

Charity Registration No. 1123173

Company Registration No. 05558271 (England and Wales)

VALLEY CIDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

VALLEY CIDS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P R Whitaker B J Cupples D M Whitaker N J Hambley J F Turner R M A Marston J Brook
Chief Executive	D M Whitaker
Charity number	1123173
Company number	05558271
Registered office	13 - 14 The Green Swanwick Alfreton Derbyshire DE55 1BL
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP
Bankers	Yorkshire Bank 26 West Gate Mansfield Nottinghamshire NG18 1HS

VALLEY CIDS LIMITED

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VALLEY CIDS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees of the charitable company (who for the purposes of the Companies Act are also the directors of the company) present their report with the audited consolidated financial statements for the year ended 31 March 2021.

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 charitable company'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

The principal activity of the charity is to demonstrate the Christian faith by reaching out with God's love through outreach work in schools and the wider community that supports children and young people to raise their aspirations and realise their full potential.

The Charity's mission is to build and strengthen community through serving, inspiring and equipping children, young people, and families to develop their full potential in society today.

Following his appointment as Deputy CEO in September 2019, Ian Tannahill has continued to progress in this position, working closely with our CEO, Dorothy Whitaker, and the wider Senior Management Team in leading the charity through a particularly challenging year, in light of the ongoing impact of COVID. The senior management team comprises the Head of Retail Sales & Marketing, the Head of Retail Operations & Services, the Director of Children's work, the Director of Young People's Services and the Director of Ethos, Values and Mission. A planned transition is in place with an expected handover of the CEO role to Ian Tannahill anticipated in October 2021. Dorothy Whitaker will continue to play an active role as a Valley CIDS Trustee.

Our Children's Workers continue to provide assistance in the primary and junior school sector delivering religious education, assemblies, lunchtime and after school clubs, and activities. The Quest Children's Work Team of four Children's Workers, led by Jenny Whittaker, has seen their work dramatically impacted by COVID in the past year, particularly with respect to delivering in-person work in schools. The team have been furloughed for a significant proportion of the year; however, upon their return to work, they have responded creatively and innovatively to the constraints of COVID, particularly with the production of new online materials to support schools with the enriching of their RE curriculum. Promises Nursery continued to operate until the point of its closure in June 2021. The Zest & Get Set Out of School Clubs Valley CIDS run enable parents to leave their children in a safe environment, to enjoy a healthy breakfast.

Valley CIDS Youth Work continues to provide enhanced opportunities for young people to access youth work support and activities and to engage in alternative education provision. The strategic oversight of young people's services continues to be headed up by Ian Tannahill at present; however, in light of his upcoming appointment as CEO in October 2021, the management structure of the youth department is under review. Despite the ever-present impact and constraints of COVID, the majority of our youth team have continued to work throughout the year as a result of both their Key Worker status and the vulnerability of the young people the team supports. It has also been a year of continued sustained growth, particularly in terms of street-based youth provision, which is now covering an ever-widening geography due to growth in the number of external contracts and successful funding applications, such as the Youth Endowment Fund, which enabled the team to deliver a 12-month street-based programme in Ripley, Heanor & Chesterfield. The team were also able to play an active role as part of the COVID response in local communities, helping to deliver food packages to families in need and activity packs to young people. They have also responded creatively to the challenges of COVID through the expansion of digital youth work provision.

The Lighthouse Charity Shops provide opportunities for people to volunteer as shop assistants hence gaining valuable work experience and confidence. The shops also provide a valuable opportunity to recycle and re-use goods that would otherwise be thrown away. The Saltpot Community Café in Swanwick has in the past year undergone a change of management, internal / external refurbishment and now offers an updated menu. It continues to function as an important community asset, offers high quality snacks and meals at low prices to the local community. The Swanwick Men's Shed project, located on Turner Farm has continued to grow in popularity with a steadily increasing membership base.

VALLEY CIDS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

The Charity benefits greatly from a strong volunteer base of over 350 people who support the operation of the Lighthouse Charity shops, the Saltpot café, the Children's Work and the Youth Work

Achievements and performance

General

We have continued to strengthen our ICT infrastructure and enhance our cyber security measures through the installation of PCI Compliant systems in all premises. Throughout COVID, we have made effective use of the UK government's furlough scheme, thereby protecting the employment status of our workforce. We have also accessed the various government Coronavirus grant funding schemes, for which we have been eligible to ensure our financial stability and sustainability, and to support the retention of vital frontline services for vulnerable young people. Throughout the COVID pandemic we have committed to meeting more frequently as a Board of Directors and as a Senior Management Team to ensure a robust COVID recovery strategy was planned and implemented. As part of our financial resilience and recovery strategy, we also undertook negotiations with landlords to negotiate rent holidays and we now have a business plan in place that will ensure all back rent has been paid within the next financial year. In October 2020 we also carried out a restructure of our retail department with the dual purpose of increasing efficiency and enhancing shop performance.

Retail

The retail arm of our charity has seen some changes during the past year mainly in response to the recent pandemic that has challenged us in a number of ways. The sudden closure of shops meant that the management team had to react quickly and adapt to a whole new way of operating. Throughout the time of closure, they explored alternative revenue streams which relied heavily on expanding e-Commerce platforms including re-structuring the eBay department, introducing Click and Collect and trialling media selling platforms to maintain a small percentage of income generated through retail. On returning to the 'new normal' the management team focused on phased re-opening of shops. The wellbeing of staff entering back into the workplace after significant time off was a number one priority. The need for adequate PPE in line with government guidelines and ensuring working environments were safe for both staff and customers was also paramount to the effective re-opening. This meant additional resources were required along with different shop layouts and one-way systems in all stores. A further challenge for retail upon returning was the high volume of stock donated to our shops. Our teams had to manage high levels of stock safely and at a higher pace than usual which meant an increased effort from all staff and volunteers at a difficult time. Lighthouse shops showed a decline in footfall on the High Street throughout this period of time however the majority of stores have been performing far higher than previous years which is showing a positive impact on the overall profitability. This also shows that despite footfall being low, those that are choosing to shop in stores are spending more which is encouraging for charity retail and shows its resilience for the future. The management team are continuing to focus on the recovery strategy and consolidating the performance of our existing shop portfolio.

Children's Team

Over this difficult year we have concentrated on 2 out of our 4 main areas: Enriching the RE curricular and Supporting Families.

Enriching the RE Curricular: The children's team despite the restrictions of the Covid pandemic have had a very positive year. From March 2020 until August 2020 the team were completely furloughed due to the Covid restrictions implemented in churches and school where most of the work takes place. A new vision was formed to develop online school assemblies and RE lessons which schools could access. With this in mind in September 2020 the children's team returned to work on a part time basis whilst being furloughed for the remaining time. As things began to improve regarding Covid restrictions the children's team resumed full time working hours and in person visits began to resume in some schools.

VALLEY CIDS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

In order to fulfil our aim of enriching the RE curricular the children's team have developed new skills learning how to make and edit films, understand the technology of sound and lighting issues around filming, be creative with acting and online communications and be effective on social media platforms. The results have been excellent with even more engagement with schools than our usual 80 schools. As in person assemblies began to be re-introduced the children's team have also been preparing and delivering RE themed days on the topic of prayer and facilitating themed RE lessons set out in Derbyshire County Councils agreed RE syllabus. All have been well received by pupils and staff. The Valley CIDS Children's Team will also be facilitating the children's and youth work at the 'National Justice and Peace' conference held in July 2021.

Supporting Families: Our Zest and Get Set out of school clubs remain an integral part of our services to local communities. The Toast Club introduced last year has continued to prove popular and is a welcome extension to the established Breakfast Club opening hours.

Young People's Services

Throughout the past year we have continued to provide a range of activities, support services and alternative education provision for some of Nottinghamshire and Derbyshire's most vulnerable and at-risk young people.

Working across delivery sites, including local branches in Ripley, Heanor & Chesterfield, Turner Farm Project in Swanwick and The Enterprise Unit in Jacksdale, we have remained committed to supporting some of society's most marginalized, at risk and forgotten young people by providing an integrated and needs-led offer of support and opportunity.

Despite the challenges and constraints of COVID, the past year has been one of continued expansion. Following our registration as a Pearson Functional Skills examination centre, we have now enhanced our alternative education offer further with the addition of a range of BTEC qualifications. We have also seen steady growth in our street-based youthwork delivery, which now covers a widening geography of areas surrounding our main youth hubs with substantial work in areas such as Belper, Barrow Hill, Netherthorpe and Grassmoor. Much of this growth has also been due to an increase in the number of external contracts / service level agreements and we anticipate a sustained level of expansion in the next year. The youth team have also continued to respond creatively to the impact of COVID, particularly with the use of digital youth work. This has been used effectively as a support and signposting tool for young people and as a medium through which trained staff have delivered 1:1 online mentoring support for young people in need. Members of the youth team have also been directly and proactively involved in localized COVID response initiatives, distributing food packages to families in need and activity packs / sports equipment to young people who were otherwise isolated due to lockdown measures. Throughout the year youth workers have been working with young people from the respective youth management teams on the production of a Hate Crime Awareness video as a peer education resource, which will have its official launch in July 2021. The team have also been acutely aware of the negative impact repeated COVID lockdowns have had on the mental health and well-being of young people. In response to this, they are planning to deliver a 'Summer of Well-being' activity programme throughout summer 2021 with a range of activities, workshops and day trips designed to promote the well-being of young people, by creating opportunities for them to have fun, gain new skills, engage with new experiences, and develop new friendships.

Financial review

It is the aim of trustees that the charity should maintain unrestricted funds at a level which equates to three months expenditure. This would provide sufficient funds to cover management workers and administration and support costs. Based upon our Management Accounts to 30th September 2021, our expenditure for the six months including finance costs are £1,715,261. Reserves to cover three months costs would therefore equate to £857,631.

Total funds of the group at the year-end amounted to £1,078,382, of which £795,895 relate to endowment funds, £200,000 relates to a fair value reserve on investment property, leaving a surplus on unrestricted general reserves of £82,487. At the year end there was a deficit on free reserves including long term liabilities of £344,670 (2020: £667,864).

VALLEY CIDS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

At present there are insufficient unrestricted funds available to accomplish this, but continual effort is being made to secure more charity shops, reduce our operating costs and raise the level of income accordingly in order to achieve this target. Further details of measures being undertaken following the outbreak of COVID-19 are detailed later in this report under Post Balance Sheet Events.

Going Concern

At 31st March 2021 total reserves amounted to £1,078,382, of which £795,895 related to the endowment fund leaving unrestricted reserves of £282,487 an increase of £341,707 on the previous year. Of the general reserves there is a deficit of £344,670 on free reserves.

The trustees are in the process of adopting various measures to reduce costs and provide working capital to enable the charitable company to meet its obligations as they fall due. These measures include:

- Reductions in the operating costs of its trading activities
- Expansion of trading activities relating to charity shops through additional shop openings
- Negotiations with funders to extend facilities available
- Placing one or more properties for sale

The trustees consider that such measures will improve the level of free reserves in line with its reserves policy. Consequently, the trustees consider that the financial statements of the charity should be prepared on a going concern basis.

Principal funding sources:

Principal funding sources are:

- Charity shop trading income, donations, and associated gift aid of £3,122,930 of which £1,935,387 was Covid-19 funding (prior year £3,066,379)
- Nursery fees at Promises nursery in Chesterfield of £21,170 (prior year £166,661). This reduction was due to the closure of the Nursery.
- Blend income, principally alternative education, of £194,027 (prior year £174,067)

The most significant funding stream for the charity is the trading income from charity shops. The charity had 34 shops at the end of the current financial year. The income from the charity shops in 2020/21 decreased by 61.3% compared to the prior year, because of Covid-19.

However, the running costs of the charity shops decreased by 20.5% from £2,682,850 in 2019/20 to £2,132,927 in 2020/21, which was mainly because 90% of the staff were placed on furlough during Covid-19 lockdown.

Investment Policy

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the charity, but as the charity has no funds available for investment at this point in time, nor is it envisaged that there will be in the foreseeable future, there is no defined investment policy in place and nor are there any investments currently held.

Principal Risks and Uncertainties

The charity is highly reliant on charity shop income, which is suffering due to the downturn in retail sales generally in the high street. However, over the year we have managed to stabilise our income so that to date we have not seen any material impact to the ability of the charity to fund activities at the current level. This will be closely monitored over the next year.

Salary costs, including social security and Pensions comprise more than 59% of total expenditure. The Government has pledged to increase the living wage to £9/hour by 2020. If the living wage increases in-line with the Government's commitment, then the charity will incur high levels of wage inflation with associated higher levels of salary expenditure.

VALLEY CIDS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The above risks and uncertainties have been further exacerbated by the outbreak of the COVID-19 virus, of which more details are included later in this report under Post Balance Sheet Events.

Having previously consulted with the staff at Promises Day Nursery with regards the challenging and increasingly untenable financial position of the nursery, it became clear in the past year that measures designed to improve its financial position were sadly ineffective in doing so. Therefore, in June 2020, the trustees made the difficult decision to permanently close Promises Day Nursery, which in turn resulted in the redundancies of the nursery staff.

Plans for Future Periods

As outlined above the charity is in the process of implementing a robust COVID recovery strategy. With respect to our charity shops, our focus is on consolidating and improving the performance of our existing retail portfolio. During the past year we also implemented a retail staffing restructure and have sought to strengthen our Lighthouse management structure with the appointment of two Area Managers. We are confident that such measures will enable us to sustain a higher level of retail revenue, which in turn will provide increased funds for Children's and Youth outreach work.

The Development of Turner Charity Farm

We are encouraging strategic partnerships that will deliver complementary activities, that will together ensure an environmentally friendly site, financially viable for the long-term creating life-changing opportunities for young people and is of significant benefit to the local and wider community. We have continued to enhance the biodiversity of the site with further tree planting and the ongoing development of pond and wetland areas. The farm-based alternative education programme has continued to grow in popularity with young people and referring agencies and now, as previously mentioned, includes the opportunity for Key Stage 4 young people to undertake BTEC qualifications. Swanwick Men's Shed has continued to increase its membership by offering a safe place for both men and women. This has been particularly significant in the past year in light of the loneliness and social isolation many members experienced during periods of closure due to COVID lockdowns. We have also become keenly aware of the need to revisit and upscale the infrastructure of the farm in order to adequately accommodate the sustained growth in our various projects and delivery streams, and we intend to make plans for this in the coming year(s).

Structure, governance and management

Valley CIDS is based at 13-14 The Green, Swanwick, Alfreton, Derbyshire, DE55 1BL which is also the registered office and principal address of the charity.

The organisation is a charitable company limited by guarantee (no. 05558271) originally incorporated on 8 September 2005 under the Memorandum and Articles of Association as amended by special resolution dated 4 March 2009 and 16 March 2009. The company registered as a charity on 12 March 2008 (no 1123173). In the event of the company being wound up all members are required to contribute an amount not exceeding £1.

The trustees, 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:

P R Whitaker
B J Cupples
D M Whitaker
N J Hambley
J F Turner
R M A Marston
J Brook

An annual review of the Trustees training requirements is undertaken together with the training and information provided to any new Trustees.

VALLEY CIDS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Internal Control

The purchasing process, whereby alternative quotes are obtained, is important to the achievement of best value for Valley CIDS and is expected for all items of expenditure above £500.

Management Accounts are distributed within 15 working days of the month end to the Senior Management Team and Trustees. They include an Income and Expenditure Statement, Balance Sheet, Cash Flow forecast and sales statistics.

Pay Policy for Key Management Personnel

The trustees base the pay of key management personnel on market rates for similar roles.

Risk Management

The trustees actively review the major risk which the charity faces on a regular basis and their aim is to focus on increasing reserves to fall in line with our reserves policy. This combined with an annual review of the controls over key financial systems will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Fundraising Policy Statement

Our funding continues to be predominantly through our Charity shops, but we also do receive some gifts from local churches and individuals. We have been expanding our Alternative Education provision which also generates income for the charity. We continue to discuss alternative methods of funding our work in the future and, whilst we do not engage in any form of direct marketing, we have in the past year engaged communications and fundraising consultancy support to help us develop a more coherent communications and donor journey strategy.

Related Parties

Valley CIDS is a charitable company which owns two other companies, they are:

- Valley CIDS Trading Company Limited which is used as an agent for charity shop donations with the net proceeds of these donations being donated to the charity. Valley CIDS Trading Company Limited also manages and operates the charity shops.
- Family Centres Limited - this was struck off the Company Register on 23 March 2021.

There is also a uniting direction in place between Valley CIDS and the Turner Educational Charity. The two charities are not formally amalgamated but share common administration.

See the related party transaction note for other related party disclosures.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



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P R Whitaker

Chair

Dated:

14th December 2021

VALLEY CIDS LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Valley CIDS Limited for the purpose of company law, are responsible for preparing the Trustees' Report 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 year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

VALLEY CIDS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF VALLEY CIDS LIMITED

Opinion

We have audited the financial statements of Valley CIDS Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 auditor's report 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 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.

VALLEY CIDS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF VALLEY CIDS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

VALLEY CIDS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF VALLEY CIDS LIMITED

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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. This 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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations; or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

16.12.2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

VALLEY CIDS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	2,134,397	-	2,134,397	787,415	-	787,415
Charitable activities	4	231,428	-	231,428	409,615	-	409,615
Other trading activities	5	1,009,834	-	1,009,834	2,324,715	-	2,324,715
Investments	6	253	-	253	23	-	23
Total income		3,375,912	-	3,375,912	3,521,768	-	3,521,768
Expenditure on:							
Raising funds	7	2,132,927	-	2,132,927	2,682,850	-	2,682,850
Charitable activities	8	915,561	-	915,561	1,075,974	-	1,075,974
Total resources expended		3,048,488	-	3,048,488	3,758,824	-	3,758,824
Net incoming/ (outgoing) resources before transfers		327,424	-	327,424	(237,056)	-	(237,056)
Gross transfers between funds		14,283	(14,283)	-	14,864	(14,864)	-
Net movement in funds		341,707	(14,283)	327,424	(222,192)	(14,864)	(237,056)
Fund balances at 1 April 2020		(59,220)	810,178	750,958	162,972	825,042	988,014
Fund balances at 31 March 2021		282,487	795,895	1,078,382	(59,220)	810,178	750,958

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 CIDS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13	1,023,052		1,018,822	
Investment properties	14	400,000		400,000	
		<u>1,423,052</u>		<u>1,418,822</u>	
Current assets					
Debtors	16	112,892		102,987	
Investments	17	4,208		4,208	
Cash at bank and in hand		348,012		34,724	
		<u>465,112</u>		<u>141,919</u>	
Creditors: amounts falling due within one year	19	<u>(466,498)</u>		<u>(492,844)</u>	
Net current liabilities			(1,386)		(350,925)
Total assets less current liabilities		1,421,666		1,067,897	
Creditors: amounts falling due after more than one year	20		(343,284)		(316,939)
Net assets		<u>1,078,382</u>		<u>750,958</u>	
Capital funds					
Endowment funds - general	21	795,895		810,178	
Income funds					
Unrestricted funds		282,487		(59,220)	
		<u>1,078,382</u>		<u>750,958</u>	

VALLEY CIDS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

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 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, 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 Trustees on *12th December 2021*

P.R. Whitaker

.....
P R Whitaker
Trustee

Company Registration No. 05558271

VALLEY CIDS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13	1,013,315		1,014,551	
Investment properties	14	400,000		400,000	
Investments		1		2	
		<u>1,413,316</u>		<u>1,414,553</u>	
Current assets					
Debtors	16	100,203		97,119	
Investments	17	4,208		4,208	
Cash at bank and in hand		332,399		14,866	
		<u>436,810</u>		<u>116,193</u>	
Creditors: amounts falling due within one year	19	<u>(432,684)</u>		<u>(467,072)</u>	
Net current assets/(liabilities)		4,126		(350,879)	
Total assets less current liabilities		<u>1,417,442</u>		<u>1,063,674</u>	
Creditors: amounts falling due after more than one year	20	(343,284)		(316,939)	
Net assets		<u>1,074,158</u>		<u>746,735</u>	
Capital funds					
Endowment funds - general	21	795,895		810,178	
Income funds					
Unrestricted funds		278,263		(63,443)	
		<u>1,074,158</u>		<u>746,735</u>	

VALLEY CIDS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

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 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, 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 Trustees on 12th December 2021



.....
P R Whitaker
Trustee

Company Registration No. 05558271

VALLEY CIDS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		342,845		(8,818)
Investing activities					
Purchase of tangible fixed assets		(37,220)		(2,252)	
Proceeds on disposal of tangible fixed assets		-		17	
Investment income received		253		23	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(36,967)		(2,212)
Financing activities					
Repayment of borrowings		-		7,498	
Repayment of bank loans		65,264		(13,731)	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			65,264		(6,233)
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			371,142		(17,263)
Cash and cash equivalents at beginning of year			(23,130)		(5,867)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			348,012		(23,130)
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			348,012		34,724
Bank overdrafts included in creditors payable within one year			-		(57,854)
			<u> </u>		<u> </u>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Valley CIDS is a private company limited by guarantee and incorporated in England and Wales. The registered office is 13-14 The Green, Swanwick, Alfreton, Derbyshire, DE55 1BL. The members of the charity are the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company'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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. 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

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable 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.

In arriving at this conclusion the trustees acknowledge that the COVID-19 pandemic continues and that not all future events or conditions can be predicted. However, the trustees have implemented various measures during the year, including:

- Reductions in the operating costs of its trading activities;
- Expansion of trading activities relating to charity shops through the opening of new shops;
- Negotiations with funders to extend facilities available;
- Considering the options available to sell one of the properties should the need arise;
- Responding promptly to the challenges created by the COVID-19 pandemic.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income

Income is recognised when the charitable company 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.

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company 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.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly allocated to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

Irrecoverable VAT is allocated in the manner stated above for non-direct costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line. Freehold land is not depreciated.
Fixtures and fittings	20% reducing balance.
Shop and office equipment	20% reducing balance.
Motor vehicles	25% reducing balance.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 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.

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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 charitable company's contractual obligations expire or are discharged or cancelled.

1.11 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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2021	2020
	£	£
Donations and gifts	163,649	647,492
COVID funding	1,935,387	-
Gift aid	35,361	139,923
	<u>2,134,397</u>	<u>787,415</u>

4 Charitable activities

	2021	2020
	£	£
Nursery fees	21,170	166,661
Breakfast clubs	8,905	40,920
Blend clubs	194,027	174,067
Other income	7,326	27,967
	<u>231,428</u>	<u>409,615</u>
Analysis by fund		
Unrestricted funds	231,428	409,615
	<u>231,428</u>	<u>409,615</u>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities

	2021 £	2020 £
Saltpot sales	2,381	15,497
Charity shops & ebay sales	988,533	2,278,964
Rental income	18,358	28,424
Other income	562	1,830
	<hr/>	<hr/>
Other trading activities	1,009,834	2,324,715
	<hr/> <hr/>	<hr/> <hr/>

6 Investments

	2021 £	2020 £
Interest receivable	253	23
	<hr/> <hr/>	<hr/> <hr/>

7 Raising funds

	2021 £	2020 £
<u>Charity shops & café</u>		
Operating charity shops	966,395	1,218,963
Staff costs	1,154,610	1,433,842
Depreciation and impairment	11,922	30,045
	<hr/>	<hr/>
Charity shops & café	2,132,927	2,682,850
	<hr/> <hr/>	<hr/> <hr/>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	2021	2020
	£	£
Staff costs	517,405	664,455
Depreciation and impairment	20,104	11,135
Bank charges	347	393
Rent, rates and power	54,163	75,023
Insurance	542	650
Printing, postage and stationery	1,276	2,823
Recruitment and training	1,471	4,455
Repairs and computer costs	9,173	17,604
Equipment hire	3,600	3,494
Legal and professional	7,774	6,661
Sundry costs	6,141	10,233
Subscriptions	3,313	2,973
Travel/motor costs	1,469	8,822
Telephone	9,931	10,176
Goods and consumables	1,959	16,489
Advertising and PR	-	1,051
Activity and event costs	11,301	26,355
	<u>649,969</u>	<u>862,792</u>
Share of support costs (see note 9)	244,269	195,547
Share of governance costs (see note 9)	21,323	17,635
	<u>915,561</u>	<u>1,075,974</u>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	162,581	-	162,581	127,370	-	127,370
Depreciation	962	-	962	900	-	900
Insurance	32,733	-	32,733	28,058	-	28,058
Loan interest	15,307	-	15,307	19,345	-	19,345
Legal costs	11,792	-	11,792	23,541	-	23,541
Other costs	20,894	-	20,894	(3,667)	-	(3,667)
Audit fees	-	10,500	10,500	-	10,500	10,500
Accountancy	-	10,823	10,823	-	7,135	7,135
	<u>244,269</u>	<u>21,323</u>	<u>265,592</u>	<u>195,547</u>	<u>17,635</u>	<u>213,182</u>
Analysed between						
Charitable activities	<u>244,269</u>	<u>21,323</u>	<u>265,592</u>	<u>195,547</u>	<u>17,635</u>	<u>213,182</u>

Governance costs includes payments to the auditors of £10,500 (2020- £10,500) for audit fees.

10 Trustees

During the year J Brook, who was a trustee of the charity, received total remuneration of £7,721 (2020: £15,819) and pension contributions of £386 (2020: £747) as approved by the Charity Commission. No other trustees received any remuneration. None of the trustees were reimbursed for expenses. The number of directors to whom retirement benefits are accruing under money purchase schemes is 1 (2020: 1).

The key management personnel comprise the trustees the Chief Executive Officer and the Deputy Chief Executive Officer. The total employment benefits of the key management personnel were £60,182 (2020: £43,767).

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
141	151

Employment costs

	2021 £	2020 £
Wages and salaries	1,706,065	2,070,616
Social security costs	81,437	101,631
Other pension costs	47,094	53,420
	<u>1,834,596</u>	<u>2,225,667</u>

12 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 April 2020	9,612
Disposals	(9,612)
At 31 March 2021	-
Amortisation and impairment	
At 1 April 2020	9,612
Eliminated on revaluation	(9,612)
At 31 March 2021	-
Carrying amount	
At 31 March 2021	-
At 31 March 2020	-

The goodwill related to the acquisition of Family Centres Ltd.

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets

Group	Freehold land and buildings £	Fixtures and fittings £	Shop and office equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	1,036,293	329,109	169,537	72,219	1,607,158
Additions	25,000	3,050	9,170	-	37,220
At 31 March 2021	1,061,293	332,159	178,707	72,219	1,644,378
Depreciation and impairment					
At 1 April 2020	90,747	290,264	151,607	55,718	588,336
Depreciation charged in the year	15,181	7,265	6,419	4,125	32,990
At 31 March 2021	105,928	297,529	158,026	59,843	621,326
Carrying amount					
At 31 March 2021	955,365	34,630	20,681	12,376	1,023,052
At 31 March 2020	945,546	38,845	17,930	16,501	1,018,822
Charity					
Cost					
At 1 April 2020	1,036,293	294,006	169,537	72,219	1,572,055
Additions	25,000	3,050	2,367	-	30,417
At 31 March 2021	1,061,293	297,056	178,707	72,219	1,602,472
Depreciation and impairment					
At 1 April 2020	90,747	259,432	151,607	55,718	557,504
Depreciation charged in the year	15,181	7,265	5,082	4,125	31,653
At 31 March 2021	105,928	266,697	156,689	59,843	589,157
Carrying amount					
At 31 March 2021	955,365	30,359	20,681	12,376	1,013,315
At 31 March 2020	945,546	34,574	17,930	16,501	1,014,551

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets

(Continued)

The Turner's Farm at Swanwick was valued by Bagshaws Chartered Surveyors, in the amount of £800,000 at 10 March 2020, on an open market value basis in accordance with the RICS valuation Standards. Under the transitional exemptions available under FRS102, the charity has treated the previous GAAP valuation as deemed cost. The historic cost of the Turner's Farm is estimated at £500 by the directors.

Included in freehold property is land estimated at £300,000 that is not depreciated.

In the year ended 31 March 2016 the company was gifted freehold properties at The Compass, 47 West Bars, Chesterfield. This was included at a cost of £165,000 based on an open market valuation at 1 December 2015 by Richard Savage in accordance with the RICS valuation Standards. The Compass was value by Bothams Chartered Surveyors, in the amount of £325,000 at 5 April 2019, on an open market value in accordance with the ROCIS valuation Standards.

All other assets are included at historic cost.

14 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	400,000
	<u>400,000</u>

In the year ended 31 March 2016 the company was also gifted Holmebrook Valley Family Centre and Church Hall, Wardgate Way, Holme Hall, Chesterfield. This was included at a cost of £200,000 based on an open market valuation at 1 December 2014 by Richard Savage in accordance with the RICS valuation Standards. This property has been treated as an investment property in accordance with SORP (FRS102) and measured at fair value. The directors re-evaluated the fair value of this property as at 31 March 2018 at a value of £400,000 based upon their knowledge of the property market in that area, and do not consider that there has been any material change as at 31 March 2021.

15 Financial instruments	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	4,208	4,208
	<u>4,208</u>	<u>4,208</u>

16 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	2,868	14,892	2,409	14,684
Other debtors	29,641	38,376	22,718	32,781
Prepayments and accrued income	80,383	49,719	75,076	49,654
	<u>112,892</u>	<u>102,987</u>	<u>100,203</u>	<u>97,119</u>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Current asset investments		2021	2020
Group and company		£	£
Unlisted investments		4,208	4,208
		<u>4,208</u>	<u>4,208</u>
18 Loans and overdrafts		2021	2020
Group and company		£	£
Bank overdrafts		-	57,854
Bank loans		390,043	324,779
Other loans		31,673	31,673
		<u>421,716</u>	<u>414,306</u>
Payable within one year		78,432	97,367
Payable after one year		<u>343,284</u>	<u>316,939</u>

Bank loans comprise a loan from Charity Bank Ltd totalling £340,042 (2020: £324,779) which is secured against certain of the charity's properties and a joint and several guarantee as described in note 27. The bank loan is repayable by instalments over 20 years at 6.5% interest per annum. The total amount due by instalment after more than five years is £142,846 (2020: £246,340).

Other loans comprise a Big Issue loan totalling £31,673 (2020: £31,673). This loan is repayable at 8% interest per annum and is wholly repayable in two years. There is also a Yorkshire Bank Bounce Back loan totalling £50,000 which is wholly repayable in five years.

19 Creditors: amounts falling due within one year

	Notes	2021	Group	2021	Company
		£	2020	£	2020
		£	£	£	£
Bank loans and overdrafts	18	53,327	72,034	53,327	72,034
Other borrowings		25,105	25,333	25,105	25,333
Other taxation and social security		14,730	95,597	14,730	95,597
Trade creditors		227,625	148,053	214,871	140,515
Amounts owed to subsidiary undertakings		-	-	86,133	14,047
Other creditors		7,482	86,506	7,482	86,506
Accruals and deferred income		138,229	65,321	31,036	33,040
		<u>466,498</u>	<u>492,844</u>	<u>432,684</u>	<u>467,072</u>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Creditors: amounts falling due after more than one year

Group and company	Notes	2021 £	2020 £
Bank loans	18	336,716	310,599
Other borrowings		6,568	6,340
		<u>343,284</u>	<u>316,939</u>

21 Endowment funds

The endowment fund represents assets held by a linked charity, the Turner's Educational Charity. It is currently understood that the land and buildings of the linked charity are an expendable endowment fund. These assets were originally entrusted to the Turner's Educational Charity in the 1700's and the trustees are currently investigating whether the original gift was in the nature of an endowment or not.

	Balance at 1 April 2019 £	Transfers £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Permanent endowments					
Turner's Educational Farm	825,042	(14,864)	810,178	(14,283)	795,895
	<u>825,042</u>	<u>(14,864)</u>	<u>810,178</u>	<u>(14,283)</u>	<u>795,895</u>

22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	227,157	795,895	1,023,052	208,644	810,178	1,018,822
Investment properties	400,000	-	400,000	400,000	-	400,000
Current assets/ (liabilities)	(1,386)	-	(1,386)	(350,925)	-	(350,925)
Long term liabilities	(343,284)	-	(343,284)	(316,939)	-	(316,939)
	<u>282,487</u>	<u>795,895</u>	<u>1,078,382</u>	<u>(59,220)</u>	<u>810,178</u>	<u>750,958</u>

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	443,985	468,747
Between two and five years	474,996	804,592
In over five years	39,083	85,083
	<u>958,064</u>	<u>1,358,422</u>

24 Related party transactions

During the year the group made purchases totaling £365 (2020: £1,571) from Andrews Builders Limited a company in which the P R Whitaker and D M Whitaker are directors. This had been approved by the trustees. Amounts due to Andrews Builders Limited at the year end totaled £nil (2020: £nil).

Unconditional donations received from trustees during the year amounted to £4,400 (2020: £2,787).

During the year trustees provided interest free loans totaling £nil (2020: £nil) that are repayable on demand and interest free. Amounts repaid during the year amounted to £70,000 (2020: £nil). The total of such loans outstanding at the year end was £nil (2020: £70,000).

There is a uniting direction in place between Valley CIDS and the Turner's Educational Charity. The two charities are not formally amalgamated but share common administration. The accounts of the Turner's Educational Charity have been aggregated into these financial statements.

P R Whitaker and D M Whitaker have a joint and several guarantee limited to £120,000 dated 20 June 2008 on The Charity Bank Limited loan.

During the year the group purchased a property from P R Whitaker and D M Whitaker for £25,000. The group is committed to purchasing a further property for £96,000.

25 Subsidiaries

Details of the charitable company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Valley CIDS Trading Company Limited	England	Charity shops	Ordinary shares	100.00	

VALLEY CIDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

26	Cash generated from operations		2021	2020
			£	£
	Surplus/(deficit) for the year		327,424	(237,056)
	Adjustments for:			
	Investment income recognised in statement of financial activities		(253)	(23)
	Amortisation and impairment of intangible assets		962	900
	Depreciation and impairment of tangible fixed assets		32,026	41,180
	Movements in working capital:			
	(Increase)/decrease in debtors		(9,903)	88,291
	(Decrease)/increase in creditors		(7,411)	97,890
	Cash generated from/(absorbed by) operations		342,845	(8,818)
27	Analysis of changes in net (debt)/funds			
		At 1 April 2020	Cash flows	At 31 March 2021
		£	£	£
	Cash at bank and in hand	34,724	313,288	348,012
	Bank overdrafts	(57,854)	57,854	-
		<u>(23,130)</u>	<u>371,142</u>	<u>348,012</u>
	Loans falling due within one year	(39,513)	(38,919)	(78,432)
	Loans falling due after more than one year	(316,939)	(26,345)	(343,284)
		<u>(379,582)</u>	<u>305,878</u>	<u>(73,704)</u>