

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  
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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**

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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 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

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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  
Rhianon Howells  
John McGrath  
Jason Camilleri

Resigned 24 February 2022

## VALLEYS KIDS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

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#### 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

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Helmont House

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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

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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.

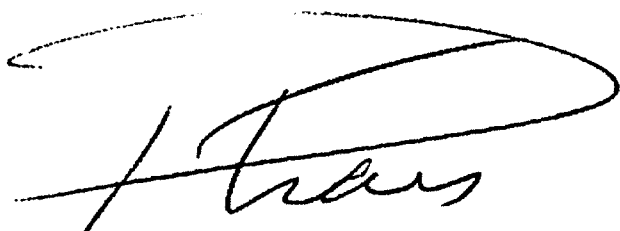
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 ...15<sup>th</sup> 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

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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  
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				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	355,669	173,960	529,629	493,481
<b>Charitable activities</b>	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
<b>Total</b>		<b>718,202</b>	<b>1,472,062</b>	<b>2,190,264</b>	<b>1,846,987</b>
<b>EXPENDITURE ON</b>					
Raising funds	7	80,191	-	80,191	58,075
<b>Charitable activities</b>	8				
Community Projects		-	-	-	1,101,212
Community Outreach		-	-	-	268,967
Sparc (Artworks)		-	-	-	286,284
Community Support		583,945	1,141,319	1,725,264	-
<b>Total</b>		<b>664,136</b>	<b>1,141,319</b>	<b>1,805,455</b>	<b>1,714,538</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>54,066</b>	<b>330,743</b>	<b>384,809</b>	<b>132,449</b>
<b>Transfers between funds</b>	22	<b>3,553</b>	<b>(3,553)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>57,619</b>	<b>327,190</b>	<b>384,809</b>	<b>132,449</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>4,681,163</b>	<b>4,905</b>	<b>4,686,068</b>	<b>4,553,619</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>4,738,782</b>	<b>332,095</b>	<b>5,070,877</b>	<b>4,686,068</b>

The notes form part of these financial statements



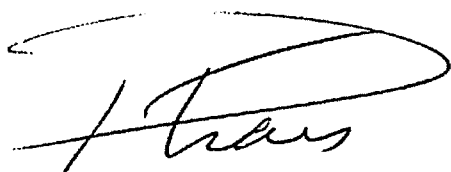
VALLEYS KIDS

CONSOLIDATED BALANCE SHEET  
AT 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	16	4,774,413	-	4,774,413	4,888,558
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	18	(83,613)	-	(83,613)	(390,027)
<b>NET CURRENT ASSETS</b>		<u>451,376</u>	<u>332,095</u>	<u>783,471</u>	<u>308,074</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,225,789	332,095	5,557,884	5,196,632
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	(487,007)	-	(487,007)	(510,564)
<b>NET ASSETS</b>		<u>4,738,782</u>	<u>332,095</u>	<u>5,070,877</u>	<u>4,686,068</u>
<b>FUNDS</b>	22				
Unrestricted funds				4,738,782	4,681,163
Restricted funds				<u>332,095</u>	<u>4,905</u>
<b>TOTAL FUNDS</b>				<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 15<sup>th</sup> 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	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	16	4,711,600	-	4,711,600	4,831,432
<b>CURRENT ASSETS</b>					
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
<b>CREDITORS</b>					
Amounts falling due within one year	18	(67,029)	-	(67,029)	(382,271)
<b>NET CURRENT ASSETS</b>		<u>466,445</u>	<u>332,095</u>	<u>798,540</u>	<u>326,214</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,178,045	332,095	5,510,140	5,157,646
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	(482,632)	-	(482,632)	(503,273)
<b>NET ASSETS</b>		<u>4,695,413</u>	<u>332,095</u>	<u>5,027,508</u>	<u>4,654,373</u>
<b>FUNDS</b>					
Unrestricted funds				4,695,413	4,649,468
Restricted funds				<u>332,095</u>	<u>4,905</u>
<b>TOTAL FUNDS</b>				<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 15<sup>th</sup> 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 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	342,832	469,944
Interest paid		<u>(18,989)</u>	<u>(19,653)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>323,843</u>	<u>450,291</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(51,696)	(133,386)
Interest received	2	-	-
Sale of tangible fixed assets		<u>-</u>	<u>5,000</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(51,694)</u>	<u>(128,386)</u>
<b>Cash flows from financing activities:</b>			
Loan repayments in year		(159,298)	(339,067)
New loan in year		<u>4,998</u>	<u>540,739</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(154,300)</u>	<u>201,672</u>
<b>Change in cash and cash equivalents in the reporting period</b>		117,849	523,577
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>643,364</u>	<u>119,787</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<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 £
<b>Employee costs during the year</b>		
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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	493,481	-	493,481
<b>Charitable activities</b>			
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
<b>Total</b>	<b>1,220,589</b>	<b>626,398</b>	<b>1,846,987</b>
<b>EXPENDITURE ON</b>			
Raising funds	58,075	-	58,075
<b>Charitable activities</b>			
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
<b>Total</b>	<b>1,111,257</b>	<b>603,281</b>	<b>1,714,538</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>109,332</b>	<b>23,117</b>	<b>132,449</b>
<b>Transfers between funds</b>	<b>32,806</b>	<b>(32,806)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>142,138</b>	<b>(9,689)</b>	<b>132,449</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>TOTAL FUNDS CARRIED FORWARD</b>	<b>4,681,163</b>	<b>4,905</b>	<b>4,686,068</b>

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 £
<b>COST</b>				
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>
<b>DEPRECIATION</b>				
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>
<b>NET BOOK VALUE</b>				
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 £
<b>COST</b>				
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>
<b>DEPRECIATION</b>				
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>
<b>NET BOOK VALUE</b>				
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 £
<b>Unrestricted funds</b>				
General fund	4,681,163	54,066	3,553	4,738,782
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>			
General fund	718,202	(664,136)	54,066
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<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)	-
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>
<b>TOTAL FUNDS</b>	<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 £
<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)	-
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>
<b>TOTAL FUNDS</b>	<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>