

Challengers

Annual Report
April 2022 – March 2023



CEO Report

Challengers is a charity that aims to transform the lives of disabled children and young people through the power of play. Our services are delivered from our buildings in Guildford and Farnham, and through partnerships with schools and venues in Richmond, Kingston, Basingstoke, Winchester, Eastleigh and Chichester.



We have a non-exclusion policy, meaning ALL children and young people are welcomed and safe, and their individual needs are supported even if they are multiple and complex. Our inclusive approach is something all Challengers employees are very proud of.

Sadly in the last year we have seen an increase in the demand for our play and youth services, as well as an under-investment. Alongside other charities, we have faced a challenging fundraising environment and witnessed the effects of the cost of living crisis on our beneficiaries and staff. These difficulties withstanding, we continue to work in partnership with Local Authorities to provide a creative and impactful service to as many families as possible. As one of our Service Managers, Sophie recently wrote:

"The impact our service has on disabled children and their families is huge. For many of the young people we support, Challengers is the only social outlet that they have outside of school. When they come to us they can have fun trying new things and forming friendships, helping them to feel much less isolated."

The last year also saw some fantastic accomplishments. Through funding from the National Lottery Community Fund we were able to announce the launch of The Hub – a service providing holistic support to the families of children with disabilities. Co-created by our parents, it has already started to provide services such as family fun days and 'drop in sessions' to encourage peer to peer support.

We also started our new playground build in Guildford following a year of fundraising. The playground will be inclusive and accessible, and thanks to the lottery funding families in the community will also benefit from our facilities. It will be great to work with Russell and the Board as we move forward into the new year.

**Gen Dearman,
CEO of Challengers**

Chair Report

As we conclude another impactful year at Challengers, my first as Chair of this wonderful charity, the Trustees and I would like to express our gratitude to CEO Gen Dearman and the Senior Leadership Team for their exceptional dedication.



Their efforts have been instrumental in steering Challengers through a difficult year, marked by an ever-growing demand for our services, financial constraints and a tough fundraising environment. I'd also like to thank each and every member of Team Orange for all of their hard work – I'm in awe of your devotion.

I commend the team for their hard work navigating these challenges while upholding our commitment to inclusivity, ensuring that no child or young person will ever be turned away due to the complexity of their needs. Despite adversities, the past year has brought many noteworthy achievements. In particular, the build of the new inclusive playground in Guildford marks a tangible step toward enriching our facilities and bringing our charitable vision to life.

Looking at the year ahead, I'm excited to collaborate with the board to advance the charity's strategic goals, and support the team to provide vital services for as many families as possible. I look forward to the opportunities and challenges that lie ahead, and to contributing to transforming the lives of disabled children and young people through the power of play.

Russell Harvey, Chair of Challengers Trustee Board

The trustees present their report and the audited financial statements for the year ended 31 March 2023. Reference and administrative information set out on page 18 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

About Challengers



Challengers has been operating for over 40 years, providing thousands of disabled children and young people with opportunities to play, have fun, and make friends. While lots has changed in that time – the locations we operate in, the people, and even the charity's name – our vision hasn't changed since 1979.

Vision

A world where all children and young people can play together freely.

Mission

To provide truly inclusive, fun and safe spaces where all disabled children and young people can spend time with their friends. To offer a positive impact for families and the wider community.



Our approach

Challengers is a place where everyone is welcome and celebrated for who they are. Young people are free to play and experience new things, and we will never exclude someone on the grounds of their additional needs.

We believe that we deliver play and leisure in a truly inclusive and aspirational way, showing that there is no reason why disabled children and young people should be excluded from playing an active part in society.

We hope that in doing so, we are leading by example and can positively influence other providers, as well as the way that society views disability.

Our impact

Aside from bringing joy to the children themselves, another benefit of Challengers is the short breaks it provides for families.

Raising a disabled child can be extremely demanding, therefore it's vital that families can access respite. Parents can relax knowing that their child is safe and happy at Challengers with our trained staff.

Our staff are fundamental to delivering positive change. Many come with little or no experience of disability, but through their training and experiences they develop a real commitment to equality and inclusion.

Strategy

As part of the charity's strategy which we established in 2020, we have identified three core goals that bring our vision and mission to life. Our priorities serve to support our goals, which are supported by firm foundations and five core values which we strive to embody as an organisation.

We are making good progress with our current strategy, and will be starting work in the second half of 2023 on a strategy refresh, revisiting our mission as part of this.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.



Strategy

Our current strategy focuses on three main goals, underpinned by priorities, foundations and values. These are set out below.



Goals

- Enable the people we support to develop skills and confidence through play
- Contribute to a more inclusive society by challenging the barriers to play
- Connect families together and enable a community of information sharing and support



Priorities

- Excel at providing inclusive play opportunities
- Evidence our impact in the communities we serve
- Share knowledge and expertise with a wider audience
- Establish a Community Hub



Foundations

- Staff happiness
- Sustainable business model
- Sound governance
- Culture of continuous improvement



Values

Inclusive

Playful

Trustworthy

Ambitious

Accountable

2022-23 in numbers



90,065

Hours of play

735

Children supported

2,070

Sessions delivered

Hours by service

- Pre-school: 33,726
- Play: 30,012
- Youth: 19,592
- 555 Service: 3,738

This delivery was in line with our contractual commitments and other delivery targets.

What families think

99% of families scored our staff as good or excellent

95% of parents say that Challengers improves their own wellbeing as a parent/carer

91% of parents agree Challengers reduces their child's loneliness and isolation

90% of families feel that Challengers helps improve their child's social skills



Challengers Parent & Carer Survey - October 2022

Fundraising statement and conditions

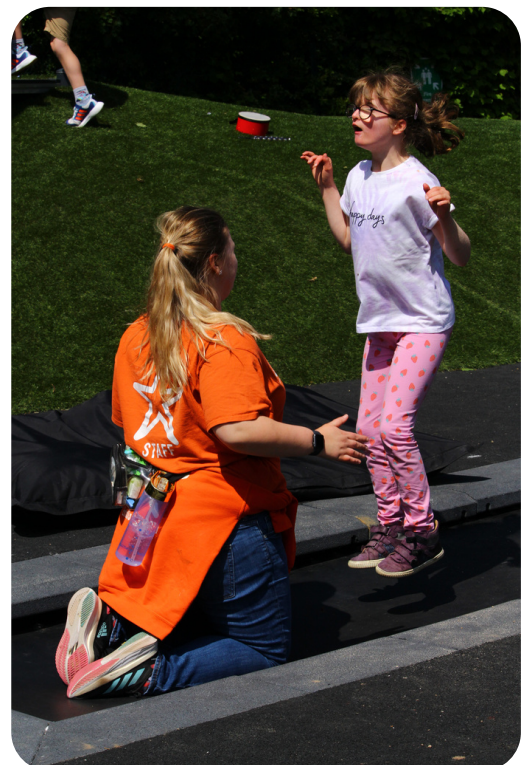
Challengers' mission is to provide truly inclusive, fun and safe places where all disabled children and young people can spend time with their friends, and to offer a positive impact on families and the wider community. Achieving this mission is only possible through raising the funds for the services. The mission informs the fundraising choices made as we strive to provide inclusive opportunities and promote inclusion throughout our fundraising.

Despite the continued challenges of fundraising since the pandemic and with the increase in the cost of living, we raised **£941k** in voluntary income, **up 22%** from the previous financial year. This was in line with targets for the year. Some of our donors and supporters are listed overleaf in grateful thanks.

Our biggest area of growth was trusts and foundations, **up 31% (£129k)** on the previous year. This was due to the launch of the Big Play Appeal, to which trusts and foundations contributed over £250k. The appeal was launched to fund the building of a new, accessible and inclusive adventure playground at our Guildford Play centre. The appeal raised a total of **£302,579** and we are so grateful to everyone who contributed, enabling us to start the new playground build in January 2023.

Throughout the year we also received the generous support of many local companies, individuals and community groups through donations, staff fundraising, events and street collections, among many other things! Our thanks go out to everyone who gave donations and contributed their time and other resources to enable Challengers to provide vital support to disabled children and young people.

Volunteers are a vital part of #TeamOrange, and in 2022-23 contributed **1,957 hours** helping out at our Play and Youth schemes, lending a hand to decorating projects, coming into the office and supporting our admin work, and being the faces of Challengers at our many public events. We are grateful to everyone who has given up their time to make what we do possible.



Challengers remains committed to a fair and ethical approach to all our fundraising practices. We strive to build long-term relationships to grow a more sustainable approach to fundraising which will maximise return over the longer term. We are registered with the Fundraising Regulator, are signed up to the Fundraising Preference Service, and comply with the revised standards outlined in the Fundraising Regulator's Code of Fundraising Practice for the UK and our own Ethical Fundraising Policy and Vulnerable People Policy.

All of our fundraising is carried out by our in-house fundraising team alongside volunteers who are supported by us to fundraise on our behalf. Volunteers, whether acting as individuals, in the workplace or as community groups, receive information and guidance from us and we maintain regular contact to oversee their activities to ensure they comply with the Code of Fundraising Practice.

We do not work with Professional Fundraising Organisations or Commercial Participators to solicit donations, have a strict policy of never selling or passing on our supporters' personal data, and have never bought fundraising data from a third party. In the period 2022-23 we received no complaints about fundraising.

With thanks to all of our donors and supporters

- Farnham Town Council
- Community Foundation for Surrey
- Awards For All
- Heathrow Community Trust
- The Louis Ross Foundation
- Chapman Charitable Trust
- The Lake House Charitable Foundation
- St Peter's Home and Sisterhood
- Guildford Poyle Charities
- Matthew 25:35 Trust
- The Dorothy Pamela Smith CIO
- Shanly Foundation
- Albert Hunt
- Edward Gostling Foundation
- The Beatrice Laing Trust
- Bernard Sunley Foundation
- Your Fund Surrey
- Scope
- Wheelwrights Charity
- Children In Need

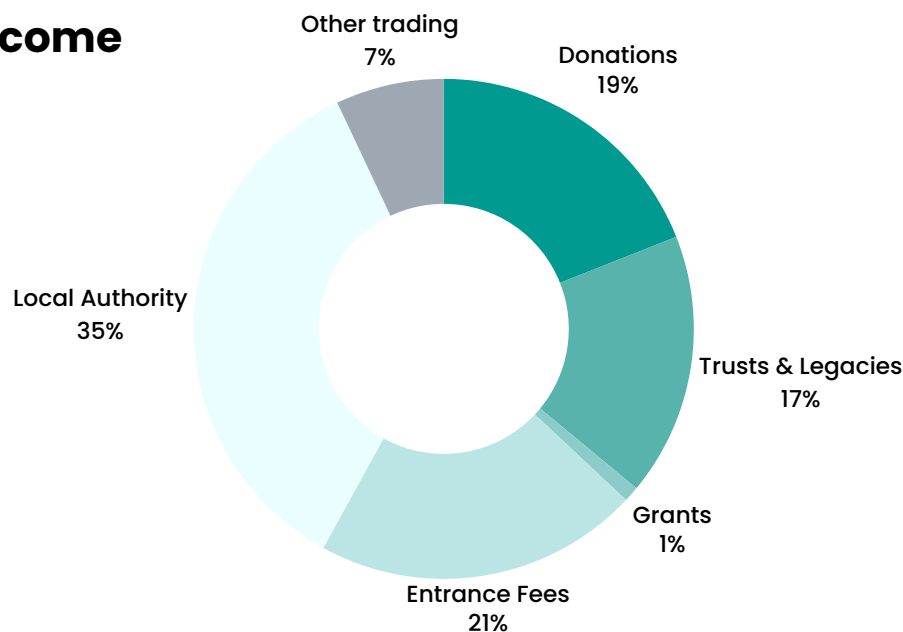


Financial overview

The 2022/23 year reported a surplus of £35k across all funds. Unrestricted funds had a deficit of £225k, the restricted funds had a surplus of £318k and the designated funds had a deficit of £57k. The designated funds deficit relates to depreciation charges against assets acquired in previous years. The restricted funds surplus was a result of restricted income received in the current year that will be spent in future years, or was used to fund capital expenditure, particularly the new playground at our Guildford centre.

The unrestricted funds recorded a deficit as a result of increased costs of running our services while income was fixed with a number of contracts ending in March 2023 and being renewed at new rates commencing in the next financial year. During the year, all of our local authority contracts were successfully re-tendered. This will enable us to continue operating in a sustainable manner in future years.

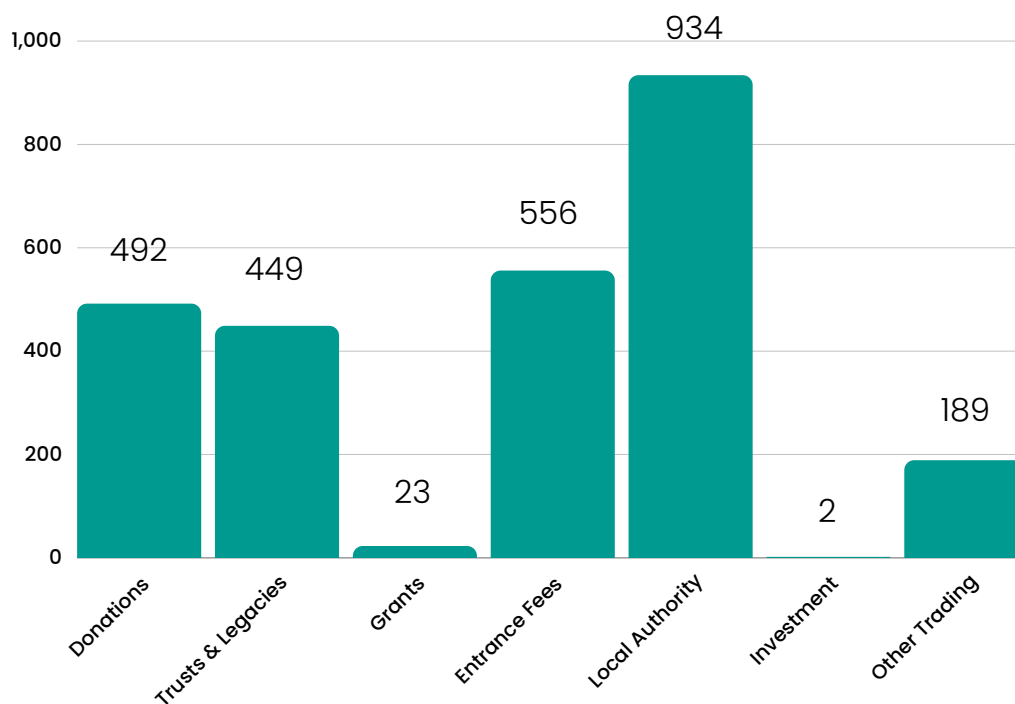
2022-23 income



Total income decreased by 7% in 2022/23 to £2.6m (2021/22: £2.9m for an extended 15 month period).

Donations and legacy was £941k (+22% vs 2021/22). This year saw an increase in trust and foundation income of 31% (+£129k vs. 2021/22), a reduction in corporate income of 3% (-£4k vs. 2021/22), income from individuals increased by £15k (+15% vs. 2021/22), income from communities increased by £16k (+32% vs. 2021/22k) while legacy income was £100k (£3k 2021/22).

Income for charitable activity was £1.5m (-18% vs 2021/22)



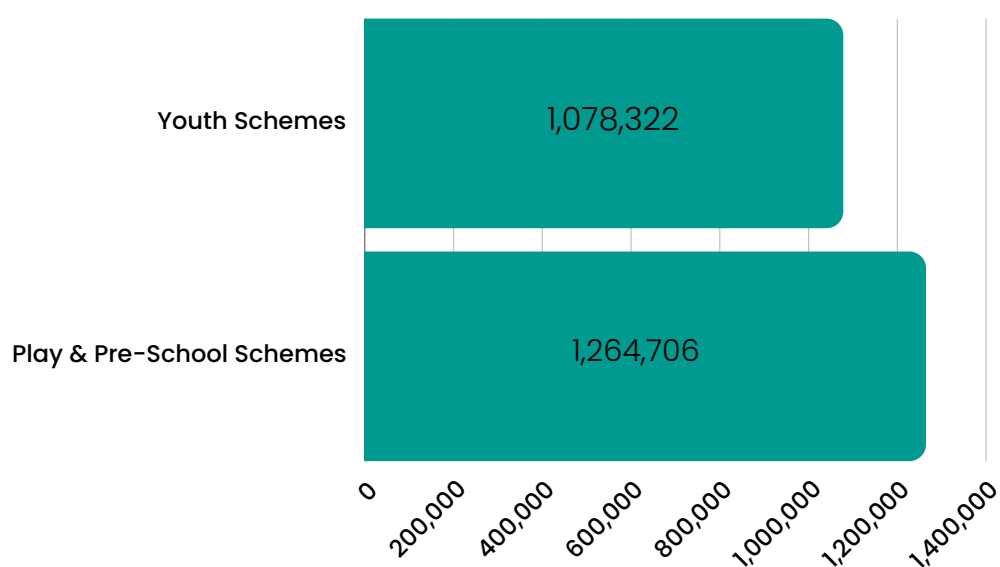
Expenditure

Total expenditure decreased by 11% to £2.6m vs. the 15 month 2021/22 period. Cost of raising funds decreased by 3% vs. 2021/22, Charitable expenditure in the year decreased by 18% vs. 2021/22.

Expenditure on support costs increased by 12% vs. 2021/22. Support costs include the cost of teams within Finance, Quality and Communications together with investment in staff recruitment, learning and development. Governance costs decreased by 1% vs. 2021/22.

In accordance with charity accounting practice, Support and Governance costs are allocated to charitable expenditure based on each activity's proportion of delivered hours.

Breakdown of charitable expenditure (£2.3m)



Reserves

Challengers' reserves policy is to maintain free cash reserves of between 3 and 5 months expenditure, plus an additional £50k-£100k for remedial property repairs and maintenance. Due to seasonal changes in activity levels this will fluctuate throughout the year. However, free reserves should be maintained between £531k and £901k.

The main objective of the reserves policy is to deal with short term cashflow challenges to protect the long-term future of the charity. In addition, the trustees believe this level of reserve would allow a safe and sensible closure in the event that this was the only option. Reserves are reviewed monthly at the Finance and Risk subcommittee.

The free cash reserves level at year end was £550k, representing 3.4 months 2022/23 average operating expenditure.

Year-end designated funds stood at £2.63m, the residual value of this fund is required to support the long-term security of premises and other fixed assets to ensure the charity can meet its objectives.

Of this amount £2.32m has been set aside for known future depreciation cost on buildings at our Farnham and Guildford centres over the next 50 years.

Risk

The Board's risk appetite guides the risk management process. The Board is not seeking to eliminate risk as there is a recognition that it is necessary to accept the risks that cannot be mitigated in full or which fall beyond Challengers' control. However, the Senior Leadership Team actively monitor and manage such risks to provide reasonable, but not absolute assurance that the charity is protected. Challengers have a robust risk monitoring process. Risks are ranked by the likelihood of occurrence and impact to the charity.

The Board consider that the principal challenges faced by Challengers, and the associated risks are the need to:

- continue to provide a high quality service, and recruit and retain talented staff;
- continue to operate with a sustainable funding model; and
- ensure voluntary income targets are met.

The Risk Register is reviewed on a monthly basis at the Finance and Risk meeting and in addition at the relevant sub-committee meetings. The management of day-to-day operational risks is delegated to the Senior Leadership Team to proactively manage throughout the year.

The Board approves a comprehensive annual budget and plan for Challengers and the Board and its Committees monitor performance against these plans and budgets on a monthly basis. Material variances, together with any revised financial forecasts, are submitted regularly to the Finance Committee and to the Board.

The Board is satisfied that these systems, combined with internal financial controls and the reserves policy, will ensure that sufficient resources are available to meet the immediate needs of Challengers in the event of adverse conditions.

Going concern

The Trustees take financial governance seriously and each month consider the monthly finance reports, the cashflow and the organisational KPIs to ensure challengers is meeting its charitable objectives and continue to do so in the foreseeable future.

The Board of Trustees agree that Challengers is a strong and viable going concern. The factors that lead to this conclusion are:

- Demand for Challengers services
- Contracts in place or in the process of being renewed.
- Strong financial governance and current financial position
- Good management control and regular governance
- Effective and proactive management team
- Clearly demonstrable public benefit
- Clear and well-informed strategic plan
- Well-informed income generation plan



Remuneration

Challengers has developed a remuneration statement to provide a clear and transparent set of guidelines which demonstrate accountability and applies to all employees. During the 2022/23 year, Challengers continued as a Real Living Wage employer and committed to pay all staff at least the real living wage on an annual basis. The organisation does not offer an annual discretionary bonus scheme, nor does it offer a long-term incentive plan (LTIP).

The organisation has a series of salary bands in a structure that is fair and equitable. Job roles are mapped onto this structure. Salary bands are benchmarked with industry and local standards to ensure that they are fair as well as remove subjectivity to salary decisions. Each year we continue to monitor this structure and compare with competitors and other organisations.

Gender pay gap

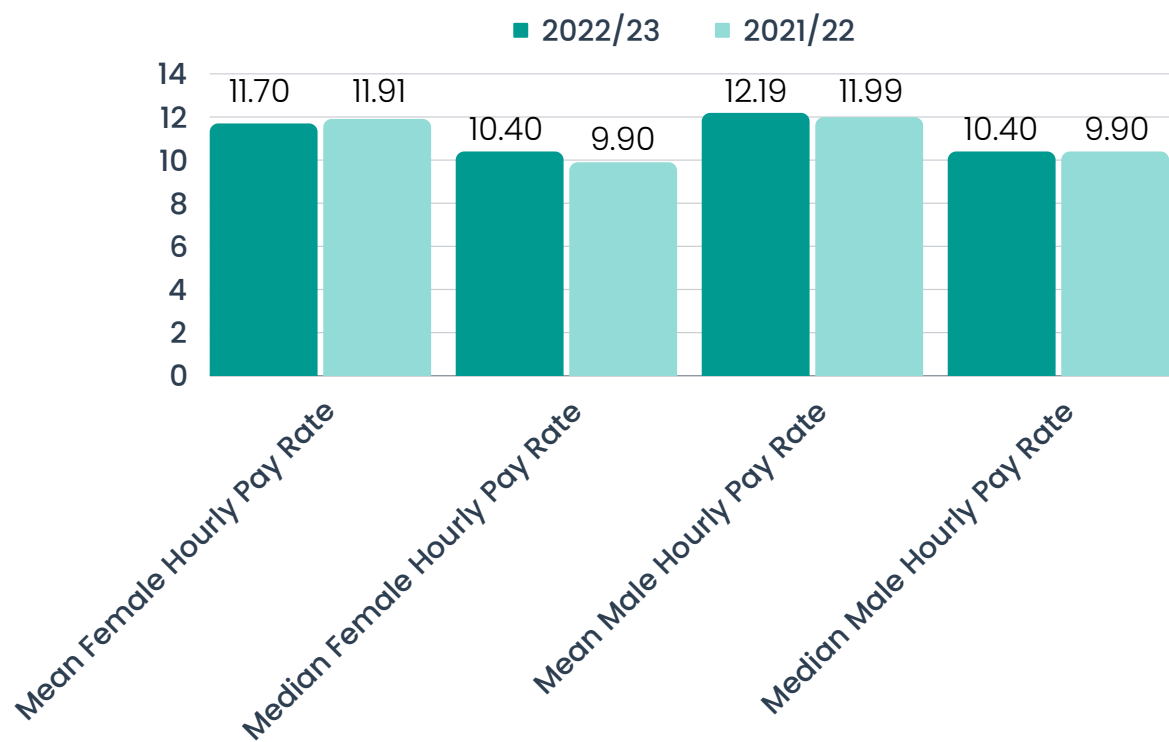
Despite great strides being made in the past two decades, a gender pay gap remains in place in the UK. Latest figures suggest there may be a slight improvement in the situation in the UK however there is still a bias towards men.

The Office for National Statistics states that the gender pay gap for full time employees in 2022 was 8.3%, however when you split this by age, the gap for under 40s is close to zero. This reflects our workforce, who are predominantly below the age of 40. As a Charity working in the care sector we attract a large number of females to work with us. This is not unusual in our sector and in fact we do attract a good number of males compared to some of our peers.

At Challengers, we enforce a strict pay structure which means that men and women are paid at the same rate for a job role – this is across office and scheme-based roles. We strive to be a learning and equal opportunities organisation that invests in both men and women alike, keen to support them to be the very best they can be for the charity and for themselves.



For our operational staff hourly rates are now based on the Real Living Wage. We pay this rate as a minimum hourly rate to all staff regardless of age and have committed to abide by the Real Living Wage in the future. In addition, service staff working on services within Greater London are paid a minimum rate of the London Living Wage.



Mean Gender Pay Gap %

Median Gender Pay Gap %



Leadership

As with all charities, it is the responsibility of the Trustees to ensure the efficient, legal and professional performance of Challengers. The Chief Executive Officer works with the board to develop the strategic framework, agree the strategic direction and report on the delivery.

The operational day to day running is delegated to the Senior Leadership Team (SLT) who are:

- Gen Dearman, Chief Executive Officer
- Andrew Kendall, Head of Finance
- Samantha Lane, Head of Fundraising
- Paul Wilson, Head of Service

The SLT provide regular reporting to the trustees through sub-committee meetings and main board.

Trustee recruitment

Following recruitment, new trustees will be allocated a 'mentor' from amongst the present trustees and will undertake an induction programme under the control of the Chief Executive and the mentor. He/she will be given induction material to allow them to fully understand the charitable purpose of Challengers, its financial situation, its future plans and the current situation of the charity. The new trustee will be encouraged to visit the centre when children are present and to attend at least one community based project early on. All trustees are welcome to attend any of the staff training sessions. The induction information provided to new trustees is as follows:

- 1) The latest Strategic Review
- 2) Most recent annual report and accounts
- 3) Key Policies
- 4) Annual Risk Audit
- 5) Copy of Memorandum and Articles of Association.
- 6) Copies of Charity Commission leaflet CC3 "The Essential Trustee: what you need to know" and Companies House booklet "Being a Director"
- 7) This Trustees Handbook where, as appendices, there is additional important information such as a list of present trustees, trustee job description etc.
- 8) Committee terms of reference

Trustee responsibilities

The Trustees (who are also directors of Disability Challengers for the purposes of company law) set and monitor strategy and policies. The Trustees delegate authority to deliver strategy to the Chief Executive Officer and Senior Leadership Team with regular board meetings where reports are received on all the core activities of the charitable company.

The Trustees have established standing sub-groups each with its terms of reference for Finance, Audit & Risk; Safeguarding & Operations; and Fundraising & Communications. They are responsible for preparing the Trustees' annual reports and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (the United Kingdom Generally Accepted Accounting Practice).

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

In preparing 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity 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.



In so far as Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. Auditors Sayer Vincent LLP were re-appointed during the year to act as Challengers' auditors.

The Trustees' report was approved by the Trustees on 05/12/2023 and is signed on their behalf by:



**Mr Russell Harvey,
Chair of the Board**

Trustees Admin Report

The organisation is a charitable company limited by guarantee, incorporated on 8th October 2001 and registered as a charity on 19th December 2002. 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. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

Executive committee

- Chair of the Board – Russell Harvey (appointed March 2023)
- Interim Chair of the Board and Parent Trustee – Gail Bedding (resigned March 2023)
- Chair of the Board – Graeme Stretton (resigned June 2022)
- Treasurer – Bernard McAlister
- Board Secretary – Megan Dooley
- Communications Trustee – Alison Stenlake
- Fundraising Trustee – Rachel Bartholomeusz (resigned December 2022)
- Legal Trustee – Holly Chantler (resigned December 2022)
- Safeguarding Trustee – Sormeh Nikourazm (resigned March 2023)
- Governance Trustee – Kim Sanders
- Parent Trustee – Deborah Smith
- Parent Trustee – Natasha Morris
- Trustee – Jake Hatt (appointed December 2022)

Leadership Team

- CEO – Gen Dearman
- Head of Finance – Andrew Kendall
- Head of Quality – Laura Baxter (until March 2023)
- Head of Fundraising & Communications – Carla Gill (until January 2023)
Head of Fundraising – Samantha Lane (from April 2023)
- Head of Service – Paul Wilson

Advisors

Auditors – Sayer Vincent LLP Invicta House, 108-114 Golden Lane London, EC1Y 0TL

Honorary Legal Advisers – rhw solicitors LLP Ranger House, Walnut Tree Close
Guildford, GU1 4UL

Bankers – Barclays Bank PLC, North Street, Guildford, GU1 4AG

The logo for 'Challengers' is displayed in a large, bold, orange font. The word 'Challengers' is underlined with a thin orange line. A small orange star is positioned to the right of the underline, partially overlapping the end of the word.

www.disability-challengers.org

Stoke Park, Guildford, Surrey, GU1 1TU

Registered Charity Number: 1095134

Companies House: 04300724

Opinion

We have audited the financial statements of Disability Challengers (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Disability Challengers' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Disability Challengers

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Independent auditor's report

To the members of

Disability Challengers

- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent auditor's report

To the members of

Disability Challengers

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Disability Challengers

Use of our report

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

A handwritten signature in dark ink, appearing to read 'Sayer Vincent LLP', is positioned above the printed name of the auditor.

Joanna Pittman (Senior statutory auditor)

8 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Disability Challengers

Statement of financial activities (incorporating an income and expenditure account)

Company no. 4300724

For the year ended 31 March 2023

									15 months to 31 March 2022
	Note	Unrestricted £	Designated £	Restricted £	2023 Total £	Unrestricted £	Designated £	Restricted £	Total £
Income from:									
Donations and legacies	2	373,115	–	568,381	941,496	451,622	–	317,188	768,810
Charitable activities									
Pre-school and Play	3	773,932	–	22,853	796,785	936,027	–	100,078	1,036,105
Youth Schemes	3	715,734	–	–	715,734	799,010	–	14,856	813,866
Other trading activities	4	181,944	–	6,732	188,676	215,431	–	19,918	235,348
Investments	5	2,317	–	–	2,317	1,008	–	–	1,008
Total income		2,047,043	–	597,966	2,645,009	2,403,098	–	452,040	2,855,138
Expenditure on:									
Raising funds	6	266,064	–	–	266,064	274,688	–	–	274,688
Charitable activities									
Pre-school and Play	6	1,076,339	44,477	143,890	1,264,706	1,160,567	68,097	285,812	1,514,476
Youth Schemes	6	930,062	12,205	136,056	1,078,323	834,787	27,756	264,389	1,126,932
Total expenditure		2,272,464	56,682	279,946	2,609,092	2,270,042	95,853	550,201	2,916,095
Net income / (expenditure) for the year	8	(225,421)	(56,682)	318,020	35,917	133,057	(95,853)	(98,161)	(60,957)
Transfers between funds		(252,090)	252,090	–	–	–	–	–	–
Net movement in funds		(477,511)	195,408	318,020	35,917	133,057	(95,853)	(98,161)	(60,957)
Reconciliation of funds:									
Total funds brought forward		1,027,645	2,433,291	408,534	3,869,470	894,588	2,529,144	506,695	3,930,427
Total funds carried forward		550,134	2,628,699	726,554	3,905,387	1,027,645	2,433,291	408,534	3,869,470

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Disability Challengers

Balance sheet

Company no. 4300724

For the year ended 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	13		3,194,857		3,028,922
			<u>3,194,857</u>		<u>3,028,922</u>
Current assets:					
Debtors	14	327,128		249,431	
Short term deposits		173,839		173,839	
Cash at bank and in hand		876,039		897,484	
		<u>1,377,006</u>		<u>1,320,755</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(622,597)		(410,375)	
Net current assets			<u>754,409</u>		<u>910,380</u>
Total assets less current liabilities			<u>3,949,266</u>		<u>3,939,303</u>
Creditors: amounts falling due after one year	17		(43,879)		(69,833)
Total net assets			<u><u>3,905,387</u></u>		<u><u>3,869,470</u></u>
 The funds of the charity:	 19a				
Restricted income funds			726,554		408,534
Unrestricted income funds:					
Designated funds		2,628,699		2,433,291	
General funds		550,134		1,027,645	
		<u></u>		<u></u>	
Total unrestricted funds			<u>3,178,833</u>		<u>3,460,936</u>
Total charity funds			<u><u>3,905,387</u></u>		<u><u>3,869,470</u></u>

Approved by the trustees on 5 December 2023 and signed on their behalf by

Russell Harvey
Chairman

Bernard McAlister
Treasurer

Disability Challengers

Statement of cash flows

Company no. 4300724

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net income for the reporting period		35,917		(60,957)	
Depreciation charges	13	103,558		138,814	
Interest and rent from investments		2,317		1,008	
(Increase)/decrease in debtors	14	(77,696)		(112,541)	
Increase/(decrease) in creditors	15	186,269		15,214	
Net cash provided by / (used in) operating activities			250,364		(18,464)
Cash flows from investing activities:					
Dividends, interest and rents from investments		(2,317)		(1,008)	
Purchase of fixed assets	13	(269,492)		(90,338)	
Net cash provided by / (used in) investing activities			(271,809)		(91,346)
Change in cash and cash equivalents in the year			(21,445)		(109,809)
Cash and cash equivalents at the beginning of the year			1,071,323		1,181,133
Cash and cash equivalents at the end of the year			1,049,878		1,071,323
Analysis of cash and cash equivalents and of net debt					
				Other non-cash changes	At 31 March 2023
	At 1 April 2022	Cash flows	£	£	£
Short-term deposits	173,839	–		–	173,839
Cash at bank and in hand	897,484	(21,445)		–	876,039
Total cash and cash equivalents	1,071,323	(21,445)		–	1,049,878

1 Accounting policies

a) Statutory information

Disability Challengers is a charitable company limited by guarantee and is incorporated in the United Kingdom and Wales.

The registered office address and principal place of business is Challengers Play Centre, Stoke Park, London Road, Guildford, GU1 1TU.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity's accounting reference period ending 31 December 2021 has been extended to 15 months so as to end on 31 March 2022.

Subsequent periods will 12 months ending on 31 March in future years. The trustees consider that ending the accounting period on 31 March allows readers of the financial statements to better understand income and expenditure relating to the main contractual relationships of the charity.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Having assessed projected future income, expenditure and cash flows over the period to 31 December 2024, including expected service delivery, changes to local authority funding and the variability of fundraising income and analysed the strength of the charity's reserves, liquid assets and its ability to withstand a short-term material fall in income, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue their activities for the foreseeable future. Therefore, we have continued to adopt the going concern basis in preparing the financial statements.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

For the year ended 31 March 2023**1 Accounting policies (continued)****h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering Pre-school, Play, Youth and Young Adult services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- | | |
|-------------------------------|-----|
| • Pre-school and Play Schemes | 47% |
| • Youth Schemes | 53% |

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- | | |
|-------------------------------|-----|
| • Pre-school and Play Schemes | 47% |
| • Youth Schemes | 53% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------------------|-----------------|
| • Land | not depreciated |
| • Buildings | 50 years |
| • Play Equipment | 5 – 20 years |
| • Other Equipment | 5 years |
| • IT Equipment | 3 years |
| • Fixtures and Fittings | 5 years |
| • Motor Vehicles | 4 years |

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

For the year ended 31 March 2023**1 Accounting policies (continued)****p) Pensions**

The charitable company operates a defined contribution scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	15 months to 31 March 2022 Total £
Gifts	273,250	568,381	841,631	368,619	313,588	682,207
Legacies	99,865	–	99,865	3,000	–	3,000
Donated services	–	–	–	–	3,600	3,600
Furlough Income	–	–	–	80,003	–	80,003
	373,115	568,381	941,496	451,622	317,188	768,810

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	15 months to 31 March 2022 Total £
Pre-school and play schemes						
Contract – Surrey County Council	217,989	–	217,989	322,109	–	322,109
Contract – Hampshire County Council	109,300	–	109,300	177,410	–	177,410
Contract – Achieving for Children	170,608	–	170,608	105,882	–	105,882
Session fees	276,035	–	276,035	330,626	–	330,626
Grants	–	22,853	22,853	–	100,078	100,078
Sub-total for Pre-school and play schemes	773,932	22,853	796,785	936,027	100,078	1,036,105
Youth Schemes						
Contract – Surrey County Council	212,905	–	212,905	295,855	–	295,855
Contract – Hampshire County Council	94,270	–	94,270	184,637	–	184,637
Contract – Reading Borough Council	–	–	–	4,380	–	4,380
Contract – West Sussex County Council	35,000	–	35,000	61,508	–	61,508
Contract – Achieving for Children	93,999	–	93,999	56,524	–	56,524
Session fees	279,561	–	279,561	196,106	–	196,106
Grants	–	–	–	–	14,856	14,856
Sub-total for Youth Schemes	715,734	–	715,734	799,010	14,856	813,866
Total income from charitable activities	1,489,667	22,853	1,512,519	1,735,037	114,934	1,849,972

4 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	15 months to 31 March 2022 Total £
Centre rental	27,076	–	27,076	30,694	–	30,694
Sponsored events	34,358	–	34,358	38,313	19,418	57,730
Corporatate events	61,516	750	62,266	56,028	–	56,028
Other events	58,443	5,982	64,425	72,454	500	72,954
Profit / (Loss) on sale of non-current assets	–	–	–	5,000	–	5,000
Miscellaneous	550	–	550	12,941	–	12,941
	181,944	6,732	188,676	215,431	19,918	235,348

5 Income from investments

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	15 months to 31 March 2022 Total £
Bank interest on Reserves	2,317	–	2,317	1,008	–	1,008
	2,317	–	2,317	1,008	–	1,008

6 Analysis of expenditure (current year)

	Charitable activities					2023 Total £	15 months to 31 March 2022
	Raising funds £	Pre-school & Play Schemes £	Youth Schemes £	Governance costs £	Support costs £		Total £
Staff costs (Note 9)	199,377	718,748	500,186	54,130	435,727	1,908,167	2,065,777
Activities	-	36,188	61,094	-	-	97,282	66,087
Motor costs	-	5,171	14,403	-	-	19,575	23,324
Equipment costs	14,532	32,520	35,104	-	953	83,110	112,466
Property costs	-	50,455	50,116	-	57,749	158,320	217,600
Insurance	-	21,162	13,263	2,295	222	36,942	41,729
PPS, Phone, Scheme promotion	3,062	6,786	5,784	-	20,064	35,696	48,637
Depreciation	2,989	61,528	20,742	-	18,299	103,557	138,814
Other costs	16,848	15,615	15,878	13,148	74,517	136,006	163,734
Provision for doubtful debt	-	-	-	-	1,181	1,181	14,294
Fundraising direct cost	29,255	-	-	-	-	29,255	23,634
	266,064	948,173	716,570	69,573	608,712	2,609,092	2,916,095
Support costs	-	284,066	324,646	-	(608,712)	-	-
Governance costs	-	32,467	37,106	(69,573)	-	-	-
Total expenditure 2023	266,064	1,264,706	1,078,322	-	-	2,609,092	2,916,095
Total expenditure 2022	274,688	1,514,476	1,126,932	-	-		2,916,095

In 2023 unrestricted expenditure was £2,329,147 (2022: £2,365,894) and restricted expenditure was £279,946 (2022: £550,201).

Disability Challengers

Notes to the financial statements

For the year ended 31 March 2023

7 Analysis of expenditure (prior year)

	Charitable activities					15 months to 31 March 2022 Total £
	Raising funds £	Pre-school & Play Schemes £	Youth Schemes £	Governance costs £	Support costs £	
Staff costs (Note 9)	231,293	802,029	502,826	56,353	473,276	2,065,777
Activities	–	23,311	42,775	–	–	66,087
Motor costs	–	10,788	11,579	–	957	23,324
Equipment costs	1,112	56,959	52,711	–	1,684	112,466
Property costs	–	126,132	90,387	–	1,081	217,600
Insurance	–	25,989	13,222	2,295	223	41,729
PPS, Phone, Scheme promotion	6,003	21,302	20,822	–	509	48,637
Depreciation	1,377	93,714	40,576	–	3,147	138,814
Other costs	11,268	46,295	44,077	11,648	50,446	163,734
Provision for doubtful debt	–	–	–	–	14,294	14,294
Fundraising direct cost	23,634	–	–	–	–	23,634
	274,688	1,206,519	818,975	70,296	545,617	2,916,095
Support costs	–	272,809	272,809	–	(545,617)	–
Governance costs	–	35,148	35,148	(70,296)	–	–
Total expenditure 2022	274,688	1,514,476	1,126,932	–	–	2,916,095

Disability Challengers

Notes to the financial statements

Company no. 4300724

For the year ended 31 March 2023

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023	15 months to 31 March 2022
	£	£
Depreciation	103,557	138,814
Profit on disposal of fixed assets	–	5,000
Auditor's remuneration (excluding VAT):		
Audit	10,500	9,250
Tax advice	–	–

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	15 months to 31 March 2022
	£	£
Salaries and wages	1,781,022	1,873,332
Social security costs	102,609	116,391
Employer's contribution to defined contribution pension schemes	24,536	28,595
Consultancy costs	–	47,460
	1,908,167	2,065,777

One employee earned above £60,000 during the period (2022: no employees earned above £60,000) within the following band.

	2023 number	15 months to 31 March 2022 number
£60,001 – £70,000	1	0

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £259,201 (2022: £305,202).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 181 (2022: 191).

	2023 No.	2022 No.
Raising funds	7	5
Pre-school and Play Schemes	73	116
Youth Schemes	84	57
Support	17	13
	181	191

11 Related party transactions

There are no related party transactions to disclose for 2023 (2022: none).

Donations totalling £170 were received from related parties during the year without conditions.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

For the year ended 31 March 2023
13 Tangible fixed assets

	Freehold property £	Equipment Play £	Equipment Other £	Motor vehicles £	Furniture £	Total £
Cost						
At the start of the year	3,474,260	562,730	303,034	102,938	14,012	4,456,974
Additions in year	15,528	226,817	26,768	–	380	269,493
Disposals in year	–	246,528	80,965	–	–	327,493
At the end of the year	3,489,788	543,018	248,837	102,938	14,392	4,398,974
Depreciation						
At the start of the year	592,519	474,100	244,643	102,938	13,853	1,428,052
Charge for the year	56,624	19,621	27,154	–	159	103,558
Eliminated on disposal	–	246,528	80,965	–	–	327,493
At the end of the year	649,143	247,192	190,832	102,938	14,012	1,204,117
Net book value						
At the end of the year	2,840,645	295,826	58,005	–	380	3,194,857
At the start of the year	2,881,741	88,630	58,391	–	159	3,028,922

Land with a value of £681,865 (2022: £681,865) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

14 Debtors

	2023 £	2022 £
Trade debtors	228,679	131,904
Prepayments	83,925	109,121
Accrued income	14,524	8,406
	327,128	249,431

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	268,704	152,490
Borrowings	10,000	10,000
Lease liabilities	22,241	18,103
Taxation and social security	21,071	23,577
Accruals	119,259	130,807
Deferred income (note 16)	181,322	75,398
	622,597	410,375

16 Deferred income

Deferred income comprises of Local Authority contracts and session fees booked in advance of delivery.

	2023 £	2022 £
Balance at the beginning of the year	75,398	27,534
Amount released to income in the year	(75,398)	(27,534)
Amount deferred in the year	181,322	75,398
Balance at the end of the year	181,322	75,398

For the year ended 31 March 2023**17 Creditors: amounts falling due in greater than one year**

	2023 £	2022 £
Borrowings	29,167	39,167
Lease liabilities	14,713	30,666
	43,879	69,833

Borrowings comprises a Coronavirus Business Interruption Loan from Barclays Bank repayable over 7 years with the final repayment due in February 2028. The loan is unsecured and is subject to interest of 2.5% per annum.

18a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	2,570,814	624,044	3,194,857
Net current assets	594,013	57,885	102,510	754,409
Non-current liabilities	(43,879)	–	–	(43,879)
Net assets at 31 March 2023	550,134	2,628,699	726,554	3,905,387

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	195,408	2,425,406	408,108	3,028,922
Net current assets	902,070	7,885	426	910,381
Non-current liabilities	(69,833)	–	–	(69,833)
Net assets at 1 April 2022	1,027,645	2,433,291	408,534	3,869,470

19a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Capital					
Equipment fund	9,310	294,769	5,209	–	298,870
Farnham Refurbishment Project	398,797	–	8,672	–	390,125
Scheme operating					
Pre-school and Play Schemes	213	161,182	137,412	–	23,984
Youth Schemes	213	142,014	128,652	–	13,576
Total restricted funds	408,534	597,966	279,946	–	726,554
Unrestricted funds:					
Designated funds:					
Property and Development fund	2,433,291	–	56,682	–	2,376,609
Property Maintenance fund	–	–	–	50,000	50,000
Fixed Asset fund	–	–	–	202,090	202,090
Total designated funds	2,433,291	–	56,682	252,090	2,628,699
General funds	1,027,645	2,047,043	2,272,464	(252,090)	550,134
Total unrestricted funds	3,460,935	2,047,043	2,329,147	–	3,178,833
Total funds	3,869,470	2,645,008	2,609,092	–	3,905,387

The narrative to explain the purpose of each fund is given at the foot of the note below.

For the year ended 31 March 2023**19b Movements in funds (prior year)**

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Capital					
Equipment fund	15,863	6,000	12,552	–	9,310
Farnham Refurbishment Project	409,450	–	10,652	–	398,797
Scheme operating					
Pre-school and Play Schemes	58,043	216,379	274,210	–	213
Youth Schemes	23,340	229,660	252,786	–	213
Total restricted funds	506,695	452,039	550,201	–	408,534
Unrestricted funds:					
Designated funds:					
Property and Development fund	2,504,816	–	71,525	–	2,433,291
IT Development fund	24,329	–	24,329	–	–
Total designated funds	2,529,144	–	95,853	–	2,433,291
General funds	894,588	2,403,098	2,270,041	–	1,027,645
Total unrestricted funds	3,423,731	2,403,098	2,365,894	–	3,460,936
Total funds	3,930,426	2,855,137	2,916,095	–	3,869,470

Transfers between funds

2023: Transfer of £50,000 from unrestricted General funds to designated funds to establish the Property Maintenance fund in Designated funds.

2022: Nil transfer of funds

Purposes of restricted funds

Equipment fund – Represents donations for specific item of equipment. Depreciation being provided over the useful life of the item.

Farnham Building Refurbishment Project – During 2018 our play and youth buildings at our Farnham site under went significant refurbishment. The project was completed in January 2019.

This fund will cover future depreciation charges associated with refurbishment.

Scheme operating Fund – funding for general running costs on specific schemes.

Fundraising – Funds & supplies donated to publish Christmas cards and support fundraising events.

Training project – Fund to support the research and development of accredited training and trading.

Staff Training– Garfield Western Foundation grant to support the cost of our training , officer, online training portal and courses.

Department of Health – Health and Social Care Volunteering fund grant over 4 years total funding £48,149 ending Mar 19 to deliver Challengers Engagement Volunteers project, improving health & care outcomes for disabled children and young people.

Purposes of designated funds

Property and Development fund – Is the result of two capital campaigns one to buy the land and buildings at Challengers Farnham centre and the other to build Challengers new centre at Guildford which was completed in 2013. This fund will cover future depreciation and maintenance charges for both properties.

Property Maintenance fund – This designated fund has been established to cover the cost of building maintenance and repairs of our Farnham and Guildford sites.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.