

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

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

MHA
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VALLEYS KIDS

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FOR THE YEAR ENDED 31 MARCH 2024**

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VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

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

Public benefit

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

Significant activities

Every child is valued.

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

Everyone matters.

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

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

Everyone has potential.

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

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

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OBJECTIVES AND ACTIVITIES

Significant activities

Annual reports for each centre/programme/space:

1. Penygraig (Soar and the Old Library)

Soar Centre and The Old Library April 23 - March 24

Stay & Play

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

After School Club

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

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

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

Holiday play

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

Middle Club

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

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

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

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

Youth Club

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

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

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

The Old Library

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

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

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OBJECTIVES AND ACTIVITIES

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

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

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

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

Views from participants:

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

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

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

2. Penyreglyn

Penyreglyn Centre March 23 - April 24

We supported seven groups.

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

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

3. Dinas

Dinas Centre April 23 - March 24

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

After school

Number of sessions delivered: 74

Playschemes: 3

Number of out-of-centre trips: 4

Events: Parties for Halloween and Christmas.

Stay and Play

Number of sessions delivered: 30

Number of out-of-centre trips: 2

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

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OBJECTIVES AND ACTIVITIES

Junior Youth Club

Number of sessions delivered: 74

Number of out-of-centre trips: 2

Senior Youth Club

Number of sessions delivered: 71

Number of out-of-centre trips: 3

Drama

Number of sessions delivered: 24

Number of events/sharings: 1

Achievements

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

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

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

Building work

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

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

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

Family Support

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

4. Family Team

Family Team April 23 - March 24

Feedback from participants:

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

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

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OBJECTIVES AND ACTIVITIES

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

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

Support for Schools

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

Trivallis Summer Roadshow

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

Bingo

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

Save The Children

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

Advocacy for Neurodivergent Families

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

Managing Little Bryn Gwyn

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

Rhydyfelin/ Play Contract Delivery

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

Stay and Play

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

Social Enterprise

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

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OBJECTIVES AND ACTIVITIES

Christmas Gift appeal

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

5. Older Adults

Older adults April 23 - March 24.

Feedback from participants:

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

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

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

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

Programme of activities

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

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

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

Dementia

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

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

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

Befriending

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

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

Other events

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

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

Statistics 2023/24

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

Funding for older adults

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

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

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

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

6. Valleys Voices

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

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

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

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

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

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

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

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

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

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

Already since inception, the following has been achieved:

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

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

Feedback from participants

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

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

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

It's really fun." Join the Dots Participant

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

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

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

Sessions and Attendances

618 - Performance Arts Sessions (theatre, drama, dance, music, digital arts, visual arts, radio)

948 - Mentoring and support sessions for young people and families

136 - Student and volunteer placement attendances

205 - Digital Arts training sessions

51 - Emerging artists and freelancers employed through Make it! and Sparc Associates

232 - Participants at 'Join the Dots' workshops (widening engagement)

1000+ - Visitors to Gŵyl Fach /Mini Fest to Celebrate 25 years of Sparc

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

Staff - paid and voluntary

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

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FINANCIAL REVIEW

Financial position

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

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

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

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

Urgent actions taken to address the funding gap:

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

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

There are immediate priorities within the overall pathway.

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

Our priorities for the next year

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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

FUTURE PLANS

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

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

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

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

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

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

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

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

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

To date, deficits have been funded by:

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

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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

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

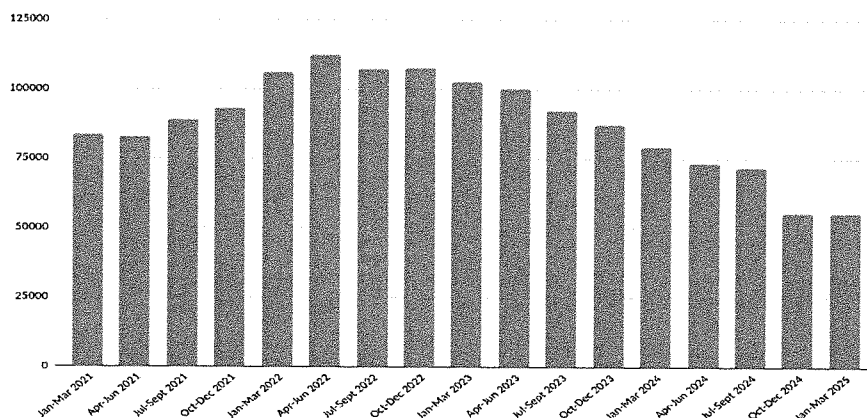
People

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

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

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

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



Property

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

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

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

Income Generation and Cost Control

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

Valley Kids 3 Year Business Recovery Budget 2024 - 2026

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

Service Provision

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

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

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

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

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

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

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

The risks

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

Reserves policy

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

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

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

Organisational structure

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

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

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

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

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

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

Equal opportunities

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

Key management remuneration

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

VALLEYS KIDS

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03717865 (England and Wales)

Registered Charity number
1074840

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

Trustees

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

Company secretary
Lynne Thomas

Executive team

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

Auditors

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

Solicitors

Darwin Gray Solicitors
Helmont House
Churchill Way
Cardiff
CF10 2HE

Bank

Unity Trust Bank PLC
4 Brindleyplace
Birmingham
B1 2JB

Barclays Bank UK PLC
1 Churchill Place
London
E14 5HP

VALLEYS KIDS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

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

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



.....
P J Evans - Trustee

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF VALLEYS KIDS

Opinion

We have audited the financial statements of Valleys Kids (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The parent charitable company prepared their accounts under Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditor thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALLEYS KIDS

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

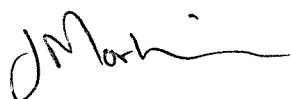
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 27 February 2025

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

VALLEYS KIDS

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

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

The notes form part of these financial statements


VALLEYS KIDS

**CONSOLIDATED BALANCE SHEET
31 MARCH 2024**

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

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

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


P J Evans - Trustee

The notes form part of these financial statements

VALLEYS KIDS

**CHARITY BALANCE SHEET
31 MARCH 2024**

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

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

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



P J Evans - Trustee

The notes form part of these financial statements

VALLEYS KIDS

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

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

VALLEYS KIDS

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

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

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

2. ANALYSIS OF CHANGES IN NET DEBT

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

VALLEYS KIDS

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

1. STATUTORY INFORMATION

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

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. There have been no material departures from Financial Reporting Standard 102.

Going concern

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

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

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

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

Consolidation

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

Income

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

Donations and legacies income

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

2. ACCOUNTING POLICIES - continued

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

Investment income

Investment income is recognised on a receivable basis.

Expenditure

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

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

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

Tangible fixed assets

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

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Termination payments

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

Operating leases

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

Financial instruments

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

VALLEYS KIDS

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

2. ACCOUNTING POLICIES - continued

Financial instruments (continued)

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

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

Significant accounting judgements and estimates

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

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

Property Valuation

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

Depreciation

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

3. DONATIONS AND LEGACIES

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

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

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

4. OTHER TRADING ACTIVITIES

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

VALLEYS KIDS

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

5. INVESTMENT INCOME

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

6. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

VALLEYS KIDS

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

7. OTHER INCOME

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

8. RAISING FUNDS

Raising donations and legacies

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

9. CHARITABLE ACTIVITIES COSTS

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

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

VALLEYS KIDS

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

11. SUPPORT COSTS

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

12. NET INCOME/(EXPENDITURE)

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

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

13. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

14. STAFF COSTS

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

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

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

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

15. RESULTS OF PARENT CHARITABLE COMPANY

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

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

VALLEYS KIDS

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

16. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

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

VALLEYS KIDS

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

17. TANGIBLE FIXED ASSETS - GROUP

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

TANGIBLE FIXED ASSETS - CHARITY

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

VALLEYS KIDS

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

17. TANGIBLE FIXED ASSETS —continued

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

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

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

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

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

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

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

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

VALLEYS KIDS

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

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

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

Included within deferred income above is the following:

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

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

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

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

21. LOANS

An analysis of the maturity of loans is given below:

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

VALLEYS KIDS

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

21. LOANS - continued

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

22. LEASING AGREEMENTS

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

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

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

23. SECURED DEBTS

The following secured debts are included within creditors:

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

The bank loan is secured by:

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

24. MOVEMENT IN FUNDS

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

VALLEYS KIDS

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

24. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

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

VALLEYS KIDS

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

24. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

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

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

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

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

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

24. MOVEMENT IN FUNDS - continued

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

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

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

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

Arts

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

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

Family Work

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

- RCTCBC
- Save the Children
- National Lottery Community Fund

Children and Young People

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

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

Older People

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

VALLEYS KIDS

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

24. MOVEMENT IN FUNDS - continued

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

General

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

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

Prior year restricted funds

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

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

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

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

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

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

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

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

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

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

VALLEYS KIDS

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

24. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

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

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

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

Transfers between funds

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

Prior year transfers

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

25. EMPLOYEE BENEFIT OBLIGATIONS

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

VALLEYS KIDS

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

26. CONTINGENT LIABILITIES

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

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

No liabilities are expected to arise in the foreseeable future.

27. RELATED PARTY DISCLOSURES

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

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

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

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

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

No amounts were outstanding at year-end.

VALLEYS KIDS

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

28. SUBSIDIARY COMPANY

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

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

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

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

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

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

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