

Charity Registration No. 1125080

Company Registration No. 06271275 (England and Wales)

VALLEY CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

VALLEY CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee's	Reverend E J Carter Mr J P Street Mr D A Scholes Mr R Sellars Ms C Greaves
Secretary	Mr J P Street
Charity number	1125080
Company number	06271275
Registered office	Tenterhill Farm Ashley Lane Goosnargh Preston Lancashire England PR3 2EE
Independent examiner	Jerroms Lumaneri House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AH

VALLEY CHURCH

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VALLEY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

To advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule hereto Lancashire and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity.

To relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind, including through the provision of counselling and support in Lancashire and in such other parts of the United Kingdom or the world as the Trustees from time to time may think fit.

Charity Aims

- To advance the Christian Faith
- To educate people in the Christian Faith
- To bring support and relief to persons in situations of need, hardship, distress, who are aged or sick.

Who Benefits?

- The church congregation
- Preston, South Ribble, Blackpool, Blackburn, Leyland, Lancaster and Chorley communities
- The wider Christian community
- Compassion Children in Brazil
- Vision Rescue, India

How are their needs met and how do they influence the charity's developments?

- Regular church meetings, training events and small groups support the individual in their Christian faith.
- Outreach projects and ministries run in Preston and the surrounding towns, including a youth program and continual development of the People Matters Team. These endeavours offer help and support to individual's physical, emotional and spiritual wellbeing.
- Sermons and messages are distributed and broadcast online for free access. Valley Interns, a one year Internship program which includes Leadership training.
- Individuals in the Church sponsor many children in and around Fortaleza, Brazil through several Compassion projects. We are heavily linked with the projects and a team from the church visited the projects, taking gifts and meeting the staff and children and we continue to support the projects financially through individual child sponsorship and wider support.
- We continue to partner with the work of a local charity in Mumbai, India, Vision Rescue, who work with children who live in the slums.

VALLEY CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Achievements and performance

Achieved through church services, events, community activities, and internet distribution of sermons.

Achieved through designated giving and various community outreaches and initiatives.

Joining with Compassion and Vision Rescue have helped us achieve this objective internationally.

Financial review

The Trustee's has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

Reverend E J Carter

Mr J P Street

Mr D A Scholes

Mr R Sellars

Ms C Greaves

Organisational structure

The board of Trustees of 4 members, who meet at least every 10 weeks, administers the charity.

The Trustees' report was approved by the Board of Trustee's.

Mr J P Street

Trustee

Dated: 23 June 2021

Mr R Sellars

Trustee

Dated: 23 June 2021

VALLEY CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE'S OF VALLEY CHURCH

I report to the Trustee's on my examination of the financial statements of Valley Church (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the Trustee's of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act;
or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Mr Neill Currie FCA
For and on behalf of Jerroms

Lumaneri House
Blythe Gate
Blythe Valley Park
Solihull
West Midlands
B90 8AH

Dated: 23 June 2021

VALLEY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income from:</u>							
Donations and legacies	2	242,195	41,495	283,690	316,442	-	316,442
Charitable activities	3	-	-	-	254	-	254
Investments	4	5	-	5	10	-	10
Total income		<u>242,200</u>	<u>41,495</u>	<u>283,695</u>	<u>316,706</u>	<u>-</u>	<u>316,706</u>
<u>Expenditure on:</u>							
Raising funds	5	1,459	-	1,459	6,130	-	6,130
Charitable activities	6	273,153	-	273,153	300,564	-	300,564
Total resources expended		<u>274,612</u>	<u>-</u>	<u>274,612</u>	<u>306,694</u>	<u>-</u>	<u>306,694</u>
Net (expenditure)/income for the year/ Net movement in funds		(32,412)	41,495	9,083	10,012	-	10,012
Fund balances at 1 January 2020		<u>285,015</u>	<u>1,321</u>	<u>286,336</u>	<u>275,003</u>	<u>1,321</u>	<u>276,324</u>
Fund balances at 31 December 2020		<u>252,603</u>	<u>42,816</u>	<u>295,419</u>	<u>285,015</u>	<u>1,321</u>	<u>286,336</u>

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

All income and expenditure derive from continuing activities.

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

VALLEY CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	10		170,001		1
Current assets					
Debtors	11	116,048		338,627	
Cash at bank and in hand		41,167		10,412	
		<u>157,215</u>		<u>349,039</u>	
Creditors: amounts falling due within one year	12	<u>(31,797)</u>		<u>(62,704)</u>	
Net current assets			125,418		286,335
Total assets less current liabilities			<u>295,419</u>		<u>286,336</u>
Income funds					
Restricted funds	14		42,816		1,321
Unrestricted funds			252,603		285,015
			<u>295,419</u>		<u>286,336</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The director acknowledges her responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustee's on 23 June 2021

Mr J P Street
Trustee

Mr R Sellars
Trustee

Company Registration No. 06271275

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Valley Church is a private company limited by guarantee incorporated in England and Wales. The registered office is Tenterhill Farm, Ashley Lane, Goosnargh, Preston, Lancashire, PR3 2EE, England.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

As stated in Note 16, the charity has utilised the available government support to mitigate the uncertain risks due to the pandemic. The charity's trading results for the year are as expected given the circumstances surrounding the pandemic, despite furloughing a number of employees. The charity also has excellent cash reserves.

At the time of approving the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustee's in furtherance of their charitable objectives.

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

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all cost related to the category.

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.9 Employee benefits

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

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

1.10 Retirement benefits

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

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	215,254	3,160	218,414	262,039
Heart for the House	8,500	37,955	46,455	54,403
Coronavirus job retention grant	18,441	-	18,441	-
People matter	-	380	380	-
	<u>242,195</u>	<u>41,495</u>	<u>283,690</u>	<u>316,442</u>

3 Charitable activities

	2019 £
	2019 £
Hillsong	<u>254</u>

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Interest receivable	5	10
	<u>5</u>	<u>10</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
<u>Fundraising and publicity</u>		
Special events expenses	1,459	6,130
	<u>1,459</u>	<u>6,130</u>

6 Charitable activities

	2020 £	2019 £
Staff costs	130,609	110,914
Depreciation and impairment	30,000	-
Ministerial Costs	16,034	32,947
Valley kids 5+	515	1,713
Technical equipment	7,372	5,092
Tithe giving	13,543	14,332
People Matters expenses	(2,247)	3,624
Gifts for visiting speakers	3,647	7,030
Heart for the house	-	53,244
Repairs	-	483
	<u>199,473</u>	<u>229,379</u>
Share of support costs (see note 7)	60,000	60,000
Share of governance costs (see note 7)	13,680	11,185
	<u>273,153</u>	<u>300,564</u>

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Office Rent	60,000	-	60,000	60,000	-	60,000
Accountancy	-	1,809	1,809	-	2,311	2,311
Administrative expenses	-	10,851	10,851	-	8,874	8,874
Legal and professional	-	1,020	1,020	-	-	-
	<u>60,000</u>	<u>13,680</u>	<u>73,680</u>	<u>60,000</u>	<u>11,185</u>	<u>71,185</u>
Analysed between Charitable activities	<u>60,000</u>	<u>13,680</u>	<u>73,680</u>	<u>60,000</u>	<u>11,185</u>	<u>71,185</u>

8 Trustee's

2 of the Trustee's received remuneration during the year totalling £83,838 (2019: £81,908), 2 of them were reimbursed a total of £5,200 travelling expenses (2019 - 2 were reimbursed £5,500).

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>4</u>	<u>4</u>
Employment costs	2020 £	2019 £
Wages and salaries	118,885	100,684
Other pension costs	11,724	10,230
	<u>130,609</u>	<u>110,914</u>

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2020	1
Valuation changes	200,000
	<u>200,001</u>
At 31 December 2020	<u>200,001</u>
Impairment	
At 1 January 2020	-
Impairment losses	30,000
	<u>30,000</u>
At 31 December 2020	<u>30,000</u>
Carrying amount	
At 31 December 2020	170,001
	<u><u>1</u></u>
At 31 December 2019	<u><u>1</u></u>

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	18	170,001	1
		<u><u>170,001</u></u>	<u><u>1</u></u>

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	551	5,880
Amounts owed by fellow group undertakings	108,447	332,747
Other debtors	7,050	-
	<u>116,048</u>	<u>338,627</u>
	<u><u>116,048</u></u>	<u><u>338,627</u></u>

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,302	7,359
Other creditors	28,645	35,495
Accruals and deferred income	1,850	19,850
	<u>31,797</u>	<u>62,704</u>

13 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £11,724 (2019 - £10,230).

14 Restricted funds

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

	Balance at 1 January 2020 £	Movement in funds Incoming resources £	Balance at 31 December 2020 £
Heart of the house	1,321	37,955	39,276
People matter	-	380	380
Through money	-	3,160	3,160
	<u>1,321</u>	<u>41,495</u>	<u>42,816</u>

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Investments	170,001	-	170,001	1	-	1
Current assets/ (liabilities)	125,418	-	125,418	286,335	-	286,335
	<u>295,419</u>	<u>-</u>	<u>295,419</u>	<u>286,336</u>	<u>-</u>	<u>286,336</u>

VALLEY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Events after the reporting date

The Trustees have considered the effect of the Covid-19 outbreak. Clearly this has continued to cause a disruption to the Charities business. However, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future, and are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

17 Related party transactions

There was 1 related party transaction during the year.
M Carter received £14,842 as remuneration for her services. She is the spouse of E Carter, a trustee.

18 Subsidiaries

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Valley Centre Developments	Fourfields, Bamber Bridge, Preston	Property Rental & Coffee Shop	Ordinary	100.00	