

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

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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

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#### 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.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**OBJECTIVES AND ACTIVITIES**

**Penyrenghlyn 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**

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#### **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

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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.

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**

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#### **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

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#### 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

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### 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

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### **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](http://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

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### 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  
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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	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	493,481	-	493,481	181,610
<b>Charitable activities</b>	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	-
<b>Total</b>		<b>1,220,589</b>	<b>626,398</b>	<b>1,846,987</b>	<b>1,872,528</b>
<b>EXPENDITURE ON</b>					
Raising funds	7	58,075	-	58,075	147,657
<b>Charitable activities</b>	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
<b>Total</b>		<b>1,111,257</b>	<b>603,281</b>	<b>1,714,538</b>	<b>1,801,439</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>109,332</b>	<b>23,117</b>	<b>132,449</b>	<b>71,089</b>
<b>Transfers between funds</b>	22	<b>32,806</b>	<b>(32,806)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>142,138</b>	<b>(9,689)</b>	<b>132,449</b>	<b>71,089</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>4,539,025</b>	<b>14,594</b>	<b>4,553,619</b>	<b>4,482,530</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>4,681,163</b>	<b>4,905</b>	<b>4,686,068</b>	<b>4,553,619</b>

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 £
<b>FIXED ASSETS</b>					
Tangible assets	16	4,888,558	-	4,888,558	4,920,337
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	18	(190,557)	(199,470)	(390,027)	(296,975)
<b>NET CURRENT ASSETS</b>		<u>303,169</u>	<u>4,905</u>	<u>308,074</u>	<u>(46,926)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,191,727	4,905	5,196,632	4,873,411
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	(510,564)	-	(510,564)	(319,792)
<b>NET ASSETS</b>		<u>4,681,163</u>	<u>4,905</u>	<u>4,686,068</u>	<u>4,553,619</u>
<b>FUNDS</b>	22				
Unrestricted funds				4,681,163	4,539,025
Restricted funds				<u>4,905</u>	<u>14,594</u>
<b>TOTAL FUNDS</b>				<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	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	16	4,831,432	-	4,831,432	4,861,988
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	18	(182,801)	(199,470)	(382,271)	(283,432)
<b>NET CURRENT ASSETS</b>		<u>321,309</u>	<u>4,905</u>	<u>326,214</u>	<u>4,079</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,152,741	4,905	5,157,646	4,866,067
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	(503,273)	-	(503,273)	(310,678)
<b>NET ASSETS</b>		<u>4,649,468</u>	<u>4,905</u>	<u>4,654,373</u>	<u>4,555,389</u>
<b>FUNDS</b>					
Unrestricted funds				4,649,468	4,540,795
Restricted funds				<u>4,905</u>	<u>14,594</u>
<b>TOTAL FUNDS</b>				<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 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	469,944	297,587
Interest paid		<u>(19,653)</u>	<u>(13,144)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>450,291</u>	<u>284,443</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(133,386)	(691,892)
Interest received		-	10
Sale of tangible fixed assets		<u>5,000</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(128,386)</u>	<u>(691,882)</u>
<b>Cash flows from financing activities:</b>			
Loan repayments in year		(339,067)	(11,851)
New loan in year		<u>540,739</u>	<u>137,000</u>
<b>Net cash provided by (used in) financing activities</b>		<u>201,672</u>	<u>125,149</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>523,577</u>	<u>(282,290)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>119,787</u>	<u>402,077</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<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 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	132,449	71,089
<b>Adjustments for:</b>		
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)
<b>Net cash provided by (used in) operating activities</b>	<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 £
<b>Net cash</b>			
Cash at bank and in hand	119,787	523,577	643,364
<b>Debt</b>			
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>
<b>Total</b>	<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**

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**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
	£	£
<b>Employee costs during the year</b>		
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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	131,610	50,000	181,610
<b>Charitable activities</b>			
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	-	-	-
<b>Total</b>	<b>1,095,999</b>	<b>776,529</b>	<b>1,872,528</b>
<b>EXPENDITURE ON</b>			
Raising funds	147,657	-	147,657
<b>Charitable activities</b>			
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	-	-	-
<b>Total</b>	<b>1,251,547</b>	<b>549,892</b>	<b>1,801,439</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(155,548)</b>	<b>226,637</b>	<b>71,089</b>
<b>Transfers between funds</b>	<b>555,361</b>	<b>(555,361)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>399,813</b>	<b>(328,724)</b>	<b>71,089</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>4,139,212</b>	<b>343,318</b>	<b>4,482,530</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>4,539,025</b>	<b>14,594</b>	<b>4,553,619</b>

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 £
<b>COST</b>				
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>
<b>DEPRECIATION</b>				
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>
<b>NET BOOK VALUE</b>				
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 £
<b>COST</b>				
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>
<b>DEPRECIATION</b>				
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>
<b>NET BOOK VALUE</b>				
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 £
<b>Unrestricted funds</b>				
General fund	4,539,025	109,332	32,806	4,681,163
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	1,220,589	(1,111,257)	109,332
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted Funds</b>				
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
<b>Restricted Funds</b>				
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
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
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)
<b>Restricted funds</b>			
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
<b>TOTAL FUNDS</b>	<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

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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

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**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>