

VALLEY HOUSE (Company limited by guarantee)

**VALLEY HOUSE
(Company limited by guarantee)**

**REPORT AND ACCOUNTS FOR THE YEAR
ENDED 31 MARCH 2007**

**Company registered number : 3593394
Charity registered number : 1074539**

FRIDAY



ALQ5VTXB

A04

19/10/2007

220

COMPANIES HOUSE

VALLEY HOUSE
(Company limited by guarantee)

CONTENTS

	Page
Annual Trustees and Management Committee Report	3 – 15
Report of the Auditors	16-17
Statement of Financial Activities	18
Balance Sheet	19
Notes to the Financial Statements	20 – 27

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 31 MARCH 2007

The Trustees / Management Committee presents its report and audited financial statements for the year ended 31 March 2007

Reference and Administrative Information

Charity Name	Valley House
Charity Registration Number	1074539
Company Registration Number	3593394
Registered Office and Operational address	The Navigation Centre 55-57 Bell Green Road Coventry CV6 7GQ

Management Committee

Philippa Evans	Chair, Director and Trustee
Susan Wyllie	Treasurer, Director and Trustee
Liz Taylor	Director and Trustee
Dexter du Boulay	Director and Trustee
Vicki Urch	Director and Trustee
Lyn Abercrombie	Co-opted member

Company Secretary

Philippa Evans

Senior Management Team

Miles Larmour	Project Director
John Blyth	Financial Manager
Barbara Hall	Senior Service Co-ordinator (Supported Housing and Floating Support)
Chris Haydon	Operational Services Manager
Baljit Gill	Children's Services Co-ordinator

Auditors

Bishop Simmons Ltd	Mitre House
Chartered Accountants	School Road
	Bulkington
	Bedworth
	CV12 9JB

Bankers

Barclays Bank	Coventry City Office
	PO Box 2, 25 High Street
	Coventry, CV1 6QZ

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 6th July 1998 and registered as a charity on 5th March 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 00.

Recruitment and Appointment of Trustees/Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity having been inducted at the time of their joining the board.

Trustees are encouraged to visit Valley House, attend team meetings, and other activities. The Board holds 2 Away Days a year with the Senior Managers Team. Additionally each individual manager attends Management Committee Meetings twice a year to make presentations and review their service area.

Organisational Structure

There are currently 6 Management Committee Members (see page 3 for details).

The Management Committee meets monthly. Sub-groups are established for individual projects as necessary.

Day-to-day operations are overseen by the Project Director. Each service is managed by a Service Manager as in

- Supported Housing and Floating Support Manager
- The Children's Services Manager
- The Operational Services Manager (Admin and Centre Management)
- The Financial Manager

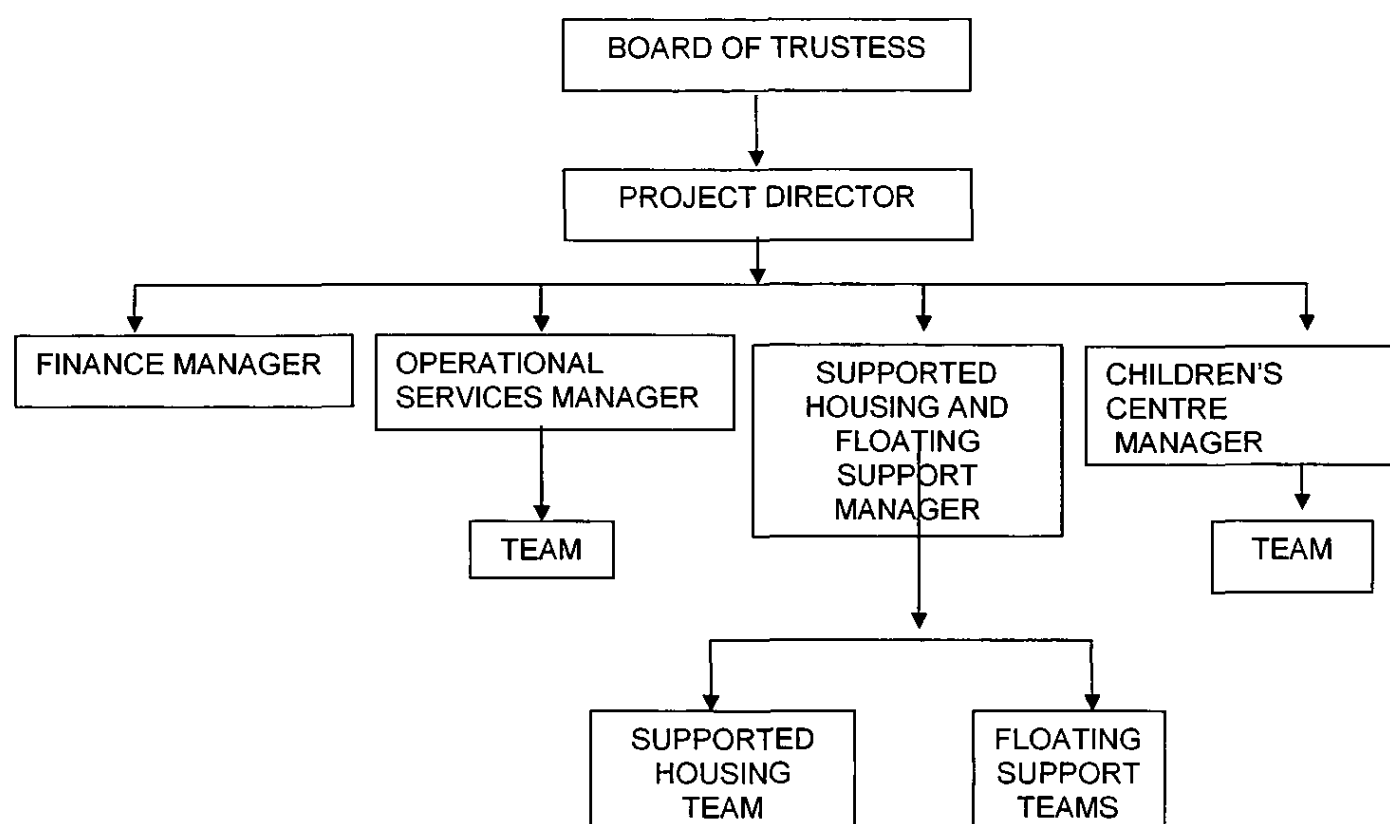
Currently, the Training Department is overseen directly by the Project Director.

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Structure, Governance and Management (continued)

VALLEY HOUSE ORGANISATIONAL STRUCTURE



VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Structure, Governance and Management (continued)

Related Parties

There are no related parties

Risk Management

The Trustees have a risk management strategy which comprises

- An annual review of the risks the charity may face,
- The establishment of systems and procedures to mitigate those risks identified in the plan,
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

This work has identified only a few minor new risks but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees

Objectives and Activities

The objectives and principal activities of the organisation are -

- a) To offer support and/or accommodation appropriate to the needs of individuals within the City of Coventry who are homeless, with the aim of enabling them to move into and sustain their own accommodation
- b) To support and motivate people to re-engage with educational opportunities, that will allow them to develop their potential and have more life choices and the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience
- c) To provide quality services for the advancement of the lives of children in partnership with parents, to enable children and young people to develop their physical and mental capacities so they may achieve their potential as individuals and members of society and their conditions of life may improve

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Structure, Governance and Management (continued)

Strategies to Achieve Objectives

a) Supported Housing and Floating Support

Valley House is the specialist high support needs provider of Supported Housing for Domestic Violence and Abuse, Teenage Pregnancy, and Homeless Families in the City. It also offers a range of Floating Support provision including support for Teenage Pregnancy and Domestic Violence and Abuse.

Valley House is a member of the Teenage Pregnancy Partnership Board, the Domestic Violence and Abuse Partnership, the Supporting People Provider Forum and the provider forum representative at the Supported People Core Strategy Group. It is also a member of the Housing Support Information Group. Valley House seeks to actively contribute to strategic thinking in the city regarding the future of Support and Supported Housing services.

b) Children's Services:

Valley House operates the only voluntary sector Children's Centre in the City designated by Sure Start. It offers a full range of children's services including a 63 place nursery.

Both the Director and the Children's Service Co-ordinator are active members of various groups within the Coventry Children and Young People's Strategic Partnership. We are seen as a good service model and are actively advising the city on new practices. We have also set up a partnership with Creative Partnerships to pilot a scheme to develop more creative ways for children to have access to play. With this we are seeking to influence city thinking and to hopefully get buy-in to this initiative which would greatly enhance Coventry's approach to children and families work.

c) Training:

Education and Training are key to enabling our users to develop independence and life choices. Our users are predominantly pre-entry, entry and level 2 in their needs. Valley House has established relationships with Henley College, Adult Education and Warwickshire Association of Youth Clubs whereby we provide learners and facilities and they provide tutors. This has allowed us to maintain a range of training options during a difficult period.

Valley House continues to maintain its UK On-Line Centre both as a drop in facility to all and for CLAIT and other IT courses for staff, service users and the community. It receives UK On-Line funding towards this.

Valley House is an active member of the Coventry Learning and Training Theme Group and is championing the needs of community-based training provision through this group. Valley House is also a member of the Chamber of Commerce.

VALLEY HOUSE
(Company limited by guarantee)

Valley House is particularly interested in encouraging joint commissioning to enable 'whole family' provision that addresses the needs of the children and adults. It has established itself as a respected and influential provider and has built significant and constructive working relationships with partnership boards and commissioning processes to ensure its voice is heard.

Valley House seeks to ensure that best practice models are continuously reviewed and developed in its day-to-day provision of services. This includes staff training programmes, regular supervision, service reviews, user involvement and feedback forums and twice yearly reports by Service Managers to the Management Committee.

In employing a fundraiser this year, Valley House is seeking to maximise its access to other funding opportunities to meet the needs of its users.

Funding is not provided through the use of Social or Program related investment.

Role of Volunteers

Volunteering has always been part of Valley House's core work. The majority of our volunteers move onto paid work following their volunteering at Valley House – a number of our own staff are ex-Valley House volunteers.

Volunteers are given a full induction, access to all relevant staff training, supervision and the opportunity to work as members of that team in offering the service to users. They are encouraged to establish their practices, skills and pursue accredited qualifications and supported in seeking paid work when appropriate. Valley House's track record in this regard is exemplary. We also recognise and welcome that some people wish to continue to volunteer and do not wish to use it as a route to paid employment. While supporting the government's return to work agenda, Valley House does not see it as the sole rationale for volunteering.

Valley House is aware that volunteers bring a much-needed balancing ethos to its professional endeavors that both humanises and enriches what we do and how we do it. Valley House is very grateful to its volunteers for this and the work they do on our behalf.

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Achievement and Performance

Valley House seeks to provide an integrated range of services including Supported Housing, Tenancy (Family) Support, Children and Family Services, Adult training, Educative and Work Placement opportunities and a Professional Counselling service. Such an holistic approach offers service users the opportunity to develop their potential and life choices and become active members of the community. Valley House works with the local community, and the people of Coventry and is specialised in working with vulnerable and hard-to-reach individuals and their families.

Supported Housing

Valley House offers the only dedicated 24/7 supported housing service in the city to a range of high support needs individuals and families. In its supported housing it has 12 units for Teenage Parents, 13 units for Domestic Violence and 5 units for homeless families. It has on average an adult population of 29/30 and a child population of 40-45.

The accommodation comprises a mix of single flats, single family houses and shared units. Additionally, there is a 2 bed space emergency direct access unit for vulnerable women and children in crisis out of hours (all weekend and every evening and night in the week).

Support is offered to residents through a 24 hour staff presence, structured support plans and an individual link work system offering practical and emotional support towards developing and sustaining greater independence. Valley House is an active member of the Supporting People Provider Forum, the Homeless Strategy Implementation Group, the Domestic Violence Partnership and the Teenage Pregnancy Partnership Board and the Children and Young People's Strategic Partnership, ensuring it works towards and influences city strategy on supported housing.

The work with children is as integral to Valley House's support as the work with adults. Valley House is very active in championing the needs of children who have witnessed Domestic Violence as well as enabling adults to work through their own needs and their responsibilities as parents.

In 2006/2007, Valley House Supported Housing services accommodated 72 adults and 89 children in its supported housing and 153 adults and 112 children in its direct access.

Floating (Tenancy) Support

These support services are to vulnerable people who need support in order to maintain themselves independently in their own accommodation.

Currently, Valley House can offer 24 individuals or families the service – 18 as general support and 6 specialised to the needs of Young and Teenage Parents.

This service – which has been operating since 2003 – has identified various areas of unmet need, particularly amongst

- Care Leavers/Ex-Care Leavers
- Women with Domestic Violence who wish to remain in their own accommodation
- Additional Young Parents

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Achievement and Performance (continued)

as well as noting how many service users/referrals have a mix of interlocking needs – many Teenage Parent's have a history of domestic violence and abuse, many domestic violence cases are ex-care leavers. Additionally, it is very common for users to have low level learning difficulties and/or mental health issues. Valley House is actively advocating for additional provision in all these areas and seeking to influence the city's strategies in these regards. Again, as with its Supported Housing service, the Valley House Floating Support workers find high numbers of children in all these categories of need. Valley House has successfully tendered to host the city's Domestic Violence and Abuse Sanctuary Scheme. With a caseload of 24, it will offer security and support to victims of Domestic Violence and abuse who wish to remain in their own homes. This project came on stream in March 2007.

Children's Services

2006-07 has been a very demanding year for Valley House Children's Service. The only voluntary sector designated children's centre under the Children's Centres Initiative in the city. This involves our nursery increasing from 33 to 63 places plus the provision of family support, health links and community outreach.

Valley House sees this as an opportunity to further centre-field the needs of children of vulnerable families and to extend our models of integrated whole-family support to benefit all. We are concerned that – the emphasis is on younger children. It is clear that older children are as much affected by domestic violence and/or homelessness and disadvantage.

Valley House has put in bids with the big Lottery Fund to attempt to secure 'creative play' funding which will in part allow it to have dedicated services to all ages of children and their families. This would fill an important gap in provision.

In 2006-07, Valley House Children's Services provided

- (a) Flexible and high quality childcare through its day care provision. The nursery is registered with OFSTED to provide care for 63 children 0-4yrs.
- (b) Parenting groups both formal and informal such as play and stay sessions, where parents can receive support, learn about their child's development, enable them to socialise and network with other parents and share experiences and parenting courses that will look at promoting positive behaviour and the importance of stimulating play for children. There are also
 - Footsteps Into Books
 - Fathers' Group
 - Coffee Morning for Parents and Children
- (c) Supporting parent and child contact, where children are in the care of the Local Authority, which takes place at Valley House.

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Achievement and Performance (continued)

Children's Services (continued)

- (d) Additionally, the new Children's Centre has the part-time services of a teacher and health links workers

Training and Education

As a learning organisation Valley House is committed to offering a wide range of training, education and work placement opportunities to people living in the local community and residents of Valley House's supported housing as well as staff and volunteers

We have continued our partnership with Coventry City Council Adult Education department and Henley College, which offers English, Maths and ICT at Valley House and we have joined the Community Partners for Learning Partnership which is a consortium of 10 organisations who aim to work together to plan and deliver training provision that minimises disadvantage and enables the wider community to participate in training and educational opportunities. We are an active member of the Coventry Strategic Partnership Learning and Training Theme Group

We have used New Opportunity Fund funding to continue to offer both training and assisted drop-in sessions in our very popular UK On Line Centre. We were able to secure TPPB funding to allow us to run a range of parenting and child development courses

Valley House has 3 main training suites and many local contacts with people interested in accessing training in non-formal, non-mainstream settings. We are seeking to develop brokerage arrangements with various training providers to provide sessions in our setting

We are pursuing funding opportunities, including with Big Lottery Fund, to allow us to offer family learning and community-based learning opportunities in the future

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Achievement and Performance (continued)

The Valley House Creativity in Children's Play Project

Valley House has an established partnership with Creative Partnerships to develop innovative ways of working in and with the community to enable children, families, and the professionals that work with them, to use the spaces and places we inhabit more creatively

The Project has engaged visual artists and musicians to transform a series of rooms and an outdoor space into a creative learning environment by developing multi sensory spaces – sound, texture, vision, movement – using found, natural and recycled materials

The project seeks to enable professionals to “teach” facilitate and appropriately support children's play, learning and development in a child-centred, developmentally appropriate and creative manner; and to inspire professionals to question their own practice and that of others and look for better and other ways of doing things

In particular, the project aims to change the way professionals and carers of children see and plan the use of the environment they work in and how children interact with it and demonstrate that creativity is integral to all aspects of the learning process

The project is proving very successful and interest from fellow professionals and the city bode very well for its future and its influence of play provision in the widest sense

We are pursuing Big Lottery Fund funding to allow us to extend this work

The Navigation Centre and Community Garden

The Valley House campus links all it's Support, Children, Training and Counselling services as well as a community garden area for users, local people and staff to enjoy This integrated physical environment parallels our wish to offer an holistic approach and integrated services that allow people to feel they belong and to be able to get all their needs met in one place

Financial Review

The current financial year has produced a surplus on our unrestricted funds of £20,130
Our major source of funding continues to be from Supporting People. The charity was successful in renegotiating the Housing Benefits receivable which has enabled us to maintain our properties to a high standard for our tenants The funding to support our training activities during the year decreased significantly and the charity is actively pursuing further funding with the help of an external fundraiser
Training is an integral part of our service and also provides support to our children's project

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Achievement and Performance (continued)

Financial Review (continued)

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees consider fit. The management committee has considered the most appropriate policy for investing funds and currently any cash surplus to day to day requirements is invested in Treasury Deposits.

Reserves policy

The Management Committee has established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to be able to continue the current activities of the charity in the event of a significant drop in funding, all be it for a very limited time, to enable them to replace the funding or reduce services provided in a way not detrimental to our residents and other users. The trustees therefore consider that the minimum ideal level as at 31 March 2007 would be £350,000.

The actual reserves at 31 March 2007 were £143,006 which is approximately £207,000 short of our target. In calculating reserves, the management committee have excluded from total funds restricted income funds of £16,045, tangible fixed assets £925,321 and the balance of designated funds £8,292.

It is hoped over the next three years to increase our reserves to our target level. However with our current funding streams being specifically targeted under the government's various initiatives this may prove very difficult. The charity is also seeking alternative ways to fund contingencies.

Principal funding sources are grants £1,267,901 (please refer to analysis in notes 2 and 8) and rents receivable £243,944.

Future Developments

The Management Committee see the coming year as one of consolidation as well as development. Supported Housing and Floating Support services are both now well established and we continue to maximise the opportunities both for integration of this service with the complimentary services within Valley House as well as further development of partnerships with sister agencies both voluntary and statutory. The Floating (Tenancy) Support service has identified areas of unmet need, particularly for Young Parents, Ex-Care Leavers, Women victims of Domestic Violence who wish to remain in their own tenancies.

The next phase in Supporting People will be the re-commissioning and tendering of future support and accommodation services across the city. Valley House is well established as a provider of high needs support and is particularly experienced in working with Domestic Violence and Abuse, Teenage Pregnancy, Homeless and with children and families. It will seek to optimize its range and depth of services in these regards in the upcoming re-commissioning of Supporting People services.

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Future Developments (continued)

Valley House has been successful in securing the Supporting People contract for the city's Domestic Violence and Abuse Sanctuary Scheme and its work will be one of the challenges of the coming year

Services to children are clearly at the top of the Government's agenda. It will be a very big year for Children's Services taking up of the rapidly evolving challenges presented by the demands of the Children's Centres Initiative. In particular, we will wish to find ways to offer services to the most vulnerable children and families in a Children's Centre Initiative context that seems to be prioritising universal services to all levels of family needs over those of the most vulnerable. Linked to this is the challenge to be financially sustainable as a nursery and Children's Centre while finding ways to offer nursery/Early Years Care and Education services to those most in need and least able to pay.

In the area of training, there continue to be very real concerns as funding streams emphasise high levels of qualification over no and/or low qualification levels of need. As with all its services, Valley House looks to offer education and training opportunities to the more vulnerable and disadvantaged who have invariably had low educational achievement. Valley House believes government agendas will of necessity need to return to pre-entry, entry and level 1 training provision as the numbers available for level 2 dry up. The immediate challenge will be to find ways to keep such pre-level 2 training available in this interim period.

More generally, Valley House will continue to seek to participate in and influence local and regional agendas with regard to all aspects of the needs of vulnerable individuals, children, young people, families and communities.

We are members of the Homelessness Strategy Implementation Group, the Domestic Violence Partnership, The Teenage Pregnancy Partnership Board, the Coventry Learning and Training The me Group, the Children and Young Persons Strategic Partnership and Coventry Voluntary Service Council and contribute to a wide range of local and national agendas including the Mental Health, Early Years, Supporting People, Homelessness, Domestic Violence, Teenage Pregnancy, Vulnerable Adult, Healthy Living, Drugs and Alcohol and The Crime Reduction strategies as well as The Coventry Community Plan and the Social Inclusion Agenda. This allows us to be active participants in the city's strategic thinking about its provision of services in the medium to long term.

The redesign of the Children's Centre and Navigation Centre have both allowed us to offer more to our community. We have received much help and support in planning for this. In particular, we would like to thank our corporate partners, TNT Logistics, for all their ongoing assistance and support in so many aspects of our developmental work as well as core administrative and IT infrastructure. With their varied contributions in expertise, advice, guidance negotiation and resources, TNT and their personnel have greatly enabled us to maximise our service delivery and the quality of services.

Funds held as Custodian Trustee

Grants to service users where Valley House staff supervise spending of the grant on behalf of the grantor are retained in a separate balance sheet account pending submission of receipts for the approved expenditure. The balance in this account on 31st March 2007 is £700.

VALLEY HOUSE
(Company limited by guarantee)

ANNUAL TRUSTEES AND MANAGEMENT COMMITTEE REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Trustees/Management Committee's responsibility for the accounts

Company law requires the Trustees/Management Committee to prepare financial statements for each financial year, which give a true and fair view of the company's state of affairs at the end of the financial year and its surplus or deficit for that period

In preparing those financial statements, the Trustees/ Management Committee are required to -

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in operation

The Trustees/Management Committee are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985

They are also responsible for safe guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Bishop Simmons Limited were re-appointed as the company's auditors during the year and expressed their willingness to continue in that capacity

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities and in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small entities

Signed on behalf of the Management Committee

P. M. Evans Director

10 October 2007 Date

VALLEY HOUSE
(Company limited by guarantee)

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS
OF VALLEY HOUSE**

We have audited the financial statements of Valley House for the year ended 31 March 2007, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with S 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Management Committee and Auditors

As described in the Statement of Trustees'/ Management Committee's Responsibilities, the Trustees' Management Committee is responsible for the preparation of the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

We read the Trustees'/Management Committee's Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

VALLEY HOUSE
(Company limited by guarantee)

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS
OF VALLEY HOUSE (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources including its income and expenditure in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Trustees'/Management Committee's Annual Report is consistent with the financial statements

Bishop Simmons Limited

Bishop Simmons Limited
Chartered Accountants
Registered Auditors

12 October 2007

Mitre House
School Road
Bulkington
Bedworth
CV12 9JB

VALLEY HOUSE
(Company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES(Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2007**

		Unrestricted Funds		Restricted	Total	Total
		General	Designated	Funds	2007	2006
	Note	£	£	£	£	£
Incoming Resources						
Incoming Resources from generating funds						
Voluntary Income						
Gifts in Kind						44151
Activities for generating funds						
Student Placements		4060			4060	5638
Other Income		39698			39698	29046
Investment Income						
Bank Interest		5717			5717	5443
Incoming Resources from charitable activities						
Rents Receivable		243944			243944	207633
Grants	2	655837		612064	1267901	1276183
Total Incoming Resources		<u>949256</u>		<u>612064</u>	<u>1561320</u>	<u>1568094</u>
Resources Expended						
Costs of Generating Funds						
Fundraising and Publicity		5470			5470	3261
Charitable Activities						
Support Services	3	728282	5923	455571	1189776	1222615
Property Rental Costs	3	186161			186161	169180
Governance						
Audit	3	3290			3290	2820
Total Resources Expended		<u>923203</u>	<u>5923</u>	<u>455571</u>	<u>1384697</u>	<u>1397876</u>
Net Incoming Resources	4	<u>26053</u>	<u>-5923</u>	<u>156493</u>	<u>176623</u>	<u>170218</u>
Net movement in Funds		26053	-5923	156493	176623	170218
Funds at 1 April 2006		116953	298569	500519	916041	745823
Funds at 31 March 2007	8	<u>143006</u>	<u>292646</u>	<u>657012</u>	<u>1092664</u>	<u>916041</u>

There were no recognized gains or losses for the current year and preceding year other than those included in the Statement of Financial Activities

The notes on pages 20 to 27 form part of these accounts

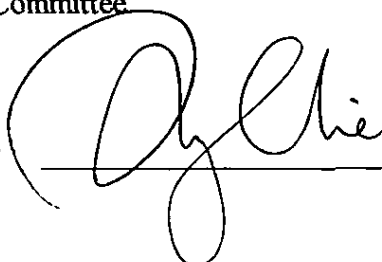
VALLEY HOUSE
(Company limited by guarantee)

BALANCE SHEET
31 MARCH 2007

	Note	£	2007 £	£	2006 £
Fixed Assets					
Tangible Assets	5		925321		737595
Current Assets					
Debtors	6	43047		48498	
Cash at bank and in hand		<u>206670</u>		<u>166738</u>	
		249717		215236	
Creditors Amounts falling due					
Within one year	7	<u>82374</u>		<u>36790</u>	
Net Current assets			167343		178446
Net Assets			<u>1092664</u>		<u>916041</u>
Funds					
Unrestricted Funds					
Designated Funds	8	292646		298569	
General Funds	8	<u>143006</u>	435652	<u>116953</u>	415522
Restricted Funds	8		<u>657012</u>		<u>500519</u>
			<u>1092664</u>		<u>916041</u>

These Financial Statements have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Trustees/ Management Committee

P.M. Evans Director  Director

10 October 2007 Date

The notes on pages 20 to 27 form part of the accounts

VALLEY HOUSE
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1. Accounting policies

Basis of accounts

The financial statements have been prepared under the historical cost convention and in accordance with the statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2005 and the Companies Act 1985 relating to Small Companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Depreciation

All additions greater than £100 are capitalised and brought into account in accordance with normal accounting practice

Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following basis

New Furniture & Equipment - 4 years (straight line)

Buildings -2% p a (straight line) from date of first use

Community Garden -3 years (straight line) from date of first use

Incoming Resources

Voluntary Income

Donations and gifts are included in full in the Statement of Financial Activities when receivable

The value of services provided by volunteers has not been included

Investment Income

Investment income is included in the Financial Statements when receivable

Activities for generating funds

Student placements and other income is included in the Financial Statements when receivable.

Rents Receivable

Rental income is accounted for on an accruals basis for all tenants in residence during the financial year

Grants

Revenue grants are included on a receivable basis Capital grants in respect of building costs are to be written off over the estimated useful life of the building from the date of occupancy

Resources Expended

All expenditure is included on an accruals basis Direct costs are allocated to the activity giving rise to those costs Other costs are apportioned on an estimated basis generally based on staff time within each activity

All VAT is included with the cost element to which it relates

Costs of Generating Funds

Comprise the costs associated with attracting voluntary income

VALLEY HOUSE
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

1. Accounting policies (continued)

Resources Expended (continued)

Charitable Expenditure

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

Governance

Includes those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees.

Pensions

The company operates a defined contributions personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The fund is managed by Friends Provident Pensions Solutions Direct. Contributions payable for the year are charged to the Statement of Financial Activities as and when incurred.

General funds

These comprise unrestricted funds that are available for the general purposes of the Charity.

Designated Funds

These comprise unrestricted funds set aside by the trustees for specific purposes but which are not binding on the trustees.

Restricted funds

These are funds subject to conditions imposed by the donor or by specific terms of the appeal under which the funds were raised. The restrictive conditions are binding upon the Charity.

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

2. Unrestricted Grants Received

	2007	2006
	£	£
Supporting People	655837	782625
 Total	 <u>655837</u>	 <u>782625</u>

Restricted Grants are detailed in note 8

VALLEY HOUSE (Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2007

3. Total Resources Expended

	Basis of allocation	Fund Raising £	Property Rental Costs £	Supporting Services £	Training £	Children's Centre £	Admin /Offices £	Governance	2007 TOTAL £	2006 TOTAL £
Staff costs	Direct		29050	473866	18847	268075	155293		945131	979626
Staff Training & Expenses	Direct		100	26749	1119	7703	723		36394	37864
Recruitment	Direct			8079	996	3000	3995		16070	12011
Premises	Usage		150854	5336	7690	18931	93988		276799	279803
Telephone & Postage	Usage		5863	10463	1179	1243	12996		31744	29811
Stationery	Usage			2319	1745	1505	11153		16722	16473
Service User Expenses	Direct					2249			2249	9548
Training courses	Direct				715				715	1944
Professional Fees	Direct	5470	294	556			3249		9569	4996
Audit Fee	Direct							3290	3290	2820
Children' Activities	Direct					6862			6862	10183
Creative Partnership	Direct					24500			24500	0
Miscellaneous	Direct			6339	2223	4240	1850		14652	12797
		5470	186161	533707	34514	338308	283247	3290	1384697	1397876

VALLEY HOUSE (Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

3. Total Resources Expended (continued)

	2007	2006
	£	£
Staff costs		
Salaries	847645	881536
Social Security costs	75377	76470
Pension costs	22109	21620
	<u>945131</u>	<u>979626</u>

Salaries includes £55072 paid to agency staff during the year Agency staff are mainly used for the Supporting People Project and the Children's Centre to cover staff illnesses and temporary staff vacancies The average number of employees(full time equivalents),analysed by function

	2007	2006
Service Providers	33	34
Maintenance	<u>1</u>	<u>1</u>
	<u>34</u>	<u>35</u>

The number of employees for whom retirement benefits were accruing was

<u>18</u>	<u>20</u>
-----------	-----------

No employee earned £60,000 (2006 £60,000) or more

No Director, Trustee or member of the Management Committee received any remuneration for services during the year or for re-imbursement of expenses, or is a member of the retirement benefit scheme

4. Net incoming resources for the year

	2007	2006
	£	£
This is stated after charging		
Depreciation	70090	50943
Loss on disposal of assets	0	42131
Auditors remuneration	3290	2820

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

5. Fixed Assets

	Furniture Fixtures & Equipment	Buildings	Community Garden	Assets Being Built	Total
Cost:	£	£	£	£	£
As at 1st April 2006	209410	562690	44151	122006	938257
Additions during year	36401			221415	257816
Transfer		343421		-343421	0
As at 31 March 2007	245811	906111	44151	0	1196073
Depreciation:					
As at 1st April 2006	163146	37516			200662
Charge for the Year	37252	18121	14717		70090
 As at 31st March 2007	 200398	 55637	 14717	 0	 270752
 Net book value.					
As at 31st March 2007	45413	850474	29434	0	925321
As at 31st March 2006	46264	525174	44151	122006	737595

6. Debtors

	2007	2006
	£	£
Rents		
Receivable	2377	9435
Grants		
Receivable	40670	38956
Prepayments	0	107
	<u>43047</u>	<u>48498</u>

7. Creditors: Amounts due within one year

	2007	2006
	£	£
Grant in advance	40400	0
Rents in advance	13959	17680
Accruals	28015	19110
	<u>82374</u>	<u>36790</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

8. Funds

Restricted Funds

The funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes

	Balance at 1 April 2006 £	Funds Receivable £	Funds Expended	Balance at 31st March 2007
Capital Grants				
National Lotteries Charity Board	201187		4856	196331
Furniture Fund	10577	0	0	10577
New Opportunities Fund	7894		2739	5155
Groundwork Community Garden	44151		14717	29434
Single Regeneration Budget	1617		1617	0
LSC Regeneration Budget	14422		1577	12845
Coventry Children's Centres	169610	179484	13543	335551
Coventry Parent's Lounge	2500			2500
Coventry Liveability Fund	15000			15000
	<u>466958</u>	<u>179484</u>	<u>39049</u>	<u>607393</u>
Revenue Grants				
Children's Services				
Lankelly Foundation		16500	16500	0
Creative Partnership	24500		24500	0
Tudor Trust	4333	0	4333	0
Neighbourhood Nursery		3950	3950	0
Coventry Family Placement		29196	29196	0
NEG Nursery Grant		7867	7867	0
Coventry Outdoor Play Area		1000	1000	0
Coventry Children's Centres		288468	258668	29800
Coventry Teenage Pregnancy		73819	54000	19819
Training:				
New Opportunities Fund	4728	11780	16508	0
	<u>33561</u>	<u>432580</u>	<u>416522</u>	<u>49619</u>
TOTALS	<u><u>500519</u></u>	<u><u>612064</u></u>	<u><u>455571</u></u>	<u><u>657012</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

8. Funds (continued)

Revenue Grants

Grants received for staff costs and specific project support are included in revenue grants from each of the donors as indicated and allocated to the centre benefiting from such grants

Capital Grants

The grants were received for the following purposes

The National Lotteries Charity Board grant was to purchase and renovate the Navigation Centre office and nursery facility

The Furniture Fund was to provide furniture for the Jephson Housing project in Navigation Way

The New Opportunities Fund grants were to enable Valley House to become a U K Online centre and build an extension to the Children's Centre

The grant from Coventry Health Authority was towards the cost of buildings for the support of teenage parents

The Groundwork gift in kind was to provide community gardens

The Single Regeneration Grant was to provide a training room

The LSC Regeneration Grant was to refurbish the reception area

Coventry City Council are providing funds for Children's Centre and Parent's Lounge

The Coventry Liveability Fund Grant was to assist in the conversion of 25 Bell Green Road

Annual depreciation is charged against each fund as appropriate

Unrestricted Funds

	2007	2006
General Fund		
Balance at 1 April 2006	116953	80619
Surplus for the year	<u>26053</u>	<u>36334</u>
Balance at 31 March 2007	<u>143006</u>	<u>116953</u>
Designated Fund		
Balance at 1 April 2006	298569	304424
Expenditure for the Year	<u>-5923</u>	<u>-5855</u>
Balance at 31 March 2007	<u>292646</u>	<u>298569</u>

The designated fund is for the purchase and renovation of offices at 25 Bell Green Road

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

9. Analysis of Net Assets between Funds

	Fixed Assets £	Net Current Assets £	Total Funds £
Restricted Funds	623,246	33,766	657,012
Unrestricted Funds-General	17,721	125,285	143,006
Unrestricted Funds-Designated	284,354	8,292	292,646
	<u>925,321</u>	<u>167,343</u>	<u>1,092,664</u>

10. Pension Contributions

The charge for the year was £22,109 (2006 £21,620). At 31 March 2007 no contributions were outstanding to the scheme (2006 £nil).

11. Lease Commitments

At 31 March 2007 the Company had annual commitments under non-cancellable operating leases as follows

	Equipment £
On leases expiring	
Within one year	0
Between two to five years	2,988
Over five years	0

12. Controlling parties

The Charitable Company is under the control of its trustees, directors and management committee.