurodivergent children, incorporating structured and free-play options

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

- **Creative Partnerships:** We partnered with the National Gallery to deliver the Take One Picture programme, engaging around 200 local children in art workshops. Our collaboration with Black Mountain College transformed the Penyreglyn garden with planters and a polytunnel for their NVQ in Regenerative Horticulture.
- **Community Reach:** Our Keeping Connected with your Community initiative continues to combat loneliness and isolation among older people through art and quilting classes. We distribute surplus food collected from local organisations, alongside food parcels and vouchers, to address food insecurity.
- **Intergenerational Storytelling:** Funded by the Heritage Lottery, our Valleys Voices project continued to capture the experiences of local families.
- In November, we hosted a community event bringing together people of all ages to share memories. Archive photos and materials were displayed.

The progress made

Grant funding received in the year has been instrumental in enabling us to deliver strategic initiatives as well as a wide range of support services and creative projects that meet the needs of children, young people, and families across our communities.

We have continued to deliver a varied programme of activities this year, albeit from a smaller number of locations. These activities have engaged people from all sections of the community, from parent and toddler groups to older people's programmes, helping individuals build connections and a strong sense of belonging.

- 1) Following the sale of the Old Library, we successfully launched Penny Farthings at Soar, a fully inclusive café where staff are trained to support customers living with dementia and where pupils from Hen Felin School gain work experience.
- 2) In partnership with local schools, we ran a series of numeracy workshops for parents wanting to strengthen their skills. This boosted confidence in managing everyday tasks and supported parents to engage more fully in their children's learning.
- 3) We continue to make the most of our spaces through partnerships, ensuring wraparound support for families. For example, Eye to Eye provides youth counselling alongside our youth club, making the service accessible.
- 4) Our collaboration with Black Mountain College has transformed the Penyreglyn garden with planters and a polytunnel, supporting their NVQ in Regenerative Horticulture. Welcome to our Woods is making use of this and helping local families to grow produce to take home.
- 5) We have been active in wider community environmental projects. Working with Rhondda Housing Association and Cambrian Village Trust, our Afterschool Club children redeveloped land opposite Soar, building a bug hotel, planting fruit trees, and taking pride in ongoing maintenance.
- 6) Everyday we collect surplus food from local organisations that would otherwise go to waste, offering it freely to anyone in the community. This includes older people living alone and children grabbing snacks before school. We complement this with food parcels and vouchers throughout the year.

These are just a few highlights from a wide-ranging programme.

The number of people we worked with in the past year

Activity	Unique visitors	Sessions	Total visits
Babies and toddlers	85	30	333
Children and young people	287	192	3937
Adults	107	75	463
Older adults	57	100	841
Partner organisations	148	336	1496
TOTAL	684	733	7070

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

What we are especially proud of

- We are proud that, during a period of challenge and change, we have maintained our commitment to the communities we serve. Not only have we kept our doors open, but we have continued to offer people of all ages activities that inspire, engage, and add real value to their lives.
- One Youth Arts Worker reflected: "I have been involved with Valleys Kids since I was seven. I progressed through drama workshops and into youth theatre, gaining many wonderful experiences. Then in 2020, I graduated with an Honours Degree in Drama – and I'm now a youth worker."
- Feedback from participants this year included: *"I really do not know what I would do without this place. If I didn't come to youth I would be on the streets wandering about."* and *"I like this group because it gets me out of my house – my household is really stressful"*.
- We were honoured to be recognised at the BBC Make a Difference Awards, which celebrate individuals and organisations going above and beyond in their communities. This reflects the dedication of our staff and volunteers and the positive impact our work continues to have.

Significant changes in the organisation

- At the start of the year, we restructured our senior management team to reflect a smaller core staff and greater use of sessional workers. This has created a more connected leadership team, with shared responsibilities at CEO and COO level and closer links to day-to-day delivery. Decisions are now even more firmly grounded in what beneficiaries tell us they need.
- Alongside this, we have taken proactive steps to strengthen our sustainability. This has included filling only business-critical or externally funded posts and implementing a small, targeted redundancy programme. We have retained a skilled core team, with the flexibility to bring in experienced sessional workers for specific funded projects.
- We have also reduced the number of properties from which we deliver work to lower ongoing costs.

What we did not achieve and why

- We have not been able to expand our reach in the way we had hoped. A continued decline in local authority funding has limited the growth of our work with children and young people. This has been compounded by increased competition for funding from traditional grant makers.
- We have learned that growth is not always about reaching more families or opening new centres. With the closure of several sites and voluntary redundancies, we have had to think creatively about how to use our available space and staff time.
- Although reducing the size of the organisation was not part of our original plan, it has provided an opportunity to adapt. We are now concentrating on the activities that deliver the greatest benefit to service users and taking a more intentional approach to securing restricted funding.

What we learned this year

- Reducing our physical footprint does not necessarily reduce our impact. By concentrating delivery in fewer hubs, enhancing these hubs through capital improvements, and making better use of local and national partnerships, we can still reach similar numbers of people while lowering costs.
- Careful use of sessional workers has given us the capacity to deliver specialist or time-limited projects without overextending core staff. This approach has also helped us manage overheads while ensuring we can bring in the right skills for specific pieces of work.
- Maintaining a varied and engaging programme during a period of organisational change strengthens trust and reinforces Valleys Kids as a dependable presence in the community. While other local services have closed, we have remained a constant in the lives of local people.

VALLEYS KIDS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Valleys Kids' mission is to work with and support people living in disadvantaged communities enabling them to realise their potential. The people we work with are involved in shaping the services we provide. Our centres provide a welcoming atmosphere, are not judgmental and operate open access activities free at the point of access. We offer targeted activities including activities for adults, parenting, youth programmes and provide challenging activities enabling people to explore their lives and see that they have potential, that they can change and improve the quality of their lives and of the communities where they live. We consult with our local people in a variety of ways to ensure that our activities and services meet the needs of the communities. We continually explore diverse ways and methods of working to ensure that we offer the best opportunities to people.

The charity has a trading subsidiary, Valleys Creative Limited, which undertakes all non-charitable trading activity.

Organisational structure

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

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

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

The Board is looking to put in place a three-year strategic plan with the following sections:

- Organisation purpose
- Leadership
- Strategy
- Risk
- Board capability
- Board behaviours
- Board development and support
- Delivery
- Internal control and reporting
- Stakeholder relations

This will be supplemented by an 18-month operational plan to take forward the work.

Equal opportunities

Valleys Kids is committed to the principle and practice of Equal Opportunities. Our activities are open to all, and we take every opportunity to integrate those with disabilities within our everyday work. We aim to be an equal opportunities employer and seek to ensure that all staff receive equal treatment. Policies and procedures are in place for Child Protection, Whistle Blowing and Health and Safety.

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FOR THE YEAR ENDED 31 MARCH 2025

Key management remuneration

Valleys Kids aligns its pay structure with legislative requirements.

Financial Report

This report outlines the current financial challenges facing Valleys Kids and our response to those challenges. It reflects a belief shared by the charity and significant stakeholders that the long-term future of Valleys Kids can be secured through a slimmed down organisation with a smaller but still highly skilled workforce and a more focused property portfolio, together with better business planning and strict financial discipline.

This update is a compressed version of the detailed plan which now underpins our programme of change. It sets out the factors which led to the current position, the journey and actions taken so far, and the plans in place to provide a more secure future. It describes how we intend to transform the financial position of Valleys Kids through combined measures that include:

- reviewing the services it provides.
- increasing income.
- reducing costs (including staffing costs).
- disposing of non-core properties.
- ensuring better financial management at strategic and operational levels.

It does not include information about the history and services we have provided to communities; this story is told very well elsewhere. Similarly, it does not attempt to demonstrate at length the strength of feeling in the community about the valued contribution Valleys Kids has made changing lives. The Covid 19 Impact Report, attendance at a series of public meetings and a petition signed by over 800 people locally in support of Valleys Kids are all testament to the high regard in which the Charity is held.

The plan incorporates advice from an independent financial report provided by FRP Advisory Trading Ltd which sets out options and recommendations that trustees and the Senior Management Team have taken on board as the best approach to resolving the current difficulties. It refers to the Watershed Group which was set up in July 2023 in response to signals that the charity would be facing a financial crisis.

The main purpose of the group is to manage Valleys Kids through the current situation and to devise a plan for navigating the immediate cash shortfall and to prepare/implement actions that will secure the long-term future of the charity. Comprising the Senior Executive Team and various trustees and board members, the Watershed Group meets regularly.

To continue acting as an integral pillar of support for the communities it serves, Valleys Kids needs to change substantially. Securing support from its three main long-term sponsors and other stakeholders in providing short, medium and long long-term finance will be crucial in ensuring that the Transformation Business Plan succeeds. The measures being taken to increase income, dispose of property and reduce costs lead us to conclude that:

- this financial support provided can be serviced.
- we can meet commitments to funders in respect of service provision levels and quality.
- the Charity has a long-term sustainable future.

Valleys Kids Senior Leadership Team and the Trustees/Directors are committed to securing the viability of Valleys Kids by carrying out the actions proposed in this plan and to bringing about change, however difficult the task. In addressing the current challenges, all three key business sponsors and other long-term partners and stakeholders have provided considerable support for our own efforts.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The Current Financial Position

Between 2016-2021, Valleys Kids was able to generate over £2m in income annually (including a significant contribution from funding for capital projects). The years 2022/3 and 2023/4 saw the financial position significantly deteriorate with cumulative deficits of £1m.

Decreases in grant income and inflationary cost increases contributed to the £580k net deficit in FY23/24, during which time cash reserves of £355k were used to support the organisation. During 2024, while the recovery plan was being actioned, running costs of the Charity were supported by a monthly renewable overdraft facility from Unity Bank of £140k.

As part of a "lessons learnt" exercise, the Watershed Group has analysed the factors that led to this deterioration in the financial position.

- **Lack of funding opportunities via traditional funders.** Historically, the charity generated two-thirds of its income independently from grants, commissions, contracts, fundraisers and donations (FY 2022 £1.227 Million FY 2023 £1.228 Million FY 2024 £1.115 Million) and the remaining third from RCT County Borough Council ("the Council"). (FY2022 £518k FY 2023 £195k FY 2024 £183k). However, none of these sources of funding are immune from financial pressures and they have been unable to continue the level of support previously provided.
- **An increase in demand for our services and the impact of Covid.** The pandemic led to a substantial increase in the need for services that Valleys Kids were providing to individuals and the wider community. During that time, considerable access to additional, temporary funding was made available for organisations like ours. However, when the immediate crisis ended, these temporary funds dried up although demand for services remained exceptionally high. Unwilling to deny help to growing numbers of people in need of long-term support, Valleys Kids did not respond quickly enough in adapting to this situation.
- **A lack of robustness in financial reporting.** Our financial systems were not robust enough and auditing processes (internally and externally) were insufficiently rigorous to alert us in a timely enough way to the changing funding environment. The charity was slow in producing accurate and timely data to assist good decision-making.
- **The Transition Programme (2020-2021),** which organised our response to the retirement of the founding senior managers helped us make good progress in tackling organisational shortfalls and introduced a more focused Senior Management Team structure. The focus on transition and dealing with the Covid pandemic, however, meant that less headway was achieved in areas such as income generation, robust financial management, divesting non-core assets and a much-needed change of approach to how we commercialise Social Enterprise elements of the organisation (i.e., Valleys Creative).

The result was a considerable cash flow crisis. As outlined earlier, our response to the immediate funding gap was to secure an overdraft facility with Unity Trust Bank and to set up the Watershed Group tasked with designing and implementing an interim Transition Business plan to resolve the crisis. It was apparent that urgent and tough decisions were required about the levels of service Valleys Kids could provide to the

community, the way we resource the organisation and how we manage our property portfolio. To date, deficits have been funded by:

- opening cash reserves which stood at £355k on 31/03/2023 but have now been fully utilised.
- arranging and using a temporary overdraft facility provided by Unity Bank and approved on a month-by-month basis. as referred to above.
- reducing staff costs by ensuring that only essential attrition is backfilled and introducing a programme of voluntary redundancy/ reduced hours, leading to savings of £407k since 2021.
- giving up the lease on Rhydyfelin Community Centre when funding ceased, leading to an annual saving of £26k and our Dinas base.
- Divesting Properties has generated £1.5m cash injection
- Within the 24-25 financial year £295k was generated through property divestment
- Within the 25-26 financial year £1,136k was generated through property divestment
- In all the property divestment strand of the recovery programme has generated £1.43m

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

These measures were designed to be short-term solutions, but they have given us time to design robust plans for the short-, medium- and long-term sustainability of the charity and to begin implementing a Transformation Business Plan that would bring about substantial change for Valleys Kids.

We recognise the amount of work still needing to be done and we will continue to work closely with stakeholders to maintain strong relationships moving forward.

The Transformation Business Plan

To design and implement the Transformation Business Plan, it was clear that the Watershed Group would need timely and accurate financial information to assist with good planning and decision-making. With the help of the Finance Team at RCTCBC and FRP Advisory Trading, the charity now has a much clearer view of current and future cash flow projections. The engagement of a professional accountant to prepare these reports has been invaluable. The Watershed Group reviews weekly the reports. Provision for the cost of permanent financial expertise support is included in the request for longer-term financial support, as referenced in the Executive Summary.

In addition to achieving timely and accurate reporting, the Transformation Business Plan focused on four main areas that are essential to overcoming the current cash flow challenges and securing the long-term future of the charity: People; Property; Income Generation and Cost Control; Service Provision. There is an action plan for each strand.

People

People are the biggest expense to the charity, with an average monthly cost of £75k from April to September 2023 but falling to £60k post introduction of a compulsory redundancy programme. A full assessment of the people portfolio was undertaken with specific consideration given to the skills needed for a future streamlined and effective organisation. Various steps were introduced to reduce staff costs. These included:

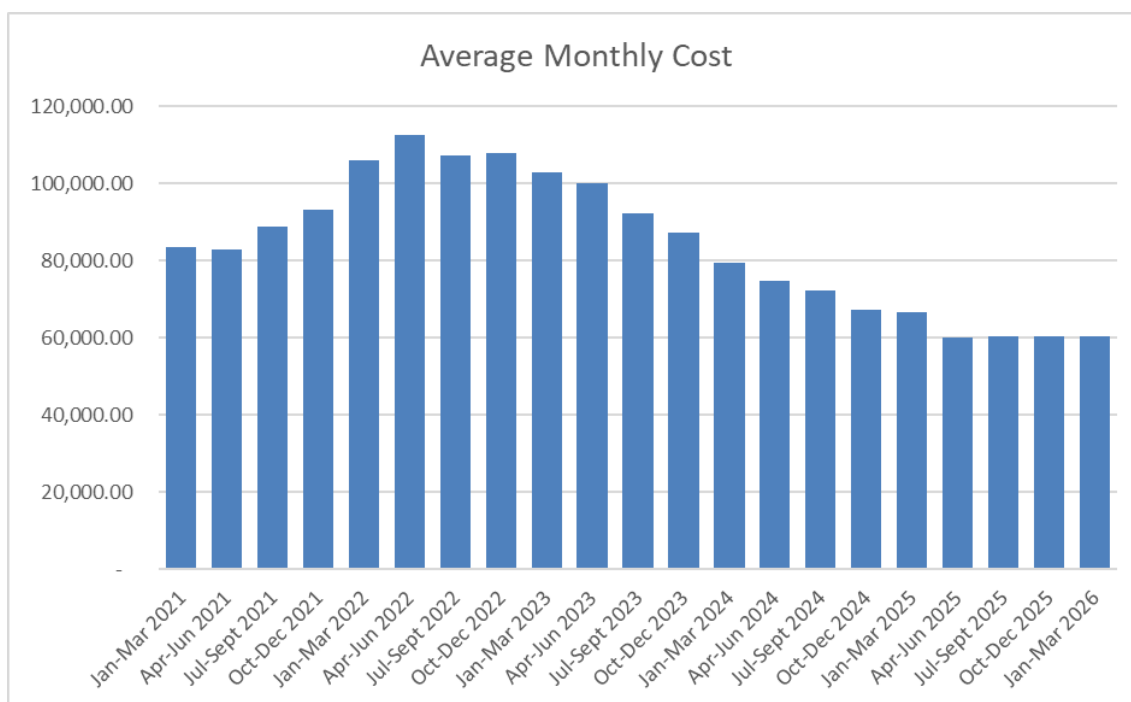
- A policy of only backfilling crucial roles or funded roles was introduced in 2021- **Total savings to date £370k.**
- A voluntary Redundancy Programme in Q4/2023 - Total annual savings £63k.
- A voluntary reduced hours programme in Q4/2023 - Total annual savings £18k.

Further savings have been realised through a voluntary and compulsory Redundancy Programme in Q1/2025 – Total annual savings £72k.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The table below demonstrates the fall in staff costs because of measures taken since January 2021.



Comments:

Wages peaked in 1st half 2022 at
£112,000 monthly average*

Dinas, Future Families, Parenting support and Sparc projects
are main drivers of increase

Wages have been steadily reducing since Jan 2023 through natural wastage
and voluntary redundancies

Total wages reduction has been £56,000 average per month, or a reduction to half of what it
was in 1st half of 2022.

*Monthly averages have been used per quarter as wages fluctuate month on month due to 4 week v 5 week
months, overtime etc

Graph does not include Fundraising new hire(s)

Year on year savings realised through the reduction programme

2022-23	15,084.63
2023-24	157,320.75
2024-25	127,631.96
2025-26	111,373.74
	411,411.08

*Monthly averages have been used per quarter as wages fluctuate month on month due to 4 week v 5 week
months, overtime etc.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

Property

A Property Sub-Group was established to assess the current property portfolio and identify which properties were deemed core to the service provision of Valleys Kids. A plan was then drawn up for the disposal of all non-core properties.

Part of the advice given by FRP Advisory Trading was to divest all non-core assets in the property portfolio. In effect, the charity was asset rich but cash lean. In February 2024, it was identified that four of the seven properties could be put on the market without a detrimental impact on the provision of services. Valleys Kids has sold three of these (Bute St, Tylacelyn Rd and the Library, bringing a net cash injection of £282k this financial year). The sale of Cross Street In June 2025 contributed a further cash injection of circa £140k.

Little Bryn Gwyn was sold for £1m in August 2025. This has enabled Valleys Kids to clear the business loan and overdraft facilities and generate operational savings of £100k between operating costs and financing of debt.

In January 2024, the lease on Rhydyfelin Community Centre was terminated early, saving £26k p.a. in rental and servicing costs.

Income Generation and Cost Control

Historically, Valleys Kids has been highly successful in its fund-raising efforts, with over £1m secured in 2023. However, because of the factors referred to earlier in this report, it has become evident that a new approach is needed to generate sufficient income and control costs effectively. The way we manage, spend, co-ordinate and approve grant and funding applications are all in the process of change. We have focused on securing longer term grant funding, which, while the grant funding for 24-25 has reduced compared to budget, has secured over £1 million in grant funding over the next three years.

In addition to the appointment of a Financial Controller referred to previously in this section of the report, we have recently secured £100,000 of unrestricted investment from Waterloo Foundation towards core costs, including an income generation function to identify, apply for and secure investment from independent, private, public and other funding bodies.

As the competition for limited funds is becoming tougher, marketing and evidence of positive outcomes are becoming increasingly important. How we sell the ambition of Valleys Kids and the impact it has on individuals and communities are critical factors in securing funds.

Valleys Kids has fostered a good working relationship with Manchester Business School which for the past three years has conducted annually a Not-for-Profit project on our behalf. In Q4 of last calendar year, they delivered a marketing strategy and specifically make recommendations about to whom who we should be applying for funds and how we should conduct this programme. This service comes free of charge but is estimated to be worth £10k- £100k in consultancy fees. This year they are reporting on commercial opportunities for the Factory.

Valleys Kids is nearly two years into a three-year budget recovery plan.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

Valleys Kids

Forecast Income and Expenditure

INCOME

Category	Current Year	
	25-26	26-27
Grant Income	554,588	652,062
Sales Receipts	41,863	33,141
Donations	25,762	40,000
Rental / VH Income	98,048	103,719
Valleys Creative	157,700	180,147
Miscellaneous	433	-
Interest Earned	437	-
Additional Income generation	-	100,000
Property	1,136,968	450,000
Loan Drawdown	100,000	50,000
	2,115,801	1,609,069

OVERHEADS

Category		
	25-26	26-27
Property	575,250	215,232
Supplies & Services	29,771	30,573
Project Costs	145,798	92,000
External Support	25,680	35,999
Training	1,392	2,000
People / staffing	757,794	713,551
Servicing Debt	441,186	170,489
Capital Projects	484	23,750
	1,977,355	1,283,594

Cash Position

	25-26	26-27
Opening Cash in bank	(124,157)	6,704
Cashflow	138,446	325,475
Balance sheet movement	(7,585)	-
Cash at end of Year	6,704	332,179

Service Provision

The Service Redesign strand looks at areas for which there is confirmed funding. It assesses where and how the services we provide the community needs to change in adapting to a new environment which initially involves lower staffing numbers, less funding and fewer properties. The action plan considers how we can best protect services delivered to the community, how we can maximise the contribution from our very skilled complement of staff and from volunteers.

While the transformation business plan was evolving, a new management structure was put in place that included posts of Chief Executive Officer, Chief Operating Officer and two further Director posts which has helped to clarify designated areas of responsibility.

The following information has been put together to support the future forecasting and demonstrate the shift in income generation needed going forward. Forecasting has been undertaken for a 3-5 year period and realistic, optimistic and pessimistic scenarios have been developed.

VALLEYS KIDS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Valleys Kids

Forecast Notes

Notes to assist with the interpretation of the financial forecasts

General Assumptions

Foremost the forecast is a cashflow forecast, as such the working assumption is that all income and expenditure is on a cash basis. There is no attempt to adjust for timing between Commitment of expenditure and payment.

As such, while there are balance sheet movements built in these are to accommodate timing and to reconcile the forecast with the financial statements which include non cash items such as provisions and depreciation.

Forecast Growth

Valleys Kids is going through a transformation in structure and operations. The organisation has successfully downsized the property portfolio and reduced the workforce to a level needed to deliver the services and impact at a sustainable level

"The forecast is deliberately modest in terms of projected increases in income as it is better to take small steps and succeed.

Also steady moderate growth is desirable. If the organisations forecast growth were too rapid there would be a danger that potential funders may perceive their funding as building reserves rather than delivering outcomes."

"The business as usual is based on historical performance, with costs more closely aligned to the grant delivery commitments than has previously been the case.

Additionally there is a 10% across the board reduction in forecast income to stress the targets and determine the outcomes if income generation falls short of target. This is reflected in the forecast cash position."

The early drawdown of the loan tranches will help to facilitate a cash positive year end position, which is important when applying to grant funders as this is a key metric alongside Valleys Kids proven ability to deliver on project outcomes.

Target Rental / VH Income

Venue hire targets

Based on 50% Utilisation and charity published rates potential income of	£	79,800
Existing forecast income from remaining properties	£	33,677
Therefore there is a potential increase in income of	£	46,123

However - need to monitor and understand the current internal use as well as potential external hire to ascertain the true potential increase in income.

Have suggested using a booking system to monitor use and control room hire as well as automate the charging of external room hire

As Valleys Creative is currently using a booking system it makes sense to use this for Valleys Kids also as there is familiarity and confidence in how it works.

	Current	Optimistic	Pessimistic
The Annual forecast is therefore downgraded from the potential above to:	38,588	46,305	19,294
		20%	-50%
Potential property income therefore	£ 72,265	£ 79,982	£ 52,971

Revenue recognition

For each site, where Rent / Venue hire is greater that the original budget for 25-26 this will be shown as target rental / venue hire income. This will help to demonstrate and recognise where gains have been achieved.

VALLEYS KIDS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Service Redesign

Incremental increase in chargeable services. Mainly utilising current Family Team expertise and staff capacity alongside existing services

Current	Optimistic	Pessimistic
10,000	12,000	8,000
	20%	-20%

Service redesign also covers redefining how existing and future services are delivered. This is explored in the operational plan and is expected to be cost neutral.

Income Generation

Increase in Fundraising and Donations through fundraising initiatives and Business development opportunities.

Fundraising team comprising of existing Grant Officer plus Fundraiser(s)

The existing grant officer is included in existing operational budget

	Current	Optimistic	Pessimistic
Projected additional Income	100,000	120,000	80,000
Incremental costs	(36,720)	(36,720)	(36,720)
£	63,280	£ 83,280	£ 43,280
No of People	1.00	1.00	1.00

It is anticipated that the additional income generating resources will also increase grant fund raising and reporting capacity.

The current grant funding landscape is such that grants are more difficult to obtain, more targeted, and will require increased reporting to funders. Therefore will require additional resource in order to maintain the grant funding target.

It is also recognised that income generation is perhaps the most challenging operational change for Valleys Kids, therefore the additional income projections have been deliberately modest.

(The transformation Plan initially targeted £272,000 of income generation)

Income generation initiatives already budgeted @ Feb 2025 (Included in the operational budget)

	26-27	27-28 and onwards
Donations		
Increase in donations across the organisation	14,238	+ 10% YoY
Valleys Creative		
Increase profitability and therefore donation to Valleys Kids	22,447	+ 5% YoY

Operational Costs

Divestment of properties and the redundancy programme has resulted in a steady reduction in operating costs:

26-27 Monthly operating cost (Not including new initiatives above)	103,333	+ 2% YoY
24-25 Average	107,000	
25-26 Average	97,000	

Savings compared to 24-25	44,000	per year
Savings compared to 25-26	(76,000)	per year

	Current	Optimistic	Pessimistic
Combined effect of Income Generation initiatives and cost savings	72,552	102,270	31,258

Conclusion

It is evident that Valleys Kids needs to change substantially if we are to continue to act as an integral pillar of support for the communities we serve.

The measures being taken to increase income, dispose of property and reduce costs lead us conclude that:

- this financial support can be serviced,
- we can meet commitments to funders in respect of service provision levels and quality;
- the Charity has a long-term sustainable future.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

Investing in key new roles to drive the Plan forward is critical to success but it is essential also that the considerable talent we have within Valleys Kids is kept and nurtured. This means maintaining an environment which is open, supportive and entrepreneurial and where staff and volunteers are highly motivated and feel happy and valued. Also critical is retaining a transparent and close working relationship with all stakeholders, particularly RCT CBC, Unity Bank and the WCVA.

The Valleys Kids Senior Leadership Team and the Trustees/Directors are committed to securing the long-term future of Valleys Kids by carrying out the actions proposed in this plan and to bringing about necessary change, however challenging.

Where we are now

So Far

Withdrawal of RCT contract has left a significant budget shortfall operationally this combined with other factors, such as the grant funding landscape generally is far more challenging, has had a negative impact on the organisation.

As a result, VK has utilised £1.5million of reserves since 2022 in an attempt to maintain services VK has divested properties worth £1.3million and is currently debt free. However, the organisation is still not in a secure position

Transformation plan

People:

Voluntary then compulsory redundancies have reduced the workforce significantly. We ask ourselves is it enough? Are the right people in the right places? (The skills matrix we have developed and capacity planning will help to highlight gaps and any spare capacity).

Properties:

Valleys Kids has divested relatively easy to sell properties that have been surplus to core requirements The remaining properties are more difficult to divest.

Divesting them may not necessarily be a good idea as remaining properties:

Have a significant income potential

Are occupied by Valleys Kids

Are used for service delivery and by the local community

We must also remember property divestment is not income generation; it is liquidating reserves thereby reducing reserves on the balance sheet.

Income Generation:

Grant Funding: there is a big gap compared to historically. Focus has been on securing longer term grant funded projects. Grant funding ALWAYS comes with performance requirements. These performance requirements, service delivery plans and reporting all require capacity. The current forecast expectation is £700k (vs £900k+ in previous forecasts).

It is useful to remember **unrestricted income** can be used for whatever legal purpose the charity decides. Therefore, is a very desirable income to have.

The target for **donations** is currently minimal @ £20k. Suggested target of 10% of income £100K

Property Income: is there significant potential for growth in property income as currently properties are under utilised.

Chargeable services:

The Family Team have sold services e.g. Trauma Informed Training. Is there scope to do more? We need to identify and pursue chargeable services. This should not be to the detriment of committed grant funded activity. It requires spare or additional capacity to be factored in.

VALLEYS KIDS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Where to next?

We still have a long way to go to reach sustainability.

Therefore, in the short term VK will be still reliant on Loans and/or Overdraft facility to maintain liquidity..

The organisation recognises that achieving long-term financial sustainability remains a significant challenge. The recently approved WCVA loan of £150,000 (approved on 28 January 2026) provides essential short-term liquidity and allows time for the organisation to implement its strategic plans to strengthen income generation. The loan includes a one-year repayment holiday, followed by repayments over a five-year period, or earlier should the property securing the loan be sold.

Following the sale of Little Bryn Gwyn, the organisation is required to repay £178,000 of VAT apportionment to HMRC. Discussions with HMRC are ongoing to agree an appropriate repayment approach.

While the WCVA loan offers much-needed stability, the organisation remains reliant on it in the short term. Continued progress on delivering the income-generation strategy, alongside careful financial management, will be essential to securing future sustainability.

Further contingency measures have been considered.

We still have a long way to go to reach sustainability

Need to build income generating capability to fill the gap

The organisation recognises the need to strengthen its income-generating capacity to address funding gaps and ensure long-term sustainability. Close monitoring is required to ensure that expenditure on service delivery remains aligned with income from grant funders, and particular care must be taken to ensure that all funded activity is fully cost-recovered.

The recent redundancy programme has reduced staffing costs, but ongoing review is needed to ensure the organisation has the right skills and capacity to move forward. Additional capability is required in fundraising, income generation, financial management and facilities management, and work is underway to recruit these skills while also exploring whether existing staff can be redeployed into critical roles.

The Board has undertaken comprehensive contingency planning, including the development of a "worst-case" roadmap that covers a range of potential scenarios such as a managed voluntary wind-down or forced closure. This planning includes assessment of borrowing options, with early research identifying a potential alternative lender if required. The possible sale of further capital assets has also been considered, supported by appropriate legal and financial advice.

In parallel, the organisation has explored alternative operating models should restructuring become necessary. This includes assessment of continuing service delivery, completing existing grant-funded commitments, and managing associated staffing implications. Options considered include the potential separation of the social enterprise and, where appropriate, exploring opportunities for merger with a like-minded charity.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The risks

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

Reserves policy

The trustees believe it is necessary to maintain reserve funds to ensure that the charity is able to meet ongoing commitments. At the 31 March 2025 total funds amounted to £2,767,574. The unrestricted funds were £2,666,334 and the free reserves after excluding fixed assets and associated loans were (£334,663). The trustees intend to gradually increase reserves to meet the trustees' policy of having sufficient funding to cover up to three months operating costs, which is approximately £300,000

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03717865 (England and Wales)

Registered Charity number

1074840

Registered office

The Factory
Jenkin Street
Porth
Rhondda Cynon Taff
CF39 9PP

Trustees

(Chair) Philip Evans
(Vice Chair) Ceri Assiratti
(Treasurer) Marian Stokes
Rebecca Booth
Nadine Hussein
Howell Edwards (stepping down AGM 2026)
Lyn Evans
Rhiannon Howells
Jason Camilleri

Executive team

Elise Stewart
Kath Edwards
Miranda Ballin
Debra Jones

Auditors

Bevan Buckland LLP (Statutory Auditors)
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Solicitors

Darwin Gray Solicitors,
Helmont House
Churchill Way
Cardiff CF10 2HE

Bank

Unity Trust Bank PLC 4 Brindley place
Birmingham
B1 2JB

Barclays Bank UK PLC 1 Churchill Place London
E14 5HP

VALLEYS KIDS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping 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.

AUDITORS

The auditors, Bevan Buckland LLP (Statutory Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30 January 2026..... and signed on the board's behalf by:



.....
P Evans - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of the disclosure in Note 2 of the financial statements concerning the group's ability to continue as a going concern.

As disclosed in Note 2, the Group has incurred significant operating losses during the period and is forecasting further losses for the remainder of the current financial year and the year ending 31 March 2027. Although the Group has secured a £150,000 WCVA loan facility on 28 January 2026 to support short-term liquidity, the Group remains dependent on the successful implementation of its revised operating structure and the realisation of assets to generate additional cash.

These conditions, along with the other matters set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Other matters

The financial statements of the group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 21 February 2025.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the Group and parent Charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following: reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the operational rationale of any significant transactions that are unusual or outside the normal course of operations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Use of our report

This report is made solely to the Group and parent 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.



Llinos Williams (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP (Statutory Auditors)
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 30 January 2026

VALLEYS KIDS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	167,453	-	167,453	314,366
Charitable activities	6				
Community Projects		171,850	-	171,850	-
Community Support		223,250	491,457	714,707	854,183
Other trading activities	4	257,716	-	257,716	134,451
Investment income	5	43,236	-	43,236	53,832
Other income		5,033	-	5,033	1,495
Property revaluation gain		-	-	-	171,933
Total		<u>868,538</u>	<u>491,457</u>	<u>1,359,995</u>	<u>1,530,260</u>
EXPENDITURE ON					
Raising funds	7	92,369	-	92,369	106,101
Charitable activities	8				
Community Support		<u>1,034,369</u>	<u>513,076</u>	<u>1,547,445</u>	<u>1,798,211</u>
Total		<u>1,126,738</u>	<u>513,076</u>	<u>1,639,847</u>	<u>1,904,312</u>
NET INCOME/(EXPENDITURE)		(258,200)	(21,619)	(279,819)	(374,052)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,924,534</u>	<u>122,859</u>	<u>3,047,393</u>	<u>3,421,445</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,666,334</u></u>	<u><u>101,240</u></u>	<u><u>2,767,574</u></u>	<u><u>3,047,393</u></u>

The notes form part of these financial statements

VALLEYS KIDS
CONSOLIDATED BALANCE SHEET
31 MARCH 2025

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	16	3,417,310	-	3,417,310	3,704,625
CURRENT ASSETS					
Stock		1,916	-	1,916	1,916
Debtors	17	18,366	-	18,366	41,620
Cash at bank and in hand		<u>(71,404)</u>	<u>101,240</u>	<u>29,836</u>	<u>93,536</u>
		(51,122)	101,240	50,118	137,072
CREDITORS					
Amounts falling due within one year	18	<u>(272,526)</u>	-	<u>(272,526)</u>	<u>(342,866)</u>
NET CURRENT LIABILITIES		<u>(323,648)</u>	<u>101,240</u>	<u>(222,408)</u>	<u>(205,794)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,093,662	101,240	3,194,902	3,498,831
CREDITORS					
Amounts falling due after more than one year	19	<u>(427,328)</u>	-	<u>(427,328)</u>	<u>(451,438)</u>
NET ASSETS		<u>2,666,334</u>	<u>101,240</u>	<u>2,767,574</u>	<u>3,047,393</u>
FUNDS	22				
Unrestricted funds				2,666,334	2,924,534
Restricted funds				<u>101,240</u>	<u>122,859</u>
TOTAL FUNDS				<u>2,767,574</u>	<u>3,047,393</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 January 2026 and were signed on its behalf by:



P Evans - Trustee

VALLEYS KIDS
CHARITY BALANCE SHEET
31 MARCH 2025

	Notes	Unrestricted fund £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	16	3,403,988	-	3,403,988	3,645,978
CURRENT ASSETS					
Debtors	17	17,242	-	17,424	116,680
Cash at bank and in hand		<u>(98,127)</u>	<u>101,240</u>	<u>3,113</u>	<u>57,758</u>
		(80,885)	101,240	20,537	174,438
CREDITORS					
Amounts falling due within one year	18	<u>(235,734)</u>	-	<u>(235,734)</u>	<u>(323,399)</u>
NET CURRENT ASSETS		<u>(316,619)</u>	<u>101,240</u>	<u>(215,379)</u>	<u>(148,961)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,087,369	101,240	3,188,609	3,497,017
CREDITORS					
Amounts falling due after more than one year	19	<u>(424,349)</u>	-	<u>(424,349)</u>	<u>(447,705)</u>
NET ASSETS		<u>2,663,020</u>	<u>101,240</u>	<u>2,764,240</u>	<u>3,049,312</u>
FUNDS					
Unrestricted funds				2,663,020	2,926,453
Restricted funds				<u>101,240</u>	<u>122,859</u>
TOTAL FUNDS				<u>2,764,020</u>	<u>3,049,312</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 January 2026 and were signed on its behalf by:



P Evans - Trustee

VALLEYS KIDS

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	(88,634)	(333,080)
Interest paid		<u>(49,051)</u>	<u>(35,076)</u>
Net cash used in operating activities		<u>(137,685)</u>	<u>(368,156)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,235)	(7,322)
Sale of tangible fixed assets		109,167	1,499
Interest received		<u>213</u>	<u>464</u>
Net cash provided by/(used in) investing activities		<u>102,145</u>	<u>(5,359)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(21,902)</u>	<u>(17,766)</u>
Net cash used in financing activities		<u>(21,902)</u>	<u>(17,766)</u>
Change in cash and cash equivalents in the reporting period		(57,442)	(391,281)
Cash and cash equivalents at the beginning of the reporting period	2	<u>(35,576)</u>	<u>355,705</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>(93,015)</u></u>	<u><u>(35,576)</u></u>

The notes form part of these financial statements

VALLEYS KIDS

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(279,822)	(374,052)
Adjustments for:		
Depreciation charges	144,322	129,784
(Profit)/loss on disposal of fixed assets	41,061	2,167
Interest received	(213)	(464)
Interest paid	49,051	35,076
Property revaluation gain	-	(171,933)
Decrease in debtors	26,067	7,286
(Decrease)/increase in creditors	(69,100)	39,099
(Decrease)/Increase in stock	<u> </u>	<u>(43)</u>
Net cash used in operations	<u>(88,634)</u>	<u>(395,427)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash at bank and in hand	29,836	93,536
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(122,851)</u>	<u>(129,112)</u>
Total cash and cash equivalents	<u>(93,015)</u>	<u>(35,576)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	93,536	(63,700)	29,836
Bank overdraft	<u>(129,112)</u>	<u>6,261</u>	<u>(122,851)</u>
	<u>(35,576)</u>	<u>(57,439)</u>	<u>(93,015)</u>
Debt			
Debts falling due within 1 year	(21,906)	14,546	(7,360)
Debts falling due after 1 year	<u>(447,705)</u>	<u>20,377</u>	<u>(427,328)</u>
	<u>(469,611)</u>	<u>34,923</u>	<u>(434,688)</u>
Total	<u>(505,187)</u>	<u>(22,516)</u>	<u>(527,703)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. STATUTORY INFORMATION

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

Valley Creative Limited is a 100% owned subsidiary of Valleys Kids. It is a company incorporated in Wales within the United Kingdom. The registered office is the same as the parent company. The nature of the operations is that of providing recreational, educational and wellbeing facilities for the public at large and in particular people in need.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', 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.

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 2019)' 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. There have been no material departures from Financial Reporting Standard 102.

Going concern

The trustees have assessed the Group's ability to continue as a going concern. In view of the challenging financial circumstances currently faced, a detailed review has been undertaken. This assessment has taken into account the Group's current and potential income streams, ongoing and planned cost reduction measures, and the extent to which assets could be realised to generate cash.

For the nine month period ended 31 December 2025, the Group reported an operating loss of £140,000. In addition, one off costs of £371,000 were incurred in connection with the sale of the property at Little Bryn Gwyn. As a result, the total loss reported for the period amounted to £512,000. For the remaining three months of the financial year ending 31 March 2026, the Group is projecting a loss of £90,212. For the financial year ending 31 March 2027, the group is forecasting a loss of £66,854.

From a cash flow perspective, a WCVA loan facility of £150,000 has been secured on 28th January 2026. This facility is expected to provide short term liquidity while the Group stabilises under its revised operating structure. The loan will be repayable over a five year period, or earlier on the sale of a property over which the loan is secured upon.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

NOTES TO THE FINANCIAL STATEMENTS - continued

2. ACCOUNTING POLICIES - continued

The sale of this property, which is anticipated to take place during the financial year ending 31 March 2027, is expected to generate sufficient proceeds to repay the loan and to improve the Group's overall financial position. Furthermore, the cessation of operating the property at a loss, together with the associated cost savings, is expected to result in a reduced cost base going forward.

Notwithstanding these plans, the group remains dependent in the short term on securing the proposed loan facility in order to meet its ongoing obligations. The trustees consider that the successful sale of the property will enable the repayment of the loan and support the group's longer term financial sustainability.

The forecasts prepared by the Trustees indicate a deficit of approximately £66,854 for the year ending 31 March 2027. These projections are based on the Charity's strategic commitment to investing in enhanced fundraising capacity in order to develop a more sustainable income base. The anticipated growth in income reflects the expected return on this investment and incorporates targets that have been set following a careful assessment of the group's income-generation strategy. These targets have been established prudently, with the intention of progressively restoring historical income levels, taking into account the current grant-funding environment and the additional resources required to support expanded income-generating activity.

Consolidation

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

Critical accounting judgements and key sources of estimation uncertainty

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

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

Depreciation

Depreciation is based upon the useful economic life of the asset which has been estimated by the charity based upon knowledge of the assets. The manual nature of this estimate makes it a risk!

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.

Donation and legacies income

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

Investment income

Investment income is recognised on a receivable basis. 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.

Charitable activities

Community support income is recognised when the respective activities occur.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Expenditure

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

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

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit and accountancy fee.

Tangible fixed assets

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

Freehold property	2% straight line
Plant and machinery	20% on cost

Taxation

The charity members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Financial instruments

The Charity has chosen to adopt FRS 102, Section 11: Basic Financial Instruments and Section 12: Other Financial Instruments Issues of FRS 102 in respect of financial instruments.

All financial assets and liabilities are initially measured at transaction price, including transaction costs, except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (at transaction price excluding transaction costs) unless the arrangement constitutes a financing transaction.

Financial assets and financial liabilities are only offset in the Group balance sheet when, and only when, there is a legally enforceable right to set off the recognised amounts and the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments (other than those repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently amortised using the effective interest method.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	12,452	62,790
Grants	<u>155,000</u>	<u>251,576</u>
	<u>167,453</u>	<u>314,366</u>

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

	2025	2024
	£	£
The Tudor Trust	-	48,000
Garefield Weston Fund	45,000	45,000
The Hodge Foundation	35,000	60,000
The Waterloo Foundation	50,000	50,000
Leathersellers Foundation	25,000	25,000
Janet and Peter Swinburn Fund- CAF America	-	23,576
	<u>155,000</u>	<u>251,576</u>

4. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Retail income	2,728	12,132
Income from Valleys Creative Limited	<u>254,988</u>	<u>122,319</u>
	<u>257,716</u>	<u>134,451</u>

5. INVESTMENT INCOME

	2025	2024
	£	£
Rents received	43,023	53,368
Deposit account interest	<u>213</u>	<u>464</u>
	<u>43,236</u>	<u>53,832</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

6. INCOME FROM CHARITABLE ACTIVITIES

		2025 £	2024 £
Gain on sale of tangible fixed assets	Activity Community Projects	171,850	-
Community activities	Community Support	166,077	212,234
Grants	Community Support	491,457	452,875
Party and play	Community Support	-	118,334
Hire income	Community Support	57,173	70,740
		<u>886,577</u>	<u>854,183</u>

6. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2025 £	2024 £
Voluntary Action Merthyr Tydfil - Regional Integration Fund	21,480	45,120
Interlink RCT	14,146	7,831
Arts Council of Wales	216,420	179,748
National Lottery	19,773	-
The National Lottery Heritage Fund	96,360	120,045
Penygraig Community Project	17,523	-
RCTCBC - Community Dementia Prevention Programme	-	1,899
National Lottery Community Fund	-	9,509
CWVYS	-	9,500
The Neighbourly Food Grant	-	5,500
Save the Children	5,000	7,000
Arts & Business Cymru	-	2,492
RCTCBC - Community Micro Grant	900	1,000
RCTCBC - Winter Hardship Fund	2,000	2,000
RCTCBC - Energy Costs Grant	-	2,700
RCTCBC - Fun, Food & Friends	-	15,615
RCTCBC - Neighbourhood Network Fund	-	1,000
National Grid Electricity Distribution - Warm Place Energy Club	-	9,814
RCTCBC - Food Support Fund	-	1,000
Children in Need	-	29,935
Peny Y Cymoedd Community Fund	22,749	1,167
Trust colwinston	20,000	-
Penyreglyn Hub	26,000	-
NGED Community matters	3,746	-
Together Stronger	<u>25,360</u>	<u>-</u>
	<u>491,457</u>	<u>452,875</u>

7. RAISING FUNDS

Raising donations and legacies

	2025 £	2024 £
Staff costs	10,806	27,190
Premises costs	12,179	10,699
Trading subsidiary costs	<u>69,384</u>	<u>68,212</u>
	<u>92,369</u>	<u>106,101</u>

VALLEYS KIDS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Community Support	<u>1,219,345</u>	<u>328,100</u>	<u>1,547,445</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025 £	2024 £
Staff costs	666,046	857,963
Travel	9,216	17,010
Staff training	1,083	1,031
Telephone and postage	2,182	2,094
Printing and stationery	1,034	1,569
Activities	196,519	219,184
Premises costs	179,232	219,896
Depreciation	122,972	103,584
Loss on sale of assets	<u>41,061</u>	<u>2,167</u>
	<u>1,219,345</u>	<u>1,424,498</u>

10. SUPPORT COSTS

	Management £	Finance £	Other £	Support costs £	Totals £
Community Support	<u>165,230</u>	<u>46,122</u>	<u>104,983</u>	<u>11,765</u>	<u>328,100</u>

11. NET INCOME/(EXPENDITURE)

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

	2025 £	2024 £
Auditors' remuneration	8,075	17,057
Auditors' remuneration for non audit work	2,690	3,299
Depreciation - owned assets	140,058	129,486
Surplus/(deficit) on disposal of fixed assets	(171,850)	2,167
Property revaluation gain	<u>-</u>	<u>(171,933)</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025, nor for the year ended 31 March 2024.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

13. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	774,112	973,315
Social security costs	51,054	68,181
Other pension costs	<u>13,509</u>	<u>17,926</u>
	<u>838,675</u>	<u>1,059,422</u>

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

	2025	2024
	<u>44</u>	<u>46</u>
Employees		

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

The total key management personnel remuneration benefits paid during the year was £162,165 (2024 £106,101).

Included within staff costs are termination payments of £38,507 (2024 £14,564).

14. RESULTS OF THE PARENT CHARITABLE COMPANY

No separate statement of financial activities has been included for the parent charitable company.

The income of the parent charitable company was £1,225,729 and net expenditure was £285,052.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

15. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	147,790	166,576	314,366
Charitable activities			
Community Support	392,680	461,503	854,183
Other trading activities	134,451	-	134,451
Investment income	53,832	-	53,832
Other income	1,495	-	1,495
Property revaluation gain	<u>171,933</u>	<u>-</u>	<u>171,933</u>
Total	<u>902,181</u>	<u>628,079</u>	<u>1,530,260</u>
EXPENDITURE ON			
Raising funds	106,101	-	106,101
Charitable activities			
Community Support	<u>1,178,327</u>	<u>619,884</u>	<u>1,798,211</u>
Total	<u>1,284,428</u>	<u>619,884</u>	<u>1,641,982</u>
NET INCOME/(EXPENDITURE)	(382,247)	8,195	(353,535)
Transfers between funds	<u>82,703</u>	<u>(82,703)</u>	<u>-</u>
Net movement in funds	(299,544)	(74,508)	(374,052)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>3,224,078</u>	<u>197,367</u>	<u>3,421,445</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,924,534</u>	<u>122,859</u>	<u>3,047,393</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

16. TANGIBLE FIXED ASSETS - GROUP

	Freehold property £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 April 2024	5,354,314	180,028	5,534,542
Additions	7,235	7,235	7,235
Disposals	(217,583)	-	(217,583)
At 31 March 2025	<u>5,136,731</u>	<u>187,463</u>	<u>5,324,194</u>
DEPRECIATION			
At 1 April 2024	1,708,108	121,809	1,829,917
Charge for year	119,641	24,681	144,322
Eliminated on disposal	(67,355)	-	(67,355)
At 31 March 2025	<u>1,760,394</u>	<u>146,490</u>	<u>1,906,884</u>
NET BOOK VALUE			
At 31 March 2025	<u>3,376,337</u>	<u>40,973</u>	<u>3,417,310</u>
At 31 March 2024	<u>3,646,206</u>	<u>58,419</u>	<u>3,704,625</u>

16. TANGIBLE FIXED ASSETS – CHARITY

	Freehold property £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 April 2024	5,307,655	262,994	5,570,649
Additions	-	7,235	7,235
Disposals	(170,924)	-	(170,924)
At 31 March 2025	<u>5,136,731</u>	<u>270,229</u>	<u>5,406,960</u>
DEPRECIATION			
At 1 April 2024	1,703,443	221,228	1,924,671
Charge for year	118,708	21,350	140,058
Eliminated on disposal	(61,757)	-	(61,757)
At 31 March 2025	<u>1,760,394</u>	<u>242,578</u>	<u>2,002,972</u>
NET BOOK VALUE			
At 31 March 2025	<u>3,376,337</u>	<u>27,651</u>	<u>3,403,988</u>
At 31 March 2024	<u>3,604,212</u>	<u>41,766</u>	<u>3,645,978</u>

VALLEYS KIDS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	13,191	26,941	13,191	26,941
Amounts owed by group undertakings	-	-	-	76,973
Other debtors	2,044	980	920	980
Prepayments and accrued income	3,131	13,699	3,131	11,786
	<u>18,366</u>	<u>41,620</u>	<u>17,242</u>	<u>116,680</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts (see note 20)	139,999	144,952	139,999	144,952
Other loans (see note 20)	6,212	6,066	6,212	6,066
Trade creditors	47,499	46,294	39,806	41,207
Social security and other taxes	25,642	32,318	25,642	32,318
Other creditors	30,913	22,688	12,500	19,079
VAT	10,736	9,677	-	-
Accruals and deferred income	11,575	80,871	11,575	79,777
	<u>272,526</u>	<u>342,866</u>	<u>235,734</u>	<u>323,399</u>

Included within deferred income above is the following:

	2025	2024
	£	£
The Hodge Foundation		35,000
Little Bryn Gwyn – Hire Income	1,586	10,700
RCTCBC – Capital Grant		933
	<u>1,586</u>	<u>46,633</u>

The deferred income relates to income received in advance of the project delivery.

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

	GROUP		CHARITY	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts (see note 20)	405,313	438,776	405,313	422,461
Other loans (see note 20)	19,036	31,309	19,036	25,244
Accruals and deferred income	2,979	3,733	-	-
	<u>427,328</u>	<u>451,438</u>	<u>424,349</u>	<u>447,705</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

20. LOANS

An analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year on demand:		
Bank overdrafts	122,851	129,112
Bank loans	17,148	15,840
Other loans	<u>6,212</u>	<u>6,066</u>
	<u>146,211</u>	<u>151,018</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	19,995	17,148
Other loans - 1-2 years	<u>3,714</u>	<u>6,212</u>
	<u>23,709</u>	<u>23,360</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	70,335	64,979
Other loans - 2-5 years	<u>5,028</u>	<u>8,746</u>
	<u>75,363</u>	<u>73,725</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	314,983	340,334
Other loans more 5yrs instal	<u>10,294</u>	<u>10,286</u>
	<u>325,277</u>	<u>350,620</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2025 £	2024 £
Bank loans	<u>422,461</u>	<u>438,301</u>

The bank loan is secured by:

- A First Legal Charge over the Property known as The Pop Factory, Porth, Rhondda Cynon Taff
- A Second Legal Charge over the property known as Little Bryn Gwyn, Gower, Swansea
- A Deed of priority to be made between Unity and the Welsh Ministers for £502,000.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	2,924,534	(258,200)	(2,395,332)	271,002
Fixed Asset - Designated fund	-	-	2,395,332	2,395,332
	2,924,534	(258,203)	-	2,666,334
Restricted funds				
General	25,725	(25,725)	-	-
Arts	2,637	(2,637)	-	-
Valleys Voices	94,497	(1,500)	-	92,997
Colwinston Trust	-	8,243	-	8,243
	122,859	(21,619)	-	101,240
TOTAL FUNDS	<u>3,047,393</u>	<u>(279,819)</u>	<u>-</u>	<u>2,767,574</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	868,538	(1,126,738)	(258,200)
Restricted funds			
InterlinkRCT	14,146	(14,146)	-
General	6,646	(32,371)	(25,725)
Arts	216,420	(219,057)	(2,637)
Valleys Voices	96,360	(97,860)	(1,500)
Regional Intergration fund	21,480	(21,480)	-
National Lottery	19,773	(19,773)	-
Penygraig fund	17,523	(17,523)	-
Colwinston Trust	20,000	(11,757)	8,243
Children in need	22,749	(22,749)	-
Pen-Y-Cymoedd Community	26,000	(26,000)	-
Save the Children	5,000	(5,000)	-
Together Stronger	25,360	(25,360)	-
	491,457	(513,076)	(21,619)
TOTAL FUNDS	<u>1,359,995</u>	<u>(1,639,814)</u>	<u>(279,819)</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	3,224,078	(382,247)	82,703	2,924,534
Restricted funds				
Sparc	6,332	(6,332)	-	-
The Tudor Trust	19,495	-	(19,495)	-
Interlink- Adverse Childhood Experiences	20,876	(20,876)	-	-
General	86,867	2,066	(63,208)	25,725
Children and Young People	1,798	(1,798)	-	-
Arts	61,999	(59,362)	-	2,637
Valleys Voices	-	94,497	-	94,497
	<u>197,367</u>	<u>8,195</u>	<u>(82,703)</u>	<u>122,859</u>
TOTAL FUNDS	<u>3,421,445</u>	<u>(374,052)</u>	<u>-</u>	<u>3,047,393</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	902,181	(1,284,428)	(382,247)
Restricted funds			
Sparc	-	(6,332)	(6,332)
Interlink- Adverse Childhood Experiences	-	(20,876)	(20,876)
General	181,085	(179,019)	2,066
Children and Young People	44,916	(46,714)	(1,798)
Arts	186,554	(245,916)	(59,362)
Older People	47,120	(47,120)	-
Family work	48,359	(48,359)	-
Valleys Voices	<u>120,045</u>	<u>(25,548)</u>	<u>94,497</u>
	<u>628,079</u>	<u>(619,884)</u>	<u>8,195</u>
TOTAL FUNDS	<u>1,530,260</u>	<u>(1,904,312)</u>	<u>(374,052)</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	3,224,078	(640,447)	(2,312,629)	271,002
Fixed Asset - Designated fund	-	-	2,395,332	2,395,332
	3,224,078	(640,447)	82,703	2,666,334
Restricted funds				
Sparc	6,332	(6,332)	-	-
The Tudor Trust	19,495	-	(19,495)	-
InterlinkRCT	20,876	(20,876)	-	-
General	86,867	(23,659)	(63,208)	-
Children and Young People	1,798	(1,798)	-	-
Arts	61,999	(61,999)	-	-
Valleys Voices	-	92,997	-	92,997
Colwinston Trust	-	8,243	-	8,243
	197,367	(13,424)	(82,703)	101,240
TOTAL FUNDS	<u>3,421,445</u>	<u>(653,871)</u>	<u>-</u>	<u>2,767,574</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,770,719	(2,411,166)	(640,447)
Restricted funds			
Sparc	-	(6,332)	(6,332)
InterlinkRCT	14,146	(35,022)	(20,876)
General	187,731	(211,390)	(23,659)
Children and Young People	44,916	(46,714)	(1,798)
Arts	402,974	(464,973)	(61,999)
Older People	47,120	(47,120)	-
Family work	48,359	(48,359)	-
Valleys Voices	216,405	(123,408)	92,997
Regional Intergration fund	21,480	(21,480)	-
National Lottery	19,773	(19,773)	-
Penygraig fund	17,523	(17,523)	-
Colwinston Trust	20,000	(11,757)	8,243
Children in need	22,749	(22,749)	-
Pen-Y-Cymoedd Community	26,000	(26,000)	-
Save the Children	5,000	(5,000)	-
Together Stronger	25,360	(25,360)	-
	1,119,536	(1,132,960)	(13,424)
TOTAL FUNDS	<u>2,890,255</u>	<u>(3,544,126)</u>	<u>(653,871)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

22. MOVEMENT IN FUNDS - continued

Designated funds

The trustees designated £2,395,332 from general funds towards fixed assets, although the net book value of those assets was £3,403,988. The designated amount represents the total NBV of £3,403,988 less the NBV of Little Bryn Gwyn (£1,008,655) and is a notional allocation for internal reporting purposes, not backed by unrestricted cash.

Interlink provided £14,146 for further work on Adverse Childhood experiences.

General

£6,649 was received into general funds for core work. The included **RCTCBC Community facilities grant, RCTCBC Winter hardship grant and NGED Community matters grant.**

Arts

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

- Arts Council of Wales
- Colwinston Charitable Trust

Valleys Voices (The National Lottery Heritage fund) provided us with funding (Dec 23 - November 25 - extension to March 26 pending) for an archiving project capturing voices from the community during the 40+ years of Valleys Kids history and enables us to provide a contemporary archive going forward. It shines a light on the challenges facing communities and their resilience. The project presents the journey in a variety of rich content.

The **Regional Integration Fund** provided us with £21,480 in order to enable us to continue our work with older adult, ensuring we provide support, befriending and creative activities to facilitate engagement, fight social isolation and contribute to mental well being.

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

We received £17,523 from the **Penygraig Fund** to continue to support our play and youth work.

Colwinston Charitable Trust contributed £20,000 to support the Artist in residence salary plus a contribution towards participatory arts workshops and the exhibitions programme. This funding has now come to an end.

BBC Children in Need provided grant funding to fund a part-time Play Worker (as well as training and travel), sessional staff, small equipment and trips and activities in Dinas. The funding for this project ended and fixed term staff left the organisation.

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

Pen-y-Cymoedd Community provided £26,000 to conduct consultation work in the Penyreglyn project.

Save the Children provided £5000 funding to contribute to the work of our family team.

We received £25,360 through our partnership with the **Wales Millennium Centre (Together Stronger)** to continue our work on the Radio Platform initiative and partnership arts work with the WMC.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

23. LEASING AGREEMENTS

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

	2025	2024
	£	£
Within one year	<u>1,478</u>	<u>1,410</u>

Total operating lease payments recognised as an expense in the year were £22,969 (2024 £16,915).

24. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £17,592 (2024: £17,928). Contributions outstanding at the year end amounted to £1,945 (2024: £NIL).

25. CONTINGENT LIABILITIES

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

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

26. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £nil (2024: £802) from two trustees (2024: two).

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

	2025	2024
Rent expense paid	5,574	22,296
Donation received	-	67,500

27. POST BALANCE SHEET EVENTS

In January 2025, trustees made the decision to sell 'Little Bryn Gwyn' under a pre-emption agreement with Down to Earth dated 28 November 2017. The sale completed in August 2025 for £1,000,000. Under the agreement, £200,000 of matched funding was netted off the sale proceeds, and the charity will also pay VAT in accordance with applicable law. As completion occurred after the reporting date, this is treated as a non-adjusting event; no amounts are recognised in these financial statements.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

28. SUBSIDIARY COMPANY

Valleys Creative Limited, company number 08151686, was incorporated on 20 July 2012 as a company limited by guarantee.

It is wholly owned by Valleys Kids with the guarantee limited to £1.

Valleys Creative Limited, registered office:
The Factory Welsh Hills Works
Jenkin Street
Porth
CF39 9PP

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

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

	2025 £	2024 £
Turnover	254,988	251,922
Cost of sales	<u>(69,384)</u>	<u>(68,212)</u>
Gross profit	185,604	183,710
Other income	933	1,167
Expenditure	<u>(241,712)</u>	<u>(200,393)</u>
Net profit before tax	(55,175)	(15,516)
Tax	-	-
Net profit after tax	<u>(55,175)</u>	<u>(15,516)</u>

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

Assets	43,085	101,067
Liabilities	(100,176)	(102,983)

VALLEYS KIDS

England & Wales - Charity number 1074840

Accounts

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

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
VALLEYS KIDS**

MHA
Chartered Accountants and Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

VALLEYS KIDS

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FOR THE YEAR ENDED 31 MARCH 2024**

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VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the group for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

As stated in the Memorandum of Association, the charity's objectives are:

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

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

The charity meets these objectives by providing community support through a range of different projects which change as the needs of the community change.

Public benefit

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 (i.e., to have due regard to public benefit guidance published by the Charity Commission). Our objectives and our work provide benefit to the public. All our work takes place in areas experiencing social disadvantage and we provide our core activities free of charge. While focusing on those most in need, the facilities are open to everyone in the areas we serve and provide substantial benefit to the children and families who participate, as demonstrated in this report.

Significant activities

Every child is valued.

Every child deserves the best start in life and this is the aim of our pre-school provision. Because we believe that play has a key role in the development and well-being of children, providing out-of-school play opportunities has been one of our commitments from the beginning. Valleys Kids' play services offer exciting opportunities for children to experiment and help them grow. Most importantly, all our play is about children having fun and discovering they can do many different things.

Everyone matters.

In pursuit of our commitment to place-based community development, Valleys Kids Community and Family Hubs welcome everyone who wants to attend local facilities that offer pre-school, play, youth or adult services and activities. We also provide time-limited, targeted provision which helps people to deal with particular issues, problems or needs.

Often these important programmes are supplemented by continued support available through open access provision. Nobody should be left behind.

Everyone has potential.

Valleys Kids believe that everyone has potential. Our role is to enable people of all ages to believe in themselves, grow in confidence and realise their ambitions. We take considerable pride in creating the many pathways to increased well-being and achievements needed by people of all ages in all our communities. This can range from a young person getting re-engaged in education and succeeding in school/college/university, training and employment to an isolated older person taking advantage of opportunities to socialise, getting involved in arts and acting as a volunteer. Our Youth Work is about helping young people face up to the challenges in their lives and to seek solutions. Valleys Kids' aim is to provide for all young people but with a commitment to engage the most challenging and challenged. To do this, we create situations where young people want to participate, places which they feel belong to them and which are warm, welcoming and friendly spaces staffed by quality youth workers. In-depth youth work happens when young people feel comfortable and able to develop relationships with trusted adults.

For over 40 years, Valleys Kids has worked in communities in the South Wales Valleys, supporting people to grow in self-confidence, improving their skills and knowledge and encouraging them to have high aspirations and high expectations to achieve their potential. We now have three Community and Family Hubs in disadvantaged communities where activities and services are provided for all ages, from babies to those over ninety. We have also developed a Hub for the Arts and Cultural Industries so that the people from Valleys communities can gain the skills and knowledge which will enable them to secure employment in this growing industry in Wales. The Family Team provides targeted services for the most challenged families. Our residential facility in the Gower, Little Bryn Gwyn, has been rebuilt so that it can provide young and old with new opportunities. We are developing social enterprises: the Play Yard, Coffee Shops and events at The Factory. Sparc and Art in the Attic continue to thrive and to grow.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Significant activities

Annual reports for each centre/programme/space:

1. Penygraig (Soar and the Old Library)

Soar Centre and The Old Library April 23 - March 24

Stay & Play

We have been delivering a quality pre-school provision where we have 147 individuals attending. 415 adults and 452 children made 867 visits during the 31 sessions. The Stay & Play curriculum includes messy play, dental hygiene, baby weaning, sexual health, song time and healthy snacks. These sessions are delivered by our pre-school staff who create an inclusive, comfortable environment for both children and adults which is educational, informative and fun.

After School Club

We are able to run two play sessions (afterschool club) a week with funding from Shared Prosperity Fun and Garfield Western. These 59 sessions are very well attended with 2,780 visits by 237 children 5 - 10 years old. The playworkers create an environment where children can explore the world around them. They can build dens, climb trees, build slides, create mazes in the pews of the building. Masterpieces are created in the activity room with paint, glue, glitter, and recycled resources such as toilet rolls and boxes. The whole building and gardens are used; children are able to have physical exercise by bouncing on the bouncy castle, running and jumping through and over the pews.

"I love Bike Club. I can play in the garden." Female 9 yrs

"When I come to Bike Club it's like my best day ever." Male 8 yrs

Holiday play

Playscheme is delivered during school holidays for children 5 to 11 years old. We had 692 visits from 239 children during 14 Playscheme sessions. The activities are the same as the afterschool club. They are designed to encourage children to build imagination. Creativity fosters cognitive growth, delivers emotional and behavioural benefits, improves literacy, encourages greater independence, and promotes physical fitness.

Middle Club

We have been able to create a group that bridges afterschool and youth club as some of the children were too timid to go into youth club, but their behaviour was not always suitable for the younger children. Middle club is for children/young people 10 to 13 years. We have 123 young people on our register and approximately 70 attend the weekly session. Over the year, we have had 1,268 visits. During these 40 sessions, young people have been learning cooking skills, sexual health, healthy relationships, MCing and digital arts. They created amazing projects.

"I love coming to see all my friends." Female 12 yrs

"It's fun and I get to use the bouncy castle." Female 12yrs

"I get to meet my friends in a safe place." Male 12 yrs

Youth Club

Youth Club sessions are for young people aged 11- 25 years. We had 389 visits with 78 new young people attending the 22 sessions. The sessions have three qualified members of staff delivering a programme that includes well-being, sexual health, healthy relationships and cooking. These sessions run once a week out of Soar (Bike Club).

"Youth club has made me feel valued by staff and peers," Female 14 years

"If I didn't come to youth, I would be on the streets wandering about." Male 13 years

The Old Library

The library has become a real community hub. There is a range of groups meeting weekly at the library.

The Knit and Natter group averages 20 people per session. They have individual projects and then bring their contributions together. Their main project this year is an aquarium for the Old Library. This is an amazing piece of work that includes treasure chest, mermaid, shells, and jellyfish. It has been on display at the old library.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Coffee mornings have been noticeably quiet as our members have had lots of illnesses. Their ages are from 76 yrs - 96 yrs. This group have been part of Valleys Kids for the last 15 years; We have been making check-up calls, doing shopping and paying bills as some have not been able to leave their homes. We have been discussing with them how to develop the group and bring in new people.

The Friendship Café averages five people attending regularly. Again, we are looking at how we can develop these sessions and build numbers.

Card Bingo is a great session with an average of 15 people attending, having lots of fun and winning lots of gifts. Quite a few of them will have lunch before the session; this adds to the takings of the coffee shop.

We have 10 regular volunteers at the library, working in the charity shop and the coffee shop. Three of the volunteers have additional learning needs, they have benefited from opportunities to grow in confidence and learn new skills- chatting to customers, using the till system, operating the steamer to clean clothes and answering the telephone. The service offered by the library is going from strength to strength, building our customer base with lots of daily visits and our toasties are getting quite a reputation. All the services are moving into the Soar Centre after the new financial year as the library building has been sold as part of our recovery plan.

Views from participants:

"I really do not know what I would do without this place, this is my safe place." Hazel 62 years

"I would be so lost and lonely if I didn't come here, you're all so kind." Jan 82 years

A past member said, "I loved Bike Club if it was open I came because I knew if I was here I wasn't getting in trouble out there." Tarian 31 yrs

2. Penyreglyn

Penyreglyn Centre March 23 - April 24

We supported seven groups.

Group Name	Total in Group	Sessions	Attendee Visits
After School	59	105	1,281
Middle Club	102	79	1,325
Youth Group	44	46	526
Self Help Women	10	19	119
Quilting Group	15	21	200
Only Girls Allowed	10	27	162
Feeling good group	9	3	17

These groups cater for a wide range of people from the local community. We host Black Mountain College for a two-year initiative where they dry hire rooms. We host community events and work in partnership with local agencies such as Welcome to our Woods. In our youth groups, we have focused on exercise, health and nutrition.

3. Dinas

Dinas Centre April 23 - March 24

Number of individual children and young people who used the provision:120. Groups catered for:

After school

Number of sessions delivered: 74

Playschemes: 3

Number of out-of-centre trips: 4

Events: Parties for Halloween and Christmas.

Stay and Play

Number of sessions delivered: 30

Number of out-of-centre trips: 2

Number of events delivered: 1- Halloween party and Christmas.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Junior Youth Club

Number of sessions delivered: 74

Number of out-of-centre trips: 2

Senior Youth Club

Number of sessions delivered: 71

Number of out-of-centre trips: 3

Drama

Number of sessions delivered: 24

Number of events/sharings: 1

Achievements

- Increasing membership numbers overall and significantly increasing attendance in the Junior Youth Club
- Rebuilding the senior youth club after a loss of members.
- Facilitating a positive behaviour change in young people in accordance with the Children in Need outcomes.
- Increased the number of youth volunteers.
- Maintaining stable provision throughout the building works that took place outside and inside the centre.
- Initiated the restoration of the Dinas Tenants Association and this group is now meeting with representatives of Trivallis to discuss the next steps in forming a new Tenants group.

The drama sessions have made a welcome return and, although the numbers are lower than desired, they are consistent. The young people involved attended a costume design workshop at Soar which was very popular and a drama sharing took place in December. A short example of work was shown to parents and siblings at the centre.

Both the Stay and Play and Afterschool numbers have increased; parents from Dinas, Rhydyfelin and Maerdy have attended these sessions.

Building work

The upgrading of gas installations caused major inconvenience to the centre when several trenches were dug in the garden. This disruption lasted two months and we continued to deliver all sessions throughout, with minimum loss of provision.

New sprinkler systems were fitted in the blocks, and we were again inconvenienced for several weeks while this work took place.

SAM construction repaired a damaged wall to the side of the centre that had left an unsightly façade and a damaged perimeter fence. There was some inconvenience over the space of a week, but the wall has now been repaired and the fence to secure the garden area has been restored.

Family Support

We are providing food parcel vouchers for several families on a regular basis, signposting to the Citizens Advice service based in the food bank in Trealaw. We distribute food parcels with food sourced by the organisation.

4. Family Team

Family Team April 23 - March 24

Feedback from participants:

"I enjoyed watching how well my daughter worked with the lovely ladies and how well she sat and listened to the stories. My daughter has loved everything about these sessions, and she's also been learning so much and also asking to read the books at home. Staff are amazing, the resources are amazing, staff work so hard and go above and beyond for the children."

"Staff are so friendly and understanding. I count down to the sessions, it strongly boosts my mental health having this group to talk to. I look forward to attending every week."

VALLEYS KIDS

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OBJECTIVES AND ACTIVITIES

"In Valleys Kids there is so much happiness in this group lots of banter meeting new friends/families. Meeting people with the same situation as you're in."

During the period from April 23 to March 24, the Family Team has accomplished much. Here is a summary of the activities and initiatives undertaken:

Support for Schools

We have provided programmes to support family engagement in several schools in RCT and Neath Port Talbot. These programmes have been fundamental in income generation, bringing in £70,000. Funded by Multiply through Education and Inclusion from the Welsh Government, the programmes aim to enhance numeracy confidence for individuals aged 19 and above. The team continues to provide family engagement peer support within RCT.

Trivallis Summer Roadshow

We actively participated in the Trivallis Summer Roadshow programme of events. Through our involvement, we contributed to the success of these events, promoted Valleys Kids community engagement and maintained links with Trivallis.

Bingo

Throughout the summer, we provided a block of Fun Family Bingo sessions out of Soar Centre. These sessions provided a fun activity for both families and individuals and generated income.

Save The Children

The team continue to work in collaboration with Save the Children Cymru to issue funds, including Early Years, and Ukrainian Refugees grants. Managing access to these grants allows families easier access to funds available to them. The team also managed the Save the Children Summer/Winter of Fun Grants for 2023, providing access to funding throughout RCT.

Advocacy for Neurodivergent Families

We played a significant role in supporting neurodivergent families to access further support. This was achieved by advocating for more accessible services and collaborating with Sparc and Interlink RCT. Through our efforts, we helped these families gain a voice and they are on a journey to achieving the assistance needed. We organise Neurodivergent events that focus on mapping out available services. During these events, we received updates from the Welsh Government and the CWM RPB. Parents of neurodivergent children actively participated in planning and facilitating these events, which had over 60 participants from local organisations and neurodivergent families. The events were hosted at the Soar Centre.

Managing Little Bryn Gwyn

We have successfully managed the systems at the LBG residential centre and transformed the building maintenance and booking systems. This involved taking care of maintenance and building regulations, as well as conducting spring and summer clean-ups to improve the overall experience of individuals using the facility.

Rhydyfelin/ Play Contract Delivery

We extended our support to other areas of Valleys Kids by delivering play contracts in Rhydyfelin. Our involvement aimed to provide enjoyable and engaging activities for the community. Due to the Valleys Kids streamlining process, the team managed the decommissioning of Elm Street and the Community Centre, ensuring a smooth transition from these buildings.

Stay and Play

The Family Team continues to support the provision of preschool activities within Soar, providing social modelling and ensuring an enriched learning environment for pre-schoolers and parents. The programme involves access to community support services.

Social Enterprise

The Family Team continue to support Valleys Creative provision at The Old Library and The Play Yard by providing additional staff cover and exciting new initiatives in the form of workshops.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Christmas Gift appeal

We continue to support families throughout RCT by coordinating the giving and receiving of gifts at Christmas through collaboration with Save the Children, St. David's Christmas Appeal, local organisations, and schools. This year, we provided over 250 families with gifts for over 600 children.

5. Older Adults

Older adults April 23 - March 24.

Feedback from participants:

"I can always hear a smile on the end of the phone when you ring. It makes my day. You've brought me and my daughter closer together too, you've been amazing."

"It makes me feel less isolated through the contact each week." "Really appreciate the calls."

"It's nice to know that someone is thinking of me." "Nice to know we are not forgotten."

"Keeping engagement meaningful - clear need to hold onto friendships lifted spirits and instilled a feeling of wellbeing."
(Agency Partner)

Programme of activities

Our "Keeping Connected with your Community" funded initiative set out to address the loneliness and isolation agenda in older age through developing a local, inclusive and accessible community programme of choice, providing activities embracing befriending, social, learning, creative and wellbeing opportunities in a variety of local community settings in our communities of Penyrenghlyn, Treherbert, Penygraig, Porth and Rhydyfelin.

The programme has been very successful with regular review of our community engagement, and we have been able to adapt methods of delivery to reflect feedback from review to continue and increase engagement with our older adult participants. We deliver our full programme of activities in collaboration with the many older adult volunteers and participants who are keen to improve the wellbeing of their older adult community.

We also continue to keep close links with local and strategic partners - The CTM Mental Health Forum, CTM Health and Wellbeing Forum which now includes Dementia and Befriending and local multi agency community networks.

Dementia

Weekly Good Friends sessions have developed from what was our ICF-funded piloted work and this programme is now referred into by the frailty team, memory clinic and self-referrals. We extended delivery to home visits and telephone calls where participants have become housebound. We also engaged with the local dementia residential care home and residents attended regular music and movement sessions until the Covid lockdown when a number of residents died, and the remainder were not confident to come out of their centre. This was a very successful collaborative approach for residents of care homes and sheltered housing residents to engage in their communities and meet old neighbours, which had an extremely positive effect on the residents. This participation was an obvious benefit to their wellbeing. We continue to look at how we can re-engage.

Sessions include weekly "Good Friends" targeting those with dementia and their carers, regular home visits for those who have become housebound and regular telephone calls when more support is needed. The Thursday afternoon Music and Movement group continues to be popular and continues to be dementia friendly.

It was planned that this dementia programme would be extended to Penyrenghlyn following consultation with staff, the community and agency partners. However, we were devastated that our bid for further funding was unsuccessful (a well know big national charity won the contract) despite the high need identified - so this has been put on hold at the moment.

Befriending

Our Befriending programme continued into the next financial year from the ICF funding and weekly programmes are delivered across our Projects according to funding received.

Alongside wellbeing events such as: therapy days, community singing, sensory therapies, visiting local places of interest eg The Royal Mint, Meadow Street Environmental Project, LBG respite for carers, when resources were available.

Other events

These include International older adult day, Queens jubilee/King's celebration, afternoon teas and Christmas celebrations.

VALLEYS KIDS

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OBJECTIVES AND ACTIVITIES

We have also supported the ever-increasing rise in food poverty and need for winter warmth, supporting the costs of food parcels, afternoon teas, hot meals and food hampers for our most vulnerable community members with particular emphasis on Winter warmth need and numbers continue to include those who were on the RCT vulnerable list.

Statistics 2023/24

No. receiving food parcels last year, afternoon teas, hot meals, Christmas hampers:	800
Winter warmth needs - blankets, socks, gloves and scarfs as needed	
No. of people supported to make new friends, improve their support network:	371
No. of new local services developed using co-production	28
No. of people signposted to additional support	52
No. of people reporting increased social connection and feeling less isolated	233

Funding for older adults

We submitted a 'regional' RIF bid last year which was successful and we were the only organisation to succeed because of our evidence regarding collaborative partnership working. The panel asked if we would resubmit the bid to include two other organisations and agree to be the lead partner. This collaboration worked really well, and the bid included stage 1 and stage 2 for the following year. We met regularly and we were asked to submit a full bid for the second year for the full amount, again regionally and in collaboration. All partners were confident that some of this funding would be coming our way at this crucial time. However, the bid was unsuccessful, and all partners were devastated.

This has meant a big cut to our programme, and we have budgeted the befriending grant as best we can to maintain crucial engagement and we are looking to other funding to sustain the project this year. The level of food poverty is at crisis level and small grants from Interlink have enabled us to support our most needy participants. We recognise and value the vast knowledge and experience of our older adult population that helps develop community cohesion and resilience and we could not run sessions without them.

Real costed volunteer time = £23,000 over 6 months.

Our community development approach enabled our befriending project to grow within our family and community hubs that support community engagement across the ages and has given us opportunity to increase engagement with the older adult community. Funding to allow for the continued development of new services and methods of delivery is crucial to allow for the long-term interaction with this target group of older people to strengthen their resilience to overcome the challenges they face now and in the future.

6. Valleys Voices

Valleys Voices is our National Lottery Heritage Fund project that was approved in 2023 and started in December that year.

The Rhondda Valleys became synonymous with coal mining and industrialisation through the 19th and 20th centuries. This project looks to reflect grassroots perspectives of what happened in valleys' communities after the end of coal. Valleys Kids, a community-led regeneration charity with bases in RCT, is uniquely placed to record, publicise and share the stories of individuals, families, and agencies across all sectors and strata in society.

Together, these will comprise a living history of the valleys throughout the past 40 years. We will have widely available a social commentary that exposes and expounds upon the spectrum of real-life experiences - from poverty and despondency, through developing resilience, to regeneration and new challenges. Significant steps, stages, critical events and crises in the organisational development of Valleys Kids will provide a parallel chronology within which participants will gather, collate, organise, archive and disseminate written, audio and visual records.

At the same time, the longevity of the charity means it has engaged with several generations. This project is an ideal vehicle for intergenerational communication and connectivity, which will show the shared nature of the heritage of people and communities. Aiming to enable people in our projects to take responsibility for curating and sharing their stories and those of their communities. Our intention is to see heritage become a mainstream activity within the organisation and all associated with it. We will do this by inviting people to continue to add their stories and to contribute images and other relevant data on an ongoing basis. The project will build upon the organisation's experience of and capacity for working with local communities to explore and understand the importance of culture and heritage across boundaries of age, place and experience.

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OBJECTIVES AND ACTIVITIES

The project will place heritage prominently in people's consciousness in communities across the area. It will place the preservation of heritage as a priority for Valleys Kids. Approaching half a century of embedded involvement with communities in RCT, there is realisation that the records and anecdotes which capture and convey the character, the moods, the struggles, the gritty determination, and the resilience and successes of valleys people need to be kept alive. For the benefit of past, present and future generations of this world- renowned region of Wales, the project will collate this data before it is lost irretrievably, raising awareness of the valleys and Wales more widely, developing links to people with family roots here who are now part of the diaspora and reaching out to similar communities across the globe. In our experience, people connect with other people best through sharing their stories. Communities connect with communities by comparing and contrasting their lived experiences.

After visiting Valleys Kids, Desmond Tutu spoke of children from Wales and South Africa as the nations' "diamonds" and "blazing [coal] fire." This reignited Valleys Kids' commitment to play and youthwork. An exchange visit by people of the townships and of the valleys celebrated common humanity and made a lasting impact upon the hosts and visitors. The project will present local people with opportunities to reflect upon their lived experiences, individually and collectively. Some of the people supported by Valleys Kids have chaotic lifestyles. Few have opportunities to reflect upon their qualities of resilience and creativity or the impact of the care they provide for their families. Sharing their stories will enable them to realise strengths and achievements beyond the immediacy of their struggles.

Through our methodologies, we encourage people to appreciate positive aspects of their culture and heritage, its influence upon past events and behaviours, and its power and potential to shape and develop themselves and their influence on society and their communities.

There is much learning to be derived from telling again in new formats the story of Valleys Kids: its place-based methodology for community engagement and community development.

Through our work, we encourage people to appreciate positive aspects of their culture and heritage, its influence upon past events and behaviours, and its power and potential to shape and develop themselves and their influence on society and their communities.

This initiative aims to evidence the social impact and social value of the work we do. It will offer a shop front view of what can be achieved. It is contemporary and innovative.

Already since inception, the following has been achieved:

- Project facilitator appointed.
- Project Programme Board established (3 meetings to date).
- Project with associated project management tools (Monday system).
- Training undertaken delivered by partners above.
- Central and local timelines established.
- Content sourced and collated (ongoing).
- Project evaluator sourced.

7. Sparc (Valleys Kids Youth Arts Project) April 23 to March 24

Feedback from participants

"Sparc is a family for Life." G?yl Fach participant

"I have been able to express my idea without being judged." Sparc participant

"I like this group because it gets me out of my house and my household is really stressful.

It's really fun." Join the Dots Participant

"I never felt I could be myself, but everyone here accepts me." Join the Dots Participant

"The way you support early career artists is unparalleled... I hope the industry is taking note." Early Career Artist at Little Bryn Gwyn Make it! Residential

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OBJECTIVES AND ACTIVITIES

"I have been commissioned by a national company and now have the confidence and ability to take opportunities that are presented". Make it! participant

Sessions and Attendances

618 - Performance Arts Sessions (theatre, drama, dance, music, digital arts, visual arts, radio)
948 - Mentoring and support sessions for young people and families
136 - Student and volunteer placement attendances
205 - Digital Arts training sessions
51 - Emerging artists and freelancers employed through Make it! and Sparc Associates
232 - Participants at 'Join the Dots' workshops (widening engagement)
1000+ - Visitors to Gŵyl Fach /Mini Fest to Celebrate 25 years of Sparc

This year was Sparc's 25 anniversary as a fully funded Youth Arts Project; it could not have been more inspiring and impactful.

Staff - paid and voluntary

Staff represent one of the greatest assets for any organisation. We are immensely proud of all our paid staff and over 100 volunteers. Valleys Kids seeks to create a workplace within which staff can flourish by operating in a creative, constructive and fair environment. It is only with qualified and experienced staff that we can deliver the high-quality services deserved by the communities where we work. An important part of Valleys Kids' approach to community development is to encourage local people to get involved as volunteers. We could not have delivered the programmes without their input and sustained commitment. Both paid and voluntary staff continue to access training to enable them to fulfil their role to the highest standards. Some paid staff began as community volunteers but are now qualified professionals. A job evaluation undertaken in the previous financial year has been successfully implemented.

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FINANCIAL REVIEW

Financial position

This year the expenditure on charitable activities with children and families was £1,798,211, and cost of raising funds was £106,101, leaving total expenditure of £1,904,312. The total income for 2023/2024 was £1,530,260. This has resulted in a deficit in the Statement of Financial Activities of £374,052.

At 31 March 2024, we are reporting a loss for the year of £374,052 and the management accounts for the nine month period to 31 December 2024 show a loss of £244,000, which will have a substantial impact on cash flow. We are anticipating a surplus for the financial year ended 31 March 2026, and latest cash flow forecasts show a positive cash position from April 2025. The forecasts do rely on proceeds of the Cross Street sale, which is expected to be sold at auction in April 2025. As a result of the uncertainty regarding timing of cash flows the trustees have concluded that there is a material uncertainty relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

As part of a "lessons learnt" exercise, we analysed the factors that led to this deterioration in the financial position.

- **Lack of funding opportunities via traditional funders.** Historically, the charity generated two-thirds of its income independently from grants, commissions, contracts, fundraisers and donations (FY 2022 £1.227 Million FY 2023 £1.228 Million FY 2024 £1.115 Million) and the remaining third from RCT County Borough Council ("the Council"). (FY2022 £518k FY 2023 £195k FY 2024 £183k). However, none of these sources of funding are immune from financial pressures and they have been unable to continue with the level of support previously provided.
- **An increase in demand for our services and the impact of Covid.** The pandemic led to a substantial increase in the need for services that Valleys Kids were providing to individuals and the wider community. During that time, considerable access to additional, temporary funding was made available for organisations like ours. However, when the immediate crisis ended, these temporary funds dried up although demand for services remained exceptionally high. As Valleys Kids was unwilling to deny help to growing numbers of people in need of long-term support, they did not respond quickly enough in adapting to this situation.
- **A lack of robustness in financial reporting.** Our financial systems were not robust enough and auditing processes (internally and externally) were insufficiently rigorous to alert us in a timely enough way to the changing funding environment. The charity was slow in producing accurate and timely data to assist good decision-making.
- **The Transition Programme (2020-2022),** which organised our response to the retirement of the founding senior managers helped us make good progress in tackling organisational shortfalls and introduced a more focused Senior Management Team structure. The focus on transition and with the Covid pandemic meant, however, that less headway was achieved in areas such as income generation, robust financial management, divesting non-core assets and a much-needed change of approach to how we commercialise Social Enterprise elements of the organisation (i.e., Valleys Creative).

Urgent actions taken to address the funding gap:

- Using cash reserves: Initial cash reserves of £305,000 (as of 31/03/2023) have been depleted to cover operational costs.
- Securing overdraft facilities: A temporary overdraft facility extended to 30/04/2025 from Unity Trust Bank has been used to manage immediate cash flow needs,
- Implementing staff cost reduction measures: A combination of attrition, voluntary redundancies, and reduced working hours has resulted in savings of £407,000 since 2021.
- Lease termination: Early termination of the lease on Rhydyfelin Community Centre saved £26,000 annually in rental and servicing costs.

Valleys Kids has since put in place a Budget Recovery/Transformation Plan which recognises the recommendations of an independent business review. The plan considers the impact of cost savings, income generation and cash flow.

There are immediate priorities within the overall pathway.

- 1 To implement our Business Recovery/Transformation Plan by increasing income to ensure ongoing sustainability and reduce expenditure where possible on non-funded activities, focusing on the 4 strands of
 - Income generation
 - People
 - Property
 - Service redesign.
- 2 To agree ongoing support from our current and future major partners.

Our priorities for the next year

In key areas, Valleys Kids is well equipped to respond to the financial challenges. However, to survive and deliver the vital community services that it has been delivering for over 45 years, the current funding model must continue to shift

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radically and urgently. Our response to the financial challenges facing Valleys Kids reflects a belief shared by the charity and significant stakeholders that its long-term future can be secured through a slimmed down organisation with a smaller but still highly skilled workforce and a more focused property portfolio, together with better business planning and strict financial discipline.

FUTURE PLANS

Our recovery plan sets out the factors which led to the current position, the journey and actions taken so far, and the plans in place to provide a more secure future. It describes how we intend to transform the financial position of Valleys Kids through combined measures that include:

- reviewing the services it provides.
- increasing income.
- reducing costs (including staffing costs).
- disposing of non-core properties.
- ensuring better financial management at strategic and operational levels.

The recovery plan incorporates advice from an independent financial report provided by FRP Advisory Trading Ltd which sets out options and recommendations that trustees and the Senior Management Team have taken on board as the best approach to resolving the current difficulties. The Watershed Group was set up in July 2023 in response to signals that the charity would be facing a financial crisis. The main purpose of the group is to manage Valleys Kids through the current situation and to devise a plan for navigating the immediate cash shortfall and to prepare/implement actions that will secure the long-term future of the charity. Comprising the Senior Executive Team and various trustees and board members, the Watershed Group has met weekly moving to fortnightly by the end of 2024.

To continue acting as an integral pillar of support for the communities it serves, Valleys Kids needs to change substantially. Securing support from its three main long-term sponsors and other stakeholders in providing short, medium and long long-term finance will be crucial in ensuring that the Transformation Business Plan (recovery plan) succeeds.

The measures being taken to increase income, dispose of property and reduce costs lead us to conclude that:

- this financial support provided can be serviced.
- we can meet commitments to funders in respect of service provision levels and quality.
- the Charity has a long-term sustainable future.

Valleys Kids Senior Leadership Team and the Trustees/Directors are committed to securing the viability of Valleys Kids by carrying out the actions proposed in this plan and to bringing about change, however difficult the task. In addressing the current challenges, all three key business sponsors and other long-term partners and stakeholders have provided considerable support for our own efforts.

Between 2016-2021, Valleys Kids was able to generate over £2m in income annually (including a significant contribution from funding for capital projects). The years 2022/3 and 2023/4 saw the financial position significantly deteriorate with cumulative deficits of £1m.

Decreases in grant income and inflationary cost increases contributed to the £580k net deficit in FY23/24, during which time cash reserves of £355k were used to support the organisation. During 2024, while the recovery plan was being actioned, running costs of the Charity were supported by a monthly renewable overdraft facility from Unity Bank of £140k. It was apparent that urgent and tough decisions were required about the levels of service Valleys Kids could provide to the community, the way we resource the organisation and how we manage our property portfolio.

To date, deficits have been funded by:

- opening cash reserves which stood at £305k on 31/03/2023 but have now been fully utilised.
- arranging and using a temporary overdraft facility provided by Unity Bank and approved on a month-by-month basis, as referred to above.
- reducing staff costs by ensuring that only essential attrition is backfilled and introducing a programme of voluntary redundancy/ reduced hours, leading to savings of £407k since 2021.
- giving up the lease on Rhydyfelin Community Centre when funding ceased, leading to an annual saving of £26k.

These measures were designed to be short-term solutions, but they have given us time to design robust plans for the short-, medium- and long-term sustainability of the charity and to begin implementing a Transformation Business Plan that would bring about substantial changes for Valleys Kids. We recognise the amount of work still needed and we will continue to collaborate closely with stakeholders to maintain strong relationships moving forward.

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To design and implement the Transformation Business Plan, it was clear that the Watershed Group would need timely and accurate financial information to assist with good planning and decision-making. With the help of the Finance Team at RCTCBC and FRP Advisory Trading, the charity now has a much clearer view of current and future cash flow projections. The engagement of a professional accountant to prepare these reports has been invaluable. The Watershed Group reviews the reports weekly.

In addition to achieving timely and accurate reporting, the Transformation Business Plan focuses on four main areas that are essential to overcoming the current cash flow challenges and securing the long-term future of the charity: **People; Property; Income Generation and Cost Control; Service Provision**. There is an action plan for each strand.

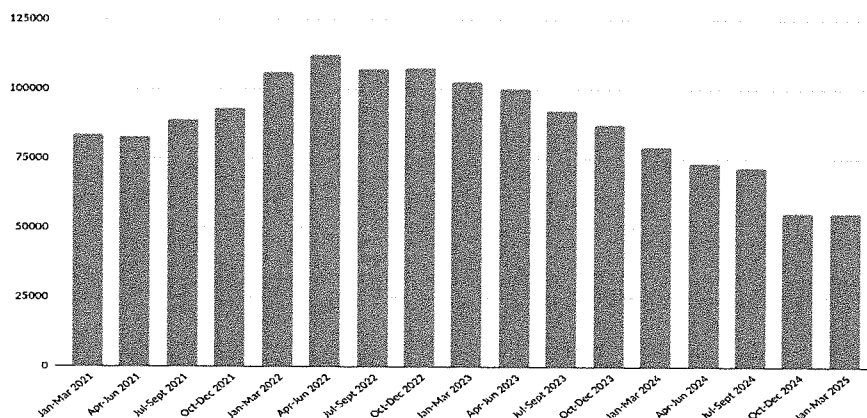
People

People are the biggest expense to the charity, with an average monthly cost of £75k from April to September 2023 but falling to £60k post introduction of a compulsory redundancy programme and continuing to fall to £46k by not replacing staff that have left the organisation. A full assessment of the people portfolio was undertaken with specific consideration given to the skills needed for a future streamlined and effective organisation. Various steps were introduced to reduce staff costs. These included:

- A policy of only backfilling crucial roles or funded roles was introduced in 2021- **Total savings to date £326k.**
- A voluntary Redundancy Programme in Q4/2023 - **Total annual savings £63k.**
- A voluntary reduced hours programme in Q4/2023 - **Total annual savings £18k.**

Further savings have been identified through a compulsory Redundancy Programme in Q4/2025 (subject to funding) - **Projected annual savings £30k.**

The table below demonstrates the fall in staff costs because of measures taken since January 2021.



Property

A Property Sub-Group was established to assess the current property portfolio and identify which properties were deemed core to the service provision of Valleys Kids. A plan was then drawn up for the disposal of all non-core properties.

Part of the advice given by FRP Advisory Trading was to divest all non-core assets in the property portfolio. In effect, the charity was asset rich but cash lean. In February 2024, it was identified that four of the seven properties could be put on the market without a detrimental impact on the provision of services. Valleys Kids has sold three of these (Bute St, Tylacelyn Rd and the Library, bringing a cash injection of £279k this financial year). The sale of Cross Street is expected in 2025 and will contribute a further cash injection of £195k.

In January 2024, the lease on Rhydyfelin Community Centre was terminated early, saving £26k p.a. in rental and servicing costs.

Income Generation and Cost Control

Historically, Valleys Kids has been highly successful in its fund-raising efforts, with over £1m secured in 2023. However, because of the factors referred to earlier in this report, it has become evident that a new approach is needed to generate sufficient income and control costs effectively. The way we manage, spend, co-ordinate and approve grant and funding applications are all in the process of change. In addition to the appointment of a Financial Controller, we have recently secured £100,000 from Waterloo Foundation over three years towards core costs and income generation.

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As the competition for limited funds is becoming tougher, marketing and evidence of positive outcomes are becoming increasingly important. How we sell the ambition of Valleys Kids and the impact it has on individuals and communities are critical factors in securing funds.

Valleys Kids has fostered a good working relationship with Manchester Business School which for the past two years has conducted annually a Not-for-Profit project on our behalf. In Q4 of this year, they will collaborate with us to design a marketing strategy and specifically make recommendations about who we should be applying to for funds and how we should conduct this programme. This service comes free of charge but it is estimated to be worth £10k in consultancy fees.

Valleys Kids is nearly one year into a three-year budget recovery plan which should deliver a return to profit by the end of year two (as identified below).

Valley Kids 3 Year Business Recovery Budget 2024 - 2026

	Baseline 23-24	Transformation	
		Year 1 24/25 Planned	Year 2 25/26 Planned
Total Income	£1,288,447	£1,161,845	£1,168,401
Expenditure			
Property		£191,542	£179,000
Supplies & Services		£73,662	£68,000
Project Costs		£96,196	£110,000
External Support		£23,171	£24,000
Training		£450	£2,000
Charges		£61,705	£55,000
People / Staffing		£783,506	£612,000
Total Expenditure	£1,641,982	£1,230,232	£1,050,000
Surplus / (Deficit)	-£353,535	-£68,387	£118,401
Income from property sales		£279,000	£210,000
Opening Cash	£304,881	-£71,354	-£68,398
Closing Cash	-£71,354	-£68,398	£50,213

Service Provision

The Service Redesign strand looks at areas for which there is confirmed funding. It assesses where and how the services we provide the community needs to change in adapting to a new environment which initially involves lower staffing numbers, less funding and fewer properties. The action plan considers how we can best protect services delivered to the community, how we can maximise the contribution from our very skilled complement of staff and from volunteers.

While the transformation business plan was evolving, a new management structure was put in place that included interim posts of Chief Operating Officer and Lead Co-Ordinator which has helped to clarify designated areas of responsibility.

It is evident that Valleys Kids needs to change substantially if we are to continue to act as an integral pillar of support for the communities we serve.

The measures being taken to increase income, dispose of property and reduce costs lead us conclude that:

- this financial support can be serviced;
- we can meet commitments to funders in respect of service provision levels and quality;
- the Charity has a long-term sustainable future.

Investing in key new roles to drive the plan forward is critical to success but it is essential also that the considerable talent we have within Valleys Kids is kept and nurtured. This means maintaining an environment which is open, supportive and entrepreneurial and where staff and volunteers are highly motivated and feel happy and valued. Also critical is retaining a transparent and close working relationship with all stakeholders, particularly RCT CBC, Unity Bank and the WCVA.

The Valleys Kids Senior Leadership Team and the Trustees/Directors are committed to securing the long-term future of Valleys Kids by carrying out the actions proposed in this plan and to bringing about necessary change, however challenging.

The risks

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

Reserves policy

The trustees believe it is necessary to maintain reserve funds to ensure that the charity is able to meet ongoing commitments. At the 31 March 2024 total funds amounted to £3,043,017. The unrestricted funds were £2,882,233 and the free reserves after excluding fixed assets and associated loans were (£325,445). The trustees intend to gradually increase reserves to meet the trustees' policy of having sufficient funding to cover up to three months operating costs, which is approximately £300,000.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Valleys Kids' mission is to work with and support people living in disadvantaged communities enabling them to realise their potential. The people we work with are involved in shaping the services we provide. Our centres provide a welcoming atmosphere, are not judgmental and operate open access activities free at the point of access. We offer targeted activities including activities for adults, parenting, youth programmes and provide challenging activities enabling people to explore their lives and see that they have potential, that they can change and improve the quality of their lives and of the communities where they live. We consult with our local people in a variety of ways to ensure that our activities and services meet the needs of the communities. We continually explore diverse ways and methods of working to ensure that we offer the best opportunities to people.

The charity has a trading subsidiary, Valleys Creative Limited, which undertakes all non-charitable trading activity.

Organisational structure

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

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

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

The Board is putting in place a three-year strategic plan Strategic Plan with the following sections:

- Organisational purpose
- Leadership
- Strategy
- Risk
- Board capability
- Board behaviours
- Board development and support
- Delivery
- Internal control and reporting
- Stakeholder relations

This will be supplemented each year by an operational plan to take forward the work.

Equal opportunities

Valleys Kids is committed to the principle and practice of Equal Opportunities. Our activities are open to all, and we take every opportunity to integrate those with disabilities within our everyday work. We aim to be an equal opportunities employer and seek to ensure that all staff receive equal treatment. Policies and procedures are in place for Child Protection, Whistle Blowing and Health and Safety.

Key management remuneration

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

VALLEYS KIDS

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03717865 (England and Wales)

Registered Charity number
1074840

Registered office
1 Cross Street
Penygraig
Tonypandy
Rhondda Cynon Taff
CF40 1LD

Trustees

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

Company secretary
Lynne Thomas

Executive team

Elise Stewart	
Lynne Thomas	Resigned 31 October 2023
Gary Foreman	Resigned 15 December 2023
Kath Edwards	
Miranda Ballin	
Debra Jones	

Auditors

MHA
Chartered Accountants and Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8RS

Solicitors

Darwin Gray Solicitors
Helmont House
Churchill Way
Cardiff
CF10 2HE

Bank

Unity Trust Bank PLC
4 Brindleyplace
Birmingham
B1 2JB

Barclays Bank UK PLC
1 Churchill Place
London
E14 5HP

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 21 Feb 2025 and signed on its behalf by:



.....
P J Evans - Trustee

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement 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). The parent charitable company prepared their accounts under Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024 and of the group's 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial statements, which indicates that a loss for the nine month period to 31 December 2024 of £244,000 combined with the losses incurred in the current financial year, has had a significant impact on anticipated cash flow for the 12 months post signing of the financial statements.

As stated in Note 2, these events or conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern for up to 12 months post signing of the financial statements. Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditor 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 the audit:

- the information given in the Report of the Trustees, which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees, including the directors' report, has been prepared in accordance with applicable legal requirements

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees which includes the directors' report.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditor 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals.

We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

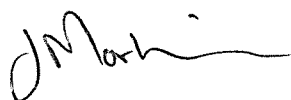
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditor.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALLEYS KIDS**

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.



Julia Mortimer FCCA (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
CARDIFF
CF23 8RS

Date: 27 February 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

VALLEYS KIDS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	147,790	166,576	314,366	354,226
Charitable activities					
Community support	6	392,680	461,503	854,183	959,079
Other trading activities	4	134,451	-	134,451	121,544
Investment income	5	53,832	-	53,832	39,527
Other income	7	1,495	-	1,495	2,290
Property revaluation gain		<u>171,933</u>	<u>-</u>	<u>171,933</u>	<u>-</u>
Total		<u>902,181</u>	<u>628,079</u>	<u>1,530,260</u>	<u>1,477,296</u>
EXPENDITURE ON					
Raising funds	8	106,101	-	106,101	128,308
Charitable activities					
Community support	9	1,178,327	619,884	1,798,211	2,004,536
Property impairment		<u>-</u>	<u>-</u>	<u>-</u>	<u>970,621</u>
Total		<u>1,284,428</u>	<u>619,884</u>	<u>1,904,312</u>	<u>3,103,465</u>
NET INCOME/(EXPENDITURE) BEFORE TAX		(382,247)	8,195	(374,052)	(1,626,169)
Tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,710)</u>
NET INCOME/(EXPENDITURE) AFTER TAX		(382,247)	8,195	(374,052)	(1,627,879)
Transfers between funds	23	<u>82,703</u>	<u>(82,703)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(299,544)	(74,508)	(374,052)	(1,627,879)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,224,078</u>	<u>197,367</u>	<u>3,421,445</u>	<u>5,049,324</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,924,534</u></u>	<u><u>122,859</u></u>	<u><u>3,047,393</u></u>	<u><u>3,421,445</u></u>

The notes form part of these financial statements

VALLEYS KIDS

**CONSOLIDATED BALANCE SHEET
31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	17	3,704,625	-	3,704,625	3,658,820
CURRENT ASSETS					
Stock		1,916	-	1,916	1,873
Debtors	18	36,129	5,491	41,620	48,906
Cash at bank and in hand		<u>(23,832)</u>	<u>117,368</u>	<u>93,536</u>	<u>355,705</u>
		14,213	122,859	137,072	406,484
CREDITORS					
Amounts falling due within one year	19	<u>(342,866)</u>	-	<u>(342,866)</u>	<u>(169,108)</u>
NET CURRENT ASSETS		<u>(328,653)</u>	<u>122,859</u>	<u>(205,794)</u>	<u>237,376</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,375,972	122,859	3,498,831	3,896,196
CREDITORS					
Amounts falling due after more than one year	20	<u>(451,438)</u>	-	<u>(451,438)</u>	<u>(474,751)</u>
NET ASSETS		<u>2,924,534</u>	<u>122,859</u>	<u>3,047,393</u>	<u>3,421,445</u>
FUNDS	24				
Unrestricted funds				2,924,534	3,224,078
Restricted funds				<u>122,859</u>	<u>197,367</u>
TOTAL FUNDS				<u>3,047,393</u>	<u>3,421,445</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21 Feb 2025 and were signed on its behalf by:


P J Evans - Trustee

The notes form part of these financial statements

VALLEYS KIDS

**CHARITY BALANCE SHEET
31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	17	3,645,978	-	3,645,978	3,597,295
CURRENT ASSETS					
Debtors	18	111,189	5,491	116,680	119,427
Cash at bank and in hand		<u>(59,610)</u>	<u>117,368</u>	<u>57,758</u>	<u>304,881</u>
		51,579	122,859	174,438	424,308
CREDITORS					
Amounts falling due within one year	19	<u>(323,399)</u>	-	<u>(323,399)</u>	<u>(148,671)</u>
NET CURRENT ASSETS		<u>(271,820)</u>	<u>122,859</u>	<u>(148,961)</u>	<u>275,637</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,374,158	122,859	3,497,017	3,872,932
CREDITORS					
Amounts falling due after more than one year	20	<u>(447,705)</u>	-	<u>(447,705)</u>	<u>(470,085)</u>
NET ASSETS		<u>2,926,453</u>	<u>122,859</u>	<u>3,049,312</u>	<u>3,402,847</u>
FUNDS	24				
Unrestricted funds				2,926,453	3,205,480
Restricted funds				<u>122,859</u>	<u>197,367</u>
TOTAL FUNDS				<u>3,049,312</u>	<u>3,402,847</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21 Feb 2025 and were signed on its behalf by:



P J Evans - Trustee

The notes form part of these financial statements

VALLEYS KIDS

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	(333,080)	(352,845)
Interest paid		<u>(35,076)</u>	<u>(23,566)</u>
Net cash used in operating activities		<u>(368,156)</u>	<u>(376,411)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,322)	(10,147)
Sale of tangible fixed assets		1,499	1,000
Interest received		<u>464</u>	<u>44</u>
Net cash used in investing activities		<u>(5,359)</u>	<u>(9,103)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(17,766)</u>	<u>(19,994)</u>
Net cash provided by/(used in) financing activities		<u>(17,766)</u>	<u>(19,994)</u>
Change in cash and cash equivalents in the reporting period		(391,281)	(405,508)
Cash and cash equivalents at the beginning of the reporting period	2	<u>355,705</u>	<u>761,213</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>(35,576)</u></u>	<u><u>355,705</u></u>

VALLEYS KIDS

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(374,052)	(1,626,169)
Adjustments for:		
Depreciation charges	129,784	153,579
Loss on disposal of fixed assets	2,167	540
Interest received	(464)	(44)
Interest paid	35,076	23,566
Impairment of property	-	970,621
Property revaluation gain	(171,933)	-
Decrease in debtors	7,286	53,446
Increase in creditors	39,099	72,109
Increase in stock	(43)	(493)
Net cash used in operations	<u>(395,427)</u>	<u>(352,845)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/23 £	Cash flow £	At 31/3/24 £
Net cash			
Cash at bank and in hand	355,705	(262,169)	93,536
Bank overdraft	-	(129,112)	(129,112)
	<u>355,705</u>	<u>(391,281)</u>	<u>(35,576)</u>
Debt			
Debts falling due within 1 year	(17,292)	(4,614)	(21,906)
Debts falling due after 1 year	(470,085)	22,380	(447,705)
	<u>(487,377)</u>	<u>17,766</u>	<u>(469,611)</u>
Total	<u>(131,672)</u>	<u>(373,515)</u>	<u>(505,187)</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. STATUTORY INFORMATION

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

Valley Creative Limited is a 100% owned subsidiary of Valleys Kids. It is a company incorporated in Wales within the United Kingdom. The registered office is the same as the parent company. The nature of the operations is that of providing recreational, educational and wellbeing facilities for the public at large and in particular people in need.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', 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. There have been no material departures from Financial Reporting Standard 102.

Going concern

The trustees have assessed the charity's ability to continue as a going concern and based on the challenging financial situation the charity is facing, a detailed analysis has been undertaken considering the potential income streams available, ongoing reductions in costs and the extent to which assets can be liquidated to generate cash.

The charity is reporting a loss of £244,000 for the nine month period to 31 December 2024. The charity is forecasting that a surplus of £15k will be generated for the year ending 31 March 2026. The charity has generated cash from the sale of assets, implemented staff cost reduction measures, including redundancies, and early termination of leases to ensure they are able to meet liabilities as they fall due. Further assets are in the process of being sold and the charity has also secured an overdraft facility which has been extended to 30 April 2025.

After considering the information available to them, the trustees, have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements. This assessment has been made after taking into account a range of information in respect of future income and costs, cash flow projections and the reduction in unrestricted reserves, however, they acknowledge that a material uncertainty does exist that may cast significant doubt on the entity's ability to continue as a going concern, in relation to the timing of certain receipts including the sale of assets, and secured grant funding. The charity's cash flow forecasts show that, with the continued support of the bank, the charity should be able to continue to operate and is well placed to manage its risks successfully for at least 12 months from the date of approving these financial statements.

Further details of the financial impact of changes made since the year end and forecasts are given in the future plans section in the Report of the Trustees.

Consolidation

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

Income

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

Donations and legacies income

Donations and legacies income includes donations, gifts and grants that provide core funding or, are of a general

2. ACCOUNTING POLICIES - continued

nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Investment income is recognised on a receivable basis.

Expenditure

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

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

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit and accountancy fee.

Tangible fixed assets

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

Property and property improvements	2% straight line
Vehicles	20% straight line
Equipment	20% straight line

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.

Pension costs and other post-retirement benefits

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

Termination payments

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

Operating leases

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Financial instruments (continued)

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

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

Significant accounting judgements and estimates

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

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

Property Valuation

Property has been revalued based upon formal valuation provided by independent expert. The valuation is by nature an estimate, though the expert is qualified to be able to provide this valuation.

Depreciation

Depreciation is based upon the useful economic life of the asset which has been estimated by the charity based upon knowledge of the assets. The manual nature of this estimate makes it a risk/

3. DONATIONS AND LEGACIES

	2024	2023
£	£	£
Donations	62,790	64,739
Gift aid	-	1,034
Legacies	-	57,535
Grants	<u>251,576</u>	<u>230,918</u>
	<u>314,366</u>	<u>354,226</u>

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

	2024	2023
	£	£
Interlink RCT	-	1,000
Arts Council of Wales	-	3,893
Janet and Peter Swinburn Fund - CAF America	23,576	49,245
Children in Need	-	500
The Waterloo Foundation	50,000	50,000
Garfield Weston Foundation	45,000	-
The Hodge Foundation	60,000	25,000
The Tudor Trust	48,000	48,000
The Leathersellers' Foundation	25,000	25,000
Department for Work and Pensions	-	6,511
Arts & Business Cymru	-	6,562
RCTCBC	-	15,207
	<u>251,576</u>	<u>230,918</u>

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Retail income	12,132	9,815
Income from Valleys Creative Limited	122,319	111,364
Exhibition sales	-	365
	<u>134,451</u>	<u>121,544</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

5. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	53,368	39,483
Deposit account interest	464	44
	<u>53,832</u>	<u>39,527</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Community activities	212,234	238,099
Grants	452,875	549,114
Party and play	118,334	122,380
Hire income	70,740	49,486
	<u>854,183</u>	<u>959,079</u>

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

	2024	2023
	£	£
Department of Works – Kickstart		1,493
Interlink RCT	7,831	-
Arts Council of Wales	179,748	188,363
Big Lottery Fund - Working Families	-	108,027
Gwendoline and Margaret Davies Charity	-	5,000
Welsh Government	-	4,152
Cwm Taf Morgannwg University Health Board	-	9,098
Children in Need	29,935	30,577
Peny Y Cymoedd Community Fund	1,167	25,500
Colwinston Charitable Trust	-	10,000
Oakdale Trust	-	2,000
The National Lottery Heritage Fund	120,045	-
Pontypridd Town Council	-	250
RCTCBC - other grants	-	26,404
Community Foundation Wales	-	4,642
RCTCBC - Summer of Fun	-	10,629
Arts & Business Cymru	2,492	5,817
The Darkley Trust	-	2,000
Alex Ferry Foundation	-	9,978
WCVA: Third Sector Resilience Fund 3	-	46,382
Newydd Housing Association	-	750
Western Power Distribution	-	2,500
National Grid Electricity Distribution - Community Matters Fund	-	9,935
National Lottery Community Fund	9,509	9,948
Voluntary Action Merthyr Tydfil - Regional Integration Fund	45,120	24,132
Welsh Church Act Fund	-	8,237
Save the Children	7,000	1,800
Tiny Rebel	-	1,500
RCTCBC - Community Dementia Prevention Programme	1,899	-
CWVYS	9,500	-
The Neighbourly Food Grant	5,500	-
RCTCBC - Food Support Fund	1,000	-
RCTCBC - Community Micro Grant	1,000	-
RCTCBC - Winter Hardship Fund	2,000	-
RCTCBC - Energy Costs Grant	2,700	-
RCTCBC - Neighbourhood Network Fund	1,000	-
RCTCBC - Fun, Food & Friends	15,615	-
National Grid Electricity Distribution - Warm Place Energy Club	9,814	-
	<u>452,875</u>	<u>549,114</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

7. OTHER INCOME

	2024 £	2023 £
Insurance claim	1,495	-
Sundry Income	-	2,290
	<u>1,495</u>	<u>2,290</u>

8. RAISING FUNDS

Raising donations and legacies

	2024 £	2023 £
Staff costs	27,190	32,492
Activities	-	6,750
Premises costs	10,699	14,355
Trading subsidiary costs	<u>68,212</u>	<u>74,711</u>
	<u>106,101</u>	<u>128,308</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Community Support	<u>1,424,498</u>	<u>373,713</u>	<u>1,798,211</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	857,963	1,054,310
Travel	17,010	14,430
Staff training	1,031	16,072
Telephone and postage	2,094	1,943
Printing and stationery	1,569	-
Activities	219,184	197,589
Premises costs	219,896	195,334
Depreciation	103,584	112,282
Loss on sale of assets	<u>2,167</u>	<u>540</u>
	<u>1,424,498</u>	<u>1,592,500</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

11. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Community Support	<u>104,846</u>	<u>45,090</u>	<u>203,421</u>	<u>20,356</u>	<u>373,713</u>

12. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Auditors' remuneration	17,057	9,100
Auditors' remuneration for non-audit work	3,299	4,529
Property revaluation gain	(171,933)	-
Impairment of tangible fixed assets	-	970,621
Depreciation	<u>129,486</u>	<u>153,579</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 or for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 or for the year ended 31 March 2023.

14. STAFF COSTS

	2024 £	2023 £
Employee costs during the year		
Wages and salaries	973,315	1,145,813
Employer's National Insurance contributions	68,181	90,260
Pension costs	<u>17,926</u>	<u>21,917</u>
	<u>1,059,422</u>	<u>1,257,990</u>
Number of employees	55	64
Equivalent full time employees	46	51

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

The total key management personnel remuneration benefits paid during the year was £106,101 (2023: £101,570).

Included within staff costs are termination payments of £14,564 (2023: £Nil)).

15. RESULTS OF PARENT CHARITABLE COMPANY

No separate statement of financial activities has been included for the parent charitable company.

The income of the parent charitable company was £1,116,514 and net expenditure as £353,535

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

16. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	191,774	162,452	354,226
Charitable activities			
Community Support	305,453	653,626	959,079
Other trading activities	121,544	-	121,544
Investment income	39,527	-	39,527
Other income	2,920	-	2,920
Total	<u>661,218</u>	<u>816,078</u>	<u>1,477,296</u>
EXPENDITURE ON			
Raising funds	89,066	39,242	128,308
Charitable activities			
Community Support	1,114,213	890,323	2,004,536
Other	970,621	-	970,621
Total	<u>2,173,900</u>	<u>929,565</u>	<u>3,103,465</u>
NET INCOME/(EXPENDITURE) BEFORE TAX	(1,512,682)	(113,487)	(1,626,169)
Tax	(1,710)	-	(1,710)
NET INCOME/(EXPENDITURE) AFTER TAX	(1,514,392)	(113,487)	(1,627,879)
Transfers between funds	21,241	(21,241)	-
Net movement in funds	(1,493,151)	(134,728)	(1,627,879)
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	4,738,782	332,095	5,070,877
Prior year adjustment	(21,553)	-	(21,553)
As restated	<u>4,717,229</u>	<u>332,095</u>	<u>5,049,324</u>
TOTAL FUNDS CARRIED FORWARD	<u>3,224,078</u>	<u>197,367</u>	<u>3,421,445</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

17. TANGIBLE FIXED ASSETS - GROUP

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2023	5,182,381	320,754	20,000	5,523,135
Additions	-	7,322	-	7,322
Disposals	-	(147,848)	(20,000)	(167,848)
Revaluations	171,933	-	-	171,933
At 31 March 2024	5,354,314	180,228	-	5,534,542
DEPRECIATION				
At 1 April 2023	1,604,461	245,187	14,667	1,864,315
Charge for year	103,647	24,470	1,667	129,784
Eliminated on disposal	-	(147,848)	(16,334)	(16,334)
At 31 March 2024	1,708,108	121,809	-	1,829,917
NET BOOK VALUE				
At 31 March 2024	3,646,206	58,419	-	3,704,625
At 31 March 2023	3,577,920	75,567	5,333	3,658,820

TANGIBLE FIXED ASSETS - CHARITY

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2023	5,135,722	256,092	20,000	5,411,814
Additions	-	6,902	-	6,902
Disposals	-	(147,848)	(20,000)	(167,848)
Revaluations	171,933	-	-	171,933
At 31 March 2024	5,307,655	115,146	-	5,422,801
DEPRECIATION				
At 1 April 2023	1,600,729	199,123	14,667	1,814,519
Charge for year	102,714	22,105	1,667	126,486
Eliminated on disposal	-	(147,848)	(16,334)	(164,182)
At 31 March 2024	1,703,443	73,380	-	1,776,823
NET BOOK VALUE				
At 31 March 2024	3,604,212	41,766	-	3,645,978
At 31 March 2023	3,534,993	56,969	5,333	3,597,295

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

17. TANGIBLE FIXED ASSETS —continued

Professional valuations were performed by Bruton Knowles Chartered Surveyors, Rees Richards Chartered Surveyors, Herbert R Thomas Estate Agents and DLP Chartered Surveyors on the Valleys Kids properties in 2023-2024, the values assessed were as noted below:

	Valuation
Little Bryn Gwyn	1,050,000
The Factory	800,000
78 Tylacelyn Road	60,000
Library - 75,76 76a Tylacelyn Road	130,000
156 Bute Street	95,000

Other than Little Bryn Gwyn the properties are held at carrying value which is lower than the valuation:

The Factory – historic cost - £528,750, accumulated depreciation £148,050, carrying value £380,700.
 78 Tylacelyn Road – historic cost £25,000, accumulated depreciation £13,750, carrying value £11,250.
 Library – historic cost £86,798, accumulated depreciation £15,488, carrying value £71,310.
 156 Bute Street – historic cost £59,126, accumulated depreciation £32,520, carrying value £26,606.

Little Bryn Gwyn was revalued to £1,050,000 during the year resulting in a revaluation gain of £171,933. As the property had previously been revalued down to £900,000 in prior accounting period.

If held under the historic cost model the carrying value of Little Bryn Gwyn would be £1,829,276.
 (Cost £2,067,250, accumulated depreciation £237,975)

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

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	26,941	28,875	26,941	28,475
Other debtors	980	1,690	980	1,690
Amounts owed by group undertakings	-	-	76,973	71,943
Prepayments and accrued income	13,699	18,341	11,786	17,319
	<u>41,620</u>	<u>48,906</u>	<u>116,680</u>	<u>119,427</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

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

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans and overdrafts (see note 20)	144,952	11,369	144,952	11,369
Other loans (see note 20)	6,066	5,923	6,066	5,923
Trade creditors	46,294	28,404	41,207	28,136
Social security and other taxes	32,318	423	32,318	423
Corporation tax	-	1,710	-	-
Other creditors	22,688	27,387	19,079	22,835
VAT	9,677	8,809	-	-
Accruals and deferred income	80,871	85,063	79,777	79,985
	<u>342,866</u>	<u>169,108</u>	<u>323,399</u>	<u>148,671</u>

Included within deferred income above is the following:

	2024 £	2023 £
The Hodge Foundation	35,000	35,000
Children in Need	-	14,902
Little Bryn Gwyn - Hire income	10,700	13,835
RCTCBC capital grant	933	1,167
	<u>46,633</u>	<u>64,904</u>

The deferred income relates to income received in advance of project delivery.

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

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans and overdrafts (see note 21)	438,776	438,776	422,461	438,776
Other loans (see note 21)	31,309	31,309	25,244	31,309
Accruals and deferred income	3,733	4,666	-	-
	<u>451,438</u>	<u>474,751</u>	<u>447,705</u>	<u>470,085</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year on demand:		
Bank overdrafts	129,112	-
Bank loans	15,840	11,369
Other loans	6,066	5,923
	<u>151,018</u>	<u>17,292</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	17,148	11,328
Other loans - 1-2 years	6,212	6,067
	<u>23,360</u>	<u>17,395</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

21. LOANS - continued

Amounts falling due between two and five years:		
Bank loans - 2-5 years	64,979	39,815
Other loans - 2-5 years	<u>8,746</u>	<u>12,407</u>
	<u>73,725</u>	<u>52,222</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	340,334	387,633
Other loans	<u>10,286</u>	<u>12,835</u>
	<u>350,620</u>	<u>400,468</u>

22. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	1,410	23,706
Between one and five years	<u>-</u>	<u>44,592</u>
	<u>1,410</u>	<u>68,298</u>

Total operating lease payments recognised as an expense in the year were £16,915 (2023: £38,782)

23. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	<u>438,301</u>	<u>450,145</u>

The bank loan is secured by:

- A First Legal Charge over the Property known as The Pop Factory, Porth, Rhondda Cynon Taff
- A Second Legal Charge over the property known as Little Bryn Gwyn, Gower, Swansea
- A Deed of priority to be made between Unity and the Welsh Ministers for £502,000.

24. MOVEMENT IN FUNDS

	At 1/4/23 £	Net movement in funds £	Transfers between funds £	At 31/3/24 £
Unrestricted funds				
General fund	3,224,078	(382,247)	82,703	2,924,534
Restricted funds				
Sparc	6,332	(6,332)	-	-
The Tudor Trust	19,495	-	(19,495)	-
Interlink - Adverse Childhood Experiences	20,876	(20,876)	-	-
General	86,867	2,066	(63,208)	25,725
Children and Young People	1,798	(1,798)	-	-
Family work	-	-	-	-
Arts	61,999	(59,362)	-	2,637
Valleys voices	<u>-</u>	<u>94,497</u>	<u>-</u>	<u>94,497</u>
	<u>197,367</u>	<u>8,195</u>	<u>(82,703)</u>	<u>122,859</u>
TOTAL FUNDS	<u>3,421,445</u>	<u>(374,052)</u>	<u>-</u>	<u>3,047,393</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

24. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	902,181	(1,284,428)	(382,247)
Restricted funds			
Sparc	-	(6,332)	(6,332)
Interlink - Adverse Childhood Experiences	-	(20,876)	(20,876)
General	181,085	(179,019)	2,066
Children and Young People	44,916	(46,714)	(1,798)
Older people	47,120	(47,120)	-
Family work	48,359	(48,359)	-
Arts	186,554	(245,916)	(59,362)
Valleys voices	120,045	(25,548)	94,497
	<u>628,079</u>	<u>(619,884)</u>	<u>8,195</u>
TOTAL FUNDS	<u>1,530,260</u>	<u>(1,904,312)</u>	<u>(374,052)</u>

Comparatives for movement in funds

	At 1/4/22 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds					
General fund	4,738,782	(21,553)	(1,514,392)	21,241	3,224,078
Restricted funds					
Sparc	102,834	-	(96,502)	-	6,332
Colwinston Charitable Trust	14,000	-	(14,000)	-	-
BBC Children in Need	3,219	-	(3,219)	-	-
Waterloo Foundation	3,942	-	(3,942)	-	-
WCVA - Third Sector					
Resilience Fund	74,960	-	(74,960)	-	-
The Tudor Trust	23,184	-	(3,689)	-	19,495
RCTCBC - Parent Support	18,592	-	(18,592)	-	-
RCTCBC - Young Gifted and Welsh	3,000	-	(3,000)	-	-
Interlink - Adverse Childhood Experiences	23,800	-	(2,924)	-	20,876
South Wales Police	34,147	-	(34,147)	-	-
Charities Aid Foundation America	25,862	-	(25,862)	-	-
Trivallis - Together Again	4,555	-	(4,555)	-	-
General	-	-	106,520	(19,653)	86,867
Children and Young People	-	-	1,798	-	1,798
Older people	-	-	1,588	(1,588)	-
Arts	-	-	61,999	-	61,999
	<u>332,095</u>	<u>-</u>	<u>(113,487)</u>	<u>(21,241)</u>	<u>197,367</u>
TOTAL FUNDS	<u>5,070,877</u>	<u>(21,553)</u>	<u>(1,627,879)</u>	<u>-</u>	<u>3,421,445</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

24. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	661,218	(2,175,610)	(1,514,392)
Restricted funds			
Sparc	-	(96,502)	(96,502)
Colwinston Charitable Trust	-	(14,000)	(14,000)
BBC Children in Need	-	(3,219)	(3,219)
Waterloo Foundation	-	(3,942)	(3,942)
WCVa - Third Sector Resilience Fund	-	(74,960)	(74,960)
The Tudor Trust	-	(3,689)	(3,689)
RCTCBC - Parent Support	-	(18,592)	(18,592)
RCTCBC - Young Gifted and Welsh	-	(3,000)	(3,000)
Interlink - Adverse Childhood Experiences	-	(2,924)	(2,924)
South Wales Police	-	(34,147)	(34,147)
Charities Aid Foundation America	-	(25,862)	(25,862)
Trivallis - Together Again	-	(4,555)	(4,555)
General	227,019	(120,499)	106,520
Children and Young People	129,523	(127,725)	1,798
Older people	52,545	(50,957)	1,588
Family work	199,822	(199,822)	-
Arts	207,169	(145,170)	61,999
	<u>816,078</u>	<u>(929,565)</u>	<u>(113,487)</u>
TOTAL FUNDS	<u>1,477,296</u>	<u>(3,105,175)</u>	<u>(1,627,879)</u>

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

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

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

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

Charities Aid Foundation America the Swinburn Trust awarded Valleys Kids £50,089 to fund a new Director post as part of the 2021 transition process to a new senior management structure.

Waterloo Foundation supported the appointment of a new CEO within a new senior management & fundraising structure during a critical transition period with a grant of £150,000 over three years. The first instalment of £50,000 was received this year.

Tudor Trust supported the transition period with a donation of £49,000 to enable the employment of a full time Director of Programmes.

Rhondda Cynon Taf CBC - Parenting Support awarded £276,212 to Valleys Kids for the delivery of parenting support service.

Rhondda Cynon Taf CBC - Young Gifted and Welsh awarded £11,685 for delivery of the Young Gifted and Welsh project to address Mental Health and Wellbeing for young people in RCT who have been impacted by repeated lockdowns during the Covid pandemic. The grant contributed to two Freelance Level 3 Youth Workers, activities, four residential stays, travel and food.

24. MOVEMENT IN FUNDS - continued

Interlink - Community Response to Adverse Childhood Experience awarded Valleys Kids £23,800 for the development of community and partner involvement in a place based and community development approach to adverse childhood experiences. The purpose of the work including the identification and involvement of members of the community of relevant practitioners in the promotion of opportunities to be involved in conversations and awareness and training, and to work with the community, Interlink and other stakeholders and to identify the next steps in relation to future work, priorities and funding. Funding was awarded to deliver consultancy and staffing days January - March 2022, Trauma Informed Educator training for two people, Network meetings (3) Rhydyfelin, Upper Rhondda and Mid Rhondda, focus groups and questionnaires with six agency partners and evaluation and findings to include an external validation.

South Wales Police UK - Good Health programmes awarded Valleys Kids a grant of £34,147 to support community-based, self-help and peer support groups which are helping to tackle Adverse Childhood Experiences (ACEs). The grant was provided to enable beneficiaries to support women from racially and ethnically minoritised backgrounds; support women and children who have experienced domestic or sexual abuse/violence; support women with neurodiversity needs and enable beneficiaries to be better informed / empowered to act on information.

Trivallis- Together Again awarded Valleys Kids £4,555 to deliver the Together Again project to provide children, between the ages of 5 and 11 years of age, from Penygraig and the surrounding area, opportunities to play and socialise twice a week at the Soar Centre.

Valleys Kids received £74,960 from the **WCVA Third Sector Resilience Fund 2** to fund an integrated team to develop our social businesses, fundraise from individuals, companies, trusts etc and market the organisation and social businesses. This led to the employment of a full-time Fundraising Manager, a part time Trusts and Foundations Fundraiser and a full time Communications Officer.

Arts

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

- Arts Council of Wales
- Colwinston Charitable Trust
- The Darkley Trust
- Action in Caerau and Ely

Family Work

Funding was received from the following organisations as contributions toward the Family Work programme which focuses on providing comprehensive assistance to families in achieving their goals by equipping them with the necessary tools and support to develop their skills:

- RCTCBC
- Save the Children
- National Lottery Community Fund

Children and Young People

Funding was received from the following organisations as contributions toward the Children and Young People programme which focuses on supporting every child's right to play, learn and discover and working with young people to develop their self-confidence and encourage the development of aspirations and goals:

- Arts & Business Cymru
- Western Power Distribution - Community Matters Fund
- Gwendoline and Margaret Davies Charity
- Community Foundation in Wales
- Cwm Taf Morgannwg University Health Board
- Welsh Government
- Children in Need
- RCTCBC
- Interlink RCT

Older People

Funding was received from the following organisations as contributions toward the older adults' programme which is delivered across accessible Community and Family Hubs and provides a welcoming and exciting range of social and creative activities that encourages older people to develop new networks of friends and explore new interests, including engaging with the digital world:

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

24. MOVEMENT IN FUNDS - continued

- Alex Ferry Foundation
- Pontypridd Town Council
- Newydd Housing Association
- RCTCBC
- National Grid Electricity Distribution - Community Matters Fund
- Voluntary Action Merthyr Tydfil - Regional Integration Fund

General

Funding was received from the following organisations as contributions toward salaries, operational costs and repairs and maintenance:

- Charities Aid Foundation America
- WCVA: Third Sector Resilience Fund 3
- Welsh Church Act Fund
- RCTCBC
- Waterloo Foundation
- The Tudor Trust
- National Lottery Community Fund

Prior year restricted funds

The **National Lottery Community Fund** provided grant funding of £143,083 towards Working Families which is a project, based in Rhondda Cynon Taf, working in partnership with Spice to provide opportunities for working families experiencing in-work poverty. By using a time credit model, individuals will increase in confidence, self-esteem and health and well-being, whilst also building resilience and increasing social capital, and being empowered to participate in activities and experiences that they cannot ordinarily access, thus improving their quality of life.

The **Millennium Stadium Charitable Trust** contributed £5,100 in the 2019/20 financial year towards restoration and upgrade work on the Soar Centre.

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

The National Lottery Heritage Fund provided a grant to be used for the Fernhill Colliery Heritage Trail.

The **Hodge Foundation** provided grant funding of £13,452 to be used for the Families in Need project.

Rhondda Cynon Taf CBC - Rhydyfelin Grant contributed £15,101 towards the staffing of Rhydyfelin Community and Family Hub.

Integrated Care Fund - Keeping Connected awarded Valleys Kids a grant of £9,272 for a befriending project for older people, including a dementia café at the Rhydyfelin Community and Family Hub and a number of therapy sessions and other activities to bring together isolated and vulnerable people in a supported environment.

National Lottery Heritage Fund donated £6,500 to Penyreglyn Community and Family Hub to deliver a heritage trail up in the Colliery Site. The project was young-people-led and included designing and commissioning the making of interpretation panels, running a social media campaign and holding a launch event.

Integrated Care Fund - Third Sector Small Grant Scheme awarded Valleys Kids £10,000 to deliver the "A Place and Time for You" project, developed from close collaboration with participants and key stakeholders who continue to inform the development of this discrete project established to engage adults in the first stages of dementia and their families and creating opportunities tailored to individual need and supporting those with dementia and their families to continue to engage in their community.

Community First - Family Engagement awarded Valleys Kids a Family Engagement grant of £81,548 to deliver family and youth activities at Valleys Kids Community and Family Hubs.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

24. MOVEMENT IN FUNDS - continued

Interlink - Mental Health Covid Response provided a grant of £36,000 for the project 'A Space for Us' - working with the community to improve mental wellbeing' to deliver sessions, activities and provide support to Children, Young People and Families whose levels of anxiety and depression increased dramatically as a result of the Covid epidemic in Rhondda and Taff - especially in the communities of Rhydyfelin, Penygraig, Dinas, Porth and Penyreglyn. A follow-on grant of £26,640 was received to continue the project, which provided Weekly Drama Workshops, online drama workshops, emotional wellbeing support, counselling via a partner organisation, wellbeing packs, play packs and youth activity packs.

Interlink - Winter Pressures grant of £10,441 to Valleys Kids to ensure the physical and mental wellbeing of disadvantaged and isolated older people in Penygraig, Penyreglyn, Dinas and Rhydyfelin over the winter season. This was delivered through connected projects: hampers for elderly and vulnerable people, a Christmas party for older people who would otherwise be alone at Christmas the chance to come together and enjoy a cup of tea and a mince pie.

Tesco - Yard Grant a grant of £1,100 to support the food parcel scheme operated out of the Play Yard and the work in partnership with local schools. The funding was used to purchase equipment to support the delivery of the food parcel scheme (shelving, refrigeration and heavy-duty trolleys).

Pobl Trust - Yard Grant a grant of £1,000 to support the food parcel scheme operated out of the Play Yard also expand on the work we do with schools we purchased kitchen equipment which has enabled us to deliver training with young people and hold healthy eating/cooking workshops with school children.

Parent Infant Foundation awarded Valleys Kids a grant of £4,400 to conduct a consultation of parents of children 0-2 years in Bridgend and RCT.

South Wales Police UK - ACEs awarded grant of £3,779 to engage with cohort of children facing ACEs and deliver two residential stays at Little Bryn Gwyn residential centre for primary school children from Awel y Môr Primary School in Port Talbot and Coedffranc Primary School in Skewen, Neath.

Genesis - Kick Start Grant awarded £10,000 to deliver the creative Front Room project - a community catalyst for recalling forgotten memories, sharing stories and making connections. Funding enabled the Valleys Kids' Artist in Residence and three freelance artists to collaborate to create a Pop-Up Art Installation The Front Room, which existed in the real and virtual world.

New Horizons contributed £2,000 towards the cost of supporting specialist mental health intervention and training.

Swansea Council - Summer of Fun grant contributed £5,000 towards building an adventure playground at Little Bryn Gwyn, involving open days and training for young people and families. Swansea Council also contributed £3,000 holiday fun grant to enable us to run a week of activities at Little Bryn Gwyn during October half term.

Transfers between funds

£82,703 was released from restricted funds to unrestricted funds relating to grant income received from the Tudor Trust. The grant had initially been provided to fund a staffing post, whilst the grant was unable to be spent in full, it was confirmed with the funder that the residual balance could be transferred to unrestricted funds.

Prior year transfers

Transfers totalling £21,241 were made between funds to reflect the purchase of fixed assets.

25. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £17,928 (2023: £20,421). Contributions outstanding at the year end amounted to £Nil (2023: £3,867).

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

26. CONTINGENT LIABILITIES

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

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

No liabilities are expected to arise in the foreseeable future.

27. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £802 (2023: £416) from two trustees (2023: two).

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

	2024	2023
	£	£
Rent expense paid	22,296	22,296
Donation received	67,500	-

During 2023, trustee C Asiratti was paid £5,000 for performing internal job evaluations of all charity staff.

During the current year, a relative of a trustee was paid £225 for services provided to the charity.

No amounts were outstanding at year-end.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

28. SUBSIDIARY COMPANY

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

Valleys Creative Limited, registered office:
The Factory Welsh Hills Works
Jenkin Street
Porth
CF39 9PP

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

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

	2024	2023
	£	£
Turnover	251,922	249,001
Cost of sales	<u>(68,212)</u>	<u>(74,849)</u>
Gross profit	183,710	174,152
Other income	1,167	28,493
Expenditure	<u>(200,393)</u>	<u>(195,620)</u>
Net profit before tax	(15,516)	7,025
Tax	<u>-</u>	<u>(1,710)</u>
Net profit after tax	<u>(15,516)</u>	<u>5,315</u>

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

	2024	2023
	£	£
Assets	101,067	115,952
Liabilities	(102,983)	(97,352)

VALLEYS KIDS

England & Wales - Charity number 1074840

Accounts

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

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2023
FOR
VALLEYS KIDS

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

VALLEYS KIDS

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FOR THE YEAR ENDED 31 MARCH 2023**

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VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the group for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

As stated in the Memorandum of Association, the charity's objectives are:

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

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

The charity meets these objectives by providing community support through a range of different projects which changes as the needs of the community change.

Public benefit

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 (i.e., to have due regard to public benefit guidance published by the Charity Commission). Our objectives and our work provide benefit to the public. All our work takes place in areas experiencing social disadvantage and we provide our core activities free of charge. While focusing on those most in need, the facilities are open to everyone in the areas we serve and provide substantial benefit to the children and families who participate, as demonstrated in our Report of the Trustees.

OBJECTIVES AND ACTIVITIES

Significant activities

Every child is valued

Every child deserves the best start in life and this is the aim of our pre-school provision. Because we believe that play has a key role in the development and well-being of children, providing out-of-school play opportunities has been one of our commitments from the beginning. Valleys Kids' play services offer exciting opportunities for children to experiment and help them grow. Most importantly, all our play is about children having fun and discovering they can do many different things.

Everyone matters

In pursuit of our commitment to place-based community development, Valleys Kids Community and Family Hubs welcome everyone who wants to attend local facilities that offer pre-school, play, youth or adult services and activities. We also provide time-limited, targeted provision which supports people to deal with particular issues, problems or needs. Often these important programmes are supplemented by continued support available through open access provision. Nobody should be left behind.

Everyone has potential

Valleys Kids believe that everyone has potential. Our role is to enable people of all ages to believe in themselves, grow in confidence and realise their ambitions. We take considerable pride in creating the many pathways to increased well-being and achievements needed by people of all ages in all our communities. This can range from a young person getting re-engaged in education and succeeding in school/college/university, training and employment to an isolated older person taking advantage of opportunities to socialise, getting involved in arts and acting as a volunteer. Our Youth Work is about helping young people face up to the challenges in their lives and to seek solutions. Valleys Kids' aim is to provide for all young people but with a commitment to engage the most challenging and challenged. To do this, we create situations where young people want to participate, places which they feel belong to them and which are warm, welcoming and friendly spaces staffed by quality youth workers. In-depth youth work happens when young people feel comfortable and able to develop relationships with trusted adults.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Significant activities

2022-23 has been a period of consolidation as we sought to build upon our Transition Programme and to make effective use of funding for three new senior manager posts (for three years) and grants to establish a fundraising team (for eighteen months). The new structure provided increased management capacity, justified by the need to focus more systematically on crucial issues (such as forward planning, financial resilience, fundraising, digital working and social enterprises) and on greater interaction with audiences and stakeholders outside the organisation.

In other ways too this was an exceptionally busy period for Valleys Kids. In addition to implementing a new management structure, we were still dealing with the impact of Covid-19. We produced a substantial impact report describing the organisational response to the pandemic and recording the reflections of beneficiaries. The pandemic was and continues to be a seminal event. It soon became clear that the multiple issues facing children, young people, families and older people (including social isolation, food poverty, declining mental health and wellbeing and digital exclusion) were going to increase.

Dealing with the immediate consequences for our communities required us to become even more agile in decision-making at all levels in response to the need for urgent action. As services experienced considerable disruption, our use of communication technology improved. We made new connections with communities and emergency facilities were created very quickly. The funding we were able to raise very quickly ensured that Valleys Kids could provide:

- free lunches to children;
- food hampers to families;
- on loan iPads for families and older people; and
- resources such as activity packs for children, young people and adults.

Staff were justifiably proud of their work to maintain high levels of support to people at a critical time and their crucial role was universally acknowledged. Valleys Kids has received numerous messages of thanks for the indispensable support provided across generations. These novel ways of working and of engaging with people and their needs continued much longer than anyone anticipated at the outset and with increasing intensity. Demand for help continues to grow and other sources of help have decreased.

The local authority reports a significant decline in third sector and other community-based support organisations as some did not survive or they were forced to contract during the pandemic.

For Valleys Kids, methods of support have emerged which are even more inclusive and responsive. For example, using hybrid approaches which combine digital and face-to-face sessions. In addition, we continued to offer seasonal specific help. As always, the Christmas Appeal (providing presents and pyjamas for over three hundred children) was hugely successful. Winter Resilience programmes also brought opportunities for winter fun for youth groups over the period. In the run up to Christmas, we were able to deliver a hundred food parcels to older adults across the Valleys Kids areas. This work continued in earnest in the New Year. For example, by the end of January, 150 winter warmer parcels went out to older adults. The Senior Leadership Team, and the newly appointed Fundraising Manager, supported staff in identifying and drawing down additional funds to help finance these activities.

One of the challenges now is to shift attention from short-term fixes for immediate problems to the pursuit of strategic solutions. The focus on making best use of short-term funding and responding urgently to crisis was sometimes achieved at the expense of long-term planning. Increased uncertainty about the future means that plans will have to be even more robust/flexible. The one-year and three-year planning and finance cycles which dominate funding opportunities mean that organisations like ours feel obliged to deliver results within that time frame while knowing that community development and support are also long-term enterprises. Partly for this reason, we have become even more intent on communicating our mission, extending knowledge of our activities and demonstrating/celebrating our impact. A new Communications Officer post has been funded, providing support to staff, centres and programme areas and beginning to streamline and develop our outward facing communication channels. A new organisational charter and website are current priorities.

Programmes

1. Visual Arts Programmes

A busy year of activities and exhibitions

As the social distancing restrictions in place during Covid-19 lifted, Valleys Kids' visual arts programme supported the communities where we work as they recovered from the impact of the pandemic and came to terms with significant new financial pressures.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Our Artist in Residence, Anne Culverhouse-Evans, led strands of work bringing older members of the community together again to enjoy creating and appreciating art, curated a vibrant programme of work by local and national artists in the Robert Maskrey Gallery, delivered visual arts workshops for schools, and developed the relationships we have with leaders in the visual arts from across the UK.

Exhibitions in the Robert Maskrey Gallery

Local and international artists are welcome to exhibit at the Art in the Attic Robert Maskrey Gallery, either through word of mouth or actual visits to the gallery, artists seek us out as a space to show their work. The space is designed to give all exhibiting artists an equal platform and as the gallery is situated in Porth, the gateway to the Rhondda Valleys, we are ideally placed to be that space that enables artists to connect with the more difficult to reach audiences.

It has been wonderful to see it in use again after a series of lockdowns and that audiences for the space have returned so enthusiastically. There are bookings for exhibitions throughout the year, including the much-loved RCT Photomathon, and we already have bookings for future exhibitions well into next year.

The space is greatly valued by the community, as Anne has said "The Art in the Attic Robert Maskrey Gallery enables local people to have a connection with artists and their work without having to venture beyond the Rhondda Valleys: it is on their doorstep and they truly appreciate it. Artists exhibiting here also love the space and the friendly welcome".

From Kevin Sinnott, Gypsy Maker 5 to local and professional artists, we offer a wide programme. Kevin Sinnott exhibited his 'Post Office years' collection of work at the gallery. The first time that he ever had showed the works in their entirety outside of his recently renamed gallery Kevin Sinnott Museum at Studio18 Wales.

One prestigious exhibition that we supported during 2022 was the Gypsy Maker 5 exhibition, curated by Dr Daniel Baker, which was touring Wales. The exhibition was well attended and the work well received and each of the three artists exhibiting in Gypsy Maker 5 gave a workshop for community art groups at The Factory. The RCT Photomathon engages with a huge audience and the prize giving event held here every year invites audiences from large areas within RCT.

Since 2015, we have hosted 93 exhibitions in the Art in the Attic gallery and have supported over 140 individual artists.

Community arts sessions

Our ambitious, exciting and inclusive weekly art sessions are run at three of Valleys Kids' Community and Family Hubs and we now have over 40+ individuals attending these groups and the ages range from 26-93. This programme continues to attract people who wish to explore their artistic side and make new friends.

Open to new ways of delivering and presenting work, our beneficiaries are key in identifying the direction of travel for the visual arts programme, planning and curating their own art exhibitions in the Art in the Attic Robert Maskrey Gallery in The Factory, and identifying key themes for creative output around social justice, environment and climate justice. Health and wellbeing features prominently in our delivery of visual arts to older adults, responding to government health agendas.

Through our older adult engagement, we support people from underrepresented groups and communities to engage creatively in deciding what counts as culture, where culture happens, who makes and experiences it, and how.

A major exhibition in 2022 highlighted the incredible work undertaken by the artist in residence and the community outreach art class participants during multiple lockdowns. Over 900 pieces were displayed as part of 'Our Lockdown Exhibition' by Valleys Kids' adult art groups in Penynglyn, Penygraig and Porth. Held in the Robert Maskrey Gallery at The Factory in September 2021, it highlighted the wonderful work produced during the 16 months that the art groups were in lockdown and their continued determination to be creative.

"My husband passed away a few years ago and I felt so isolated. The art group has made me feel connected. I have made friends who I can talk to about how I feel. It has really helped me." A member of our art group.

Summer school

Summer Schools are themed around excursions and exhibitions with the most recent themed around a trip to see the Van Gogh Bristol: The Immersive Experience exhibition in Bristol. Using the theme of "Sunflowers and Starry Nights" along with other subjects, the groups were inspired by their visit and produced some beautiful work that they then showed in the Robert Maskrey Gallery.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Art Residentials

Art residentials at our accessible eco-centre on the Gower, Little Bryn Gwyn, take place twice a year and are always welcomed by everyone and the feedback we receive shows just how much of a difference it makes to their wellbeing to be in such a peaceful setting and able to concentrate on art and creativity over a few days.

Participants produce beautiful work and enjoy working with the nature that surrounds and inspires them. Many group members struggle to find time to take a break and these residentials are sometimes the only opportunity some participants have to take some time to themselves. Art is the connection that brings people together but, through these visits and activities, members can talk more about their lives and worries which builds the bonds of friendship they have. They always leave refreshed and feeling uplifted.

Working with local schools

Over the past twelve months, we have been in touch with schools in the area to give pupils and teachers the chance to visit the exhibitions and take part in workshops run by the artists exhibiting work. They were particularly interested in the Gypsy Maker 5 exhibition and really enjoyed workshops held with Corrina Eastwood and Imogen Bright Moon and particularly the opportunity to join Rosa Maria in her Flamenco session.

Creative Apprentice

Working with Arts & Business Cymru, we have been able to offer a school leaver from very difficult socio-economic circumstances the opportunity to spend twelve months as a paid apprentice working with Anne to deliver the Art in the Attic programme at The Factory, in Porth. The successful applicant is being managed and mentored by Anne as well as receiving business mentoring and has opportunities to take part in training courses delivered by Arts & Business Cymru. She is now shadowing Anne during art sessions, invigilating at the Robert Maskrey Gallery and helping artists set up their exhibitions, and will join the art group on trips to other galleries and exhibitions.

Royal Academy

Each year we are invited to the Royal Academy by Rebecca Salter PRA for the Summer Exhibition and she insists on keeping space in her calendar so that she can meet us at the exhibition and talk us through some of the work there. It is always a special day out and we are treated like royalty at these visits (as Rebecca says "We are the Royal Academy after all!").

Artes Mundi

Valleys Kids is invited to participate in the annual Artes Mundi exhibitions and will this year participate in Artes Mundi 10. Letty Clarke was able to support the art group when they visited the museum last year and introduce the artists' work. Letty also visited Porth to show the groups slides of the artists' work and talk more in depth about the work. We were very fortunate that Nigel Prince, Director of Artes Mundi was also able to visit the art group at The Factory, view the exhibition and take time out to talk to the group about their work and the work of Artes Mundi.

Explore Collective

In partnerships with Action for Caerau and Ely, housed at the Dusty Forge in Cardiff, the Artist in Residence works closely with the artists from ACE on the Explore Collective programme and artists from both projects share experiences, deliver workshops between centres and host two joint exhibitions each year at both the Art in the Attic Robert Maskrey Gallery and the gallery at Dusty Forge.

Having common threads between both ACE and Valleys Kids meant that we were able to quickly create ways in which we could work together. After the initial conversations we were able to find a small pot of funding that enabled us to visit each other's projects and introduce the art groups to each other.

Securing additional funding through Create meant that we were able to create a stronger partnership with more opportunities to work more closely together.

Workshops with other artists and joint exhibitions means that we have exciting times ahead for both art group participants. We are currently working with photographer Suzie Larke, one of the artists commissioned for the project, creating portraits with members of the art group.

We regularly hold partnership meetings to discuss the progress of the project with representations from art group members.

We have held two exhibitions; one at Valleys Kids and one at ACE. These were well attended by both groups and members of the public; we have also held creative workshops helping to build relationships between both groups.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

We continue to work together towards our next exhibitions and will be joined at our Summer School this year by Rachel Carney who will run creative writing workshops.

We want to develop our existing partnerships with arts practitioners and agencies to create more partnership projects, enabling cultural and geographical exchanges.

In addition to our provision of weekly arts classes for adults in two of our Community and Family Hubs and The Factory and annual summer school, and provision of monthly arts programme at The Factory, we would like to work with 2 local schools to develop pupil's engagement in visual art projects, and maintain an Apprentice programme designed to offer gallery curation, arts development experience and career opportunities to young people from disadvantaged backgrounds.

We would like to create at least one cultural exchange partnership project a year, in the spirit of the Exchange Collective project of 2022-23 and create a month-long Art in the Attic event with a specific focus on Climate Justice, working with groups and Basement Artists beforehand to co-design, create and realise the event.

We will support art groups and Basement Artists to attend and participate at large cultural events such as the National Eisteddfod, arts festivals like the Caerleon Arts Festival, and music festivals like Tafwyl and Green Man.

We will provide five yearly trips to visual arts venues and develop the Artist in Residence programme nationally and internationally to offer people exceptional arts opportunities, including hosting two annual visual arts' practitioner events.

We will curate 10 arts exhibitions in the Art Gallery curated and supported by our Artist in Resident supporting an eclectic mix of local emerging artists, underrepresented artists and high-profile artists like Kevin Sinnott.

We would like to attract artists from beyond the valleys to create Visiting Artist Exhibitions in the Gallery at least three times a year.

To sustain the existing programme of activities and fully realise the potential described above, we are looking for further investment.

Statistics

A snapshot of the current annual Visual Arts programme delivery:

Activity	Area of delivery	Number of sessions	Average number of participants per session
Art with Adults	Porth	47	15
Art with Adults	Penygraig	47	15
Art with Adults	Penynglyn	47	5
Summer School	Porth	20	10
Arts Residentials	Gower, Swansea	2	12
Annual Partnership Projects	Varied	4	20
Annual cultural visits / exchanges	Varied	5	20
Active partnerships	Varied	6	20
Gallery Exhibitions	Porth	12	100+

Demographics

Our summer schools are attended by children and young people of all ages and socio-economic circumstances, while the age range of participants in our adult classes ranges from 26 to 93.

Our adult participants come from a diverse range of backgrounds/circumstances, from retired professionals to people on long term benefits, people with physical disabilities, mental health and depression diagnoses, those living with anxiety and/or loss to those living with chronic pain.

Exhibitions held in Art in the Attic

1. **2022:** Strinda Davies; Front Room Project Exhibition; Gypsy Maker 5; RCT Photomathon; Valleys Kids Art Groups/Explore Collective; Dawn Hoban and students; Eileen Gardiner and Friends; Basement Artists

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

- 2 **2023:** Lynne Thomas-Copa; Penygraig Young People-Second Time Around; Gerhard Kress-Trefores; Helen Acklam-What It Is to Be There; Explore Collective; Jacqueline Jones; Zoe Reynolds with Arts & Business; RCT Photomathon; Valleys Kids Art Groups; Dawn Hoban; Eileen Gardiner; Susie

2. Sparc - Valleys Kids Youth Arts Project

Sessions and attendances

467- Performance Arts Sessions
954 - Mentoring and support sessions for young people and families
178 - Student and volunteer placement sessions
244 - Digital Arts training sessions
6,678 - overall attendance figure

This was an incredible year for Sparc, after the successful launch of the Make it! Project, a programme and network run by and for early career artists and creatives - activity really took off! The project worked with 15 local, national and international partners. The young creatives produced work in partnership with Dirty Protest; National Dance Company Wales; National Theatre Wales; Artis Community; Battersea Arts Company and Brazilian Company, People's Palace Project, making and creating their own work. They developed 'Penny and Rhys' commissioned by the Above and Beyond partnership, which is based in Penrhys, developing a play with input from the young people to be performed at the Above and Beyond Festival in August.

Coming out of Covid, young people involved in the Sparc Project still strongly favoured creative, participatory work and engaging in face-to-face sessions with their peers and youth arts workers. Young people and parents needed and valued on-going mentoring and support, with many still struggling with their mental health and return to a school environment.

Highlights this year were the development of our highly successful Sparc Associates programme enabling us to work and support young professionals in their youth arts practice. Penygraig Drama Workshop held a week's residency to develop a new play 'The King and the Goblins'. Our Flight Wings disabled adults group held a summer project in our residential centre in the Gower, for some the only opportunity to spend time away from immediate family - they also saw The Colour Purple at the Wales Millennium Centre.

Through our Together Stronger partnership with the Wales Millennium Centre, 50 young people were offered free tickets to see the Lion King, an opportunity they could never have afforded otherwise. Our youth groups were invited backstage for an insight day, one was so inspired that since then he applied and was accepted for an apprenticeship to work with the technical team at the Centre.

Young people went on theatre and arts trips to the Parc and Dare and for a special visit to London to the Royal Albert Hall to meet with the events manager and find out more about potential careers in the arts, an unforgettable experience.

Our Radio Platform project at Porth went from strength to strength. Young people in Penygraig and The Factory worked with artist Tumi Williams and our Digital Arts worker to develop projects focused on music production, animation and coding work. Our Pencil Breakers, a collective of disabled, queer and activists writers continued to meet online to develop their next project.

3. The Family Team

The Family Team were responsible for.

- Coordinating and issuing access to Save the Children 'Early Years Grants' for RCT residents and 'Refugee Grants' for Ukrainian Refugees located in RCT. In collaboration with Save the Children, Local Authority, RFS and partner organisations.
- RCT Community of Practice Meetings termly organising, co-ordinating and chairing in collaboration with Save the Children, LEA, and partner organisations.
- RCT Schools Family Engagement Officers Peer support meetings termly, organising, coordinating, and chairing in collaboration with Save the Children, LEA, and partner organisations.

The Family Team continue to support:

- Stay and Play sessions at our Community Hub Soar.
- The Old Library Social Enterprise.
- The Play Yard Social Enterprise.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

April 2022 - August 2022

The family team were responsible for organising and facilitating:

- Weekly informal information-sharing drop-in sessions for parents and/or carers living in RCT. These sessions were delivered weekly sometimes twice a week in the following areas, Glyncoch, Porth, Penygraig, Perthcelyn, Ynyswen, Penyreglyn, Rhydyfelin, Tylorstown, Glenboi, Waun Wen, and Pontyclun. delivered as part of the commissioned work with Resilient Families Services.

August 2022- December 2022

The family team continued to support:

- informal drop-in within our community hubs, at Porth, Penyreglyn, Rhydyfelin and Soar and additionally drop-in sessions continued in Tylorstown and Cymmer to initiate peer support.

April 2022- July 2022

The family team delivered the following programmes:

- 2 x Virtual Family Links Nurture Programme a 10-week parenting intervention for parents of primary-age children delivered as part of the commissioned work with Resilient Families Services.
- 2 x Virtual Take 3 Parenting Programme 10-week intervention for parents of teenagers displaying difficult behaviours delivered as part of the commissioned work with Resilient Families Services.

June 2022- August 2022

The family team delivered the following training:

- 3 x ACE Awareness and Trauma-informed Practice Training in collaboration with SPARC Wales Millennium Centre, Rhondda Cynon Taff Primary Schools (FEO) and Interlink CYP.

August 2022- March 2023

The family team became responsible for:

- Valleys Kids Residential and Training Centre, Little Bryn Gwyn. This included promoting Little Bryn Gwyn and co-ordinating building compliance, maintenance and a robust in-house and guest booking system.

September 2022 - December 2022

The Family Team delivered the following- programmes:

- 3 x Family Links Nurture Programme a 10-week parenting intervention for parents of primary-age children at Tylorstown, Maerdy and Ton Pentre Primary Schools delivered collaboratively with the schools.
- 2 x Family Links Nurture Programme a 10-week parenting intervention for parents of primary-age children delivered as part of the commissioned work with Resilient Families Services.
- 1 x Take 3 Parenting Programme 10-week intervention for parents of teenagers displaying difficult behaviours delivered as part of the commissioned work with Resilient Families Services.

October 2022- December 2022

The family team were responsible for coordinating:

- Christmas Appeal 2022 gift donations which were provided to families in need throughout RCT resulting in supporting over 200 families (500+ children) receiving support in the form of gifts, and sometimes food parcels. The appeal was delivered to families in collaboration with Save the Children, St David's Appeal, RFS, local schools and partner organisations.

January 2023 - March 2023

The family team delivered the following programmes:

- 1 x Take 3 Parenting Programme 10-week intervention for parents of teenagers displaying difficult behaviours, delivered as part of the commissioned work with Resilient Families Services.
- 1 x Early Bird plus a 10-week intervention for parents of children with a diagnosis of ASD delivered as part of the commissioned work with Resilient Families Services.
- 1 x No Violence = Good Health a 10-week programme for parent and child survivors of domestic abuse. Delivered collaboratively with the Oasis Centre and Health Board.
- 2 x Family Links Nurture Programme a 10-week parenting intervention for parents of primary school children at Cwm Clydach Primary School and Cymmer Primary School delivered collaboratively with the schools.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

- 3 x Playful Parenting a 2-week parenting Intervention at Tylorstown, Maerdy and Ton Pentre Primary Schools delivered collaboratively with the schools.
- Child-to-child is a 6-week programme devised by Save the Children to empower children. This programme is aimed at primary-age children and was delivered at Maerdy Primary School delivered collaboratively with the school.

The family team were responsible for organising.

- 2 x Neurodiversity Events - Events for families living with neurodiversity, these events were held with fun interactive play activities. Both children and their primary carers were allowed to interact socially with their peers while accessing support from local organisations and professionals. Delivered in collaboration with SPARC, the local Health Board and several partner agencies.

4. Older Adults

"Keeping Connected with our Community" - programme set out to address the older adults isolation, depression and loneliness agenda while seeking also to help older adults experiencing the onset of dementia and their carers. It has developed a local, inclusive and accessible community programme of choice, providing activities that embrace befriending, social, learning, creative and wellbeing opportunities in a variety of local community settings in Penyreglyn, Treherbert, Penygraig, Porth and Rhydyfelin.

By regularly reviewing our community engagement, we have been able to adapt methods of delivery and deliver our full programme of activities in collaboration with the many older adult volunteers and participants who are keen to improve the wellbeing of their peers.

Residential care - We are still unable to re-engage with the residential care home residents who were regularly attending our weekly music and movement session. We do know that some residents have passed away during lockdown and it is our hope to re-connect when the residents feel safe to do so again. This was a very successful collaborative approach for residents of care homes and sheltered housing residents. Participation was an obvious benefit to their wellbeing.

Poverty - The level of food poverty remains at crisis level and small grants from Interlink enable us to support our most vulnerable participants, particularly during the winter months.

New developments - Our new "Friends at home" project has been developed to address the need of those who are housebound and would benefit from 'a chat over a cup of tea' to keep connected. Our plan is to develop volunteer capacity to address this need.

Our strengths continue to be:

- working in the heart of the community.
- collaborating with the community and our partners active in the communities we serve.
- regular consultation with the communities to identify need and find ways of addressing the needs collaboratively.
- a long track record of community engagement.
- supporting continued co-production with participants engaging in the planning and running of sessions delivered.

We were also able to draw down small grants to support our work and complement the continued development of our "keeping connected" project.

Our community development approach has enabled our befriending project to grow within our family and community hubs that support community engagement across the age.

Statistics for 2022- 2023

Dementia

- Weekly Good Company dementia support group - 9.
- Weekly Music and Movement - 17.
- No. referred this quarter - 6.
- No. of people keeping connected through home visiting - 4.
- No. of people keeping connected by phone calls - 4.
- No. of sessions delivered this quarter - 93.
- No. of people attending sessions - 40.
- No. of volunteers recruited - 3.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

- Volunteer hours this quarter - 60.
- No of opportunities to engage with other local people developed 3 (Well-being days, Jubilee older adult celebrations).
- No of people supported access locally available support services 5 (veterans, men's group, friendship group).

Befriending

- No. of people referred for support - 5 via frailty nurses and memory clinic.
- No. of new groups / projects facilitated - 3.
- Penyreglyn soup kitchen.
- No. of sessions delivered - 15.
- No. of volunteers recruited - 4.
- No. of volunteer hours - 420 (£5,040 per quarter, £20,160 annual for match funding).
- No. of new opportunities to engage - 3.
- No. of people supported to access locally available supported services - 5.
- Well-being events, memory clinic, FGG.

Penyreglyn

- No. of opportunities to engage with local people developed - 3.
- No. of people signposted to access locally available services - 6.
- Weekly Art groups x 3 - 16.
- No. of people attending - 171.
- No. of people reporting increased social connections (questionnaire) - 35.
- No. of people who feel they can influence decisions that affect them (have a say) - 35.
- No. of new local services developed using a co-production approach - 3.
- Real Annual volunteer time - £23,000 pa.
- Funding - £24,000.

Activities

Each of our community family hubs receives a budget for planned activities. These include:

- Penyreglyn Quilting and friendship groups. Run by volunteers - staff support. Actual £1,000 budget.
- Penygraig Knit and Natter, friendship group, community bingo - Run by volunteers. Staff support as above.
- Rhydyfelin Dementia Friday support group; Thurs pm Music & Home visits; Wednesday Bereavement support group; Community Bingo Run by volunteers; Women's support group; phone calls; men's support group.
- Music and Movement sessions - 17.
- Weekly wellbeing therapy support sessions - 10.
- Knit and Natter - 9.
- Friendship Café - 15.
- Telephone contact with those most isolated - 15.
- Friends at Home" new home visiting project - 4.
- Weekly Art Classes - 18.
- Women's support group - 8.
- Men's support group - 4.
- Recruit and support older adult volunteers - 15.
- Wellbeing agenda support - food parcels, afternoon teas, wellbeing packs, Christmas hampers, winter warmth support, wellbeing events - 200 Total. 415

Events supported - international older adult day, afternoon teas, Christmas celebrations.

We have also helped to tackle the increasing rise in food poverty and need for winter warmth, supporting the costs of food parcels, afternoon teas, hot meals and food hampers for our most vulnerable community members with particular emphasis on winter warmth need and numbers continue to include those who were on the RCT vulnerable list.

- No. receiving food parcels, afternoon teas, hot meals, Christmas hampers 800.
- Deliver weekly dementia support programme - 28 weeks.

Community Consultation Feedback

- Participant wellbeing consultation - 50

*I can always hear a smile on the end of the phone when you ring. It makes my day.
You've brought me and my daughter closer together too, you've been amazing.*

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

It makes me feel less isolated through the contact each week online.

Really appreciate the calls.

Joining the classes online has given me much more confidence to try different things.

It's nice to know that someone is thinking of me.

Nice to know we are not forgotten.

Keeping engagement meaningful - clear need to hold on to friendships lifted spirits and instilled a feeling of wellbeing." (Partner Agency).

B. Social Enterprises

5. The Factory

Because of lockdown and continuing Covid-19 restrictions, The Factory remained closed to non-tenants for part of the year and no music events were held in the venue as social distancing rules were respected. Art exhibitions were allowed, providing that maximum numbers were in line with government guidelines. The BIG Lottery funded project 'Helping Working Families in Poverty' continued to provide volunteering opportunities to people in exchange for time banking rewards. Food bags were distributed each Friday.

6. Little Bryn Gwyn

Little Bryn Gwyn is a beautiful residential centre on the Gower with nine ensuite bedrooms (22 beds), a lounge and dining area with kitchen and an adjoining activity centre. It was able to open fully for bookings in May 2021.

7. The Play Yard

Our social enterprise, The Play Yard, had another busy year, with an extension made to the play area via a successful match-funding grant from RCT. This significantly improved the existing play area and added additional floor space and capacity for a further twenty-five children. The staff developed a small sensory space to enhance the services and facilities we can offer to children and adults with ASD & SEN conditions. The Project Leader won the 'Remarkable Achievement' award in the UK-wide 'What's On 4 Kids' annual industry awards. What's On 4 Kids is the leading, well recognised database for all things related to the children's activities industry. Through its national Activities Awards, it rewards and recognises the most loved children's activities, classes, venues and people across the whole of the UK, as voted for by parents or judged by experts.

During the year, the Play Yard developed a program offering extended work placements for young people who face challenges at home or at school and have become disengaged from education. This saw one pupil from Treorchy Comprehensive and another from Nantgwyn Comprehensive attend the Play Yard for one and two days respectively, engaging in a blend of practical work experience and undertaking work-based and accredited training qualifications. We hope to establish and develop the program further. The Play Yard benefited from two volunteers: one supported the food parcel scheme and the other became a play area assistant to gain work experience. We have been accepting time credits in exchange for access to the various services on offer at The Play Yard for some time and also used them to reward volunteers who supported the 'Pick Up a Free Lunch!' scheme. Partners and supporters over the last 12 months include FareShare Cymru, Interlink, Business in the Community, Tesco, Welcome to our Woods, Sport Wales, People At Work, Cardiff City Foundation and the WRU.

C. Family and Community Hubs

8. Dinas Community Hub

Summary of Activities from April 2022 - March 2023

Number of individual Children and Young People who used the provision:109.

Groups catered for:

- | | |
|----------------------------|--|
| - <u>After school</u> | Number of sessions delivered - 86. |
| - <u>Playschemes</u> | 2. Number of out of centre trips delivered - 3. Events: Parties for Halloween and Christmas. |
| - <u>Stay 'n Play</u> | Number of sessions delivered - 33. Number of out of centre trips delivered 2. Events delivered: Halloween party. |
| - <u>Junior Youth Club</u> | Number of sessions delivered - 82. Number of out of centre trips delivered 3. Events: Halloween party. |
| - <u>Senior Youth Club</u> | Number of sessions delivered - 76. Number of out of centre trips delivered 2. |

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Achievements

- Maintaining membership numbers overall and increasing attendance in the Junior Youth Club numbers significantly.
- Facilitating a positive behaviour change in young people in accordance with the Children in Need outcomes.
- Educational activities linked to health and nutrition - fruit smoothies and food varieties. Cooking sessions that teach young people how to use typical kitchen utensils and equipment and how to make simple meals.
- Introduction of a fitness coach to help YP with nutrition and fitness advice and routines.
- Increased the number of adult volunteers from the local community.

We provide two play sessions each week for 5 – 10 year olds. Our methodology and structure follow the Play Wales First Claim framework for child-led play provision. This approach recognises the intrinsic nature of play within every child and that play is an essential aspect of a child's life that contributes to the child's educational and social development. With this in mind, we provide activities that are fun and provide the opportunity for children to learn and develop through play.

We provide four youth sessions each week that cater for 11-13 and 14-18 year olds in separate sessions. Youth work, as in informal education discipline that helps young people learn through experience, is concerned with the social and emotional development of young people and our youth sessions provide opportunities for young people to associate with their friends and peers in a physically and emotionally safe environment. We are funded by Children in Need and there are stated outcomes (Differences) that we must achieve and we provide a variety of in-club activities and out-of-centre activities to help us achieve those outcomes. This includes more focused work with the 16 - 18-year-age group where we provide 1-2-1 pastoral support for those who require it. Our youth work practice methodology has contributed to Valleys Kids gaining the Youth Work Quality Mark Bronze Award.

We provide one Stay 'n Play session per week which brings parents and pre-school children into the centre. This session brings parents together to socialise with other parents and share parenting ideas and concerns. It also provides a space for pre-school children to socialise with other children, contributing to their learning and development.

In all the sessions there are trained staff to facilitate the session and engage with the children and young people who attend. This interaction helps the staff to develop purposeful relationships with those who attend and this relationship is beneficial when offering specific advice, support and, when required, a referral to other support agencies.

9. Soar Centre & The Old Library

April 22 - March 23

<u>Pre school</u>	Stay & Play sessions - 15-25 weekly.
<u>Play</u>	5 – 10 year olds Monday & Tuesday afterschool 75 nightly. Event: Platinum Jubilee celebration (80).
<u>Playscheme</u>	Easter playscheme, summer playscheme, October ½ term, February playscheme - approx. 70-90 per session. Event: Family Fun day (summer) - 120 approx.
<u>Middle Club</u>	Tuesday 10 - 12 year old sessions, Digital arts sessions, cooking 50-65 per session.
<u>Youth</u>	Monday 13year old plus - 30-60. Art project 'Second Time Around' exhibition at Art in the Attic gallery approx. 30. VK achieved Youth Bronze award.
<u>Foodshare</u>	Daily - 10-15.
<u>Other</u>	Tai Education Centre Christmas show - 120 per show. Sherman Theatre - 120 audience per show x 3 (1 community, 1 English & 1 Welsh performance). Seated yoga - 10.

Library

Groups

Knit & Natter group runs every Thursday and there are 30 people on the register.

Coffee Morning is mainly women whose age range is between 74 & 96 years old. They are a great support to each other, making daily calls system so each of them speaks to someone everyday.

Friendship café group has developed into a lunch club whose members save every week a small amount of money to give to charity at the end of the year. Approximately 15 people attend weekly.

Veterans group is for 5 men who have been widowed, become carers for their spouses and they meet on a weekly basis.

Daily Warm hub has been funded to combat isolation and food poverty in the community especially in respect of older adults. There are 12/16 people attending daily.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Community advice days (Councillors, PCSOs & housing officer) have been developed to answer a need in the community for easy to access advice and information about their local community. 15 people attended this first advice day.

Card bingo has been developed to bring people together and reduce isolation with a fun activity. 20 people attend weekly.

Christmas day opening was put in place so that everyone would see someone. We were able to give/deliver lunches donated by our local pub. We delivered 15 lunches and 30 people attended.

Palladium Jubilee celebration was put in place with funding for older adults. It was held in Soar and we decorated the hall as if it was being held in a street. We provided a buffet and made a throne which was used by many people to have their photos taken. 120 people attended.

10. Penyreglyn

Youth engagement was especially successful, with over 80 young people involved at the beginning of the year.

We deliver three after school sessions.

We deliver three Youth sessions.

We currently have 6 young people who regularly volunteer in our after-school sessions.

12 young people took part in a residential trip to Little Bryn Gwyn.

There was successful partnership working with The Crop cycle, Welcome to our Woods and Down to Earth. Groups of children were able to see how the crop cycle operates.

We are working with Welcome to our Woods by supporting delivery of their courses.

We will be engaging more this year with Down to Earth as they want our young people to help with plans for developments in Treherbert.

We now have The Black Mountain College delivering an agricultural course over a two-year period. Because courses are being delivered in Penyreglyn, there are additional benefits for Our Back Garden scheme and the community garden make over.

Four of our young people (two of whom were volunteers) found places in university. One young volunteer was nominated for an apprenticeship award.

We are still supporting mothers through one-to-one support in receiving regular contraceptive support from our local nurse. The mothers meet once a week to take it in turns to cook lunch for each other. They are gaining many skills. They also completed a 4-week resilient family course on positive behaviour with their children. In return for our support, they support us in the running of our afterschool club sessions and in cooking meals for the children.

We are currently supporting four well being groups which are the Young Mums, Quilting, Self help and Arts and Craft. These groups support people within our community who are isolated, lonely, bereaved, ill and just simply need friends to come together to have a chat.

We hosted a community engagement consultation with New Horizons to ask people in Treherbert how we can support them in living and looking after their health and well being. 30 people attended that day.

Staff - paid and voluntary

Staff represent one of the greatest assets for any organisation. We are immensely proud of our 53 paid staff and over 100 volunteers. Valleys Kids seeks to create a workplace within which staff can flourish by operating in a creative, constructive and fair environment. It is only with qualified and experienced staff that we can deliver the high-quality services deserved by the communities where we work. An important part of Valleys Kids' approach to community development is to encourage local people to get involved as volunteers. We could not have delivered the programmes without their input and sustained commitment. Both paid and voluntary staff continue to access training to enable them to fulfil their role to the highest standards. Some paid staff began as community volunteers but are now qualified professionals. A job evaluation policy and process has

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

been undertaken by the Board. The scheme will be in place by the new financial year.

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

We have four Community and Family Hubs in disadvantaged communities where activities and services are provided for all ages, from babies to those over ninety. We have also developed a Hub for the Arts and Cultural Industries so that the people from Valleys communities can gain the skills and knowledge which will enable them to secure employment in this growing industry in Wales. The Family Team provides targeted services for the most challenged families. Our residential facility in the Gower, Little Bryn Gwyn, has been rebuilt so that it can provide young and old with new opportunities. We are developing social enterprises; the Play Yard, Old Library Coffee Shop and events at The Factory. Sparc and Art in the Attic continue to thrive and to grow.

FINANCIAL REVIEW

Financial position

This year the expenditure on charitable activities with children and families was £3,103,465. The total income for 2022/2023 was £1,477,296. This has resulted in a deficit in the Statement of Financial Activities of £1,627,879 after recognition of an impairment of Little Bryn Gwyn of £970,621.

At 31 March 2023, the group is reporting a loss for the year of £657,258 (before property impairment) and the scenario forecasts for 2023/24 shows a further deficit of between £165k and £303k, which will have a substantial impact on cash flow.

In key areas, Valleys Kids is very well equipped for responding to financial challenges. It has commissioned an independent business review to complement our own work with key partners (such as the local authority and the Wales Council for Voluntary Action) in designing a Budget Recovery Plan. The progress made to date demonstrates our willingness to take decisions and implement a comprehensive programme of change.

The plan focuses on four improvement areas and contains a detailed set of actions for each of them:

- Finance (Income Generation and /Cashflow Management)
- HR/Staffing
- Service Provision/Design
- Property

The Plan considers the impact of cost savings, income generation and the sale of properties in securing our pathway to financial stability. The resulting budgets for 2024/25 show an anticipated surplus.

There are immediate priorities within the overall pathway.

- i) To secure the sale of four properties and these are on the market. The sale of all four properties could realise circa £510,000, less the cost of disposal. This will enable Valleys Kids to inject the proceeds of sales into cashflow forecasts and finance the plans in place for transition.
- ii) To agree ongoing support from our major partners, all of which committed to considering the help they can provide by means of grants, an overdraft facility (to bridge the gap while cash is liquidated from assets), a consolidated loan with security against assets and in-kind assistance.

The trustees are confident that implementing the Budget Recovery Plan will ensure that Valleys Kids will still be here 12 months from now and delivering vital community services. However, to ensure that we thrive in the long-term, the current funding model must shift radically and urgently. Alongside additional cost saving measures, we must generate more income from a base which is less dependent on fundraising. While retaining its community development ethos, the whole organisation will be guided to become more business-like, maximising our ability to exploit opportunities. This requires us to make more effective use of our well established third sector expertise and developing commercial experience within an organisation-wide income generation strategy covering all centres and programmes. We must develop ideas for service reconfiguration and maximising new opportunities - including changes in the use made of premises, expanding the social enterprise role of Valleys Creative; and attracting endowments and legacies.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The risks

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

Reserves policy

The trustees believe it is necessary to maintain reserve funds to ensure that the charity is able to meet ongoing commitments. At the 31 March 2023 total funds amounted to £3,421,445. The unrestricted funds were £3,224,078 and the free reserves after excluding fixed assets and associated loans were £15,403. The trustees intend to gradually increase reserves to meet the trustees' policy of having sufficient funding to cover two months operating costs, which is approximately £220,000.

FUTURE PLANS

The Year Ahead

Valleys Kids' mission is to work with and support people living in disadvantaged communities enabling them to realise their potential. The people we work with are involved in shaping the services we provide. Our Community and Family Hubs provide a welcoming atmosphere, are not judgmental and operate open access activities free at the point of access. We offer targeted activities including activities for adults, parenting, youth programmes and provide challenging activities enabling people to explore their lives and see that they have potential, that they can change and improve the quality of their lives and of the communities where they live. We consult with our local people in a variety of ways to ensure that our activities and services meet the needs of the communities. We continually explore diverse ways and methods of working to ensure that we offer the best opportunities to people.

Our priorities for the next year

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

- Secure sustainable funding.
- Continue and develop play, youth and community development and specialist programmes, including youth performance, visual arts, families and older adults.
- Work in partnership with other agencies and organisations to ensure that people and the communities receive the best possible services.
- Strengthen our position with key stakeholders.
- Develop social enterprises to ensure sustainability.
- Implement a job evaluation exercise.
- Streamline financial systems.
- Audit facilities management.
- Develop and implement an organisational communication strategy.
- Review key organisation messaging and introduce a new website.
- Undertake a communications rebranding exercise.
- Undertake a review of organisational online presence.

Governing document

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity has a trading subsidiary, Valleys Creative Limited, which undertakes all non-charitable trading activity.

Organisational structure

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

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

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

The trustees developed the Transition Plan, with considerable input from staff. They played an active role in leading on implementation. It provided a phased approach to guiding the organisation through a period of considerable change which included: the two Founding Directors taking up new roles as Ambassadors; appointing a new Chief Executive, a Director of Programmes and a Director of Business and Finance; strengthening the fundraising team with the appointment of a Fundraising Manager, part-time Trusts and Foundations worker and a Communications Officer. We raised very quickly the additional finance needed for new posts (£½ million over three years). Bids to potential funders met with an incredibly positive response. We are grateful to the Swinburn Foundation, the Waterloo Foundation, the Tudor Trust, and the Wales Council for Voluntary Action (WCVA). This readiness to provide additional support should be regarded as testimony to the high regard in which Valleys Kids is held and a sign of stakeholder confidence in our ability to manage the transition programme well.

Staff were asked to take shared responsibility for this major transition programme during an especially disruptive and worrying period for them, professionally and personally. Trustees were acutely aware that staff were dealing with a wide range of issues: the adverse effects of Covid-19 on their communities and their work; the potential loss of key revenue streams; role changes and job insecurity; and risks to the long-term viability of place-based provision. Action was taken to deal with all these hazards as quickly and as well as possible but there were times of real anxiety and uncertainty. Dealing with operational challenges and staff welfare issues were always key priorities.

The process was made much easier by the commitment and willingness of staff to find positive solutions. Throughout this period, the whole organisation continued to follow the principles and objectives agreed right at the beginning of the transition process. Our commitment to communication, inclusion, empowerment, and unity of purpose has been maintained. Staff meetings and bulletins were used very effectively while the four staff representatives nominated to work with the transition programme sub-group played a crucial role.

The trustees' transition sub-group met (virtually) most weeks for one calendar year, to ensure that actions in the transition plan were completed well and on time. As the new senior management team became more established, the sub-group focused more on planning for the end of the formal transition period and winding down its activities.

The Board identified priority areas of development, post-transition, as follows.

1. Making the best use of our increased capacity and finding urgently sustainable funding for our place-based, open access activity which is the core work of our Community and Family Hubs.

Valleys Kids has now significantly increased its capacity for fundraising/income generation. It is essential that we use these resources to maximum effect, especially in finding sustainable funding for our place-based, open activity community and family centres. The work will continue to be a principal priority for everybody in Valleys Kids. The Fundraising Strategy Group has evaluated existing fundraising activities; looked at position statements and key messages; reviewed what is currently funded; agreed the key focal areas for fundraising; and set targets for distinct types of fundraising.

2. Maintaining increased liaison between staff and trustees, building upon positive outcomes from having a more visible and active Board during a critical period.

Increased engagement between staff and trustees during the past year has been necessary and mutually beneficial. Staff have

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

welcomed the fact that, at a critical time, the Board has become more active and more visible, keen to demonstrate good governance. We sought to decide collectively how best this approach can be maintained, within the available resources and respecting the need to maintain proper lines of management and accountability. The plan is likely to have several strands. Ideas include:

- trustees attending by invite the regular informal staff meetings;
- continued use of a staff bulletin (alongside a newsletter for external dissemination);
- individual trustees taking a special interest in a project/area of key importance.

3. Making the case for the Valleys Kids' approach to community development (showing how an integrated open access/specialist programmes/social enterprise model provides an especially effective framework for structuring this activity).

We have worked to agree the most effective way of describing the distinctive Valleys Kids' model of delivering services. Expressing coherently and succinctly "what we do and how we do it" will assist us in areas such as fundraising, marketing, tendering activities, resource planning and development. It means:

- creating a strong collective understanding of our mission/model;
- showing how we design ways of achieving it, based upon experience and research;
- helping to deliver the services that make it possible.

All staff and stakeholders are playing a crucial role in taking forward this task. The Founding Ambassadors, the Senior Leadership Team, Trustees and the transition programme sub-group took part in a workshop facilitated externally. It provided a good opportunity for productive and robust conversations, looking especially at the stories we tell about young people; communities and place; our funders; ourselves and our role. This work will contribute to consultation more widely about the best way of setting out Valleys Kids' mission and how to structure our overall approach to marketing/branding, including the use of a new website and social media.

4. Maintaining strong stakeholder relationships and partnership working.

Over four decades and reflecting the many activities which Valleys Kids provides, we have succeeded in building up strong partnerships with very diverse organisations. This includes: over 30 funding bodies (including trusts); public service agencies nationally and locally (especially those which have responsibility for education, social care, housing, health, leisure, arts, environment, safeguarding, social equality, justice); third sector organisations; social and commercial enterprises; tenant and other organisations representing service user and community interests; churches and chapels; etc. We have also been engaged very actively in various multi-agency partnerships which seek to promote co-working, needs analysis, the provision of services and effective use of resources.

Working with others is a prerequisite for effective community development. It is only through constructive relationships with a wide range of partners (including the local authority) that we can operate at the centre of work to support disadvantaged communities and help them to achieve improved well-being outcomes. This collaborative track record is grounded in our commitment to openness, trust, shared values, common goals and regular communication.

Later in the year, the Board turned its attention to consolidating structural change and using increased management capacity and the lessons learned in the transition programme to improve our focus on leadership; integrity; decision making, risk and control; board effectiveness; equality, diversity and inclusion; openness and accountability.

Equal opportunities

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

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

Key management remuneration

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03717865 (England and Wales)

Registered Charity number

1074840

Registered office

1 Cross Street
Penygraig
Tonypany
Rhondda Cynon Taff
CF40 1LD

Trustees

Chair

Vice Chair

Treasurer

Trustees

Philip Evans

Nadine Hussien

Marian Stokes

Ceri Assiratti

Ms R L Booth

Howell Edwards

Lyn Evans

Rhiannon Howells

Jason Camilleri

Company secretary

Lynne Thomas

Executive team

Elise Stewart

Lynne Thomas

Gary Foreman

Resigned 31 October 2023

Appointed 1 March 2023

Resigned 15 December 2023

Auditors

MHA

Statutory Auditor

Elfed House

Oak Tree Court

Cardiff Gate Business Park

CARDIFF

CF23 8RS

Solicitors

Darwin Gray Solicitors

Helmont House

Churchill Way

CARDIFF

CF10 2HE

VALLEYS KIDS

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Bank

Unity Trust Bank PLC
4 Brindleyplace
BIRMINGHAM
B1 2JB

Barclays Bank UK PLC
1 Churchill Place
LONDON
E14 5HP

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

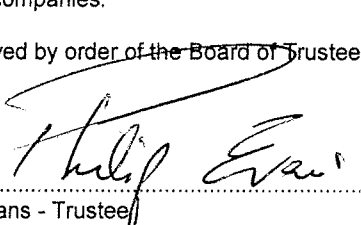
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 23rd February 2024 and signed on its behalf by:


P J Evans - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates loss before impairment of assets of £657,258 for the year as well as a budgeted loss for 2023/24. As stated in Note 2, this, along with other matters as set forth, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

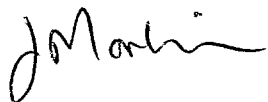
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed 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 misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALLEYS KIDS**

Use of our report

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



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
CARDIFF
CF23 8RS

Date: 4 March 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

VALLEYS KIDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	191,774	162,452	354,226	529,629
Charitable activities	6				
Community Support		305,453	653,626	959,079	1,528,086
Other trading activities	4	121,544	-	121,544	97,629
Investment income	5	39,527	-	39,527	34,920
Other income		<u>2,920</u>	<u>-</u>	<u>2,920</u>	<u>-</u>
Total		661,218	816,078	1,477,296	2,190,264
EXPENDITURE ON					
Raising funds	7	89,066	39,242	128,308	80,191
Charitable activities	8				
Community Support		1,114,213	890,323	2,004,536	1,724,219
Property impairment		<u>970,621</u>	<u>-</u>	<u>970,621</u>	<u>-</u>
Total		2,173,900	929,565	3,103,465	1,804,410
NET INCOME/(EXPENDITURE) BEFORE TAX		(1,512,682)	(113,487)	(1,626,169)	385,854
Tax		<u>(1,710)</u>	<u>-</u>	<u>(1,710)</u>	<u>-</u>
NET INCOME/(EXPENDITURE) AFTER TAX		(1,514,392)	(113,487)	(1,627,879)	385,854
Transfers between funds	22	<u>21,241</u>	<u>(21,241)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(1,493,151)	(134,728)	(1,627,879)	385,854
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		4,738,782	332,095	5,070,877	4,686,068
Prior year adjustment		<u>(21,553)</u>	<u>-</u>	<u>(21,553)</u>	<u>(22,598)</u>
As restated		4,717,229	332,095	5,049,324	4,663,470
TOTAL FUNDS CARRIED FORWARD		<u>3,224,078</u>	<u>197,367</u>	<u>3,421,445</u>	<u>5,049,324</u>

The notes form part of these financial statements

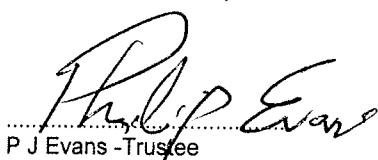
VALLEYS KIDS

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds as restated £
FIXED ASSETS					
Tangible assets	16	3,658,820	-	3,658,820	4,774,413
CURRENT ASSETS					
Stock		1,873	-	1,873	1,380
Debtors	17	40,741	8,165	48,906	102,352
Cash at bank and in hand		<u>116,450</u>	<u>239,255</u>	<u>355,705</u>	<u>761,213</u>
		159,064	247,420	406,484	864,945
CREDITORS					
Amounts falling due within one year	18	(119,055)	(50,053)	(169,108)	(103,027)
NET CURRENT ASSETS		<u>40,009</u>	<u>197,367</u>	<u>237,376</u>	<u>761,918</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,698,829	197,367	3,896,196	5,536,331
CREDITORS					
Amounts falling due after more than one year	19	(474,751)	-	(474,751)	(487,007)
NET ASSETS		<u>3,224,078</u>	<u>197,367</u>	<u>3,421,445</u>	<u>5,049,324</u>
FUNDS	22				
Unrestricted funds				3,224,078	4,717,229
Restricted funds				<u>197,367</u>	<u>332,095</u>
TOTAL FUNDS				<u>3,421,445</u>	<u>5,049,324</u>

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

The financial statements were approved for issue by the Board of Trustees on 23rd Feb May 2024 and were signed on its behalf by:


P J Evans -Trustee

The notes form part of these financial statements

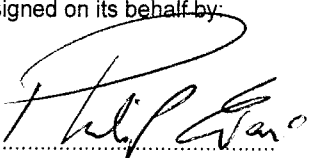
VALLEYS KIDS

CHARITY BALANCE SHEET
AT 31 MARCH 2023

		Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds as restated
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	16	3,597,295	-	3,597,295	4,711,600
CURRENT ASSETS					
Debtors	17	111,262	8,165	119,427	166,988
Cash at bank and in hand		<u>65,626</u>	<u>239,255</u>	<u>304,881</u>	<u>696,442</u>
		176,888	247,420	424,308	863,430
CREDITORS					
Amounts falling due within one year	18	(98,618)	(50,053)	(148,671)	(86,443)
NET CURRENT ASSETS		<u>78,270</u>	<u>197,367</u>	<u>275,637</u>	<u>776,987</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,675,565	197,367	3,872,932	5,488,587
CREDITORS					
Amounts falling due after more than one year	19	(470,085)	-	(470,085)	(482,632)
NET ASSETS		<u>3,205,480</u>	<u>197,367</u>	<u>3,402,847</u>	<u>5,005,955</u>
FUNDS					
Unrestricted funds				3,205,480	4,673,860
Restricted funds				<u>197,367</u>	<u>332,095</u>
TOTAL FUNDS				<u>3,402,847</u>	<u>5,005,955</u>

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

The financial statements were approved for issue by the Board of Trustees on 23rd February 2024 and were signed on its behalf by:


P J Evans - Trustee

The notes form part of these financial statements

VALLEYS KIDS

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	as restated £
Cash flows from operating activities:	Notes		
Cash generated from operations	1	(352,845)	342,832
Interest paid		<u>(23,566)</u>	<u>(18,989)</u>
Net cash provided by (used in) operating activities		<u>(376,411)</u>	<u>323,843</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(10,147)	(51,696)
Interest received		44	2
Sale of tangible fixed assets		<u>1,000</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(9,103)</u>	<u>(51,694)</u>
Cash flows from financing activities:			
Loan repayments in year		(19,994)	(159,298)
New loan in year		<u>-</u>	<u>4,998</u>
Net cash provided by (used in) financing activities		<u>(19,994)</u>	<u>(154,300)</u>
Change in cash and cash equivalents in the reporting period		(405,508)	117,849
Cash and cash equivalents at the beginning of the reporting period		<u>761,213</u>	<u>643,364</u>
Cash and cash equivalents at the end of the reporting period		<u><u>355,705</u></u>	<u><u>761,213</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 as restated £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,626,169)	385,854
Adjustments for:		
Depreciation charges	153,579	165,841
Interest received	(44)	(2)
Interest paid	23,566	18,989
Impairment of property	970,621	-
Loss on sale of tangible fixed assets	540	-
(Increase)/decrease in debtors	53,446	(57,169)
Increase/(decrease) in creditors	72,109	(170,681)
Increase in stock	(493)	-
Net cash provided by (used in) operating activities	<u>(352,845)</u>	<u>342,832</u>

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

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank and in hand	761,213	(405,508)	355,705
Debt			
Debts falling due within one year	(24,739)	7,447	(17,292)
Debts falling due after one year	<u>(482,632)</u>	<u>12,547</u>	<u>(470,085)</u>
	<u>(507,371)</u>	<u>19,994</u>	<u>(487,377)</u>
Total	<u>253,842</u>	<u>(385,514)</u>	<u>(131,672)</u>

1. STATUTORY INFORMATION

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

Valley Creative Limited is a 100% owned subsidiary of Valleys Kids. It is a company incorporated in Wales within the United Kingdom. The registered office is the same as the parent company. The nature of the operations is that of providing recreational, educational and wellbeing facilities for the public at large and in particular people in need.

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', 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. There have been no material departures from Financial Reporting Standard 102.

Going concern

At 31 March 2023, the group is reporting a loss for the year of £657,258 (before property impairment) and the scenario forecasts for 2023/24 shows a further deficit of between £165k and £303k, which will have a substantial impact on cash flow.

The group have a Budget Recovery Plan in place and are currently undergoing an independent business review. The Plan considers the impact of cost savings, income generation and the sale of a number of properties. Budgets for 2024/25 show a surplus.

The magnitude and impact of the potential loss, in conjunction with the time taken to realise the plans in place is recognised as a significant risk. However, with the continued support of the bank the trustees, have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, to provide time to realise the plans in place. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Consolidation

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

Income

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

Donations and legacies income

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

Income from charitable activities

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

Investment income

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued**Other income**

Other income is recognised on a receivable basis.

Expenditure

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

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

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

Tangible fixed assets

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

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

Stocks

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Termination payments

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

Operating leases

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

Government grants

Government grants are recognised when there is reasonable assurance that the group will comply with the conditions and that the grant will be received. The grant is recognised in the SOFA on a systematic basis, over the periods in which the charity recognises as expenses the related costs for which the grant is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**2. ACCOUNTING POLICIES - continued****Financial Instruments**

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

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

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

Significant accounting judgements and estimates

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

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

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	64,739	50,412
Gift aid	1,034	-
Legacies	57,535	278
Grants	230,918	478,939
	<u>354,226</u>	<u>529,629</u>

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

	2023	2022
	£	£
Interlink RCT	1,000	-
Arts Council of Wales	3,893	-
Janet and Peter Swinburn Fund - CAF America	49,245	-
Children in Need	500	-
The Hodge Foundation	25,000	-
Arts & Business Cymru	6,562	-
Moondance Foundation	-	137,000
The Waterloo Foundation	50,000	50,000
Garfield Weston Foundation	-	75,000
RCTCBC	15,207	-
Welsh Government Coronavirus Job Retention Scheme	-	17,979
RCTCBC - Rates Grant	-	-
Welsh Government Retail Grant	-	10,000
Department for Work and Pensions	6,511	-
City of Swansea Council - Rates Grant	-	2,000
The Tudor Trust	48,000	49,000
WCVA: Third Sector Resilience Fund for Wales	-	74,960
The Leathersellers' Foundation	25,000	25,000
Admiral Support Fund	-	38,000
	<u>230,918</u>	<u>478,939</u>

VALLEYS KIDS

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

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Retail income	9,815	3,962
Income from Valleys Creative Limited	111,364	93,667
Exhibition sales	<u>365</u>	<u>-</u>
	<u>121,544</u>	<u>97,629</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	39,483	34,918
Deposit account interest	<u>44</u>	<u>2</u>
	<u>39,527</u>	<u>34,920</u>

VALLEYS KIDS

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

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Community activities	238,099	63,666
Grants	549,114	1,339,193
Party and play	122,380	97,484
Hire income	49,486	27,743
	<u>959,079</u>	<u>1,528,086</u>

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

	2023	2022
	£	£
RCTCBC – Enterprise Investment Grant	-	3,125
Department of Works - Kickstart	1,493	1,500
Interlink RCT	-	97,381
Community First	-	81,548
Arts Council Wales	188,363	298,086
RCTCBC – Parenting Support	-	276,212
The Hodge Foundation	-	13,452
Gwendoline and Margaret Davies Charity	5,000	-
Big Lottery Fund - Working Families	108,027	143,083
Welsh Government	4,152	-
Cwm Taf Morgannwg University Health Board	9,098	-
Janet and Peter Swinburn Fund - CAF America	-	50,089
RCTCBC – other grants	26,404	19,382
RCTCBC – Young Gifted and Welsh	-	11,685
Children in Need	30,577	26,056
Pen Y Cymoedd Community Fund	25,500	22,000
Pontypridd Town Council	250	-
Colwinston Charitable Trust	10,000	20,000
Oakdale Trust	2,000	-
Big Lottery Fund – Family Links	-	167,656
Integrated Care Fund - Keeping Connected with your Community	-	9,272
Integrated Care Fund - Third Sector Small Grant Scheme	-	10,000
Tesco	-	1,100
Parent Infant Foundation	-	4,400
South Wales Police	-	37,926
New Horzions	-	2,000
Genesis – Kickstart Fund	-	10,000
Pobl Trust	-	1,000
Swansea Council	-	8,000
Community Foundation Wales	4,642	4,555
RCTCBC – Summer of Fun	10,629	9,685
Esmee Fairbairn Foundation	-	10,000
Arts & Business Cymru	5,817	-
The Darkley Trust	2,000	-
Alex Ferry Foundation	9,978	-
WCVA: Third Sector Resilience Fund 3	46,382	-
Newydd Housing Association	750	-
Western Power Distribution	2,500	-
National Grid Electricity Distribution - Community Matters Fund	9,935	-
National Lottery Community Fund	9,948	-
Voluntary Action Merthyr Tydfil - Regional Integration Fund	24,132	-
Welsh Church Act Fund	8,237	-
Save the Children	1,800	-
Tiny Rebel	1,500	-
	<u>549,114</u>	<u>1,339,193</u>

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

7. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Staff costs	32,492	-
Activities	6,750	12,709
Premises costs	14,355	13,319
Trading subsidiary costs	<u>74,711</u>	<u>54,163</u>
	<u>128,308</u>	<u>80,191</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9)	Support costs (See note 10)	Totals
	£	£	£
Community Support	<u>1,592,500</u>	<u>412,036</u>	<u>2,004,536</u>
	<u>1,592,500</u>	<u>412,036</u>	<u>2,004,536</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	1,054,310	as restated 832,220
Travel	14,430	19,126
Staff training	16,072	11,304
Telephone and postage	1,943	1,522
Bad debts	-	-
Activities	197,589	168,718
Premises costs	195,334	131,855
Loss on sale of assets	540	-
Depreciation	<u>112,282</u>	<u>122,633</u>
	<u>1,592,500</u>	<u>1,287,378</u>

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

10. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Community Support	<u>99,733</u>	<u>30,865</u>	<u>267,809</u>	<u>13,629</u>	<u>412,036</u>
	<u>99,733</u>	<u>30,865</u>	<u>267,809</u>	<u>13,629</u>	<u>412,036</u>

11. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	9,100	9,100
Auditors' remuneration for non-audit work	4,529	5,501
Impairment of tangible fixed assets	970,621	-
Depreciation	<u>153,579</u>	<u>165,841</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 or for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 or for the year ended 31 March 2022.

13. STAFF COSTS

	2023 £	2022 £
Employee costs during the year		
Wages and salaries	1,145,813	988,710
Employer's National Insurance contributions	90,260	79,409
Pension costs	<u>21,917</u>	<u>19,149</u>
	<u>1,257,990</u>	<u>1,087,268</u>

Number of employees	64	50
Equivalent full time employees	51	40

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

The total key management personnel remuneration benefits paid during the year was £101,570 (2022: £131,670).

Included within staff costs are termination payments of £nil (2022: £nil).

14. RESULTS OF PARENT CHARITABLE COMPANY

The income of the parent charitable company was £1,235,800 and net expenditure as £1,603,108.

15. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	355,669	173,960	529,629
Charitable activities			
Community Support	229,984	1,298,102	1,528,086
Other trading activities	97,629	-	97,629
Investment income	34,920	-	34,920
Total	718,202	1,472,062	2,190,264
EXPENDITURE ON			
Raising funds	80,191	-	80,191
Charitable activities			
Community Support	582,900	1,141,319	1,724,219
Total	663,091	1,141,319	1,804,410
NET INCOME/(EXPENDITURE)	55,111	330,743	385,854
Transfers between funds	3,553	(3,553)	-
Net movement in funds	58,664	327,190	385,854
RECONCILIATION OF FUNDS			
Total funds brought forward	4,658,565	4,905	4,663,470
TOTAL FUNDS CARRIED FORWARD	4,717,229	332,095	5,049,324

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**16. TANGIBLE FIXED ASSETS – GROUP**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2022	6,153,002	310,607	25,299	6,488,908
Additions	-	10,147	-	10,147
Disposals	-	-	(5,299)	(5,299)
Impairments	(970,621)	-	-	(970,621)
At 31 March 2023	<u>5,182,381</u>	<u>320,754</u>	<u>20,000</u>	<u>5,523,135</u>
DEPRECIATION				
At 1 April 2022	1,481,401	219,134	13,960	1,714,495
Charge for year	123,060	26,053	4,466	153,579
Eliminated on disposal	-	-	(3,759)	(3,759)
At 31 March 2023	<u>1,604,461</u>	<u>245,187</u>	<u>14,667</u>	<u>1,864,315</u>
NET BOOK VALUE				
At 31 March 2023	<u>3,577,920</u>	<u>75,567</u>	<u>5,333</u>	<u>3,658,820</u>
At 31 March 2022	<u>4,671,601</u>	<u>91,473</u>	<u>11,339</u>	<u>4,774,413</u>
TANGIBLE FIXED ASSETS – CHARITY				
	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2022	6,106,343	247,976	25,299	6,379,618
Additions	-	8,116	-	8,116
Disposals	-	-	(5,299)	(5,299)
Impairments	(970,621)	-	-	(970,621)
At 31 March 2023	<u>5,135,722</u>	<u>256,092</u>	<u>20,000</u>	<u>5,411,814</u>
DEPRECIATION				
At 1 April 2022	1,478,602	175,456	13,960	1,668,018
Charge for year	122,127	23,667	4,466	150,260
Eliminated on disposal	-	-	(3,759)	(3,759)
At 31 March 2023	<u>1,600,729</u>	<u>199,123</u>	<u>14,667</u>	<u>1,814,519</u>
NET BOOK VALUE				
At 31 March 2023	<u>3,534,993</u>	<u>56,969</u>	<u>5,333</u>	<u>3,597,295</u>
At 31 March 2022	<u>4,627,741</u>	<u>72,520</u>	<u>11,339</u>	<u>4,711,600</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**

16. TANGIBLE FIXED ASSETS – continued

Professional valuations were performed of the Valleys Kids properties in 2023, the values assessed were as noted below:

	Historic cost	Valuation
Little Bryn Gwyn	1,870,621	900,000
The Factory	391,275	800,000
78 Tylacelyn Road	11,750	90,000

The reduced valuation of Little Bryn Gwyn of £900,000 has resulted in the impairment noted above.

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

	Group 2023	Group 2022 as restated	Charity 2023	Charity 2022 as restated
	£	£	£	£
Trade debtors	28,875	75,441	28,475	75,297
Other debtors	1,690	3,346	1,690	3,346
Amounts owed by group undertakings	-	-	71,943	64,780
Prepayments and accrued income	<u>18,341</u>	<u>23,565</u>	<u>17,319</u>	<u>23,565</u>
	<u>48,906</u>	<u>102,352</u>	<u>119,427</u>	<u>166,988</u>

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

	Group 2023	Group 2022 as restated	Charity 2023	Charity 2022 as restated
	£	£	£	£
Bank loans and overdrafts (see note 20)	11,369	20,734	11,369	20,734
Other loans (see note 20)	5,923	4,005	5,923	4,005
Trade creditors	28,404	8,100	28,136	7,950
Social security and other taxes	423	6,513	423	4,494
Corporation tax	1,710	-	-	-
Other creditors	27,387	33,320	22,835	33,320
VAT	8,809	9,293	-	-
Accruals and deferred income	<u>85,083</u>	<u>21,062</u>	<u>79,985</u>	<u>15,940</u>
	<u>169,108</u>	<u>103,027</u>	<u>148,671</u>	<u>86,443</u>

Included within deferred income above is the following:

	2023 £	2022 £
The Hodge Foundation	35,000	-
Children in Need	14,902	-
Little Bryn Gwyn – Hire income	13,835	1,102
Barnardos Rental Income April – June	-	2,000
RCTCBC capital grant	<u>1,167</u>	<u>1,458</u>
	<u>64,904</u>	<u>4,560</u>

The deferred income relates to income received in advance of project delivery.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2023**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - GROUP**

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Bank loans (see note 20)	438,776	445,275	438,776	445,275
Other loans	31,309	37,357	31,309	37,357
Accruals and deferred income	<u>4,666</u>	<u>4,375</u>	<u>-</u>	<u>-</u>
	<u>474,751</u>	<u>487,007</u>	<u>470,085</u>	<u>482,632</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Bank loans	11,369	20,734
Other loans	<u>5,923</u>	<u>4,005</u>
	<u>17,292</u>	<u>24,739</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	11,328	21,533
Other loans - 1-2 years	<u>6,067</u>	<u>5,912</u>
	<u>17,395</u>	<u>27,445</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	39,815	71,156
Other loans - 2-5 years	<u>12,407</u>	<u>15,964</u>
	<u>52,222</u>	<u>87,120</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	387,633	352,586
Other loans	<u>12,835</u>	<u>15,481</u>
	<u>400,468</u>	<u>368,067</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	<u>450,145</u>	<u>466,009</u>

The bank loan is secured by:

- A First Legal Charge over the Property known as The Pop Factory, Porth, Rhondda Cynon Taff
- A Second Legal Charge over the property known as Little Bryn Gwyn, Gower, Swansea
- A Deed of priority to be made between Unity and the Welsh Ministers for £502,000.

VALLEYS KIDS

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

22. MOVEMENT IN FUNDS

	At 1/4/22 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/03/2023 £
Unrestricted funds					
General fund	4,738,782	(21,553)	(1,514,392)	21,241	3,224,078
Restricted funds					
Sparc	102,834	-	(96,502)	-	6,332
Colwinston Charitable Trust	14,000	-	(14,000)	-	-
BBC Children in Need	3,219	-	(3,219)	-	-
Waterloo Foundation	3,942	-	(3,942)	-	-
WCVA - Third Sector					1
Resilience Fund	74,960	-	(74,960)	-	-
The Tudor Trust	23,184	-	(3,689)	-	19,495
RCTCBC - Parent Support	18,592	-	(18,592)	-	-
RCTCBC - Young Gifted and Welsh	3,000	-	(3,000)	-	-
Interlink - Adverse Childhood Experiences	23,800	-	(2,924)	-	20,876
South Wales Police	34,147	-	(34,147)	-	-
Charities Aid Foundation America	25,862	-	(25,862)	-	-
Trivallis - Together Again	4,555	-	(4,555)	-	-
General	-	-	106,520	(19,653)	86,867
Children and Young People	-	-	1,798	-	1,798
Older people	-	-	1,588	(1,588)	-
Arts	-	-	61,999	-	61,999
	<u>332,095</u>	<u>-</u>	<u>(113,487)</u>	<u>(21,241)</u>	<u>197,367</u>
TOTAL FUNDS	<u>5,070,877</u>	<u>(21,553)</u>	<u>(1,627,879)</u>	<u>-</u>	<u>3,421,445</u>

VALLEYS KIDS

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

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	661,218	(2,175,610)	(1,514,392)
Restricted funds			
Sparc	-	(96,502)	(96,502)
Colwinston Charitable Trust	-	(14,000)	(14,000)
BBC Children in Need	-	(3,219)	(3,219)
Waterloo Foundation	-	(3,942)	(3,942)
WCVA - Third Sector Resilience Fund	-	(74,960)	(74,960)
The Tudor Trust	-	(3,689)	(3,689)
RCTCBC - Parent Support	-	(18,592)	(18,592)
RCTCBC - Young Gifted and Welsh	-	(3,000)	(3,000)
Interlink - Adverse Childhood Experiences	-	(2,924)	(2,924)
South Wales Police	-	(34,147)	(34,147)
Charities Aid Foundation America	-	(25,862)	(25,862)
Trivallis - Together Again	-	(4,555)	(4,555)
General	227,019	(120,499)	106,520
Children and Young People	129,523	(127,725)	1,798
Older people	52,545	(50,957)	1,588
Family work	199,822	(199,822)	-
Arts	207,169	(145,170)	61,999
	<u>816,078</u>	<u>(929,565)</u>	<u>(113,487)</u>
TOTAL FUNDS	<u>1,477,296</u>	<u>(3,105,175)</u>	<u>(1,627,879)</u>

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

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/21 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/03/2022 £
Unrestricted funds					
General fund	4,681,163	(22,598)	55,111	3,553	4,717,229
Restricted funds					
Sparc	-	-	102,834	-	102,834
Colwinston Charitable Trust	-	-	14,000	-	14,000
BBC Children in Need	-	-	3,219	-	3,219
National Lottery Community Fund - Working Families	-	-	988	(988)	-
Millennium Stadium Charitable Trust	2,187	-	(2,187)	-	-
The National Lottery Heritage Fund - Penyreglyn	2,718	-	(2,718)	-	-
Waterloo Foundation	-	-	4,798	(856)	3,942
WCVA - Third Sector Resilience Fund	-	-	74,960	-	74,960
The Tudor Trust	-	-	24,039	(855)	23,184
RCTCBC - Parent Support	-	-	18,592	-	18,592
RCTCBC - Young Gifted and Welsh	-	-	3,000	-	3,000
Interlink - Adverse Childhood Experiences	-	-	23,800	-	23,800
South Wales Police Charities Aid Foundation	-	-	34,147	-	34,147
America	-	-	26,716	(854)	25,862
Trivallis - Together Again	-	-	4,555	-	4,555
	<u>4,905</u>	<u>-</u>	<u>330,743</u>	<u>(3,553)</u>	<u>332,095</u>
TOTAL FUNDS	<u>4,686,068</u>	<u>(22,598)</u>	<u>385,854</u>	<u>-</u>	<u>5,049,324</u>

VALLEYS KIDS

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

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	718,202	(663,091)	55,111
Restricted funds			
Sparc	308,086	(205,252)	102,834
Colwinston Charitable Trust	20,000	(6,000)	14,000
National Lottery Community Fund - Working Families	143,083	(142,095)	988
Millennium Stadium Charitable Trust	-	(2,187)	(2,187)
National Lottery Community Fund - Family Links	167,656	(167,656)	-
BBC Children in Need	26,056	(22,837)	3,219
The Hodge Foundation	13,452	(13,452)	-
The National Lottery Heritage Fund - Penyrenlyn	-	(2,718)	(2,718)
Waterloo Foundation	50,000	(45,202)	4,798
WCVA - Third Sector Resilience Fund	74,960	-	74,960
The Tudor Trust	49,000	(24,961)	24,039
RCTCBC - Parent Support	276,212	(257,620)	18,592
RCTCBC - Rhydyfelin Grant	15,101	(15,101)	-
RCTCBC - Young Gifted and Welsh	11,685	(8,685)	3,000
Integrated Care Fund - Keeping Connected	9,272	(9,272)	-
Integrated Care Fund - Third Sector Small Grant Scheme	10,000	(10,000)	-
Community First	81,548	(81,548)	-
Interlink - Mental Health COVID Response	62,640	(62,640)	-
Interlink - Winter Pressures	10,441	(10,441)	-
Interlink - Adverse Childhood Experiences	23,800	-	23,800
Tesco - Groundwork	1,100	(1,100)	-
Parent Infant Foundation	4,400	(4,400)	-
South Wales Police	37,926	(3,779)	34,147
New Horizons	2,000	(2,000)	-
Genesis - Kick Start Fund	10,000	(10,000)	-
Pobl Trust	1,000	(1,000)	-
Charities Aid Foundation America	50,089	(23,373)	26,716
Swansea Council - Summer of Fun	8,000	(8,000)	-
Trivallis - Together Again	4,555	-	4,555
	<u>1,472,062</u>	<u>(1,141,319)</u>	<u>330,743</u>
TOTAL FUNDS	2,190,264	(1,804,410)	385,854

22. MOVEMENT IN FUNDS - continued

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

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

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

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

Charities Aid Foundation America the Swinburn Trust awarded Valleys Kids £50,089 to fund a new Director post as part of the 2021 transition process to a new senior management structure.

Waterloo Foundation supported the appointment of a new CEO within a new senior management & fundraising structure during a critical transition period with a grant of £150,000 over three years. The first instalment of £50,000 was received this year.

Tudor Trust supported the transition period with a donation of £49,000 to enable the employment of a full time Director of Programmes.

Rhondda Cynon Taf CBC - Parenting Support awarded £276,212 to Valleys Kids for the delivery of parenting support service.

Rhondda Cynon Taf CBC - Young Gifted and Welsh awarded £11,685 for delivery of the Young Gifted and Welsh project to address Mental Health and Wellbeing for young people in RCT who have been impacted by repeated lockdowns during the Covid pandemic. The grant contributed to two Freelance Level 3 Youth Workers, activities, four residential stays, travel and food.

Interlink - Community Response to Adverse Childhood Experience awarded Valleys Kids £23,800 for the development of community and partner involvement in a place based and community development approach to adverse childhood experiences. The purpose of the work including the identification and involvement of members of the community of relevant practitioners in the promotion of opportunities to be involved in conversations and awareness and training, and to work with the community, Interlink and other stakeholders and to identify the next steps in relation to future work, priorities and funding. Funding was awarded to deliver consultancy and staffing days January - March 2022, Trauma Informed Educator training for two people, Network meetings (3) Rhydyfelin, Upper Rhondda and Mid Rhondda, focus groups and questionnaires with six agency partners and evaluation and findings to include an external validation.

South Wales Police UK - Good Health programmes awarded Valleys Kids a grant of £34,147 to support community-based, self-help and peer support groups which are helping to tackle Adverse Childhood Experiences (ACEs). The grant was provided to enable beneficiaries to support women from racially and ethnically minoritised backgrounds; support women and children who have experienced domestic or sexual abuse/violence; support women with neurodiversity needs and enable beneficiaries to be better informed / empowered to act on information.

Trivallis- Together Again awarded Valleys Kids £4,555 to deliver the Together Again project to provide children, between the ages of 5 and 11 years of age, from Penygraig and the surrounding area, opportunities to play and socialise twice a week at the Soar Centre.

Valleys Kids received £74,960 from the **WCVA Third Sector Resilience Fund 2** to fund an integrated team to develop our social businesses, fundraise from individuals, companies, trusts etc and market the organisation and social businesses. This led to the employment of a full-time Fundraising Manager, a part time Trusts and Foundations Fundraiser and a full time Communications Officer.

Arts

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

- **Arts Council of Wales**
- **Colwinston Charitable Trust**

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

22. MOVEMENT IN FUNDS - continued

- The Darkley Trust
- Action in Caerau and Ely

Family Work

Funding was received from the following organisations as contributions toward the Family Work programme which focuses on providing comprehensive assistance to families in achieving their goals by equipping them with the necessary tools and support to develop their skills:

- RCTCBC
- Save the Children
- National Lottery Community Fund

Children and Young People

Funding was received from the following organisations as contributions toward the Children and Young People programme which focuses on supporting every child's right to play, learn and discover and working with young people to develop their self confidence and encourage the development of aspirations and goals:

- Arts & Business Cymru
- Western Power Distribution - Community Matters Fund
- Gwendoline and Margaret Davies Charity
- Community Foundation in Wales
- Cwm Taf Morgannwg University Health Board
- Welsh Government
- Children in Need
- RCTCBC
- Interlink RCT

Older People

Funding was received from the following organisations as contributions toward the older adults programme which is delivered across accessible Community and Family Hubs and provides a welcoming and exciting range of social and creative activities that encourages older people to develop new networks of friends and explore new interests, including engaging with the digital world:

- Alex Ferry Foundation
- Pontypridd Town Council
- Newydd Housing Association
- RCTCBC
- National Grid Electricity Distribution - Community Matters Fund
- Voluntary Action Merthyr Tydfil - Regional Integration Fund

General

Funding was received from the following organisations as contributions toward salaries, operational costs and repairs and maintenance:

- Charities Aid Foundation America
- WCVA: Third Sector Resilience Fund 3
- Welsh Church Act Fund
- RCTCBC
- Waterloo Foundation
- The Tudor Trust
- National Lottery Community Fund

Prior year restricted funds

The **National Lottery Community Fund** provided grant funding of £143,083 towards Working Families which is a project, based in Rhondda Cynon Taf, working in partnership with Spice (now Tempo) to provide opportunities for working families experiencing in-work poverty. By using a time credit model, individuals will increase in confidence, self-esteem and health and well-being, whilst also building resilience and increasing social capital, and being empowered to participate in activities and experiences that they cannot ordinarily access, thus improving their quality of life.

The **Millennium Stadium Charitable Trust** contributed £5,100 in the 2019/20 financial year towards restoration and upgrade work on the Soar Centre.

The **National Lottery Community Fund** awarded grant funding in support of the People and Places - Family Links project which focuses on working with families in poverty or struggling to cope following austerity measures in RCT. The grant will fund one full time project co-ordinator, two full time family support workers,

22. MOVEMENT IN FUNDS - continued

two part time family support workers and one part time monitoring and evaluation officer. The grant will also be used for project delivery costs, training and expenses and project overheads.

The National Lottery Heritage Fund provided a grant to be used for the Fernhill Colliery Heritage Trail.

The Hodge Foundation provided grant funding of £13,452 to be used for the Families in Need project.

Rhondda Cynon Taf CBC - Rhydyfelin Grant contributed £15,101 towards the staffing of Rhydyfelin Community and Family Hub.

Integrated Care Fund - Keeping Connected awarded Valleys Kids a grant of £9,272 for a befriending project for older people, including a dementia café at the Rhydyfelin Community and Family Hub and a number of therapy sessions and other activities to bring together isolated and vulnerable people in a supported environment.

Integrated Care Fund - Third Sector Small Grant Scheme awarded Valleys Kids £10,000 to deliver the "A Place and Time for You" project, developed from close collaboration with participants and key stakeholders who continue to inform the development of this discrete project established to engage adults in the first stages of dementia and their families and creating opportunities tailored to individual need and supporting those with dementia and their families to continue to engage in their community.

Community First - Family Engagement awarded Valleys Kids a Family Engagement grant of £81,548 to deliver family and youth activities at Valleys Kids Community and Family Hubs.

Interlink - Mental Health Covid Response provided a grant of £36,000 for the project 'A Space for Us' - working with the community to improve mental wellbeing' to deliver sessions, activities and provide support to Children, Young People and Families whose levels of anxiety and depression increased dramatically as a result of the Covid epidemic in Rhondda and Taff - especially in the communities of Rhydyfelin, Penygraig, Dinas, Porth and Penyreglyn. A follow-on grant of £26,640 was received to continue the project, which provided Weekly Drama Workshops, online drama workshops, emotional wellbeing support, counselling via a partner organisation, wellbeing packs, play packs and youth activity packs.

Interlink - Winter Pressures grant of £10,441 to Valleys Kids to ensure the physical and mental wellbeing of disadvantaged and isolated older people in Penygraig, Penyreglyn, Dinas and Rhydyfelin over the winter season. This was delivered through connected projects: hampers for elderly and vulnerable people, a Christmas party for older people who would otherwise be alone at Christmas the chance to come together and enjoy a cup of tea and a mince pie.

Tesco - Yard Grant a grant of £1,100 to support the food parcel scheme operated out of the Play Yard and the work in partnership with local schools. The funding was used to purchase equipment to support the delivery of the food parcel scheme (shelving, refrigeration and heavy-duty trollies).

Pobl Trust - Yard Grant a grant of £1,000 to support the food parcel scheme operated out of the Play Yard also expand on the work we do with schools we purchased kitchen equipment which has enabled us to deliver training with young people and hold healthy eating/cooking workshops with school children.

Parent Infant Foundation awarded Valleys Kids a grant of £4,400 to conduct a consultation of parents of children 0-2 years in Bridgend and RCT.

South Wales Police UK - ACEs awarded grant of £3,779 to engage with cohort of children facing ACEs and deliver two residential stays at Little Bryn Gwyn residential centre for primary school children from Awel y Môr Primary School in Port Talbot and Coedffranc Primary School in Skewen, Neath.

Genesis - Kick Start Grant awarded £10,000 to deliver the creative Front Room project - a community catalyst for recalling forgotten memories, sharing stories and making connections. Funding enabled the Valleys Kids' Artist in Residence and three freelance artists to collaborate to create a Pop-Up Art Installation The Front Room, which existed in the real and virtual world.

22. MOVEMENT IN FUNDS - continued

New Horizons contributed £2,000 towards the cost of supporting specialist mental health intervention and training.

Swansea Council - Summer of Fun grant contributed £5,000 towards building an adventure playground at Little Bryn Gwyn, involving open days and training for young people and families. Swansea Council also contributed £3,000 holiday fun grant to enable us to run a week of activities at Little Bryn Gwyn during October half term.

Transfers between funds

Transfers totalling £21,241 (2022 - £3,553) were made between funds to reflect the purchase of fixed assets.

23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £22,136 (2022: £19,149). Contributions outstanding at the year-end amounted to £3,867 (2022: £1,410).

24. CONTINGENT LIABILITIES

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

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

No liabilities are expected to arise in the foreseeable future.

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

25. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £416 (2022: £6,646) from two trustees (2022: two).

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

	2023 £	2022 £
Rent expense paid	<u>22,296</u>	<u>22,296</u>

During the year, trustee, C Assiratti was paid £5,000 for performing internal job evaluations of all charity staff.

No amounts were outstanding at year end.

26. LEASING AGREEMENTS

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

	2023 £	2022 £
Within one year	23,706	53,606
Between one and five years	<u>44,592</u>	<u>66,888</u>
	<u>68,298</u>	<u>120,494</u>

Total operating lease payments recognised as an expense in the year were £68,782 (2022: £37,623).

27. SUBSIDIARY COMPANY

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

Valleys Creative Limited, registered office:
The Factory Welsh Hills Works
Jenkin Street
Porth
CF39 9PP

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

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

	2023 £	2022 £
Turnover	249,001	200,105
Cost of sales	<u>(74,849)</u>	<u>(54,163)</u>
Gross profit	174,152	145,942
Other income	28,493	42,055
Expenditure	(195,620)	(145,978)
Tax	<u>(1,710)</u>	<u>-</u>
Net (loss)/profit	<u>5,315</u>	<u>42,019</u>

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

	2023 £	2022 £
Assets	115,952	129,108
Liabilities	(97,352)	(85,737)

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

28. PRIOR YEAR ADJUSTMENT

The accounts have been restated to reflect the correction of a prior year error whereby income received between April 2020 and September 2021 was not taken into account in the calculation of the balance due in relation to the Community Rugby debtor.

The correction has resulted in the following amendments to the prior period figures:

	2022 £
Reduction in charitable activity direct costs	1,045
Reduction in other debtor balance	2,139
Increase in other creditor balance	19,414
Reduction in opening reserves	22,598

VALLEYS KIDS

England & Wales - Charity number 1074840

Accounts

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

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2022
FOR
VALLEYS KIDS**

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

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FOR THE YEAR ENDED 31 MARCH 2022

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the group for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

The charity meets these objectives by carrying out the single activity of providing community support. Community support is provided through a large number of different projects which change as the needs of the community change.

These consolidated accounts reflect the results of Valleys Kids and its subsidiary Valleys Creative Limited for the year ended 31 March 2022.

Public benefit

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

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

Every child is valued

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

Everyone matters

In pursuit of our commitment to place-based, community development. Valleys Kids Community and Family Hubs welcome everyone who wants to attend local facilities that offer pre-school, play, youth or adult services and activities. We also provide time-limited targeted provision supporting people to deal with particular issues, problems or needs. Often these important programmes must be supplemented by continued support available through the Open Access provision. Nobody should be left behind.

Everyone has potential

Valleys Kids believe that everyone has potential, and our role is to enable people of all ages to believe in themselves, to grow in confidence and to realise their ambitions. It is a great joy to see people grow and develop and we take real pride in creating the pathways needed by people of all ages in all our communities. This can range from a young person getting engaged in education and succeeding in school, college, university, training and employment to an isolated older person taking advantage of opportunities to socialise, getting involved in arts and acting as a volunteer. Our Youth Work is about helping young people to face up to the challenges in their lives and to seek solutions. Valleys Kids aim is to provide for all young people but with a commitment to engage the most challenging and challenged. To do this we create situations that young people want to be a part of, places they feel are theirs, which have warm, welcoming and friendly spaces staffed by quality youth workers. In depth youth work happens where young people feel comfortable and able to develop relationships with trusted adults.

OBJECTIVES AND ACTIVITIES

Significant activities

2021 was a significant year in Valleys Kids' history with significant changes made in the senior management structure of the organisation. As founding members, Richard Morgan MBE (Funding Director) and Margaret Jervis MBE DL (Operational Director) had led Valleys Kids for more than four decades. In this period full of pioneering and innovation, they helped to establish Valleys Kids as a remarkable and durable charity which helped to change the lives of thousands of individuals in ex-mining communities in the South Wales Valleys.

When Margaret and Richard made known their intention to step aside from their roles, the Board of Trustees moved quickly to agree proposals for a new management structure and then secured significant new external funding to facilitate delivery of the succession plan. The plan provided ongoing roles for Richard and Margaret as Founding Ambassadors, enabling us to continue benefiting from their experience, skills, and commitment to Valleys Kids.

By the end of the financial year, the Board had secured three-year funding for three new senior manager posts and grants to establish a fundraising team for eighteen months. Following a rigorous selection process, the Board of Trustees unanimously appointed Elise Stewart as the new CEO and she started on the 1 May 2021. Completing the transition process, a new Director of Business and Finance and new Director of Programmes were appointed by the Board using the same processes: Lynne Thomas and Clare Llewellyn respectively took up their posts on the 16 September 2021. A Fundraising Manager, a Communications Officer and a part-time Trusts and Foundations Officer joined us subsequently. The new structure provided increased management capacity, justified by the need to focus more systematically on some crucial issues (such as forward planning, financial resilience, fundraising, digital working and social enterprises) and greater interaction with audiences and stakeholders outside the organisation.

In other ways too, 2021-22 was an exceptionally busy period for Valleys Kids. In addition to managing organisational issues internally, Valleys Kids was still dealing with the impact of Covid-19. The pandemic was and continues to be a seminal event. It soon became clear that the multiple issues facing children, young people, families and older people (including social isolation, food poverty, declining mental health and wellbeing and digital exclusion) were going to increase, not go away. Recovery was often disrupted by external restrictions. Sometimes buildings could be opened for activities but then had to close again. Staff coped with it all - trying to bring back and consolidate proven methods of practice but also generating innovative approaches and making quick adjustments. They were already stretched in delivering the wide range of programmed services to which we are committed, including the children and family hub programmes, the Parenting Support Programme for the local authority and other funded initiatives. However, they proved eager also to respond to new evidence of need in families and communities. An important part of Valleys Kids' approach to community development is to encourage local people to get involved as volunteers. We could not have delivered the programmes without their input and sustained commitment.

Dealing with the immediate consequences for our communities required us to become even more agile in decision-making at all levels in response to the need for urgent action. As services experienced considerable disruption, our use of communication technology improved. We made new connections with communities and emergency facilities were created very quickly. The funding we were able to raise very quickly ensured that Valleys Kids could provide:

- free lunches to children
- food hampers to families
- on loan iPads for families and older people
- resources such as activity packs for children, young people and adults.

Staff were justifiably proud of their work to maintain high levels of support to people at a critical time and their crucial role was universally acknowledged. Valleys Kids has received numerous messages of thanks for the indispensable support they provided across generations. These novel ways of working and of engaging with people and their needs continued much longer than anyone believed at the outset and with increasing intensity. Demand for help continues to grow and other sources of help have decreased. The local authority reports a significant decline in third sector and other community-based support organisations as some did not survive or they were forced to contract during the pandemic. It will take time before these losses are restored.

For Valleys Kids, methods of support have emerged which are even more inclusive and responsive. For example, using hybrid approaches which combine digital and face-to-face sessions. In addition, we continued to offer seasonal specific help. As always, the Christmas Appeal (providing presents and pyjamas for over three hundred children was hugely successful). Winter Resilience programmes also brought opportunities for winter fun for youth groups over the period and, in the run up to Christmas, we were able to deliver a hundred food parcels to older adults across the Valleys Kids areas. This work continued in earnest in the New Year: for example, by the end of January, 150 winter warmer parcels went out to older adults. The Senior Leadership Team, and the newly appointed Fundraising Manager, supported staff in identifying and drawing down additional funds to help finance these activities.

OBJECTIVES AND ACTIVITIES

One of the challenges now is to shift attention from short-term fixes for immediate problems to the pursuit of strategic solutions. The focus on making use of short-term funding and responding urgently to crisis was achieved sometimes at the expense of long-term planning. It has become more difficult to ensure that strategic plans are well grounded in relevant data from a wide range of sources. While increased uncertainty about the future meant that they will have to be even more robust/flexible. The one-year and three-year planning and finance cycles which dominate funding opportunities mean that organisations like ours feel required to deliver results within that time frame while knowing that community development and support is also a long-term enterprise. Partly for this reason, we have become even more intent on communicating our mission, extending knowledge of our activities and demonstrating/celebrating our impact. A new Communications Officer post has been funded and it was filled in January 2022, providing support to staff, centres and programme areas and beginning to streamline and develop our outward facing communication channels.

Community and Family Hubs

Over the year the Community and Family Hubs delivered youth and play sessions, befriending sessions for older adults, arts and theatre sessions and open-door activities designed to bring communities together.

Dinas Community and Family Hub, one of our smallest, was awarded three-year funding by Children in Need to staff youth and play sessions at the centre. Three members of part-time staff were recruited and sessions began in January 2021. Local residents greeted the re-opening of the hub with great enthusiasm. One grandmother described the impact of a loss of services on her family, reporting that her grandson's social skills had deteriorated to the extent that he was becoming agitated and violent towards her and other family members. She told staff that she "didn't know what she would do without the Dinas hub."

Penygraig Community and Family Hub delivered the local authority Youth Service Level Agreement, holding weekly youth club for children age 11+. This was enhanced by additional YEPS funding for a Young, Gifted and Welsh project delivering facilitated music and DJ sessions for groups of young people. Because of a close partnership with the local Coop store on the high street, Penygraig hub also regularly provides free food to people and hosts much loved and anticipated tea parties and play activities for children and families.

Rhydyfelin Community and Family Hub held special events throughout the year, including a summer fete, a barbeque and Christmas fair. All our teams keep in touch with their members, helping to solve problems as they arose. Rhydyfelin staff were ideally placed to support isolated older people when communication was difficult during the pandemic, inside and outside hospital. Rhydyfelin has a high population of older adults and the hub offers a befriending service, dementia café and veterans' breakfast to help connect people and reduce social isolation.

Penyreglyn Community and Family Hub delivered its legacy youth work programme, running youth club sessions for junior and senior young people and offering an array of activities including bushcraft skills, gaming projects and cooking sessions. Providing food for young people is a key activity at Penyreglyn; not only teaching children and young people about nutrition and healthy eating but also providing a hot meal to some who would otherwise go without. Before Christmas, hampers of food were given out to older people who use the centre, with winter warmth packs following in the new year.

The Factory because of lockdown and continuing Covid-19 restrictions, The Factory remained closed to non-tenants for some of the year and no music events were held in the venue as social distancing rules were respected. Art exhibitions were allowed, providing that maximum numbers were in line with government guidelines. The BIG Lottery funded project 'Helping Working Families in Poverty' continued to provide volunteering opportunities to people in exchange for time banking rewards and food bags were distributed each week on 'Food Bag Friday'.

Little Bryn Gwyn

Little Bryn Gwyn is a beautiful residential centre on the Gower with nine ensuite bedrooms (22 beds), a lounge and dining area with kitchen and an adjoining activity centre. It was able to open fully for bookings in May 2021. In October 2021, we held an open day for local schools, which was met with real excitement and led to several primary schools in Swansea, Neath Port Talbot and Bridgend using Little Bryn Gwyn for their annual pupil residential trips.

The Play Yard

Our social enterprise, The Play Yard, had another busy year, with an extension made to the play area via a successful match-funding grant from RCT. This significantly improved the existing play area and added additional floor space and capacity for a further twenty-five children. The staff developed a small sensory space to enhance the services and facilities we can offer to children and adults with ASD & SEN conditions.

OBJECTIVES AND ACTIVITIES

During the year, the Play Yard developed a program offering extended work placements for young people who face challenges at home or at school and have become disengaged from education. This saw one pupil from Treorchy Comprehensive and another from Nantgwyn Comprehensive attend The Play Yard for one and two days respectively, engaging in a blend of practical work experience and undertaking work-based and accredited training qualifications. We hope to establish and develop the program further. The Play Yard benefited from two volunteers: one supported the food parcel scheme and the other became a play area assistant to gain work experience. We have been accepting time credits in exchange for access to the various services on offer at The Play Yard for some time and also used them to reward volunteers who supported the 'Pick Up A Free Lunch!' scheme. Partners and supporters over the last 12 months include FareShare Cymru, Interlink, Business in the Community, Tesco, Welcome to our Woods, Sport Wales, People At Work, Cardiff City Foundation and the WRU.

Programme Areas

Art in the Attic

During the first week of lockdown, the Valleys Kids' Artist in Residence delivered art bags containing essential art supplies to the whole art group so that classes could continue from the safety of people's homes. WhatsApp groups were set up to share the weekly tasks and tutorial videos and to keep everyone in touch with each other. Anne obtained funding for iPads so that we could hold virtual sessions and get the chance to see and speak to each other. Participants learned new skills as we all became familiar with the invitation to 'Zoom'. As art group members' range in age from 40 to 91, some grasped the new technology quicker than others, but we got there! Generous donations from generous people meant that new materials could be bought to ensure the sessions could continue, and continue they did, every week for 16 months. From leaves to lighthouses, ferns to fish and bird feeders to bags, we covered many subjects using a variety of materials and mediums. One participant said: "I can't say enough about what a difference the art sessions made to my life during lockdown. I don't know where I would have been without them, they really were a lifesaver for me and for my mental wellbeing."

The Genesis Kickstart Fund is a new initiative to mark the 20th anniversary of the Foundation. It is designed to enable outstanding freelance artists to stay on their career paths and explore new possibilities in a world radically altered by Covid-19. As part of this, Valleys Kids delivered 'The Front Room' project, a pop-up art installation inspired by a sense of what 'home' means. It has acted as a community catalyst for recalling forgotten memories, sharing stories and making connections. As part of the project, based on a concept piloted at Valleys Kids' Tate Exchange residency in 2019, a team of artists recreate a 1950's front room from a typical Welsh miners Terrace in the Rhondda, made from cardboard, complete with replacement and upcycled furniture. The design of the room evoked childhood memories, inviting people to come inside, share their stories, and create their own piece of art. It offered an escape from everyday pressures, just for a few moments, taking time to talk and remember or just contemplating what 'home' means. It drew people from all backgrounds and races with diverse faiths and beliefs. Each person could still relate to that familiar family room; it brought back special memories and encouraged rich conversation. People told their stories and shared long-forgotten memories. The Front Room was displayed at the Robert Maskrey Gallery in November before going on tour to community spaces across Wales and England by working in collaboration with local arts organisations.

A major exhibition highlighted the incredible work undertaken by the artist in residence and the community outreach art class participants during multiple lockdowns. Over 900 pieces were displayed as part of 'Our Lockdown Exhibition' by Valleys Kids' adult art groups-Penyrenglyn, Penygraig and Porth'. Held In the Robert Maskrey Gallery at The Factory in September 2021, it showcased the wonderful work produced during the 16 months that the art groups were in lockdown and their continued determination to be creative.

Sparc

The Sparc team has worked to deliver increased opportunities for artistic development in disadvantaged communities; provide young people from different cultural settings with creative experiences; secure access to pathways and industry; develop people's skills and confidence; encourage independence and resilience; help people get their voices heard and influence change; enable emerging artists to live and work in the Valleys. Sparc continued to run a hybrid model of online and offline activities, moving to face-to-face, safe distanced sessions from May half term, and continuing to provide mentoring, one-to-one sessions with young people, emerging artists, parents and guardians and volunteers.

The Together Stronger partnership with Wales Millennium Centre has introduced over 1,000 new individuals to the work of Valleys Kids and Sparc through performances, accredited radio courses, Life Hacks with creative professionals and new sessions. Powerful Interventions saw seventy young people involved in youth-led commissions while Arts Council Wales Connect and Flourish funded project Make it! engaged with 50 emerging artists across RCT involved in creation of a network and commissioned programme of work.

OBJECTIVES AND ACTIVITIES

Family Team

The Family Team delivered a hybrid model of online and in-person sessions, delivering free support and advice for parents in Rhondda Cynon Taff through Check in & Chat informal drop-in sessions and So You Want to Know More? sessions themed around the issues and concerns brought by parents themselves. This programme of activity provided people with a great opportunity to meet fellow parents and tackle, in safe and welcoming spaces, some of the challenges of parenthood.

Working in partnership with specialist agencies, the Family Team was able to meet emerging needs and provide people with topical information on subjects like energy efficiency, finding out about the fuel crisis and what's the best action when it comes to switching suppliers, finding the best deal and how to get the comparison details off your bills, what to do about fuel debt, and how to get the Warm Home Discount and other energy help available. Other partnership opportunities are being explored. Close working with Interlink led to funded work on the ACEs (Adverse Childhood Experiences) agenda which will happen later in the financial year.

Older People

The establishment of a Development Manager for Older People embedded Valleys Kids' commitment to providing services and opportunities to people of all ages within our communities, such as befriending services, dementia cafes and therapy sessions at the Community and Family Hubs.

The Transition Programme

The Transition Plan was developed by the trustees, and they played a highly active role in leading on implementation. It provided a phased approach to guiding the organisation through a period of considerable change which included: the two Founding Directors taking up new roles as Ambassadors; appointing a new Chief Executive, a Director of Programmes and a Director of Business and Finance; strengthening the fundraising team with the appointment of a Fundraising Manager, part-time Trusts and Foundations worker and a Communications Officer. We raised very quickly the additional finance needed for new posts (£1½ million over three years). Bids to potential funders met with an incredibly positive response. We are very grateful to the Swinburn Foundation, the Waterloo Foundation, the Tudor Trust, and the Wales Council for Voluntary Action (WCVA). This readiness to provide additional support should be regarded as testimony to the high regard in which Valleys Kids is held and a sign of stakeholder confidence in our ability to manage the transition programme well.

Staff were asked to take shared responsibility for this major transition programme during an especially disruptive and worrying period for them, professionally and personally. Trustees were acutely aware that staff were dealing with a wide range of issues: the adverse effects of Covid-19 on their communities and their work; the potential loss of key revenue streams; role changes and job insecurity; and risks to the long-term viability of place-based provision. Action was taken to deal with all these hazards as quickly and as well as possible but there were times of real anxiety and uncertainty. Dealing with operational challenges and staff welfare issues were always key priorities. The process was made much easier by the commitment and willingness of staff to find positive solutions. Throughout this period, the whole organisation continued to follow the principles and objectives agreed right at the beginning of the transition process. Our commitment to communication, inclusion, empowerment, and unity of purpose has been maintained. Staff meetings and bulletins have been used very effectively while the four staff representatives nominated to work with the transition programme sub-group have played a crucial role.

Most importantly, Valleys Kids' ability to meet the challenges of delivering support within communities desperate for help has been sustained throughout a period of considerable turmoil. Notwithstanding lockdowns, restrictions and having to cope with responsibilities staff have towards their own families, the reports and direct comments we hear from people who receive help have been moving and inspiring. New activities during this exceptional period include food parcels for families; regular support for people who are isolating or lonely (e.g., telephone contact, shopping, medication, and transport); and digital lifelines (e.g., support groups and digital youth and arts projects).

The trustees' transition sub-group met (virtually) most weeks for nearly one calendar year, to ensure that actions in the transition plan are completed well and on time. As the new senior management team became more established, the sub-group focused more on planning for the end of the formal transition period and winding down its activities. Priority areas of development were identified as:

- Making the best use of our increased capacity and finding urgently sustainable funding for our place-based, open access activity which is the core work of our Community and Family Hubs.
- Maintaining increased liaison between staff and trustees, building upon positive outcomes from having a more visible and active Board during a critical period.
- Making the case for the Valleys Kids' approach to community development (showing how an integrated open access/specialist programmes/social enterprise model provides an especially effective framework for structuring this activity).
- Shaping the relationship between the Board, the Senior Management Team and the Ambassadors.

Considerable progress has been maintained in all these areas and the work is ongoing.

OBJECTIVES AND ACTIVITIES

Local Authority SLA

the transition programme, we focused on engaging with the local authority to explore:

- Short-term and long-term financial sustainability of Valleys Kids, with open discussions to aid mutual understanding of issues and opportunities for support.
- Opportunities for more effective commissioning and the provision of services which are responsive to community needs.

Consequently, Valleys Kids successfully negotiated with RCTCBC a large-scale contingency Service Level Agreement for the provision of parenting support services. The one-year contract has enabled us to deliver parenting support services across the area RCT. We are committed to building capacity within the Family Team to ensure strong delivery potential when the current contract ends, and Valleys Kids has recruited three additional qualified members of staff. This was a major milestone and it also provided opportunities for improving our links with the local authority's work to create additional Community Hubs. One of the outcomes is a time-limited agreement to fund the appointment of one of our hub managers as the Community Co-ordinator for Rhydyfelin.

Staff - paid and voluntary

One of the greatest assets of any organisations is its staff and Valleys Kids seeks to create a workplace within which staff can flourish and operate in a creative, constructive and fair environment. It is only with qualified and experienced staff that we can deliver the high-quality services which the communities we work with deserve. Both paid and voluntary staff continue to access training to enable them to fulfil their role to the highest standards. We are immensely proud of our 53 paid staff and over 100 volunteers. A number of the paid staff began as community volunteers but are now very well qualified professionals.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

We have four Community and Family Hubs in disadvantaged communities where activities and services are provided for all ages, from babies to those over 90. We have also developed a Hub for the Arts and Cultural Industries so that the people from the Valleys' communities can gain the skills and knowledge to enable them to secure employment in this growing industry in Wales. The Family Team provides targeted services for the most challenged families. Our residential facility in the Gower, Little Bryn Gwyn, has been rebuilt so that it can provide young and old with new opportunities. We are developing social enterprises; the Play Yard, Old Library Coffee Shop and events at the Factory and three Coffi Red cafes based in our own premises. Sparc and Art in the Attic continue to thrive and to grow.

FINANCIAL REVIEW

The new management team have considered the presentation of the financial information in the Statement of Financial Activities and as the group meets its objectives by carrying out the single activity of providing community support through a large number of different projects which change as the needs of the community change, the format of the Statement of Financial Activities has been amended to reflect this, rather than separating just a couple of projects into separate activities.

Financial position

This year the expenditure on charitable activities with children and families was £1,725,264, there was additional expenditure of £80,191 on raising funds. The total income for the group for 2021/2022 was £2,190,264. This has resulted in a surplus in the Statement of Financial Activities of £384,809.

The risks

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

Reserves policy

The trustees believe it is necessary to maintain reserve funds to ensure that the charity is able to meet ongoing commitments. At the 31 March 2022 total funds amounted to £5,070,877. The unrestricted funds were £4,738,782 and the free reserves of the group after excluding designated funds, fixed assets and associated loans were £430,378. The trustees believe this is adequate to safeguard ongoing commitments in the short term, and in excess of the trustees' policy of having sufficient funding to cover two months operating costs, which is approximately £300,000.

FUTURE PLANS

The Year Ahead

Valleys Kids' mission is to work with and support people living in disadvantaged communities enabling them to realise their potential. The people we work with are involved in shaping the services we provide. Our Community and Family Hubs provide a welcoming atmosphere, are not judgmental and operate open access activities free at the point of access. We offer targeted activities including activities for adults, parenting, youth programmes and provide challenging activities enabling people to explore their lives and see that they have potential, that they can change and improve the quality of their lives and of the communities where they live. We consult with our local people in a variety of ways to ensure that our activities and services meet the needs of the communities. We continually explore diverse ways and methods of working to ensure that we offer the best opportunities to people.

Our priorities for the next year

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

We will:

- Secure sustainable funding
- Continue and develop play, youth and community development and specialist programmes, including youth performance, visual arts, families and older adults
- Work in partnership with other agencies and organisations to ensure that people and the communities receive the best possible services
- Strengthen our position with key stakeholders
- Develop social enterprises to ensure sustainability
- Undertake an initial HR needs analysis
- Commission a job evaluation exercise
- Streamline financial systems
- Audit facilities management
- Research and compile an impact report
- Review key organisation messaging
- Undertake a communications rebranding exercise
- Undertake a review of organisational online presence
- Develop and implement an organisational communication strategy
- Commission website redevelopment

Financial Impact of the Pandemic

There was considerable uncertainty about the future when the pandemic struck in 2020 and lockdowns began. Funding from some sources immediately reduced. As our buildings had to close, we immediately looked at measures to mitigate the financial challenges. Most of our funders were incredibly supportive and allowed considerable flexibility so that we could respond to the emergency and to growing levels of need. Our main grant providers have continued to support our work and have increased support so that we can make extra provision for disadvantaged communities suffering from the effects of the pandemic. We have also made use of specific support schemes on a local and national basis.

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

Staffing: We expanded staff teams to increase capacity and expertise.

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

Current Situation: We are continuing to offer a socially distanced activities and support to the communities and we are developing new and innovative responses to supporting children, families and adults.

Because of the immediate support provided by the UK Government and the Welsh Government, we are in a stronger financial position now than at the start of the financial year.

The longer-term fallout from the pandemic is becoming increasingly apparent and we expect the demands on our services to increase substantially over the next year.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Organisational structure

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

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

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

Equal opportunities

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

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

Key management remuneration

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03717865 (England and Wales)

Registered Charity number

1074840

Registered office

1 Cross Street
Penygraig
Tonypandy
CF40 1LD

Trustees

Chair
Vice Chair
Treasurer
Trustees

Philip Evans
Nadine Hussien
Marian Stokes
Ceri Assiratti
Rebecca Booth
Howell Edwards
Lyn Evans
Rhianon Howells
John McGrath
Jason Camilleri

Resigned 24 February 2022

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Company secretary

Richard Morgan

Executive team

Richard Morgan

Margaret Jervis

Elise Stewart

Lynne Thomas

Clare Llewellyn

Retired 30 September 2021

Retired 30 September 2021

Appointed 1 May 2021

Appointed 16 September 2021

Appointed 16 October 2021,

Resigned 31 March 2021

Auditors

Watts Gregory LLP

Chartered Accountants & Statutory Auditors

Elfed House

Oak Tree Court

Cardiff Gate Business Park

CARDIFF

County of Cardiff

CF23 8RS

Solicitors

Darwin Gray Solicitors

Helmont House

Churchill Way

Cardiff

CF10 2HE

Bank

Unity Trust Bank PLC

4 Brindleyplace

Birmingham

B1 2JB

Barclays Bank UK PLC

1 Churchill Place

London

E14 5HP

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

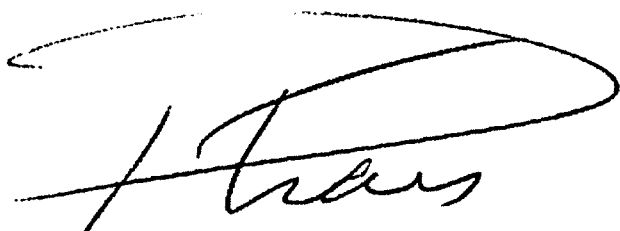
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on ...15th December 2022..... and signed on its behalf by:



.....
P J Evans - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 group's or parent charitable company'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's or parent charitable company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Based on our understanding of the group and the parent charitable company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VALLEYS KIDS**

Use of our report

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

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

Date: 16 December 2022

VALLEYS KIDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	355,669	173,960	529,629	493,481
Charitable activities	6				
Community Projects		-	-	-	922,004
Community Outreach		-	-	-	166,273
Sparc (Artworks)		-	-	-	180,438
Community Support		229,984	1,298,102	1,528,086	-
Other trading activities	4	97,629	-	97,629	50,819
Investment income	5	34,920	-	34,920	27,021
Other income		-	-	-	6,951
Total		718,202	1,472,062	2,190,264	1,846,987
EXPENDITURE ON					
Raising funds	7	80,191	-	80,191	58,075
Charitable activities	8				
Community Projects		-	-	-	1,101,212
Community Outreach		-	-	-	268,967
Sparc (Artworks)		-	-	-	286,284
Community Support		583,945	1,141,319	1,725,264	-
Total		664,136	1,141,319	1,805,455	1,714,538
NET INCOME/(EXPENDITURE)		54,066	330,743	384,809	132,449
Transfers between funds	22	3,553	(3,553)	-	-
Net movement in funds		57,619	327,190	384,809	132,449
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		4,681,163	4,905	4,686,068	4,553,619
TOTAL FUNDS CARRIED FORWARD		4,738,782	332,095	5,070,877	4,686,068

The notes form part of these financial statements

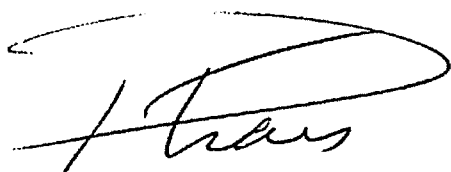
VALLEYS KIDS

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	16	4,774,413	-	4,774,413	4,888,558
CURRENT ASSETS					
Stock		1,380	-	1,380	1,380
Debtors	17	28,193	76,298	104,491	53,357
Cash at bank and in hand		<u>505,416</u>	<u>255,797</u>	<u>761,213</u>	<u>643,364</u>
		534,989	332,095	867,084	698,101
CREDITORS					
Amounts falling due within one year	18	(83,613)	-	(83,613)	(390,027)
NET CURRENT ASSETS		<u>451,376</u>	<u>332,095</u>	<u>783,471</u>	<u>308,074</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,225,789	332,095	5,557,884	5,196,632
CREDITORS					
Amounts falling due after more than one year	19	(487,007)	-	(487,007)	(510,564)
NET ASSETS		<u>4,738,782</u>	<u>332,095</u>	<u>5,070,877</u>	<u>4,686,068</u>
FUNDS	22				
Unrestricted funds				4,738,782	4,681,163
Restricted funds				<u>332,095</u>	<u>4,905</u>
TOTAL FUNDS				<u>5,070,877</u>	<u>4,686,068</u>

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

The financial statements were approved for issue by the Board of Trustees on the 15th of December 2022 and were signed on its behalf by:



.....
P J Evans -Trustee

The notes form part of these financial statements

VALLEYS KIDS

CHARITY BALANCE SHEET
AT 31 MARCH 2022

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	16	4,711,600	-	4,711,600	4,831,432
CURRENT ASSETS					
Debtors	17	92,829	76,298	169,127	104,983
Cash at bank and in hand		<u>440,645</u>	<u>255,797</u>	<u>696,442</u>	<u>603,502</u>
		533,474	332,095	865,569	708,485
CREDITORS					
Amounts falling due within one year	18	(67,029)	-	(67,029)	(382,271)
NET CURRENT ASSETS		<u>466,445</u>	<u>332,095</u>	<u>798,540</u>	<u>326,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,178,045	332,095	5,510,140	5,157,646
CREDITORS					
Amounts falling due after more than one year	19	(482,632)	-	(482,632)	(503,273)
NET ASSETS		<u>4,695,413</u>	<u>332,095</u>	<u>5,027,508</u>	<u>4,654,373</u>
FUNDS					
Unrestricted funds				4,695,413	4,649,468
Restricted funds				<u>332,095</u>	<u>4,905</u>
TOTAL FUNDS				<u>5,027,508</u>	<u>4,654,373</u>

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

The financial statements were approved for issue by the Board of Trustees on the 15th December 2022 and were signed on its behalf by:



.....
P J Evans -Trustee

The notes form part of these financial statements

VALLEYS KIDS

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	1	342,832	469,944
Interest paid		<u>(18,989)</u>	<u>(19,653)</u>
Net cash provided by (used in) operating activities		<u>323,843</u>	<u>450,291</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(51,696)	(133,386)
Interest received	2	-	-
Sale of tangible fixed assets		<u>-</u>	<u>5,000</u>
Net cash provided by (used in) investing activities		<u>(51,694)</u>	<u>(128,386)</u>
Cash flows from financing activities:			
Loan repayments in year		(159,298)	(339,067)
New loan in year		<u>4,998</u>	<u>540,739</u>
Net cash provided by (used in) financing activities		<u>(154,300)</u>	<u>201,672</u>
Change in cash and cash equivalents in the reporting period		117,849	523,577
Cash and cash equivalents at the beginning of the reporting period		<u>643,364</u>	<u>119,787</u>
Cash and cash equivalents at the end of the reporting period		<u>761,213</u>	<u>643,364</u>

The notes form part of these financial statements

VALLEYS KIDS

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	384,809	132,449
Adjustments for:		
Depreciation charges	165,841	163,847
Interest received	(2)	-
Interest paid	18,989	19,653
Profit on sale of tangible fixed assets	-	(3,682)
Increase in debtors	(41,841)	73,104
Decrease in creditors	(184,964)	82,152
Decrease in stock	-	2,421
Net cash provided by (used in) operating activities	<u>342,832</u>	<u>469,944</u>

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

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	643,364	117,849	761,213
Debt			
Debts falling due within one year	(158,398)	133,659	(24,739)
Debts falling due after one year	<u>(503,273)</u>	<u>20,641</u>	<u>(482,632)</u>
	<u>(661,671)</u>	<u>154,300</u>	<u>(507,371)</u>
Total	<u>(18,307)</u>	<u>272,149</u>	<u>253,842</u>

1. STATUTORY INFORMATION

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

Valleye Creative Limited is a 100% owned subsidiary of Valleys Kids. It is a company incorporated in Wales within the United Kingdom. The registered office is the same as the parent company. The nature of the operations is that of providing recreational, educational and wellbeing facilities for the public at large and in particular people in need.

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', 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.

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

Going concern

The trustees have assessed the group's ability to continue as a going concern taking into account the financial impact of Covid-19 which is set out in the Report of the Trustees.

The group's forecasts and projections show that the group should be able to continue to operate and is well placed to manage its risks successfully in the coming 12 months.

The trustees, therefore, have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Consolidation

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

Income

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

Donations and legacies income

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

Income from charitable activities

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

Investment income

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued**Other income**

Other income is recognised on a receivable basis

Expenditure

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

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

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

Tangible fixed assets

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

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Termination payments

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

Operating leases

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

Government grants

Government grants are recognised when there is reasonable assurance that the group will comply with the conditions and that the grant will be received. The grant is recognised in the SOFA on a systematic basis, over the periods in which the charity recognises as expenses the related costs for which the grant is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**2. ACCOUNTING POLICIES - continued****Financial instruments**

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

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

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

Significant accounting judgements and estimates

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

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

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	50,412	91,543
Legacies	278	10,000
Grants	478,939	391,938
	<u>529,629</u>	<u>493,481</u>

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

	2022	2021
	£	£
Moondance Foundation	137,000	-
The Waterloo Foundation	50,000	25,000
Garfield Weston Foundation	75,000	-
Esmee Fairbairn Foundation	-	15,000
Welsh Government Coronavirus Job Retention Scheme	17,979	164,188
RCTCBC - Rates Grant	-	90,000
Welsh Government Retail Grant	10,000	15,000
Tesco Bags of Help COVID-19 Communities Fund	-	500
City of Swansea Council - Rates Grant	2,000	24,000
The Tudor Trust	49,000	2,000
WCVA: Third Sector Resilience Fund for Wales	74,960	56,250
The Leathersellers' Foundation	25,000	-
Admiral Support Fund	38,000	-
	<u>478,939</u>	<u>391,938</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Retail income	3,962	1,559
Income from Valleys Creative Limited	<u>93,667</u>	<u>49,260</u>
	<u>97,629</u>	<u>50,819</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	34,918	27,021
Deposit account interest	<u>2</u>	<u>-</u>
	<u>34,920</u>	<u>27,021</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Community activities	Community Projects	-	4,333
Grants	Community Projects	-	889,245
Childcare	Community Projects	-	1,652
Party and play	Community Projects	-	15,881
Hire income	Community Projects	-	10,893
Grants	Community Outreach	-	166,273
Community activities	Sparc (Artworks)	-	-
Grants	Sparc (Artworks)	-	180,438
Community activities	Community Support	63,666	-
Grants	Community Support	1,339,193	-
Party and play	Community Support	97,484	-
Hire income	Community Support	27,743	-
		<u>1,528,086</u>	<u>1,268,715</u>

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

	2022 £	2021 £
RCTCBC - Community Education Penygraig	-	11,572
RCTCBC – Enterprise Investment Grant	3,125	-
Department of Works - Kickstart	1,500	-
The Beatrice Laing Trust	-	5,000
Interlink RCT	97,381	4,250
Community First	81,548	168,207
Arts Council Wales	298,086	148,029
RCTCBC – Parenting Support	276,212	216,965
Wales Council for Voluntary Action – VSEF Small Grant	-	74,196
The Hodge Foundation	13,452	6,548
The National Lottery Heritage Fund	-	6,500
Big Lottery Fund - Working Families	143,083	190,290
Bernard Sunley Foundation	-	-
Pontypridd Town Council	-	2,500
Janet and Peter Swinburn Fund - CAF America	50,089	20,447
RCTCBC – other grants	19,382	13,079
RCTCBC – Young Gifted and Welsh	11,685	-
Children in Need	26,056	45,349
Wales Millennium Centre - Paul Hamlyn	-	12,409
Pen Y Cymoedd Community Fund	22,000	47,556
The Clothworkers' Foundation	-	-
Colwinston Charitable Trust	20,000	20,000
Integrated Care Fund Voluntary Action	-	56,786
Big Lottery Fund – Family Links	167,656	166,273
Integrated Care Fund - Keeping Connected with your Community	9,272	-
Integrated Care Fund - Third Sector Small Grant Scheme	10,000	-
Tesco	1,100	-
Parent Infant Foundation	4,400	-
South Wales Police	37,926	-
New Horizons	2,000	-
Genesis – Kickstart Fund	10,000	-
Pobl Trust	1,000	-
Swansea Council	8,000	-
Community Foundation Wales	4,555	-
RCTCBC – Summer of Fun	9,685	-
Esme Fairbairn Foundation	10,000	20,000
	<u>1,339,193</u>	<u>1,235,956</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

7. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Staff costs	-	6,197
Activities	12,709	16,830
Premises costs	13,319	15,782
Depreciation	-	1,068
Trading subsidiary costs	54,163	18,198
	<u>80,191</u>	<u>58,075</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9)	Support costs (See note 10)	Totals
	£	£	£
Community Support	<u>1,288,423</u>	<u>436,841</u>	<u>1,725,264</u>
	<u>1,288,423</u>	<u>436,841</u>	<u>1,725,264</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	832,220	820,767
Travel	20,171	836
Staff training	11,304	6,684
Telephone and postage	1,522	1,781
Bad debts	-	1,120
Activities	168,718	155,604
Premises costs	131,855	158,150
COVID-19 food purchases	-	48,145
Depreciation	122,633	139,714
	<u>1,288,423</u>	<u>1,332,801</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

10. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Community Support	<u>135,596</u>	<u>24,737</u>	<u>261,907</u>	<u>14,601</u>	<u>436,841</u>
	<u>135,596</u>	<u>24,737</u>	<u>261,907</u>	<u>14,601</u>	<u>436,841</u>

11. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Auditors' remuneration	9,100	9,100
Auditors' remuneration for non-audit work	5,501	6,178
Depreciation	<u>165,841</u>	<u>163,847</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 or for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 or for the year ended 31 March 2021.

13. STAFF COSTS

	2022 £	2021 £
Employee costs during the year		
Wages and salaries	988,710	930,493
Employer's National Insurance contributions	79,409	68,665
Pension costs	<u>19,149</u>	<u>17,405</u>
	<u>1,087,268</u>	<u>1,016,563</u>

Number of employees	50	53
Equivalent full time employees	40	41

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

The total key management personnel remuneration benefits paid during the year was £131,670 (2021: £77,472).

Included within staff costs are termination payments of £nil (2021: £2,748).

14. RESULTS OF PARENT CHARITABLE COMPANY

The income of the parent charitable company was £1,985,460 and net income was £373,135

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

15. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	493,481	-	493,481
Charitable activities			
Community Projects	642,317	279,687	922,004
Community Outreach	-	166,273	166,273
Sparc (Artworks)	-	180,438	180,438
Other trading activities	50,819	-	50,819
Investment income	27,021	-	27,021
Other income	6,951	-	6,951
Total	1,220,589	626,398	1,846,987
EXPENDITURE ON			
Raising funds	58,075	-	58,075
Charitable activities			
Community Projects	844,642	256,570	1,101,212
Community Outreach	102,694	166,273	268,967
Sparc (Artworks)	105,846	180,438	286,284
Total	1,111,257	603,281	1,714,538
NET INCOME/(EXPENDITURE)	109,332	23,117	132,449
Transfers between funds	32,806	(32,806)	-
Net movement in funds	142,138	(9,689)	132,449
RECONCILIATION OF FUNDS			
Total funds brought forward	4,539,025	14,594	4,553,619
TOTAL FUNDS CARRIED FORWARD	4,681,163	4,905	4,686,068

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

16. TANGIBLE FIXED ASSETS – GROUP

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2021	6,136,252	275,661	25,299	6,437,212
Additions	16,750	34,946	-	51,696
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>6,153,002</u>	<u>310,607</u>	<u>25,299</u>	<u>6,488,908</u>
DEPRECIATION				
At 1 April 2021	1,358,397	181,157	9,100	1,548,654
Charge for year	123,004	37,977	4,860	165,841
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>1,481,401</u>	<u>219,134</u>	<u>13,960</u>	<u>1,714,495</u>
NET BOOK VALUE				
At 31 March 2022	<u>4,671,601</u>	<u>91,473</u>	<u>11,339</u>	<u>4,774,413</u>
At 31 March 2021	<u>4,777,855</u>	<u>95,404</u>	<u>16,199</u>	<u>4,888,558</u>

TANGIBLE FIXED ASSETS – CHARITY

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2021	6,089,593	222,912	25,299	6,337,804
Additions	16,750	25,064	-	41,814
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>6,106,343</u>	<u>247,976</u>	<u>25,299</u>	<u>6,379,618</u>
DEPRECIATION				
At 1 April 2021	1,356,531	140,741	9,100	1,506,372
Charge for year	122,071	34,715	4,860	161,646
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022	<u>1,478,602</u>	<u>175,456</u>	<u>13,960</u>	<u>1,668,018</u>
NET BOOK VALUE				
At 31 March 2022	<u>4,627,741</u>	<u>72,520</u>	<u>11,339</u>	<u>4,711,600</u>
At 31 March 2021	<u>4,733,062</u>	<u>82,171</u>	<u>16,199</u>	<u>4,831,432</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade debtors	75,441	7,595	75,297	7,595
Other debtors	5,485	13,176	5,485	13,176
Amounts owed by group undertakings	-	-	64,780	55,622
Prepayments and accrued income	23,565	31,246	23,565	28,590
VAT	-	1,340	-	-
	<u>104,491</u>	<u>53,357</u>	<u>169,127</u>	<u>104,983</u>

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

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Bank loans and overdrafts (see note 20)	20,734	19,924	20,734	19,924
Other loans (see note 20)	4,005	138,474	4,005	138,474
Trade creditors	8,100	3,410	7,950	3,410
Social security and other taxes	6,513	-	4,494	-
Other creditors	13,906	9,321	13,906	7,252
VAT	9,293	-	-	-
Accruals and deferred income	<u>21,062</u>	<u>218,898</u>	<u>15,940</u>	<u>213,211</u>
	<u>83,613</u>	<u>390,027</u>	<u>67,029</u>	<u>382,271</u>

Included within deferred income above is the following:

	2022 £	2021 £
Wales Council for Voluntary Action - Third Sector Resilience Fund for Wales Phase 2	-	59,968
The Waterloo Foundation	-	50,000
The Hodge Foundation	-	13,452
Garfield Weston Foundation	-	75,000
Little Bryn Gwyn – September Hire	1,102	-
Barnardos Rental Income April – June	2,000	-
RCTCBC capital grant	<u>1,458</u>	<u>1,823</u>
	<u>4,560</u>	<u>200,243</u>

The deferred income relates to income received in advance of project delivery.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

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

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Bank loans (see note 20)	445,275	466,008	445,275	466,008
Other loans	37,357	37,265	37,357	37,265
Accruals and deferred income	<u>4,375</u>	<u>7,291</u>	<u>-</u>	<u>-</u>
	<u>487,007</u>	<u>510,564</u>	<u>482,632</u>	<u>503,273</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Bank loans	20,734	19,924
Other loans	<u>4,005</u>	<u>138,474</u>
	<u>24,739</u>	<u>158,398</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	21,533	20,734
Other loans - 1-2 years	<u>5,912</u>	<u>3,917</u>
	<u>27,445</u>	<u>24,651</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	71,156	70,394
Other loans - 2-5 years	<u>15,964</u>	<u>16,760</u>
	<u>87,120</u>	<u>87,154</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	352,586	374,880
Other loans	<u>15,481</u>	<u>16,588</u>
	<u>368,067</u>	<u>391,468</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	<u>466,009</u>	<u>485,932</u>

The bank loan is secured by:

- A First Legal Charge over the Property known as The Pop Factory, Porth, Rhondda Cynon Taff
- A Second Legal Charge over the property known as Little Bryn Gwyn, Gower, Swansea
- A Deed of priority to be made between Unity and the Welsh Ministers for £502,000.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

22. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	4,681,163	54,066	3,553	4,738,782
Restricted funds				
Sparc	-	102,834	-	102,834
Colwinston Charitable Trust	-	14,000	-	14,000
National Lottery Community Fund - Working Families	-	988	(988)	-
Millennium Stadium Charitable Trust	2,187	(2,187)	-	-
BBC Children in Need	-	3,219	-	3,219
The National Lottery Heritage Fund - Penyreglyn	2,718	(2,718)	-	-
Waterloo Foundation	-	4,798	(856)	3,942
WCVA - Third Sector Resilience Fund	-	74,960	-	74,960
The Tudor Trust	-	24,039	(855)	23,184
RCTCBC - Parent Support	-	18,592	-	18,592
RCTCBC - Young Gifted and Welsh	-	3,000	-	3,000
Interlink - Adverse Childhood Experiences	-	23,800	-	23,800
South Wales Police	-	34,147	-	34,147
Charities Aid Foundation America	-	26,716	(854)	25,862
Trivallis - Together Again	-	4,555	-	4,555
	<u>4,905</u>	<u>330,743</u>	<u>(3,553)</u>	<u>332,095</u>
TOTAL FUNDS	<u>4,686,068</u>	<u>384,809</u>	<u>-</u>	<u>5,070,877</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	718,202	(664,136)	54,066
Restricted funds			
Sparc			
Colwinston Charitable Trust	308,086	(205,252)	102,834
National Lottery Community Fund - Working Families	20,000	(6,000)	14,000
Millennium Stadium Charitable Trust	143,083	(142,095)	988
National Lottery Community Fund - Family Links	-	(2,187)	(2,187)
BBC Children in Need	167,656	(167,656)	-
The Hodge Foundation	26,056	(22,837)	3,219
The National Lottery Heritage Fund - Penyrenlyn	13,452	(13,452)	-
Waterloo Foundation	-	(2,718)	(2,718)
WCVA - Third Sector Resilience Fund	50,000	(45,202)	4,798
The Tudor Trust	74,960	-	74,960
RCTCBC - Parent Support	49,000	(24,961)	24,039
RCTCBC - Rhydyfelin Grant	276,212	(257,620)	18,592
RCTCBC - Young Gifted and Welsh	15,101	(15,101)	-
Integrated Care Fund - Keeping Connected	11,685	(8,685)	3,000
Integrated Care Fund - Third Sector Small Grant Scheme	9,272	(9,272)	-
Community First	10,000	(10,000)	-
Interlink - Mental Health COVID Response	81,548	(81,548)	-
Interlink - Winter Pressures	62,640	(62,640)	-
Interlink - Adverse Childhood Experiences	10,441	(10,441)	-
Tesco - Groundwork	23,800	-	23,800
Parent Infant Foundation	1,100	(1,100)	-
South Wales Police	4,400	(4,400)	-
New Horizons	37,926	(3,779)	34,147
Genesis - Kick Start Fund	2,000	(2,000)	-
Pobl Trust	10,000	(10,000)	-
Charities Aid Foundation America	1,000	(1,000)	-
Swansea Council - Summer of Fun	50,089	(23,373)	26,716
Trivallis - Together Again	8,000	(8,000)	-
	4,555	-	4,555
	<u>1,472,062</u>	<u>(1,141,319)</u>	<u>330,743</u>
TOTAL FUNDS	<u>2,190,264</u>	<u>(1,805,455)</u>	<u>384,809</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	4,539,025	109,332	32,806	4,681,163
Restricted funds				
Little Bryn Gwyn	-	5,000	(5,000)	-
Millennium Stadium Charitable Trust	5,000	(823)	(1,990)	2,187
National Lottery - Awards for all	9,594	(600)	(8,994)	-
National Lottery Community Fund - Working Families Covid-19	-	14,884	(14,884)	-
The National Lottery Heritage Fund - Penynglyn	-	4,656	(1,938)	2,718
	<u>14,594</u>	<u>23,117</u>	<u>(32,806)</u>	<u>4,905</u>
TOTAL FUNDS	<u>4,553,619</u>	<u>132,449</u>	<u>-</u>	<u>4,686,068</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,220,589	(1,111,257)	109,332
Restricted funds			
Sparc	180,438	(180,438)	-
BBC Children in Need - Dinas	35,399	(35,399)	-
Colwinston Charitable Trust	20,000	(20,000)	-
National Lottery Community Fund - Working Families	142,290	(142,290)	-
Little Bryn Gwyn	5,000	-	5,000
Millennium Stadium Charitable Trust	-	(823)	(823)
National Lottery - Awards for all	-	(600)	(600)
Big Lottery Fund - Family Links	166,273	(166,273)	-
BBC Children in Need	9,950	(9,950)	-
National Lottery Community Fund - Working Families Covid-19	48,000	(33,116)	14,884
The Hodge Foundation	6,548	(6,548)	-
Interlink Great Escape	1,000	(1,000)	-
The National Lottery Heritage Fund - Penynglyn	6,500	(1,844)	4,656
Pen Y Cymoedd Community Fund - Upper Rhondda	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
	<u>626,398</u>	<u>(603,281)</u>	<u>23,117</u>
TOTAL FUNDS	<u>1,846,987</u>	<u>(1,714,538)</u>	<u>132,449</u>

22. MOVEMENT IN FUNDS - continued

Restricted funds

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

- Arts Council of Wales
- Esmée Fairbairn Foundation

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

The **National Lottery Community Fund** provided grant funding of £143,083 towards Working Families which is a project, based in Rhondda Cynon Taf, working in partnership with Spice to provide opportunities for working families experiencing in-work poverty. By using a time credit model, individuals will increase in confidence, self-esteem and health and well-being, whilst also building resilience and increasing social capital, and being empowered to participate in activities and experiences that they cannot ordinarily access, thus improving their quality of life.

The **Millennium Stadium Charitable Trust** contributed £5,100 in the 2019/20 financial year towards restoration and upgrade work on the Soar Centre.

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

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

The **National Lottery Heritage Fund** provided a grant to be used for the Fernhill Colliery Heritage Trail.

The **Hodge Foundation** provided grant funding of £13,452 to be used for the Families in Need project.

Waterloo Foundation supported the appointment of a new CEO within a new senior management & fundraising structure during a critical transition period with a grant of £150,000 over three years. The first instalment of £50,000 was received this year.

Rhondda Cynon Taf CBC - Parenting Support awarded £276,212 to Valleys Kids for the delivery of parenting support service.

Rhondda Cynon Taf CBC - Rhydyfelin Grant contributed £15,101 towards the staffing of Rhydyfelin Community and Family Hub.

Rhondda Cynon Taf CBC - Young Gifted and Welsh awarded £11,685 for delivery of the Young Gifted and Welsh project to address Mental Health and Wellbeing for young people in RCT who have been impacted by repeated lockdowns during the Covid pandemic. The grant contributed to two Freelance Level 3 Youth Workers, activities, four residential stays, travel and food.

Integrated Care Fund - Keeping Connected awarded Valleys Kids a grant of £9,272 for a befriending project for older people, including a dementia café at the Rhydyfelin Community and Family Hub and a number of therapy sessions and other activities to bring together isolated and vulnerable people in a supported environment.

National Lottery Heritage Fund donated £6,500 to Penyreglyn Community and Family Hub to deliver a heritage trail up in the Colliery Site. The project was young-people-led and included designing and commissioning the making of interpretation panels, running a social media campaign and holding a launch event.

Valleys Kids received £74,960 from the **WCVA Third Sector Resilience Fund 2** to fund an integrated team to develop our social businesses, fundraise from individuals, companies, trusts etc and market the organisation and social businesses. This led to the employment of a full-time Fundraising Manager, a part time Trusts and Foundations Fundraiser and a full time Communications Officer.

22. MOVEMENT IN FUNDS - continued

Tudor Trust supported the transition period with a donation of £49,000 to enable the employment of a full time Director of Programmes.

Integrated Care Fund - Third Sector Small Grant Scheme awarded Valleys Kids £10,000 to deliver the "A Place and Time for You" project, developed from close collaboration with participants and key stakeholders who continue to inform the development of this discrete project established to engage adults in the first stages of dementia and their families and creating opportunities tailored to individual need and supporting those with dementia and their families to continue to engage in their community.

Community First - Family Engagement awarded Valleys Kids a Family Engagement grant of £81,548 to deliver family and youth activities at Valleys Kids Community and Family Hubs.

Interlink - Mental Health Covid Response provided a grant of £36,000 for the project 'A Space for Us' - working with the community to improve mental wellbeing' to deliver sessions, activities and provide support to Children, Young People and Families whose levels of anxiety and depression increased dramatically as a result of the Covid epidemic in Rhondda and Taff - especially in the communities of Rhydyfelin, Penygraig, Dinas, Porth and Penyreglyn. A follow-on grant of £26,640 was received to continue the project, which provided Weekly Drama Workshops, online drama workshops, emotional wellbeing support, counselling via a partner organisation, wellbeing packs, play packs and youth activity packs.

Interlink - Winter Pressures grant of £10,441 to Valleys Kids to ensure the physical and mental wellbeing of disadvantaged and isolated older people in Penygraig, Penyreglyn, Dinas and Rhydyfelin over the winter season. This was delivered through connected projects: hampers for elderly and vulnerable people, a Christmas party for older people who would otherwise be alone at Christmas the chance to come together and enjoy a cup of tea and a mince pie.

Interlink - Community Response to Adverse Childhood Experience awarded Valleys Kids £23,800 for the development of community and partner involvement in a place based and community development approach to adverse childhood experiences. The purpose of the work including the identification and involvement of members of the community of relevant practitioners in the promotion of opportunities to be involved in conversations and awareness and training, and to work with the community, Interlink and other stakeholders and to identify the next steps in relation to future work, priorities and funding. Funding was awarded to deliver consultancy and staffing days January - March 2022, Trauma Informed Educator training for two people, Network meetings (3) Rhydyfelin, Upper Rhondda and Mid Rhondda, focus groups and questionnaires with six agency partners and evaluation and findings to include an external validation.

Tesco - Yard Grant a grant of £1,100 to support the food parcel scheme operated out of the Play Yard and the work in partnership with local schools. The funding was used to purchase equipment to support the delivery of the food parcel scheme (shelving, refrigeration and heavy-duty trolleys).

Pobl Trust - Yard Grant a grant of £1,000 to support the food parcel scheme operated out of the Play Yard also expand on the work we do with schools we purchased kitchen equipment which has enabled us to deliver training with young people and hold healthy eating/cooking workshops with school children.

Parent Infant Foundation awarded Valleys Kids a grant of £4,400 to conduct a consultation of parents of children 0-2 years in Bridgend and RCT.

South Wales Police UK - Good Health programmes awarded Valleys Kids a grant of £34,147 to support community-based, self-help and peer support groups which are helping to tackle Adverse Childhood Experiences (ACEs). The grant was provided to enable beneficiaries to support women from racially and ethnically minoritised backgrounds; support women and children who have experienced domestic or sexual abuse/violence; support women with neurodiversity needs and enable beneficiaries to be better informed / empowered to act on information.

South Wales Police UK - ACEs awarded grant of £3,779 to engage with cohort of children facing ACEs and deliver two residential stays at Little Bryn Gwyn residential centre for primary school children from Awel y Môr Primary School in Port Talbot and Coedffranc Primary School in Skewen, Neath.

Genesis - Kick Start Grant awarded £10,000 to deliver the creative Front Room project - a community catalyst for recalling forgotten memories, sharing stories and making connections. Funding enabled the Valleys Kids' Artist in Residence and three freelance artists to collaborate to create a Pop-Up Art Installation The Front Room, which existed in the real and virtual world.

22. MOVEMENT IN FUNDS - continued

New Horizons contributed £2,000 towards the cost of supporting specialist mental health intervention and training.

Charities Aid Foundation America the Swinburn Trust awarded Valleys Kids £50,089 to fund a new Director post as part of the 2021 transition process to a new senior management structure.

Swansea Council - Summer of Fun grant contributed £5,000 towards building an adventure playground at Little Bryn Gwyn, involving open days and training for young people and families. Swansea Council also contributed £3,000 holiday fun grant to enable us to run a week of activities at Little Bryn Gwyn during October half term.

Trivallis- Together Again awarded Valleys Kids £4,555 to deliver the Together Again project to provide children, between the ages of 5 and 11 years of age, from Penygraig and the surrounding area, opportunities to play and socialise twice a week at the Soar Centre.

Prior year restricted funds

The **National Lottery** awarded £48,000 to purchase food parcels, personal protective equipment, activity packs and IT equipment for families during the Covid-19 pandemic.

Interlink RCT provided funding in support of The Great Escape project which aimed to work with young people, staff and Welcome to our Woods to build a firepit, to clean up surrounding areas, widen the path and make the area accessible for all the users.

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

The **Pen Y Cymoedd Community Fund** contributed funds to support the delivery of care packages and the purchase of 2 laptops, tablets, sim cards and a card machine reader for the work done in the Upper Rhondda

During the prior year grant funding was received from The Beatrice Lang Foundation as a contribution towards the development of **Little Bryn Gwyn**,

Transfers between funds

Transfers totalling £3,553 were made between funds to reflect the purchase of fixed assets.

Prior year transfers

Transfers totalling £32,806 were made between funds to reflect the purchase of fixed assets.

23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £19,149 (2021: £17,405). Contributions outstanding at the year end amounted to £1,410 (2021: £3,302).

24. CONTINGENT LIABILITIES

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

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

No liabilities are expected to arise in the foreseeable future.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

25. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £6,646 (2021: £1,515) from two trustees (2021: four).

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

	2022	2021
	£	£
Rent expense paid	<u>22,296</u>	<u>22,296</u>

No amounts were outstanding at year end.

26. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	53,606	53,606
Between one and five years	<u>66,888</u>	<u>119,184</u>
	<u>120,494</u>	<u>172,790</u>

Total operating lease payments recognised as an expense in the year were £37,623 (2021: £70,423).

27. SUBSIDIARY COMPANY

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

Valleys Creative Limited, registered office:
The Factory Welsh Hills Works
Jenkin Street
Porth
CF39 9PP

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

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

	2022	2021
	£	£
Turnover	200,105	72,623
Cost of sales	<u>(54,163)</u>	<u>(66,055)</u>
Gross profit	145,942	6,568
Other income	42,055	108,554
Expenditure	<u>(145,978)</u>	<u>(81,655)</u>
Net (loss)/profit	<u>42,019</u>	<u>33,467</u>

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

	2022	2021
	£	£
Assets	129,108	102,634
Liabilities	<u>(85,737)</u>	<u>(70,667)</u>

VALLEYS KIDS

England & Wales - Charity number 1074840

Accounts

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

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2021
FOR
VALLEYS KIDS**

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

VALLEYS KIDS

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FOR THE YEAR ENDED 31 MARCH 2021**

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VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the group for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

Public benefit

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

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

OBJECTIVES AND ACTIVITIES

Significant activities

Who Matters - Everyone - Open Access Provision

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

Who Has Potential? Everyone

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

Who is Valued? Every child - Play

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

Who Can Succeed? Everyone - Youth Work

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Significant activities

What a terrible beginning to this financial year, all our premises closed to the public because of the first Covid-19 lockdown.

The staff's immediate reaction was 'what do the people in our communities need how can we continue to support them?' They were up and running right from the beginning.

It became clear that keeping in touch with our members was very important, but how do you do that? The teams used social media Facebook pages, telephone calls, Zoom meetings etc. to make contact with both young and old and check what was needed. It became clear that some people were finding feeding the family a challenge and the older generation were too afraid to go shopping. The question was, how could Valleys Kids help?

Money was raised to enable to support in a number of ways. 1,971 food hampers had been delivered equalling 78,000 meals. Children had received 21,254 packed lunches, families had received 3,469 play packs, 199 youth activity packs and 588 adult care packs. 4,908 wellbeing phone contacts had been made. 201 shopping trips organised. 75 art classes and 327 youth session had been delivered by Zoom. 16 families had been able to spend a holiday at the residential centre in the Gower. 50 iPads had been purchased to support children doing their schoolwork at home and older people to take part in Zoom activities.

The staff, while concentrating in their own communities, worked together along with some 100 volunteers to put together the food parcels, the lunches, the different packs. These activities continued through the year and into the next financial year.

Community and Family Hubs

Over the year each of the four Community and Family Hubs were involved in shopping for families, delivering play packs, youth packs and adult care packs. Importantly 'keeping in touch' by various social media methods with members and others. For the elderly the weekly phone calls were an important event for them. While the Zoom meetings were lifelines for the young people.

Dinas Community and Family Hub, one of our smallest Hubs, worked closely with other staff devising exciting play packs. Mainly People came to the Hub to collect packs. However, where that was not possible, they were posted. The mother of one family with 10 children, who received them by post, said that it was the most important event of the children's week and they looked forward to Wednesday each week when it arrived. The older children worked with the younger children on the activities and she said that it had really improved family relationships.

The normal Christmas community lunch became "Rogers walk Through" where families collected a pack lunch. This was a very exciting and successful day.

While much of the contact with young people was by Zoom, when possible, the team met the young people in the open and for particular cases where a young person needed individual support this was done in the Hub, Covid -19 rules being adhered to.

Penygraig Community and Family Hub developed a book trail - where from the library in the Charity Shop, they placed books monthly in different areas throughout the community. One comment was it was a wonderful way of bringing the community together during a challenging time. While the building was closed to the public, a member of staff was present, and this was particularly important for the young people who like to come and chat in the garden keeping socially distant.

Rhydyfelin Community and Family Hub had special events throughout the year. At Christmas, festivities included Santa in his sleigh delivering present throughout the community.

All our teams kept in touch with their members, helping to solve problems as they arose. Rhydyfelin staff were ideally placed to help an elderly couple, one with dementia, who, unbelievably, had their pensions stopped.

"While on the phone questions were asked, despite having explained about the dementia, the person asking the questions insisted that that person whose name was on the pension had to answer the questions. He had difficulty and answered wrongly. It took a community team effort, with the Local Councillor, the Local Post Office and Valleys Kids, to get their pension restored."

This highlighted the importance of the keeping in touch phone calls. The couple were able to explain to Valleys Kids staff what had happened, and they put the wheels in motion to get it solved.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Penynglyn Community and Family Hub - some of their Zoom meetings with young people had a difference. Ingredients were delivered to the young people's home and the session was spent baking together but over Zoom. However, the young people wanted to meet, even in the rain. The Staff fixed a tarpaulin from the roof to the fence so that they could meet socially distanced.

The care packs sometimes took the form of a cream tea delivered to the older members. The older people, many living on their own, wanted social contact, especially after they had had their 'jabs' and wanted the staff to come into their homes but mostly they wanted to get back together to meet in the Hub.

The Factory

As lockdown began The Factory were faced with particular challenges. While closed to the public the tenants had to have access to the building. For people using The Factory, the team quickly developed the appropriate Covid-19 rules providing essential equipment, face masks, disinfectant for hands etc.

Just prior to lockdown a Valleys Aid Concert, in conjunction with Avanti, was held for the families affected by the recent floods after storm Dennis. During lockdown Avanti used the Factory for a Life Drawing Event which was broadcast live on BBC Four. This entailed an amazing amount of work to ensure that all the rooms met the requirements of social distancing for the models and experts in The Factory while ensuring the people/artists were able to Zoom in to take part. It was a very successful event.

The BIG Lottery funded project 'Helping Working families in Poverty' was allowed to use some of the funding to provide weekly food hampers to families in great need

Art in the Attic

The art classes continued throughout the various lockdowns via Zoom. Each week they had a theme, and the necessary equipment would be delivered to their homes. One of the elder members (92) did not have the necessary social media to be part of the meetings so she was given one of the iPads and with the aid of the staff learned to use it. She said that being able to see and talk to the group was very important to her and her mental health.

There continued to be exhibitions in the Attic Gallery, of course they were virtual. This was possible because one of the Sparc team had the skills to be able to set up the virtual gallery.

Sparc

Like the other teams, Sparc quickly began contacting young people through social media. They continued to deliver group sessions via Zoom. One young man in the care of his grandparents, one of the parent's conditions, was that he continued to go to Welsh school. He attended his Sparc group but never spoke till one project where the scenario was: someone was on a boat that was sinking, and she was asking for help but could only speak Welsh and the young man began to speak to her in Welsh and translating to the others in the group. The next day his grandmother phoned the Sparc team to ask what they had done to her grandson because a different boy had come home, a much happier boy. Art can transform lives.

Sparc Team worked in Partnership with the Family Team to develop a story telling project 'Puddle Jump'. Using social distancing rules three families at a time were able to attend the story telling in Soar. The teams produced a webinar explaining the process and one of the mothers who took part was able to express how much the Puddle Jump project had meant for family relationships and how much the stories were enjoyed.

Family Team

Again, the Family Team did large amounts of using social media. While it is challenging, they were able to continue to deliver their programmes. They were also doing 'keeping in touch' phone calls. In the first seven months they worked with 81 different families.

During this period the team were asked to carry out a piece of research for the Parent and Infant Foundation. This was a major piece of work to map the current 'parent attachment support' from conception up to two years in the Health Authority and to research the views of parents on attachment in the future delivery model.

Little Bryn Gwyn

During the lockdown, social distancing allowing, the major development of our residential provision in the Gower was completed. Over a period of two years from a two up two down cottage with limited facilities, Little Bryn Gwyn was transformed into a beautiful residential centre with 9 en-suite bedrooms (22 beds) lounge and dining area with kitchen and an adjoining activity centre. This year 16 families were able to enjoy a holiday in the new facilities.

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

For the past number of years with the help of the St David's Christmas appeal and donations from individuals, companies and organisations were able to ensure that 312 families had a wonderful Christmas with presents, sweets and clothes to open on Christmas morning.

The Play Yard

The Play Yard is our social enterprise and while all our Community and Family Hubs were involved in providing food hampers and lunches, The Yard was where we were able to prepare and deliver over 20,000 lunches to children. The stories are numerous, but it was not only the food that was important, it was what it meant to the children who were excited about it and took time to write and draw thank you letters.

It was tremendous effort to succeed in providing 100 lunches a day five days a week and without the 49 volunteers and most of Valleys Kids staff it would not have been possible.

The Transition

In November the Board made a decision to ensure the future of Valleys Kids by strengthening the Senior Management Team. This would involve the Founding Directors becoming Ambassadors, and appointing a new Chief Executive, a Director of Programmes and a Director of Business and Finance. At a special board meeting in March the new Chief Executive was appointed to start on 1st May 2021.

It was also agreed that we required a stronger fundraising team which would require appointing a Fundraising Manager and Digital Communications Worker and a part-time Trusts and Foundations worker.

By the end of the financial year the Board had secured three years funding for the three senior manager team salaries and eighteen months funding had been secured for the fundraising team.

Staff - paid and voluntary

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

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

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

FINANCIAL REVIEW

Financial position

This year the expenditure on charitable activities with children and families was £1,714,538. The total income for 2020/2021 was £1,846,987. This has resulted in a surplus in the Statement of Financial Activities of £132,449.

The risks

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

Reserves policy

The trustees believe it is necessary to maintain reserve funds to ensure that the charity is able to meet ongoing commitments. At the 31 March 2021 total funds amounted to £4,686,068. The unrestricted funds were £4,681,163 and the free reserves after excluding fixed assets and associated loans were £278,537. The trustees believe this is adequate to safeguard ongoing commitments in the short term, but they intend to gradually increase reserves to meet the trustees' policy of having sufficient funding to cover three months operating costs, which is approximately £330,000.

FUTURE PLANS

The Year Ahead

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

Our priorities for the next year

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

We will:

- Seek to appoint the new Senior Management Team and the Fundraising Team.
- Secure resources to ensure we can deliver all of the parts of the services and activities in our Strategic Plan.
- Provide services and activities in all our premises which ensure a welcome for everyone in the community through play, youth work, community work and the arts.
- Encourage children, young people and adults, supporting them to develop self-respect, self-confidence and achieve their own potential.
- Ensure our services and activities deliver the Welsh Governments vision of the Social Services Wellbeing (Wales) Act and the Wellbeing and Future Generations (Wales) Act.
- Work in partnership with other agencies and organisations to ensure the people and the communities receive the best possible services.
- We will seek to raise funds to complete our vision of the Factory, Little Bryn Gwyn and 156 Bute Street.
- We will develop social businesses to ensure sustainability

Financial Impact of the Pandemic

There was considerable uncertainty about the future when the pandemic struck in March 2020 with immediate reduction in funding from some sources. As our building had to close, we immediately looked at measures to mitigate the financial challenges.

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

Welsh Government Coronavirus Job Retention Scheme: We made use of the scheme to furlough 16 Valleys Kids staff and 16 staff from our trading subsidiary from the middle of March 2020.

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

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

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

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

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

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Organisational structure

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

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

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

Equal opportunities

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

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

Key management remuneration

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03717865 (England and Wales)

Registered Charity number

1074840

Registered office

1 Cross Street
Penygraig
Tonypandy
CF40 1LD

Trustees

Chair
Vice Chair
Treasurer
Trustees

Philip Evans
Nadine Hussien
Marian Stokes
Ceri Assiratti
Rebecca Booth
Howell Edwards
Lyn Evans
Rhiannon Howells
John McGrath
Jason Camilleri

(appointed 5 February 2021)

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Company secretary

Richard Morgan

Executive team

Richard Morgan

Margaret Jervis

Elise Stewart

Lynne Thomas

Appointed May 2021

Appointed October 2021

Auditors

Watts Gregory LLP

Chartered Accountants & Statutory Auditors

Elfed House

Oak Tree Court

Cardiff Gate Business Park

CARDIFF

County of Cardiff

CF23 8RS

Solicitors

Darwin Gray Solicitors

Helmont House

Churchill Way

Cardiff

CF10 2HE

Bank

Unity Trust Bank PLC

4 Brindleyplace

Birmingham

B1 2JB

Barclays Bank UK PLC

1 Churchill Place

London

E14 5HP

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20/12/21..... and signed on its behalf by:



.....
P J Evans - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 group's or parent charitable company'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's or parent charitable company's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Based on our understanding of the group and the parent charitable company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Use of our report

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

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

20 December 2021

VALLEYS KIDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	493,481	-	493,481	181,610
Charitable activities	6				
Community Projects		642,317	279,687	922,004	1,142,235
Community Outreach		-	166,273	166,273	164,904
Sparc (Artworks)		-	180,438	180,438	234,418
Other trading activities	4	50,819	-	50,819	124,197
Investment income	5	27,021	-	27,021	25,164
Other income		6,951	-	6,951	-
Total		1,220,589	626,398	1,846,987	1,872,528
EXPENDITURE ON					
Raising funds	7	58,075	-	58,075	147,657
Charitable activities	8				
Community Projects		844,642	256,570	1,101,212	1,081,412
Community Outreach		102,694	166,273	268,967	287,770
Sparc (Artworks)		105,846	180,438	286,284	284,600
Total		1,111,257	603,281	1,714,538	1,801,439
NET INCOME/(EXPENDITURE)		109,332	23,117	132,449	71,089
Transfers between funds	22	32,806	(32,806)	-	-
Net movement in funds		142,138	(9,689)	132,449	71,089
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		4,539,025	14,594	4,553,619	4,482,530
TOTAL FUNDS CARRIED FORWARD		4,681,163	4,905	4,686,068	4,553,619

The notes form part of these financial statements

VALLEYS KIDS

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	16	4,888,558	-	4,888,558	4,920,337
CURRENT ASSETS					
Stock		1,380	-	1,380	3,801
Debtors	17	53,357	-	53,357	126,461
Cash at bank and in hand		<u>438,989</u>	<u>204,375</u>	<u>643,364</u>	<u>119,787</u>
		493,726	204,375	698,101	250,049
CREDITORS					
Amounts falling due within one year	18	(190,557)	(199,470)	(390,027)	(296,975)
NET CURRENT ASSETS		<u>303,169</u>	<u>4,905</u>	<u>308,074</u>	<u>(46,926)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,191,727	4,905	5,196,632	4,873,411
CREDITORS					
Amounts falling due after more than one year	19	(510,564)	-	(510,564)	(319,792)
NET ASSETS		<u>4,681,163</u>	<u>4,905</u>	<u>4,686,068</u>	<u>4,553,619</u>
FUNDS	22				
Unrestricted funds				4,681,163	4,539,025
Restricted funds				<u>4,905</u>	<u>14,594</u>
TOTAL FUNDS				<u>4,686,068</u>	<u>4,553,619</u>

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

The financial statements were approved for issue by the Board of Trustees on 20/12/21 and were signed on its behalf by:



P J Evans -Trustee

VALLEYS KIDS

CHARITY BALANCE SHEET
AT 31 MARCH 2021

		Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	16	4,831,432	-	4,831,432	4,861,988
CURRENT ASSETS					
Debtors	17	104,983	-	104,983	178,235
Cash at bank and in hand		<u>399,127</u>	<u>204,375</u>	<u>603,502</u>	<u>109,276</u>
		504,110	204,375	708,485	287,511
CREDITORS					
Amounts falling due within one year	18	(182,801)	(199,470)	(382,271)	(283,432)
NET CURRENT ASSETS		<u>321,309</u>	<u>4,905</u>	<u>326,214</u>	<u>4,079</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,152,741	4,905	5,157,646	4,866,067
CREDITORS					
Amounts falling due after more than one year	19	(503,273)	-	(503,273)	(310,678)
NET ASSETS		<u>4,649,468</u>	<u>4,905</u>	<u>4,654,373</u>	<u>4,555,389</u>
FUNDS					
Unrestricted funds				4,649,468	4,540,795
Restricted funds				<u>4,905</u>	<u>14,594</u>
TOTAL FUNDS				<u>4,654,373</u>	<u>4,555,389</u>

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

The financial statements were approved for issue by the Board of Trustees on 20/12/21 and were signed on its behalf by:



P J Evans -Trustee

The notes form part of these financial statements

VALLEYS KIDS

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	469,944	297,587
Interest paid		<u>(19,653)</u>	<u>(13,144)</u>
Net cash provided by (used in) operating activities		<u>450,291</u>	<u>284,443</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(133,386)	(691,892)
Interest received		-	10
Sale of tangible fixed assets		<u>5,000</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(128,386)</u>	<u>(691,882)</u>
Cash flows from financing activities:			
Loan repayments in year		(339,067)	(11,851)
New loan in year		<u>540,739</u>	<u>137,000</u>
Net cash provided by (used in) financing activities		<u>201,672</u>	<u>125,149</u>
Change in cash and cash equivalents in the reporting period		<u>523,577</u>	<u>(282,290)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>119,787</u>	<u>402,077</u>
Cash and cash equivalents at the end of the reporting period		<u>643,364</u>	<u>119,787</u>

The notes form part of these financial statements

VALLEYS KIDS

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	132,449	71,089
Adjustments for:		
Depreciation charges	163,847	143,952
Interest received	-	(10)
Interest paid	19,653	13,144
Profit on sale of tangible fixed assets	(3,682)	-
Decrease in debtors	73,104	(23,108)
Increase in creditors	82,152	93,232
Decrease in stock	2,421	(712)
Net cash provided by (used in) operating activities	<u>469,944</u>	<u>297,587</u>

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

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	119,787	523,577	643,364
Debt			
Debts falling due within one year	(149,321)	(9,077)	(158,398)
Debts falling due after one year	<u>(310,678)</u>	<u>(192,595)</u>	<u>(503,273)</u>
	<u>(459,999)</u>	<u>(201,672)</u>	<u>(661,671)</u>
Total	<u>(340,212)</u>	<u>321,905</u>	<u>(18,307)</u>

1. STATUTORY INFORMATION

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

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', 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.

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

Going concern

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

Consolidation

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

Income

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

Donations and legacies income

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

Income from charitable activities

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

Investment income

Investment income is recognised on a receivable basis.

Other income

Other income is recognised on a receivable basis

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Expenditure

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

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

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

Tangible fixed assets

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

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Termination payments

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

Operating leases

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

Financial instruments

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

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

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

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Significant accounting judgements and estimates

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

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

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	91,543	121,860
Penygraig Community Project grant	-	59,700
Legacies	10,000	50
Grants	<u>391,938</u>	<u>-</u>
	<u>493,481</u>	<u>181,610</u>

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

	2021	2020
	£	£
The Waterloo Foundation	25,000	-
Esmee Fairbairn Foundation	15,000	-
Welsh Government Coronavirus Job Retention Scheme	164,188	-
RCTCBC - Rates Grant	90,000	-
Welsh Government Retail Grant	15,000	-
Tesco Bags of Help COVID-19 Communities Fund	500	-
City of Swansea Council - Rates Grant	24,000	-
The Tudor Trust	2,000	-
WCVA: Third Sector Resilience Fund for Wales	<u>56,250</u>	<u>-</u>
	<u>391,938</u>	<u>-</u>

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Retail income	1,559	4,473
Income from Valleys Creative Limited	<u>49,260</u>	<u>119,724</u>
	<u>50,819</u>	<u>124,197</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	27,021	25,154
Deposit account interest	<u>-</u>	<u>10</u>
	<u>27,021</u>	<u>25,164</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Community activities	Community Projects	4,333	11,302
Grants	Community Projects	889,245	988,817
Childcare	Community Projects	1,652	44,600
Party and play	Community Projects	15,881	61,871
Hire income	Community Projects	10,893	35,645
Grants	Community Outreach	166,273	164,904
Community activities	Sparc (Artworks)	-	657
Grants	Sparc (Artworks)	180,438	233,761
		<u>1,268,715</u>	<u>1,541,557</u>

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

	2021 £	2020 £
RCTCBC - Community Education Penygraig	11,572	10,000
RCTCBC - Families First	-	215,976
Coleg y Cymoedd	-	5,993
The Beatrice Laing Trust	5,000	-
Interlink RCT	4,250	2,207
Community First	168,207	173,046
Arts Council Wales	148,029	122,383
RCTCBC – Parenting Support	216,965	-
Wales Council for Voluntary Action – VSEF Small Grant	74,196	-
The Hodge Foundation	6,548	-
The National Lottery Heritage Fund	6,500	-
Big Lottery Fund - Working Families	190,290	87,663
Bernard Sunley Charitable Foundation	-	20,000
Pontypridd Town Council	2,500	-
Janet and Peter Swinburn Fund - CAF America	20,447	31,216
RCTCBC – other grants	13,079	-
Moondance Foundation	-	25,000
Cwm Taf Morgannwg University Health Board	-	40,000
Children in Need	45,349	43,924
Comic Relief	-	27,000
Wales Millennium Centre - Paul Hamlyn	12,409	56,378
Pen Y Cymoedd Community Fund	47,556	85,129
The Clothworkers' Foundation	-	35,200
Colwinston Charitable Trust	20,000	20,000
Integrated Care Fund Voluntary Action	56,786	32,106
People's Postcode Lottery	-	20,000
The Waterloo Foundation	-	10,000
29th May 1961 Charitable Trust	-	7,500
The Percy Bilton Charity	-	4,483
Millennium Stadium Charitable Trust	-	5,000
Johnnie Johnson Trust	-	5,000
Edgar E Lawley Foundation	-	1,500
National Lottery - Awards for All	-	9,594
Big Lottery Fund - Family Links	166,273	164,904
T.E.D.S.	-	90,000
Esmee Fairbairn Foundation	20,000	30,000
RCT CBC - Funding Youth	-	6,280
	<u>1,235,956</u>	<u>1,387,482</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

7. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Staff costs	6,197	43,633
Activities	16,830	15,706
Premises costs	15,782	17,421
Depreciation	1,068	1,101
Trading subsidiary costs	18,198	69,796
	<u>58,075</u>	<u>147,657</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9)	Support costs (See note 10)	Totals
	£	£	£
Community Projects	920,656	180,556	1,101,212
Community Outreach	194,912	74,055	268,967
Sparc (Artworks)	<u>217,233</u>	<u>69,051</u>	<u>286,284</u>
	<u>1,332,801</u>	<u>323,662</u>	<u>1,656,463</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	820,767	877,018
Travel	836	13,694
Staff training	6,684	11,610
Telephone and postage	1,781	2,241
Bad debts	1,120	-
Activities	155,604	130,736
Premises costs	158,150	150,788
COVID-19 food purchases	48,145	-
Depreciation	<u>139,714</u>	<u>122,707</u>
	<u>1,332,801</u>	<u>1,308,794</u>

10. SUPPORT COSTS

	Management	Finance	Other	Governance costs	Totals
	£	£	£	£	£
Community Projects	43,015	17,314	110,603	9,624	180,556
Community Outreach	17,668	6,517	46,944	2,926	74,055
Sparc (Artworks)	<u>16,474</u>	<u>6,077</u>	<u>43,772</u>	<u>2,728</u>	<u>69,051</u>
	<u>77,157</u>	<u>29,908</u>	<u>201,319</u>	<u>15,278</u>	<u>323,662</u>

VALLEYS KIDS**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

11. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Auditors' remuneration	9,100	9,100
Auditors' remuneration for non-audit work	6,178	2,994
Depreciation	<u>163,847</u>	<u>143,952</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 or for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 or for the year ended 31 March 2020.

13. STAFF COSTS

	2021	2020
	£	£
Employee costs during the year		
Wages and salaries	930,493	1,021,149
Employer's National Insurance contributions	68,665	74,715
Pension costs	<u>17,405</u>	<u>18,442</u>
	<u>1,016,563</u>	<u>1,114,306</u>

Number of employees	53	63
Equivalent full time employees	41	43

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

The total key management personnel remuneration benefits paid during the year was £77,472 (2020: £80,807).

Included within staff costs are termination payments of £2,748 (2020: £nil).

14. RESULTS OF PARENT CHARITABLE COMPANY

The income of the parent charitable company was £1,721,102 and net income was £98,984.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	131,610	50,000	181,610
Charitable activities			
Community Projects	789,371	352,864	1,142,235
Community Outreach	-	164,904	164,904
Sparc (Artworks)	25,657	208,761	234,418
Other trading activities	124,197	-	124,197
Investment income	25,164	-	25,164
Other income	-	-	-
Total	1,095,999	776,529	1,872,528
EXPENDITURE ON			
Raising funds	147,657	-	147,657
Charitable activities			
Community Projects	905,185	176,227	1,081,412
Community Outreach	122,866	164,904	287,770
Sparc (Artworks)	75,839	208,761	284,600
CAT	-	-	-
Total	1,251,547	549,892	1,801,439
NET INCOME/(EXPENDITURE)	(155,548)	226,637	71,089
Transfers between funds	555,361	(555,361)	-
Net movement in funds	399,813	(328,724)	71,089
RECONCILIATION OF FUNDS			
Total funds brought forward	4,139,212	343,318	4,482,530
TOTAL FUNDS CARRIED FORWARD	4,539,025	14,594	4,553,619

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

16. TANGIBLE FIXED ASSETS – GROUP

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2020	6,062,212	220,248	25,299	6,307,759
Additions	74,040	59,346	-	133,386
	-	(3,933)	-	(3,933)
At 31 March 2021	<u>6,136,252</u>	<u>275,661</u>	<u>25,299</u>	<u>6,437,212</u>
DEPRECIATION				
At 1 April 2020	1,236,705	146,477	4,240	1,387,422
Charge for year	121,692	37,295	4,860	163,847
	-	(2,615)	-	(2,615)
At 31 March 2021	<u>1,358,397</u>	<u>181,157</u>	<u>9,100</u>	<u>1,548,654</u>
NET BOOK VALUE				
At 31 March 2021	<u>4,777,855</u>	<u>94,504</u>	<u>16,199</u>	<u>4,888,558</u>
At 31 March 2020	<u>4,825,507</u>	<u>73,771</u>	<u>21,059</u>	<u>4,920,337</u>

TANGIBLE FIXED ASSETS – CHARITY

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2020	6,015,553	169,836	25,299	6,210,688
Additions	74,040	57,009	-	131,049
Disposals	-	(3,933)	-	(3,933)
At 31 March 2021	<u>6,089,593</u>	<u>222,912</u>	<u>25,299</u>	<u>6,337,804</u>
DEPRECIATION				
At 1 April 2020	1,235,772	108,688	4,240	1,348,700
Charge for year	120,759	34,668	4,860	160,287
Eliminated on disposal	-	(2,615)	-	(2,615)
At 31 March 2021	<u>1,356,531</u>	<u>140,741</u>	<u>9,100</u>	<u>1,506,372</u>
NET BOOK VALUE				
At 31 March 2021	<u>4,733,062</u>	<u>82,171</u>	<u>16,199</u>	<u>4,831,432</u>
At 31 March 2020	<u>4,779,781</u>	<u>61,148</u>	<u>21,059</u>	<u>4,861,988</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

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

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Trade debtors	7,595	17,384	7,595	17,384
Other debtors	13,176	13,675	13,176	13,675
Amounts owed by group undertakings	-	-	55,622	92,644
Prepayments and accrued income	31,246	95,402	28,590	54,532
VAT	1,340	-	-	-
	<u>53,357</u>	<u>126,461</u>	<u>104,983</u>	<u>178,235</u>

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

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Bank loans and overdrafts (see note 20)	19,924	12,321	19,924	12,321
Other loans (see note 20)	138,474	137,000	138,474	137,000
Trade creditors	3,410	46,314	3,410	44,189
Social security and other taxes	-	19,854	-	19,854
Other creditors	9,321	5,160	7,252	1,482
VAT	-	4,316	-	-
Accruals and deferred income	<u>218,898</u>	<u>72,010</u>	<u>213,211</u>	<u>68,586</u>
	<u>390,027</u>	<u>296,975</u>	<u>382,271</u>	<u>283,432</u>

Included within deferred income above is the following:

	2021 £	2020 £
Wales Council for Voluntary Action - Third Sector Resilience Fund for Wales Phase 2	59,968	-
The Waterloo Foundation	50,000	-
The Hodge Foundation	13,452	-
Garfield Weston Foundation	75,000	-
RCTCBC capital grant	<u>1,823</u>	<u>2,279</u>
	<u>200,243</u>	<u>2,279</u>

The deferred income relates to income received in advance of project delivery.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

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

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Bank loans (see note 20)	466,008	310,678	466,008	310,678
Other loans	37,265	-	37,265	-
Accruals and deferred income	<u>7,291</u>	<u>9,114</u>	<u>-</u>	<u>-</u>
	<u>510,564</u>	<u>319,792</u>	<u>503,273</u>	<u>310,678</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank loans	19,924	12,321
Other loans	<u>138,474</u>	<u>137,000</u>
	<u>158,398</u>	<u>149,321</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	20,734	12,798
Other loans - 1-2 years	<u>3,917</u>	<u>-</u>
	<u>24,651</u>	<u>12,798</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	70,394	41,578
Other loans - 2-5 years	<u>16,760</u>	<u>-</u>
	<u>87,154</u>	<u>41,578</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	374,880	256,302
Other loans	<u>16,588</u>	<u>-</u>
	<u>391,468</u>	<u>256,302</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>485,932</u>	<u>322,999</u>

The bank loan is secured by:

- A First Legal Charge over the Property known as The Pop Factory, Porth, Rhondda Cynon Taff
- A Second Legal Charge over the property known as Little Bryn Gwyn, Gower, Swansea
- A Deed of priority to be made between Unity and the Welsh Ministers for £502,000.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	4,539,025	109,332	32,806	4,681,163
Restricted funds				
Little Bryn Gwyn	-	5,000	(5,000)	-
Millennium Stadium Charitable Trust	5,000	(823)	(1,990)	2,187
National Lottery - Awards for all	9,594	(600)	(8,994)	-
Big Lottery Fund - Working Families Covid-19	-	14,884	(14,884)	-
The National Lottery Heritage Fund - Penytrenglyn	-	4,656	(1,938)	2,718
	<u>14,594</u>	<u>23,117</u>	<u>(32,806)</u>	<u>4,905</u>
TOTAL FUNDS	<u>4,553,619</u>	<u>132,449</u>	<u>-</u>	<u>4,686,068</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,220,589	(1,111,257)	109,332
Restricted funds			
Sparc	180,438	(180,438)	-
BBC Children in Need - Dinas	35,399	(35,399)	-
Colwinston Charitable Trust	20,000	(20,000)	-
Big Lottery Fund - Working Families	142,290	(142,290)	-
Little Bryn Gwyn	5,000	-	5,000
Millennium Stadium Charitable Trust	-	(823)	(823)
National Lottery - Awards for all	-	(600)	(600)
Big Lottery Fund - Family Links	166,273	(166,273)	-
BBC Children in Need	9,950	(9,950)	-
Big Lottery Fund - Working Families Covid-19	48,000	(33,116)	14,884
The Hodge Foundation	6,548	(6,548)	-
Interlink Great Escape	1,000	(1,000)	-
The National Lottery Heritage Fund - Penytrenglyn	6,500	(1,844)	4,656
Pen Y Cymoedd Community Fund - Upper Rhondda	5,000	(5,000)	-
	<u>626,398</u>	<u>(603,281)</u>	<u>23,117</u>
TOTAL FUNDS	<u>1,846,987</u>	<u>(1,714,538)</u>	<u>132,449</u>

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT IN FUNDS - continued

Prior year designated funds

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

- 29th May 1961 Charitable Trust

Restricted funds

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

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

The **National Lottery** provided grant funding of £142,290 towards Working Families which is a project, based in Rhondda Cynon Taf, working in partnership with Spice to provide opportunities for working families experiencing in-work poverty. By using a time credit model, individuals will increase in confidence, self-esteem and health and well-being, whilst also building resilience and increasing social capital, and being empowered to participate in activities and experiences that they cannot ordinarily access, thus improving their quality of life.

The **National Lottery** also awarded £48,000 to purchase food parcels, personal protective equipment, activity packs and IT equipment for families during the Covid-19 pandemic.

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

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

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

The Hodge Foundation provided grant funding of £6,548 to be used for the Covid-19 Christmas Response 2020 and Families in Need.

The **Pen Y Cymoedd Community Fund** contributed funds to support the delivery of care packages and the purchase of 2 laptops, tablets, sim cards and a card machine reader for the work done in the Upper Rhondda.

The National Lottery Heritage Fund provided a grant to be used for the Fernhill Colliery Heritage Trail.

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

Interlink RCT provided funding in support of The Great Escape project which aimed to work with young people, staff and Welcome to our Woods to build a firepit, to clean up surrounding areas, widen the path and make the area accessible for all the users.

The **Millennium Stadium Charitable Trust** contributed £5,000 in the 2019/20 financial year towards restoration and upgrade work on the Soar Centre.

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

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

- The Beatrice Laing Trust

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT IN FUNDS - continued

Prior year restricted funds

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

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

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

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

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

Transfers between funds

Transfers totalling £32,806 were made between funds to reflect the purchase of fixed assets.

Prior year transfers

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

23. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £17,405 (2020: £18,442). Contributions outstanding at the year end amounted to £3,302 (2020: £nil).

24. CONTINGENT LIABILITIES

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

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

No liabilities are expected to arise in the foreseeable future.

VALLEYS KIDS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

25. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £1,515 (2020: £390) from four (2020: two) trustees.

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

	2021	2020
	£	£
Rent expense paid	22,296	22,296
Grant income received	-	59,700

No amounts were outstanding at year end.

26. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	53,606	33,759
Between one and five years	119,184	2,500
	<u>172,790</u>	<u>36,259</u>

Total operating lease payments recognised as an expense in the year was £70,423 (2020: £75,106).

27. SUBSIDIARY COMPANY

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

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

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

	2021	2020
	£	£
Turnover	72,623	193,340
Cost of sales	<u>(66,055)</u>	<u>(62,929)</u>
Gross profit	6,568	130,411
Other income	108,554	86,353
Expenditure	<u>(81,655)</u>	<u>(219,441)</u>
Net profit	<u>33,467</u>	<u>(2,677)</u>

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

	2021	2020
	£	£
Assets	102,364	117,944
Liabilities	<u>(70,667)</u>	<u>(119,714)</u>