

# PROJECT CHALLENGE

England & Wales · Charity number 1060934

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">03264709</a>
Registered	1997-02-25
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Orangebox 1 Blackledge Halifax HX1 1AF
Phone	01422363644
Email	<a href="mailto:mail@projectchallenge.org.uk">mail@projectchallenge.org.uk</a>
Website	<a href="http://www.projectchallenge.org.uk">www.projectchallenge.org.uk</a>

## Activities

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**Objects:** TO ADVANCE THE EDUCATION OF DISADVANTAGED YOUNG PEOPLE IN WEST YORKSHIRE BETWEEN THE AGES OF 16 TO 24 WHO ARE UNEMPLOYED OR LACKING IN QUALIFICATIONS OR AT RISK OF PERSISTANT ANTI-SOCIAL BEHAVIOUR OR OFFENDING BY THE PROVISION OF PROGRAMMES OF OUTDOOR EDUCATION, OTHER TRAINING AND CHALLENGING ACTIVITIES TO IMPROVE THEIR PERSONAL AND SOCIAL SKILLS

**Activities:** To advance the education of disaffected young people in West Yorkshire between the ages of 16 and 19, who are unemployed, or lacking in qulaifications, or at risk of persistent anti-social behaviour, or offending, by the provision of programmes of outdoor education other training and challenging activities to improve their personal and social skills

## Classification

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- **How:** Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Children/young People

## Geography

- **Area of benefit:** WEST YORKSHIRE
- Bradford City
- Calderdale
- Kirklees
- Leeds City

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£691,015	£726,826	£378,324	13
2024-07-31	£626,255	£595,230	£414,135	14
2023-07-31	£609,977	£523,145	£383,109	14
2022-07-31	£0	£415,700	£296,277	12
2021-07-31	£395,933	£279,803	-	-

## Trustees

Name	Role	Appointed
<b>PAMELA JILL WILSON CBE</b>	Chair	
ALLAN NAYLOR		2016-09-27
Christopher Eves		2016-09-27
Neil Earnshaw		2017-09-15
Roger Andrew Harvey		2020-07-08
Roger Masterson		2016-09-27

**PROJECT CHALLENGE**

England & Wales - Charity number 1060934

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# Accounts

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**Company registration number 03264709 (England and Wales)**

**Charity registration number 1060934 (England and Wales)**

**PROJECT CHALLENGE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2025**

# PROJECT CHALLENGE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	N Earnshaw C Eves R A Harvey OBE R W Masterson A Naylor P J Wilson CBE	
<b>Secretary</b>	L M Butterick	
<b>Senior management</b>	L M Butterick	- Project Manager
<b>Charity number (England and Wales)</b>	1060934	
<b>Company number</b>	03264709	
<b>Registered office</b>	Orangebox Blackledge Halifax West Yorkshire HX1 1AF	
<b>Independent examiner</b>	V J Atkinson BK Plus Limited 52 St Johns Lane Halifax West Yorkshire HX1 2BW	
<b>Bankers</b>	Yorkshire Bank PLC 7 Waterhouse Street West Yorkshire HX1 1LU	
<b>Solicitors</b>	Wilkinson Woodward Halifax HX1 1LU	

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# PROJECT CHALLENGE

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# PROJECT CHALLENGE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2025

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

### Objectives and activities

The Charity's objectives are:

To advance the education of disaffected young people aged 16–19 in West Yorkshire who are unemployed, lacking in qualifications, or at risk of persistent anti-social behaviour or offending, through the provision of outdoor education, training and challenging activities designed to improve personal and social skills.

### Public benefit

The trustees have had due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and when planning future activities. In particular, the trustees consider how planned activities contribute to the charity's purposes and deliver public benefit.

### Achievements and performance

#### Charitable activities

Project Challenge receives core funding from Calderdale College under a Study Programme subcontract. This contract operated from August 2024 to July 2025.

During the year, the charity was successful in securing additional funding from Calderdale College to support learners with Higher Needs and Education, Health and Care Plans (EHCPs). This funding enabled Project Challenge to continue delivering core provision and to develop enhanced services for the most vulnerable learners.

The charity employed the following staff during the year, on a combination of full-time, part-time and term-time contracts:

- Business Manager	Full time
- Finance / Admin	Full time
- Functional Skills Tutor - Maths	Part time 0.8 - Term time
- Functional Skills Tutor - English	Part time 0.8 - Term time
- N'Gage Vocational Tutor	Full time
- ACTIV8 Vocational Tutor/ Operations Manager	Full time
- Ignite Vocational Tutor	Full time - Term time
- NGage Student Liaison	Full time - Term time
- Activ8 Student Liaison	Part time - Term time
- Ignite Student Liaison	Part time - Term time
- School Liaison	Part time – Term time
- EHCP Support	Part time – Term time
- Cafe Supervisor	Part time 0.8

In addition, the charity commissioned a freelance Quality Assurance and External Verification consultant, and a freelance Support Worker. During 2024/25 this support was extended in response to increased demand for bespoke 1:1 tuition for under-16 learners who had been excluded from school.

# PROJECT CHALLENGE

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

### FOR THE YEAR ENDED 31 JULY 2025

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#### Financial review

##### Financial position

The charity has received income of £691,015 (2024: £626,255) and incurred expenditure of £726,826 (2024: £595,230) in the year, leaving a net deficit of £35,811 (2024: net surplus of £31,025).

The year saw significant operational developments, including:

- Growth in the number of under-16 learners referred from schools, generating income of approximately £155,000.
- Following a successful quality visit by Calderdale Metropolitan Borough Council (CMBC) Alternative Provision Lead, a place was commissioned by the Special Educational Needs Team for an under -16.

Looking ahead to 2025/26, the following changes have been implemented:

- A partnership with Trinity Halifax to deliver GCSE provision on-site at Orange Box, supported by two Trinity teachers.
- An increase of 50% in the Calderdale College EHCP learner contract, from 10 to 15 places.
- A 3.5% increase in Calderdale College service income.

#### Principal funding sources

##### Calderdale College Core Funding

Service income increased by 3.5% during the year, with full autonomy given to Project Challenge regarding programme length which is funded in a banding structure. Given the complexity and unpredictability of the client group, it remains challenging to manage success factors and learner retention at full-time levels required to draw down maximum funding rates.

College funding was fully utilised by March 2025. The contract requires continual reconciliation throughout the year due to learner movement between Calderdale College and Project Challenge. During the year, the programme achieved a 98.4% success rate across Maths, English and vocational provision.

Project Challenge remains the sole provider of a roll-on/roll-off Study Programme in Calderdale. Demand for provision has remained high, reflecting ongoing levels of permanent exclusion and the needs of young people furthest from the employment market.

##### Community Foundation – Healthy Holidays Programme

The charity was successful in securing £40,000 from the Community Foundation to deliver a Healthy Holidays programme across all school holiday periods. Provision at Orange Box supported young people aged 13–19 through activities including games, healthy eating and crafts.

A further element involved partnership working with the Local Authority Play Services, employing Project Challenge learners in paid work experience roles to prepare healthy meals for children and young people from deprived postcodes who were eligible for free school meals.

##### Orange Box

The charity's location at Orange Box supports partnership working with other services within the building, creating opportunities for learners through initiatives including the Healthy Holidays programme and the Resilience Fund.

# PROJECT CHALLENGE

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

FOR THE YEAR ENDED 31 JULY 2025

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### *Reserves policy*

The charity aims to maintain a sufficient level of reserves to ensure that uninterrupted services may continue in the event of short term funding problems, funding being withdrawn, redundancy payments and settlement of creditors.

The charity's policy is to hold reserves equivalent to six months' running costs, calculated at £363,412 based on forecast expenditure for the 2025/26 financial year. This level of reserves is considered appropriate to provide a reasonable level of financial resilience and to allow the charity sufficient time to respond to any unexpected reduction in income while continuing to deliver its charitable activities.

The charity has established a designated redundancy fund to meet potential future redundancy liabilities. As at 31 July 2025, this fund amounted to £60,000, reflecting the trustees' assessment of the charity's potential obligations.

The trustees set out below their calculation of 'free' reserves based on these calculations, after taking account of reserves held for replacement of fixed assets (£1,125) and lease commitments (£nil), there is a shortfall in reserves at 31 July 2025.

	31/07/25
	£
Total Funds at 31/7/25	378,324
Less : Designated Redundancy Fund	- 60,000
Total Unrestricted General Funds	318,324
Less : Fixed Assets (Note 13)	- 1,125
Less : Lease Commitments (Note 19)	-
Less : 6 Months Operating Costs	- 363,412
Shortfall in Reserves at 31/7/25	- 46,213

The trustees acknowledge that this represents a shortfall against the charity's reserves policy. This position reflects the continued use of unrestricted funds to support service delivery during the year and the timing of funding receipts. The trustees consider this position to be manageable in the short term, given the charity's ongoing activities, funding arrangements, and cash flow monitoring procedures.

The trustees have adopted a prudent and proactive approach and will continue to closely monitor the level of reserves. Actions are being taken to strengthen the charity's financial position over time, including careful cost control, diversification of income streams, and working towards the gradual rebuilding of unrestricted reserves.

The trustees' longer-term intention is to move towards a positive free reserves position, enabling the creation of additional designated funds to support future asset replacement (including IT infrastructure) and to provide capacity for opportunity, innovation, and development in service delivery.

### **Plans for future periods**

Project Challenge continues to operate as an established Alternative Provision (AP) provider for young people with high needs, including statutory school-age learners (under 16) at risk of permanent exclusion.

Alternative Provision capacity within Calderdale remains limited, particularly for young people with complex needs, both with and without an EHCP. During 2024/25, the charity received 15 referrals from schools for under-16 provision, across full-time, part-time and 1:1 programmes.

Post-16 EHCP places commissioned by Calderdale College were previously capped at 10, which constrained the charity's ability to meet demand. This has been addressed for 2025/26 with an increase to 15 places, enabling improved responsiveness to local need.

# PROJECT CHALLENGE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

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### Structure, governance and management

The charity is a limited company, limited by guarantee, and as such is controlled by its Memorandum and Articles of Association.

### Organisation

The Articles of Association state that, at every Annual Meeting, one third of the Trustees who are subject to retirement shall retire. Following the Companies Act 2006 the Trustees who retire by rotations are those serving the longest. For those who were appointed on the same day those who shall retire (unless otherwise agreed amongst themselves be determined by majority votes, the Chair will have the casting vote.

The Trustees meet quarterly with the Business Manager informing of major changes/issues by a newsbites email.

Trustees have areas of responsibility and can meet to deal with emerging issues for their area, making decisions that do not need a vote.

### Induction and training of new trustees

All Trustees receive induction on their appointment to the Board and receive appropriate training during their term of office. They are all in receipt of an enhanced DBS check.

### Related parties

The Secretary is also the Business Manager of the Project. None of the other Trustees have a beneficial interest in the Company.

### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

P Dawber (Resigned 11 February 2025)  
N Earnshaw  
C Eves  
R A Harvey OBE  
R W Masterson  
A Naylor  
P J Wilson CBE

The trustees report was approved by the Board of Trustees.

*C R Eves*

.....  
C Eves  
Trustee

17/03/2026  
Date: .....

# PROJECT CHALLENGE

## STATEMENT OF TRUSTEES RESPONSIBILITIES

*FOR THE YEAR ENDED 31 JULY 2025*

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 17/03/2026 and signed on its behalf by:

*C R Eves*

C Eves - Trustee

# PROJECT CHALLENGE

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PROJECT CHALLENGE

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I report to the trustees on my examination of the financial statements of Project Challenge (the charity) for the year ended 31 July 2025.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006. You are satisfied that the financial statements of the charity are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 65 of the Charities Act (Northern Ireland) 2008 and section 145 of the Charities Act 2011. In carrying out my examination I have followed the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act (Northern Ireland) 2008 and the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

### Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011 and section 65 of the Charities Act (Northern Ireland) 2008. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

**V J Atkinson**  
BK Plus Limited  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW  
Date: 7 April 2026

*BK Plus Limited*

# PROJECT CHALLENGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

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	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<b>Income and endowments from:</b>			
Donations and legacies	3	62,956	64,742
Charitable activities	4	612,494	545,070
Investments	5	10,879	12,635
Sundry Income	6	4,686	3,808
<b>Total income</b>		<u>691,015</u>	<u>626,255</u>
<b>Expenditure on:</b>			
Charitable activities	7	726,826	595,230
<b>Total expenditure</b>		<u>726,826</u>	<u>595,230</u>
<b>Net income/(expenditure) and movement in funds</b>		<u>(35,811)</u>	<u>31,025</u>
<b>Reconciliation of funds:</b>			
Fund balances at 1 August 2024		<u>414,135</u>	<u>383,110</u>
<b>Fund balances at 31 July 2025</b>		<u>378,324</u>	<u>414,135</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# PROJECT CHALLENGE

## BALANCE SHEET

AS AT 31 JULY 2025

	Notes	2025 £	£	2024 £	£
<b>Fixed assets</b>					
Tangible assets	13		498		1,125
<b>Current assets</b>					
Debtors	14	102,373		82,819	
Cash at bank and in hand		313,849		356,866	
		416,222		439,685	
<b>Creditors: amounts falling due within one year</b>	15	(38,396)		(26,675)	
<b>Net current assets</b>			377,826		413,010
<b>Total assets less current liabilities</b>			378,324		414,135
<b>The funds of the charity</b>					
Unrestricted funds	17		378,324		414,135
			378,324		414,135

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2025.

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

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

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

The financial statements were approved by the trustees on ..... 17/03/2026

*C R Eves*

.....  
C Eves  
Trustee

# PROJECT CHALLENGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2025

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	21		(53,896)		49,794
<b>Investing activities</b>					
Investment income received		10,879		12,635	
<b>Net cash generated from investing activities</b>			10,879		12,635
<b>Net cash generated from financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(43,017)		62,429
Cash and cash equivalents at beginning of year			356,866		294,437
<b>Cash and cash equivalents at end of year</b>			313,849		356,866

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# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

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### 1 Accounting policies

#### Charity information

Project Challenge is a private company limited by guarantee incorporated in England and Wales. The registered office is Orangebox, Blackledge, Halifax, West Yorkshire, HX1 1AF.

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Charitable funds

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

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

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

#### 1.4 Income

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

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

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

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

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

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

Fixtures and fittings	20% on cost
Computers	33% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

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

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

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

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

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

#### **1.10 Employee benefits**

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

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

#### **1.11 Retirement benefits**

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

### 2 Critical accounting estimates and judgements

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

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

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

### 3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	17,922	13,398
Grants	45,034	51,344
	<u>62,956</u>	<u>64,742</u>
<b>Grants</b>		
Community Foundation for Calderdale	40,034	47,744
Leeds Community Foundation	5,000	3,600
	<u>45,034</u>	<u>51,344</u>

### 4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<b>Income from Charitable activities</b>		
ALS Support Income	216,467	152,180
Service Income	222,515	210,314
School Learners Income	139,809	163,080
CC Support Income	4,902	5,557
Cafe Income	28,801	13,939
	<u>612,494</u>	<u>545,070</u>

### 5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	10,879	12,635

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

### 6 Sundry Income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	4,686	3,808

### 7 Expenditure on charitable activities

	Charitable Expenditure 2025 £	Charitable Expenditure 2024 £
<b>Direct costs</b>		
Staff costs	463,461	411,690
Depreciation and impairment	627	4,738
Project Activities	109,609	76,624
Premises Costs	43,282	39,123
Staff Expenses	17,998	10,432
Office Expenses	24,827	6,724
Administration Cost	596	5,098
Computer Costs	15,137	12,995
Repairs & Renewals	19,131	-
Subcontract Costs	29,890	25,645
	<u>724,558</u>	<u>593,069</u>
<b>Share of support and governance costs (see note 8)</b>		
Support	2,268	2,161
	<u>726,826</u>	<u>595,230</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>726,826</u>	<u>595,230</u>

### 8 Support costs allocated to activities

	Charitable Expenditure 2025 £	Total 2024 £
Governance	<u>2,268</u>	<u>2,161</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

		(Continued)	
		2025	2024
		£	£
<b>8</b>	<b>Support costs allocated to activities</b>		
	<b>Governance costs comprise:</b>		
	Accountancy fees	2,268	2,161
		<u>2,268</u>	<u>2,161</u>
<b>9</b>	<b>Net movement in funds</b>	<b>2025</b>	<b>2024</b>
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the independent examination of the charity's financial statements	2,268	2,161
	Depreciation of owned tangible fixed assets	627	4,738
		<u>2,895</u>	<u>6,899</u>
<b>10</b>	<b>Trustees</b>		
	None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.		
<b>11</b>	<b>Employees</b>		
	The average monthly number of employees during the year was:		
		<b>2025</b>	<b>2024</b>
		<b>Number</b>	<b>Number</b>
	Charitable activities	13	14
		<u>13</u>	<u>14</u>
	<b>Employment costs</b>	<b>2025</b>	<b>2024</b>
		£	£
	Wages and salaries	419,086	378,650
	Other pension costs	44,375	33,040
		<u>463,461</u>	<u>411,690</u>

There were no employees whose annual remuneration was more than £60,000.

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2025

#### 11 Employees (Continued)

##### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	<u>71,223</u>	<u>73,705</u>

#### 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

#### 13 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 August 2024	2,856	58,280	27,605	88,741
At 31 July 2025	<u>2,856</u>	<u>58,280</u>	<u>27,605</u>	<u>88,741</u>
<b>Depreciation and impairment</b>				
At 1 August 2024	2,561	58,197	26,858	87,616
Depreciation charged in the year	295	83	249	627
At 31 July 2025	<u>2,856</u>	<u>58,280</u>	<u>27,107</u>	<u>88,243</u>
<b>Carrying amount</b>				
At 31 July 2025	<u>-</u>	<u>-</u>	<u>498</u>	<u>498</u>
At 31 July 2024	<u>295</u>	<u>83</u>	<u>747</u>	<u>1,125</u>

#### 14 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Other debtors	-	8,617
Prepayments	17,292	18,463
Accrued income	85,081	55,739
	<u>102,373</u>	<u>82,819</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

### 14 Debtors (Continued)

Accrued income comprises the following balances at the year end:

	2025	2024
	£	£
College	82,890	15,203
School	2,100	27,438
Other	91	13,098
	<u>85,081</u>	<u>55,739</u>

### 15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	7,784	7,092
Other creditors	5,332	4,034
Accruals and deferred income	25,280	15,549
	<u>38,396</u>	<u>26,675</u>

### 16 Retirement benefit schemes

	2025	2024
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	44,375	33,040
	<u>44,375</u>	<u>33,040</u>

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

### 17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2024	Incoming resources	Resources expended	Transfers	At 31 July 2025
	£	£	£	£	£
General Fund	354,135	691,014	(726,825)	-	318,324
Designated Fund- Redundancy	60,000	-	-	-	60,000
General funds	-	1	(1)	-	-
	<u>414,135</u>	<u>691,015</u>	<u>(726,826)</u>	<u>-</u>	<u>378,324</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

### 17 Unrestricted funds (Continued)

Previous year:	At 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2024 £
General Fund	336,574	626,255	(595,230)	(13,464)	354,135
Designated Fund- Redundancy	46,536	-	-	13,464	60,000
	<u>383,110</u>	<u>626,255</u>	<u>(595,230)</u>	<u>-</u>	<u>414,135</u>

### 18 Analysis of net assets between funds

	Unrestricted funds 2025 £
<b>At 31 July 2025:</b>	
Tangible assets	498
Current assets/(liabilities)	377,826
	<u>378,324</u>
	Unrestricted funds 2024 £
<b>At 31 July 2024:</b>	
Tangible assets	1,125
Current assets/(liabilities)	413,010
	<u>414,135</u>

### 19 Operating lease commitments

#### Lessee

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

	2025 £	2024 £
Within one year	-	1,507
	<u>-</u>	<u>1,507</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

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### 20 Related party transactions

There was related party transaction with Plus Public Affairs Limited to the sum of £25,890 (2024 - £25,645) for monthly Quality manager service.

21	Cash (absorbed by)/generated from operations	2025 £	2024 £
	(Deficit)/surplus for the year	(35,811)	31,027
	<b>Adjustments for:</b>		
	Investment income recognised in statement of financial activities	(10,879)	(12,635)
	Depreciation and impairment of tangible fixed assets	627	4,738
	<b>Movements in working capital:</b>		
	(Increase)/decrease in debtors	(19,554)	10,021
	Increase in creditors	11,721	16,643
	<b>Cash (absorbed by)/generated from operations</b>	<u>(53,896)</u>	<u>49,794</u>

### 22 Analysis of changes in net funds

The charity had no material debt during the year.

**PROJECT CHALLENGE**

England & Wales - Charity number 1060934

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# Accounts

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Charity registration number 1060934 (England and Wales)

Company registration number 03264709

**PROJECT CHALLENGE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2024**

# PROJECT CHALLENGE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	N Earnshaw C Eves R A Harvey OBE R W Masterson A Naylor	
<b>Secretary</b>	L M Butterick	
<b>Senior management</b>	L M Butterick	- Project Manager
<b>Charity number (England and Wales)</b>	1060934	
<b>Company number</b>	03264709	
<b>Registered office</b>	Orangebox Blackledge Halifax West Yorkshire HX1 1AF	
<b>Independent examiner</b>	V J Atkinson BK Plus Limited 52 St Johns Lane Halifax West Yorkshire HX1 2BW	
<b>Bankers</b>	Yorkshire Bank PLC 7 Waterhouse Street West Yorkshire HX1 1LU	
<b>Solicitors</b>	Wilkinson Woodward Halifax HX1 1LU	

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# PROJECT CHALLENGE

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# PROJECT CHALLENGE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 JULY 2024

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

#### Objectives and activities

The Charity's objectives are:

***To advance the education of disaffected young people in West Yorkshire between the ages of 16 and 19, who are unemployed, or lacking in qualifications, or at risk of persistent anti-social behaviour, or offending, by the provision of programmes of outdoor education other training and challenging activities to improve their personal and social skills.***

#### Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

#### Achievements and performance

##### Charitable activities

The project receives core funding for all the programmes from Calderdale College under a Study Programme subcontract. This ran from August 2023 to July 2024.

The project was successful in obtaining funding from Calderdale College to support young people with Higher Needs Additional Learning (EHCPs). The funding has enabled Project Challenge to continue providing key services and develop additional services for those most vulnerable young people.

The company employed from its funding, the following full and part time employees:

- Business Manager	Full time
- Finance / Admin	Full time
- Functional Skills Tutor - Maths	Part time 0.8 - Term time
- Functional Skills Tutor - English	Part time 0.8 - Term time
- N'Gage Vocational Tutor	Full time
- ACTIV8 Vocational Tutor	Full time
- Ignite Vocational Tutor	Full time - Term time
- NGage Student Liaison	Full time - Term time
- Activ8 Student Liaison	Part time - Term time
- Ignite Student Liaison	Part time - Term time
- School Liaison	Part time – Term time
- EHCP Support	Part time 0.6
- EHCP Support	Part time – Term time
- Cafe Supervisor	Part time 0.8

In addition the company commissioned one freelance worker to oversee Quality Assurance and external verification. In 2023/24 this was extended due to additional educational demand for under 16's excluded from schools and in need of bespoke 1:1 tuition.

# PROJECT CHALLENGE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

---

### Financial review

#### Financial position

The charity has received income of £626,255 (2023: £609,977) and incurred expenditure of £595,230 (2023: £523,143) in the year, leaving a surplus for the year of £31,025 (2023: £86,834).

The changes made in 2023/24 were significant and had an impact. They were as follows;

- Growth in the number of Under 16s from schools leading to income stream of £145,000

Going forward into 2024/25 the following changes have been made;

- Under 16s are moving to commissioned places with a cap of 10 learners.
- Partnership with GoEducate to offer GCSEs under one roof at Orange Box
- Contract with Calderdale College has increased by 10% and cap of 10 EHCP learners

### Principal funding sources

#### Calderdale College Core Funding

Funding bands remained static and this continues to prove to be an issue for Project Challenge. With an unpredictable client group it is difficult to manage both success factors and whether they will remain on full time programmes once enrolled to draw down maximum funding rates. The College funding was exhausted by May 2023. The contract must be continually reconciled throughout the year due to discrepancies which may arise as some learners transfer between College and Project Challenge. The programme had a 98% success rate.

Project Challenge remains the sole provider of roll on/off Study Programme in Calderdale. The client group are the most vulnerable young people furthest away from the employment market, this combined with post-pandemic challenges has meant there is greater need for our services as numbers of permanently excluded within Calderdale continues to rise.

The Project was successful in securing £38,000 from the Community Foundation to run a Healthy Holidays programme throughout the year for each of the school holidays. This included provision at Orange Box for 13-19 year olds, participating in games, healthy eating and craft activities. Another element was to partner with the Local Authority's Play Services and included employing Project Challenge learners to have a paid work experience producing healthy meals for targeted young people, from deprived postcodes across the Borough, in receipt of Free School Meals.

#### Orange Box

Being housed at Orange Box has enabled further partnerships with other services within the building, regarding opportunities for learners with the Healthy Holidays funding and the Household Support Fund.

# PROJECT CHALLENGE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

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### *Reserves policy*

The charity aims to maintain a sufficient level of reserves to ensure that uninterrupted services may continue in the event of short term funding problems, funding being withdrawn, redundancy payments and settlement of creditors.

The charity has a policy to retain reserves equivalent to 6 months running costs, which is £347,628 based on the future estimated costs for the 24/25 financial year. The rationale being that in the event of delays or cuts to funding the charity can continue to provide its services.

The charity has established a designated fund as provision for its redundancy liabilities, as at 31 July 2024 this was calculated as £60,000.

The trustees set out below their calculation of 'free' reserves based on these calculations, after taking account of reserves held for replacement of fixed assets (£5,000) and lease commitments (£1,507), there are no surplus 'free' reserves at 31 July 2024.

The trustees have taken a prudent approach in setting their reserves policy for the year and will continue to monitor the policy into the next financial year in order to move towards a surplus 'free' reserves position. With the intention of establishing asset renewal designated funds for IT and opportunity and innovation funds for the delivery and development of activities.

31.7.24  
£

Total Funds at 31/7/24	414,135
Less : Designated Redundancy Fund	(60,000)
Total Unrestricted General Funds	354,135
Less : Replacement of fixed assets	(5,000)
Less : Lease Commitments (Note 14)	(1,507)
Less : 6 Months Operating Costs	(347,628)
'Free' Reserves at 31/7/24	£0

### **Plans for future periods**

Project Challenge continues to build a reputation for being an AP - Alternative Provision provider for young people with 'high needs' and for a cohort of statutory school age (under 16's) to prevent becoming permanently excluded. Current under 16 AP in Calderdale seriously lacks the capacity to accommodate some particularly challenging young people both with and without an Education Health Care Plan.

2023/24 we had 14 referrals from schools looking for alternative provision on a mixture of full, part time and 1-2-1 courses.

Post 16 in receipt of an EHCP will be capped at 10 from within Calderdale College. This remains an issue as we are often consulted for more than 10 places and could accommodate these.

# PROJECT CHALLENGE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

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### Structure, governance and management

The charity is a limited company, limited by guarantee, and as such is controlled by its Memorandum and Articles of Association.

### Organisation

The Articles of Association state that, at every Annual Meeting, one third of the Trustees who are subject to retirement shall retire. Following the Companies Act 2006 the Trustees who retire by rotations are those serving the longest. For those who were appointed on the same day those who retire shall (unless otherwise agreed amongst themselves be determined by majority votes, the Chair will have the casting vote.

The Trustees meet quarterly with the Business Manager informing of major changes/issues by a newsbites email.

Trustees have areas of responsibility and can meet to deal with emerging issues for their area, making decisions that do not need a vote.

### Induction and training of new trustees

All Trustees receive induction on their appointment to the Board and receive appropriate training during their term of office. They are all in receipt of an enhanced DBS check.

### Related parties

The Secretary is also the Business Manager of the Project. None of the other Trustees have a beneficial interest in the Company.

### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

P Dawber	(Resigned 11 February 2025)
N Earnshaw	
C Eves	
R A Harvey OBE	
R W Masterson	
A Naylor	
C G Ratcliffe	(Resigned 15 November 2023)
P J Wilson CBE	(Resigned 18 March 2025)

The trustees report was approved by the Board of Trustees.

*Allan Naylor*

.....  
A Naylor  
Trustee

Date: 24/03/2025  
.....

# PROJECT CHALLENGE

## STATEMENT OF TRUSTEES RESPONSIBILITIES

**FOR THE YEAR ENDED 31 JULY 2024**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 24/03/2025 and signed on its behalf by:

*Allan Naylor*

Allan Naylor- Trustee

# PROJECT CHALLENGE

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PROJECT CHALLENGE

---

I report to the trustees on my examination of the financial statements of Project Challenge (the charity) for the year ended 31 July 2024.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006. You are satisfied that the financial statements of the charity are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 65 of the Charities Act (Northern Ireland) 2008 and section 145 of the Charities Act 2011. In carrying out my examination I have followed the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act (Northern Ireland) 2008 and the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

### Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011 and section 65 of the Charities Act (Northern Ireland) 2008. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

**V J Atkinson**  
BK Plus Limited  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW  
Date: .....

*BK Plus Limited*

*24 March 2025*

# PROJECT CHALLENGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2024

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	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<b>Income and endowments from:</b>			
Donations and legacies	3	64,742	57,976
Charitable activities	4	545,070	545,890
Investments	5	12,635	6,111
Sundry Income	6	3,808	-
<b>Total income</b>		<u>626,255</u>	<u>609,977</u>
<b>Expenditure on:</b>			
Charitable activities	7	<u>595,230</u>	<u>523,143</u>
<b>Total expenditure</b>		<u>595,230</u>	<u>523,143</u>
<b>Net income and movement in funds</b>		31,025	86,834
<b>Reconciliation of funds:</b>			
Fund balances at 1 August 2023		<u>383,110</u>	<u>296,276</u>
<b>Fund balances at 31 July 2024</b>		<u>414,135</u>	<u>383,110</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# PROJECT CHALLENGE

## BALANCE SHEET

AS AT 31 JULY 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,125		5,865
<b>Current assets</b>					
Debtors	13	82,819		92,840	
Cash at bank and in hand		356,866		294,437	
		<u>439,685</u>		<u>387,277</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(26,675)</u>		<u>(10,032)</u>	
<b>Net current assets</b>			<u>413,010</u>		<u>377,245</u>
<b>Total assets less current liabilities</b>			<u>414,135</u>		<u>383,110</u>
<b>The funds of the charity</b>					
Unrestricted funds	16		<u>414,135</u>		<u>383,110</u>
			<u>414,135</u>		<u>383,110</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2024.

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

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

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

24/03/2025

The financial statements were approved by the trustees on .....

*Allan Naylor*

.....  
A Naylor  
Trustee

Company registration number 03264709 (England and Wales)

# PROJECT CHALLENGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2024

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	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		49,794		40,169
<b>Investing activities</b>					
Investment income received		12,635		6,111	
<b>Net cash generated from investing activities</b>			12,635		6,111
<b>Net cash generated from financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			62,429		46,280
Cash and cash equivalents at beginning of year			294,437		248,157
<b>Cash and cash equivalents at end of year</b>			<u>356,866</u>		<u>294,437</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2024

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#### 1 Accounting policies

##### Charity information

Project Challenge is a private company limited by guarantee incorporated in England and Wales. The registered office is Orangebox, Blackledge, Halifax, West Yorkshire, HX1 1AF.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

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

##### 1.3 Charitable funds

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

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

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

##### 1.4 Income

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

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

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

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

---

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

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

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

Fixtures and fittings	20% on cost
Computers	33% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

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

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

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

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

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

#### 1.10 Employee benefits

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

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

#### 1.11 Retirement benefits

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

### 2 Critical accounting estimates and judgements

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

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

## PROJECT CHALLENGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

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#### 3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	13,398	-
Grants	51,344	57,976
	<u>64,742</u>	<u>57,976</u>
<b>Grants</b>		
Community Foundation for Calderdale	47,744	56,976
Leeds Community Foundation	3,600	1,000
	<u>51,344</u>	<u>57,976</u>

#### 4 Income from charitable activities

	Income from Charitable activities 2024 £	Income from Charitable activities 2023 £
Income from Charitable Activities	545,070	545,890
	<u>545,070</u>	<u>545,890</u>
<b>Analysis by fund</b>		
Unrestricted funds	545,070	545,890
	<u>545,070</u>	<u>545,890</u>

#### 5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	12,635	6,111
	<u>12,635</u>	<u>6,111</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

### 6 Sundry Income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	3,808	-

### 7 Expenditure on charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
<b>Direct costs</b>		
Staff costs	437,334	374,538
Depreciation and impairment	4,738	6,757
Project Activities	76,625	74,565
Premises Costs	39,123	24,706
Staff Expenses	10,432	4,145
Office Expenses	19,719	25,671
Administration Cost	7,259	12,761
	<u>595,230</u>	<u>523,143</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>595,230</u>	<u>523,143</u>

### 8 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	2,161	2,058
Depreciation of owned tangible fixed assets	4,738	6,757

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

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### 10 Employees

The average monthly number of employees during the year was:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Charitable activities	14	14
	<u>          </u>	<u>          </u>

#### **Employment costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	404,294	334,835
Other pension costs	33,040	39,703
	<u>          </u>	<u>          </u>
	<u>437,334</u>	<u>374,538</u>

There were no employees whose annual remuneration was more than £60,000.

#### **Remuneration of key management personnel**

The remuneration of key management personnel was as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	46,866	73,191
	<u>          </u>	<u>          </u>

### 11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

## PROJECT CHALLENGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2024

#### 12 Tangible fixed assets

	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 August 2023	2,856	58,280	27,605	88,741
At 31 July 2024	2,856	58,280	27,605	88,741
<b>Depreciation and impairment</b>				
At 1 August 2023	2,266	54,003	26,609	82,878
Depreciation charged in the year	295	4,194	249	4,738
At 31 July 2024	2,561	58,197	26,858	87,616
<b>Carrying amount</b>				
At 31 July 2024	295	83	747	1,125
At 31 July 2023	590	4,278	997	5,865

#### 13 Debtors

	2024	2023
	£	£
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	82,819	92,840

#### 14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	7,092	6,178
Other creditors	4,034	1,792
Accruals and deferred income	15,549	2,062
	26,675	10,032

#### 15 Retirement benefit schemes

	2024	2023
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	33,040	39,703

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

## PROJECT CHALLENGE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2024

#### 16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2024 £
General Fund	336,574	626,255	(595,230)	(13,464)	354,135
Designated Fund- Redundancy	46,536	-	-	13,464	60,000
	<u>383,110</u>	<u>626,255</u>	<u>(595,230)</u>	<u>-</u>	<u>414,135</u>
<b>Previous year:</b>	<b>At 1 August 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>At 31 July 2023 £</b>
General Fund	257,163	609,977	(523,143)	(7,423)	336,574
Designated Fund- Redundancy	39,113	-	-	7,423	46,536
	<u>296,276</u>	<u>609,977</u>	<u>(523,143)</u>	<u>-</u>	<u>383,110</u>

#### 17 Analysis of net assets between funds

	<b>Unrestricted funds 2024 £</b>
<b>At 31 July 2024:</b>	
Tangible assets	1,125
Current assets/(liabilities)	413,010
	<u>414,135</u>
	<b>Unrestricted funds 2023 £</b>
<b>At 31 July 2023:</b>	
Tangible assets	5,865
Current assets/(liabilities)	377,245
	<u>383,110</u>

# PROJECT CHALLENGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

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### 18 Operating lease commitments

#### Lessee

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

	2024	2023
	£	£
Within one year	1,507	25,686
In over five years	-	1,507
	<u>1,507</u>	<u>27,193</u>

### 19 Related party transactions

There was related party transaction with Plus Public Affairs Limited to the sum of £25,644.50 for monthly Quality manager service.

	2024	2023
	£	£
<b>20 Cash generated from operations</b>		
Surplus for the year	31,027	86,834
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(12,635)	(6,111)
Depreciation and impairment of tangible fixed assets	4,738	6,757
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	10,021	(43,662)
Increase/(decrease) in creditors	16,643	(3,649)
<b>Cash generated from operations</b>	<u>49,794</u>	<u>40,169</u>

### 21 Analysis of changes in net funds

The charity had no material debt during the year.

**PROJECT CHALLENGE**

England & Wales - Charity number 1060934

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# Accounts

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REGISTERED COMPANY NUMBER: 03264709 (England and Wales)  
REGISTERED CHARITY NUMBER: 1060934

**Report of the Trustees and  
Unaudited Financial Statements  
for the Year Ended 31st July 2023  
for  
PROJECT CHALLENGE**

BK Plus Limited  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

**PROJECT CHALLENGE**

**Contents of the Financial Statements  
for the Year Ended 31st July 2023**

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<b>Cash Flow Statement</b>	10
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Report of the Trustees  
for the Year Ended 31st July 2023

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objectives and aims

The Charity's objectives are:

**To advance the education of disaffected young people in West Yorkshire between the ages of 16 and 19, who are unemployed, or lacking in qualifications, or at risk of persistent anti-social behaviour, or offending, by the provision of programmes of outdoor education other training and challenging activities to improve their personal and social skills.**

### Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

## ACHIEVEMENT AND PERFORMANCE

### Charitable activities

The project receives core funding for all the programmes from Calderdale College under a Study Programme subcontract. This ran from August 2022 to July 2023.

The project was successful in obtaining funding from Calderdale College to support young people with Higher Needs Additional Learning (EHCPs). The funding has enabled Project Challenge to continue providing key services and develop additional services for those most vulnerable young people.

The company employed from its funding, the following full and part time employees:

- Business Manager	Full time
- Finance / Admin	Full time
- Functional Skills Tutor - Maths	Part time 0.6 - Term time only
- Functional Skills Tutor - English	Part time 0.6 - Term time only
- N'Gage Vocational Tutor	Full time
- ACTIV8 Vocational Tutor	Full time
- ACTIV8 Student Liaison	Part time - Term time only
- ACTIV8 Youth/Support Workers	Part time - Term time only
- N'Gage Student Liaison	Part time - Term time only
- N'Gage School Student Liaison	Part time - Term time only
- N'Gage Youth/Support Worker	Full time
- Cafe Supervisor	Part time 0.8

In addition the company commissioned one freelance worker to oversee Quality Assurance and external verification. In 2022/23 this was extended due to additional educational demand for under 16's excluded from schools and in need of bespoke 1:1 tuition.

Report of the Trustees  
for the Year Ended 31st July 2023

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## FINANCIAL REVIEW

### Financial position

The charity has received income of £609,977 (2022: £509,392) and incurred expenditure of £523,145 (2022: £415,700) in the year, leaving a surplus for the year of £86,832 (2022: £93,692).

The changes made in 2022/23 were significant and had an impact. They were as follows;

- Additional Finance/Admin post created full time (previous support staff)
- A more substantial contract for young people in receipt of Education Health Care Plans - (EHCP) was secured - this increased from £140,000 to £183,000

Going forward into 2023/24 the following changes have been made;

- Two Senior Support staff employed to take up deputised duties of Vocational Tutors as they increase managerial responsibilities
- Additional two Support Staff employed due to increase in learners with EHCPs, on a term time only basis
- Additional Support staff member to support with Under 16 programmes in partnership with Trinity School

### Principal funding sources

#### Calderdale College Core Funding

Funding bands again remained static and this continues to prove to be an issue for Project Challenge. With an unpredictable client group it is difficult to manage both success factors and whether they will remain on full time programmes once enrolled to draw down maximum funding rates. The College funding was exhausted by December 2022 with an agreement of further enrolments to be determined on merit by individual case. The programme had a 95% progression rate and a 97% success rate.

Project Challenge remains the sole provider of roll on/off Study Programme in Calderdale. The client group are the most vulnerable young people furthest away from the employment market. This year has continued to see an increase in the number of vulnerable learners from neighbouring authorities and also from Calderdale, who were previously educated outside of the Borough, as 'alternative' post 16 educational provision is dwindling in their areas. The Local Authority has pledged to retain within the borough as many of their own vulnerable young people as part of future cost cutting plans.

The Project was successful in securing £51,000 from the Community Foundation to run a Healthy Holidays programme throughout the year for each of the school holidays. This included provision at Orange Box for 13-19 year olds, participating in games, healthy eating and craft activities. One element was in partnership with the Local Authority's Play Services and included employing Project Challenge learners to work in the café producing healthy meals for young people across the Borough, in receipt of Free School Meals.

#### Orange Box

Being housed at Orange Box has enabled further partnerships regarding opportunities for learners with the Healthy Holidays funding.

**Report of the Trustees  
for the Year Ended 31st July 2023**

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**FINANCIAL REVIEW****Reserves policy**

The charity aims to maintain a sufficient level of reserves to ensure that uninterrupted services may continue in the event of short term funding problems, funding being withdrawn, redundancy payments and settlement of creditors.

The charity has a policy to retain reserves equivalent to 6 months running costs, which is £261,572 based on the 22/23 financial year. The rationale being that in the event of delays or cuts to funding the charity can continue to provide its services.

The charity has established a designated fund as provision for its redundancy liabilities, as at 31 July 2023 this was calculated as £46,537.

The trustees set out below their calculation of 'free' reserves based on these calculations, after taking account of reserves held as fixed assets (£5,863) and lease commitments (£27,193), there are surplus 'free' reserves at 31 July 2023 of £41,946.

The trustees have taken a prudent approach in setting their reserves policy for the year and will continue to monitor the policy into the next financial year in order to move towards a surplus 'free' reserves position. With the intention of establishing asset renewal designated funds for IT and opportunity and innovation funds for the delivery and development of activities.

	<u>31.7.23</u>
	<u>£</u>
Total Funds at 31/7/23	383,109
Less : Designated Redundancy Fund	(46,537)
<b>Total Unrestricted General Funds</b>	<b>336,572</b>
Less : Fixed Assets (Note 11)	(5,863)
Less : Lease Commitments (Note 14)	(27,193)
Less : 6 Months Operating Costs	(261,572)
<b>'Free' Reserves at 31/7/23</b>	<b><u>41,944</u></b>

**FUTURE PLANS**

Project Challenge continues to build a reputation for being a 'specialist' provider for young people with 'high needs' and for a cohort of statutory school age (under 16's) to prevent becoming permanently excluded. The under 16 alternative provision in Calderdale seriously lacks the capacity to accommodate some particularly challenging young people both with and without an Education Health Care Plan. Post 16 in receipt of an EHCP will be capped at 10 from within Calderdale College.

2022/23 also led to an increase in referrals from schools looking for alternative provision. There were 27 on a mixture of full, part time and 1-2-1 courses.

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing document**

The charity is a limited company, limited by guarantee, and as such is controlled by its Memorandum and Articles of Association.

**Report of the Trustees  
for the Year Ended 31st July 2023**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisation**

The Articles of Association state that, at every Annual Meeting, one third of the Trustees who are subject to retirement shall retire. Following the Companies Act 2006 the Trustees who retire by rotations are those serving the longest. For those who were appointed on the same day those who retire shall (unless otherwise agreed amongst themselves be determined by majority votes, the Chair will have the casting vote.

The Trustees meet quarterly with the Business Manager informing of major changes/issues by a newsbites email.

Trustees have areas of responsibility and can meet to deal with emerging issues for their area, making decisions that do not need a vote.

**Induction and training of new trustees**

All Trustees receive induction on their appointment to the Board and receive appropriate training during their term of office. They are all in receipt of an enhanced DBS check.

**Related parties**

The Secretary is also the Business Manager of the Project. None of the other Trustees have a beneficial interest in the Company.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03264709 (England and Wales)

**Registered Charity number**

1060934

**Registered office**

Orangebox  
Blackledge  
Halifax  
West Yorkshire  
HX1 1AF

**Trustees**

P J Wilson CBE Chair  
R A Harvey OBE  
D M Horsman MBE (resigned 26/4/23)  
C G Ratcliffe (resigned 15/11/23)  
A P Naylor  
N A Earnshaw  
C Eves  
R W Masterson  
P Dawber (appointed 27/4/23)

**Company Secretary**

L M Butterick

Report of the Trustees  
for the Year Ended 31st July 2023

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**

BK Plus Limited  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

**Bankers**

Yorkshire Bank PLC  
7 Waterhouse Street  
Halifax  
West Yorkshire  
HX1 1XZ

**Solicitors**

Wilkinson Woodward  
11 Fountain Street  
Halifax  
HX1 1LU

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

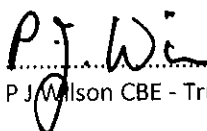
The trustees (who are also the directors of Project Challenge for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting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

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

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

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

Approved by order of the board of trustees on ..... 6/3/24 ..... and signed on its behalf by:

  
P J Wilson CBE - Trustee

**Independent Examiner's Report to the Trustees of  
Project Challenge (Registered number: 03264709)**

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**Independent examiner's report to the trustees of Project Challenge ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st July 2023.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Victoria J Atkinson FCA  
The Institute of Chartered Accountants in England and Wales

BK Plus Limited  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

*BK Plus Limited*

Date: *12 March 2024*

**PROJECT CHALLENGE**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31st July 2023**

	Notes	Unrestricted funds £	Restricted funds £	31/7/23 Total funds £	31/7/22 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	57,976	-	57,976	110,170
<b>Charitable activities</b>					
Charitable	4	545,890	-	545,890	399,161
Investment income	3	<u>6,111</u>	<u>-</u>	<u>6,111</u>	<u>61</u>
<b>Total</b>		<u>609,977</u>	<u>-</u>	<u>609,977</u>	<u>509,392</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Charitable	5	<u>523,145</u>	<u>-</u>	<u>523,145</u>	<u>415,700</u>
<b>NET INCOME</b>		86,832	-	86,832	93,692
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>296,277</u>	<u>-</u>	<u>296,277</u>	<u>202,585</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>383,109</u>	<u>-</u>	<u>383,109</u>	<u>296,277</u>

The notes form part of these financial statements

**PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)**

**Balance Sheet  
31st July 2023**

	Notes	31/7/23 £	31/7/22 £
<b>FIXED ASSETS</b>			
Tangible assets	11	5,863	12,622
<b>CURRENT ASSETS</b>			
Debtors	12	92,840	49,179
Cash at bank and in hand		294,437	248,157
		<u>387,277</u>	<u>297,336</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(10,031)	(13,681)
		<u>377,246</u>	<u>283,655</u>
<b>NET CURRENT ASSETS</b>			
		<u>383,109</u>	<u>296,277</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>383,109</u>	<u>296,277</u>
<b>NET ASSETS</b>			
		<u>383,109</u>	<u>296,277</u>
<b>FUNDS</b>	16		
Unrestricted funds:			
General fund		336,572	257,163
Designated Fund - Redundancy		46,537	39,114
		<u>383,109</u>	<u>296,277</u>
<b>TOTAL FUNDS</b>		<u>383,109</u>	<u>296,277</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st July 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st July 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

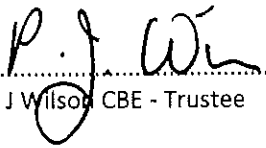
The notes form part of these financial statements

Balance Sheet - continued  
31st July 2023

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

The financial statements were approved by the Board of Trustees and authorised for issue on 6/8/24 and were signed on its behalf by:

  
.....  
P J Wilson CBE - Trustee

The notes form part of these financial statements

PROJECT CHALLENGE

Cash Flow Statement  
for the Year Ended 31st July 2023

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	Notes	31/7/23 £	31/7/22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	40,169	95,670
Net cash provided by operating activities		<u>40,169</u>	<u>95,670</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(12,424)
Interest received		6,111	61
Net cash provided by/(used in) investing activities		<u>6,111</u>	<u>(12,363)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>46,280</u>	<u>83,307</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>248,157</u>	<u>164,850</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>294,437</u></u>	<u><u>248,157</u></u>

The notes form part of these financial statements

PROJECT CHALLENGE

Notes to the Cash Flow Statement  
for the Year Ended 31st July 2023

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

	31/7/23	31/7/22
	£	£
<b>Net Income for the reporting period (as per the Statement of Financial Activities)</b>	86,832	93,692
<b>Adjustments for:</b>		
Depreciation charges	6,757	6,868
Interest received	(6,111)	(61)
Increase in debtors	(43,659)	(7,343)
(Decrease)/increase in creditors	(3,650)	2,514
<b>Net cash provided by operations</b>	<u>40,169</u>	<u>95,670</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/8/22	Cash flow	At 31/7/23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	248,157	46,280	294,437
	<u>248,157</u>	<u>46,280</u>	<u>294,437</u>
<b>Total</b>	<u>248,157</u>	<u>46,280</u>	<u>294,437</u>

The notes form part of these financial statements

## PROJECT CHALLENGE

### Notes to the Financial Statements for the Year Ended 31st July 2023

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

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

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

##### **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.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

##### **Taxation**

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

##### **Fund accounting**

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

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

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

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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

2. DONATIONS AND LEGACIES

	31/7/23	31/7/22
	£	£
Grants	<u>57,976</u>	<u>110,170</u>
	<u>57,976</u>	<u>110,170</u>

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

	31/7/23	31/7/22
	£	£
Community Foundation for Calderdale	56,976	88,913
Co-Operative	-	1,123
Kickstart	-	20,134
Leeds Community Foundation	<u>1,000</u>	<u>-</u>
	<u>57,975</u>	<u>110,170</u>

3. INVESTMENT INCOME

	31/7/23	31/7/22
	£	£
Deposit account interest	<u>6,111</u>	<u>61</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023**

**4. INCOME FROM CHARITABLE ACTIVITIES**

		31/7/23	31/7/22
		£	£
Service income	Charitable	545,890	393,235
HMRC Furlough Claims	Charitable	-	5,926
		<u>545,890</u>	<u>399,161</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable	<u>521,039</u>	<u>2,106</u>	<u>523,145</u>

**6. SUPPORT COSTS**

	Governance costs £
Charitable	<u>2,106</u>

**7. NET INCOME/(EXPENDITURE)**

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

	31/7/23	31/7/22
	£	£
Depreciation - owned assets	<u>6,759</u>	<u>6,868</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2023 nor for the year ended 31st July 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st July 2023 nor for the year ended 31st July 2022.

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023**

**9. STAFF COSTS**

	31/7/23	31/7/22
	£	£
Wages and salaries	334,835	226,885
Other pension costs	39,703	29,831
	<u>374,538</u>	<u>256,716</u>

The average monthly number of employees during the year was as follows:

	31/7/23	31/7/22
Direct charitable	<u>14</u>	<u>12</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31/7/23	31/7/22
£70,001 - £80,000	<u>1</u>	<u>-</u>

The senior management is Lorna Butterick, she has her pay set by the board of trustees and this is reviewed annually. The aggregate total remuneration and redundancy payments, including pension contributions, for the senior management was £73,191 (2022: £50,332).

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	110,170	-	110,170
<b>Charitable activities</b>			
Charitable	399,161	-	399,161
Investment income	<u>61</u>	<u>-</u>	<u>61</u>
<b>Total</b>	<u>509,392</u>	<u>-</u>	<u>509,392</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable	<u>415,700</u>	<u>-</u>	<u>415,700</u>
<b>NET INCOME</b>	93,692	-	93,692
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	202,585	-	202,585

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023

<b>10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued</b>					
		Unrestricted funds £	Restricted funds £	Total funds £	
	<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>296,277</u>	<u>-</u>	<u>296,277</u>	
<b>11. TANGIBLE FIXED ASSETS</b>					
		Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
	At 1st August 2022 and 31st July 2023	<u>2,856</u>	<u>27,605</u>	<u>58,280</u>	<u>88,741</u>
<b>DEPRECIATION</b>					
	At 1st August 2022	<u>1,695</u>	<u>26,276</u>	<u>48,148</u>	<u>76,119</u>
	Charge for year	<u>571</u>	<u>333</u>	<u>5,855</u>	<u>6,759</u>
	At 31st July 2023	<u>2,266</u>	<u>26,609</u>	<u>54,003</u>	<u>82,878</u>
<b>NET BOOK VALUE</b>					
	At 31st July 2023	<u>590</u>	<u>996</u>	<u>4,277</u>	<u>5,863</u>
	At 31st July 2022	<u>1,161</u>	<u>1,329</u>	<u>10,132</u>	<u>12,622</u>
<b>12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
			31/7/23 £	31/7/22 £	
	Prepayments and accrued income		<u>92,840</u>	<u>49,179</u>	

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/7/23	31/7/22
	£	£
Social security and other taxes	6,177	6,188
Other creditors	1,792	5,353
Accruals and deferred income	2,062	2,140
	<u>10,031</u>	<u>13,681</u>

14. LEASING AGREEMENTS

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

	31/7/23	31/7/22
	£	£
Within one year	25,686	26,913
Between one and five years	1,507	27,193
	<u>27,193</u>	<u>54,106</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31/7/23 Total funds	31/7/22 Total funds
	£	£	£	£
Fixed assets	5,863	-	5,863	12,622
Current assets	387,277	-	387,277	297,336
Current liabilities	(10,031)	-	(10,031)	(13,681)
	<u>383,109</u>	<u>-</u>	<u>383,109</u>	<u>296,277</u>

16. MOVEMENT IN FUNDS

	At 1/8/22	Net movement in funds	Transfers between funds	At 31/7/23
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	257,163	86,832	(7,423)	336,572
Designated Fund - Redundancy	39,114	-	7,423	46,537
	<u>296,277</u>	<u>86,832</u>	<u>-</u>	<u>383,109</u>
<b>TOTAL FUNDS</b>	<u>296,277</u>	<u>86,832</u>	<u>-</u>	<u>383,109</u>

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	609,977	(523,145)	86,832
	<u>        </u>	<u>        </u>	<u>        </u>
<b>TOTAL FUNDS</b>	<u>609,977</u>	<u>(523,145)</u>	<u>86,832</u>

Comparatives for movement in funds

	At 1/8/21 £	Net movement in funds £	Transfers between funds £	At 31/7/22 £
<b>Unrestricted funds</b>				
General fund	177,585	93,692	(14,114)	257,163
Designated Fund - Redundancy	25,000	-	14,114	39,114
	<u>202,585</u>	<u>93,692</u>	<u>-</u>	<u>296,277</u>
<b>TOTAL FUNDS</b>	<u>202,585</u>	<u>93,692</u>	<u>-</u>	<u>296,277</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	509,392	(415,700)	93,692
	<u>        </u>	<u>        </u>	<u>        </u>
<b>TOTAL FUNDS</b>	<u>509,392</u>	<u>(415,700)</u>	<u>93,692</u>

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/8/21 £	Net movement in funds £	Transfers between funds £	At 31/7/23 £
<b>Unrestricted funds</b>				
General fund	177,585	180,524	(21,537)	336,572
Designated Fund - Redundancy	25,000	-	21,537	46,537
	<u>202,585</u>	<u>180,524</u>	<u>-</u>	<u>383,109</u>
<b>TOTAL FUNDS</b>	<u>202,585</u>	<u>180,524</u>	<u>-</u>	<u>383,109</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,119,369	(938,845)	180,524
	<u>1,119,369</u>	<u>(938,845)</u>	<u>180,524</u>
<b>TOTAL FUNDS</b>	<u>1,119,369</u>	<u>(938,845)</u>	<u>180,524</u>

**Transfers between funds**

The trustees have transferred £25,000 from general funds to a designated fund, relating to the calculation of staff redundancy cost liability at the year end.

17. RELATED PARTY DISCLOSURES

Plus Public Affairs Limited is owned/managed by K J Butterick, the husband of L Butterick, who is a member of the senior management team.

Amounts were paid during the year to Plus Public Affairs Limited of £24,881 (2022: £21,878), in relation to services for Education and Support workers. There was no balance outstanding at the year end (2022: £Nil).

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2023**

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**18. ULTIMATE CONTROLLING PARTY**

The charity is under the control of the board of trustees.

**PROJECT CHALLENGE**

**Detailed Statement of Financial Activities  
for the Year Ended 31st July 2023**

	31/7/23 £	31/7/22 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Grants	<u>57,976</u>	<u>110,170</u>
	57,976	110,170
<b>Investment income</b>		
Deposit account interest	6,111	61
<b>Charitable activities</b>		
Service income	545,890	393,235
HMRC Furlough Claims	<u>-</u>	<u>5,926</u>
	<u>545,890</u>	<u>399,161</u>
<b>Total incoming resources</b>	609,977	509,392
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	334,835	226,885
Pensions	39,703	29,831
Insurance	10,627	5,805
Light, heat and rates	454	404
Telephone	631	225
Rent	24,706	21,550
Sundries	4,061	307
Repairs and maintenance	2,067	76
Computer repairs and maintenance	12,701	18,481
Stationery & postage	1,155	1,049
Training	4,145	1,109
Photocopying costs	3,705	2,586
Expeditions, projects & course	74,567	97,346
Payroll preparation costs	873	835
Motor and travel expenses	24	162
Bank charges	28	28
Depreciation - Fixture & fittings	571	571
Depreciation - Motor vehicles	332	443
Depreciation - Computer equipment	<u>5,854</u>	<u>5,854</u>
	521,039	413,547

This page does not form part of the statutory financial statements

PROJECT CHALLENGE

Detailed Statement of Financial Activities  
for the Year Ended 31st July 2023

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	31/7/23	31/7/22
	£	£
<b>Support costs</b>		
<b>Governance costs</b>		
Accountancy and legal fees	2,058	2,140
Legal fees	<u>48</u>	<u>13</u>
	<u>2,106</u>	<u>2,153</u>
Total resources expended	<u>523,145</u>	<u>415,700</u>
<b>Net Resources</b>	<u><u>86,832</u></u>	<u><u>93,692</u></u>

This page does not form part of the statutory financial statements

**PROJECT CHALLENGE**

England & Wales - Charity number 1060934

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# Accounts

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REGISTERED COMPANY NUMBER: 03264709 (England and Wales)  
REGISTERED CHARITY NUMBER: 1060934

**Report of the Trustees and  
Unaudited Financial Statements  
for the Year Ended 31st July 2022  
for  
PROJECT CHALLENGE**

Riley & Co Limited  
Chartered Accountants  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

**PROJECT CHALLENGE**

**Contents of the Financial Statements  
for the Year Ended 31st July 2022**

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<b>Independent Examiner's Report</b>	6
<b>Statement of Financial Activities</b>	7
<b>Balance Sheet</b>	8 to 9
<b>Cash Flow Statement</b>	10
<b>Notes to the Cash Flow Statement</b>	11
<b>Notes to the Financial Statements</b>	12 to 19
<b>Detailed Statement of Financial Activities</b>	20 to 21

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**Report of the Trustees  
for the Year Ended 31st July 2022**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The Charity's objectives are:

**To advance the education of disaffected young people in West Yorkshire between the ages of 16 and 19, who are unemployed, or lacking in qualifications, or at risk of persistent anti-social behaviour, or offending, by the provision of programmes of outdoor education other training and challenging activities to improve their personal and social skills.**

**Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The project receives core funding for all the programmes from Calderdale College under a Study Programme subcontract. This ran from August 2021 to July 2022.

The project was successful in obtaining funding from Calderdale College to support young people with Higher Needs Additional Learning (EHCPs). The funding has enabled Project Challenge to continue providing key services and develop additional services for those most vulnerable young people.

The company employed from its funding, the following full and part time employees:

- Business Manager	Full time
- Functional Skills Tutor - Maths	Part time 0.6 - Term time only
- Functional Skills Tutor - English	Part time 0.6 - Term time only
- N'Gage Vocational Tutor	Full time
- ACTIV8 Vocational Tutor	Full time
- ACTIV8 Youth/Support Workers	Part time - Term time only Part time - Kickstart Programme Part time - Term time only - Specialist EHCP - 1 day per week
- N'Gage Youth/Support Worker	Part time - Term time only
- N'Gage Co-ordinator	Part time - Kickstart Programme
- Cafe Supervisor	Part time
- Cafe Support	Part time - Kickstart Programme

In addition the company commissioned one freelance worker to oversee Quality Assurance and external verification. In 2021/22 this was extended due to additional educational demand for under 16's excluded from schools and in need of bespoke 1:1 tuition.

**Report of the Trustees  
for the Year Ended 31st July 2022**

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**FINANCIAL REVIEW**

**Financial position**

The charity has received income of £509,392 (2021: £395,933) and incurred expenditure of £415,700 (2021: £281,483) in the year, leaving a surplus for the year of £93,692 (2021: £114,450).

The changes made in 21/22 were significant and had an impact. They were as follows;

- Functional Skills Tutors changed to Term Time only contracts
- 2 Support staff contracts changed to Term Time only (due to resignation of one)
- Additional Admin post created full time (previous support staff)
- A more substantial contract for young people in receipt of Education Health Care Plans - (EHCP) was secured - this increased from £60,000 to £140,000

Going forward into 2022/23 the following changes have been made;

- Two Senior Support staff employed to take up deputised duties of Vocational Tutors as they increase managerial responsibilities
- Additional two Support Staff employed due to increase in learners with EHCPs, on a term time only basis
- Additional Support staff member to support with Under 16 programmes in partnership with Trinity School

**Principal funding sources**

**Calderdale College Core Funding**

Funding bands again remained static and this continues to prove to be an issue for Project Challenge. With an unpredictable client group it is difficult to manage both success factors and whether they will remain on full time programmes once enrolled to draw down maximum funding rates. The College funding was exhausted by December 2022 with an agreement of further enrolments to be determined on merit by individual case. The programme had a 95% progression rate.

Project Challenge remains the sole provider of roll on/off Study Programmes. The client group are the most vulnerable young people furthest away from the employment market. This year has continued to see an increase in the number of vulnerable learners from neighbouring authorities and also from Calderdale, who were previously educated outside of the Borough, as 'alternative' post 16 educational provision is dwindling in their areas. The Local Authority has pledged to retain within the borough as many of their own vulnerable young people as part of future cost cutting plans.

The Project was successful in securing £54,000 from the Community Foundation to run a Healthy Holidays programme throughout the year for each of the school holidays. This included provision at Orange Box for 13-19 year olds, participating in games, healthy eating and craft activities. One element was in partnership with the Local Authority's Play Services and included employing Project Challenge learners to work in the café producing healthy meals for young people across the Borough, in receipt of Free School Meals.

**Orange Box**

Staff and learners are now settled into a well-rehearsed routine post covid. The move has enabled further partnerships regarding opportunities for learners with the Healthy Holidays funding.

Report of the Trustees  
for the Year Ended 31st July 2022

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**FINANCIAL REVIEW**

**Reserves policy**

The charity aims to maintain a sufficient level of reserves to ensure that uninterrupted services may continue in the event of short term funding problems, funding being withdrawn, redundancy payments and settlement of creditors.

The charity has a policy to retain reserves equivalent to 6 months running costs, which is £207,850 based on the 21/22 financial year. The rationale being that in the event of delays or cuts to funding the charity can continue to provide its services.

The charity has established a designated fund as provision for its redundancy liabilities, as at 31 July 2022 this was calculated as £39,114.

The trustees set out below their calculation of 'free' reserves based on these calculations, after taking account of reserves held as fixed assets and lease commitments, there are deficit 'free' reserves at 31 July 2022 of £17,415.

The trustees have taken a prudent approach in setting their reserves policy for the year and will continue to monitor the policy into the next financial year in order to move towards a surplus 'free' reserves position. With the intention of establishing asset renewal designated funds for IT and opportunity and innovation funds for the delivery and development of activities.

	<u>31.3.22</u>
	<u>£</u>
Total Funds at 31/7/22	296,277
Less : Designated Redundancy Fund	(39,114)
	<hr/>
<b>Total Unrestricted General Funds</b>	<b>257,163</b>
Less : Fixed Assets (Note 11)	(12,622)
Less : Lease Commitments (Note 14)	(54,106)
Less : 6 Months Operating Costs	(207,850)
	<hr/>
<b>'Free' Reserves at 31/7/22</b>	<b>(17,415)</b>
	<hr/> <hr/>

**FUTURE PLANS**

Project Challenge continues to build a reputation for being a 'specialist' provider for young people with 'high needs'. This resulted in the Local Authority requesting a short 3-week provision for 10 under sixteen permanently excluded young people for whom they were not meeting their statutory duty. This was a gap filler until the Pupil Referral Unit had space when the current Year 11 cohort left. The under 16 alternative provision in Calderdale is seriously lacks the capacity to accommodate some particularly challenging young people both with and without an Education Health Care Plan. Post 16 in receipt of an EHCP will be capped at 15 from within Calderdale.

2021/22 also led to an increase in referrals from schools looking for alternative provision. There were 13 on a mixture of full, part time and 1-2-1 courses.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is a limited company, limited by guarantee, and as such is controlled by its Memorandum and Articles of Association.

**Report of the Trustees  
for the Year Ended 31st July 2022**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisation**

The Articles of Association state that, at every Annual Meeting, one third of the Trustees who are subject to retirement shall retire. Following the Companies Act 2006 the Trustees who retire by rotations are those serving the longest. For those who were appointed on the same day those who retire shall (unless otherwise agreed amongst themselves be determined by majority votes, the Chair will have the casting vote.

The Trustees meet quarterly with the Business Manager informing of major changes/issues by a newsbites email.

Trustees have areas of responsibility and can meet to deal with emerging issues for their area, making decisions that do not need a vote.

**Induction and training of new trustees**

All Trustees receive induction on their appointment to the Board and receive appropriate training during their term of office. They are all in receipt of an enhanced DBS check.

**Related parties**

The Secretary is also the Business Manager of the Project. None of the other Trustees have a beneficial interest in the Company.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03264709 (England and Wales)

**Registered Charity number**

1060934

**Registered office**

Orangebox  
Blackledge  
Halifax  
West Yorkshire  
HX1 1AF

**Trustees**

P J Wilson CBE Chair  
R A Harvey OBE  
D M Horsman MBE  
C G Ratcliffe  
A P Naylor  
N A Earnshaw  
C Eves  
R W Masterson

**Company Secretary**

L M Butterick

Report of the Trustees  
for the Year Ended 31st July 2022

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**

Riley & Co Limited  
Chartered Accountants  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

**Bankers**

Yorkshire Bank PLC  
7 Waterhouse Street  
Halifax  
West Yorkshire  
HX1 1XZ

**Solicitors**

Wilkinson Woodward  
11 Fountain Street  
Halifax  
HX1 1LU

Approved by order of the board of trustees on ..... 22/3/23 ..... and signed on its behalf by:

  
.....  
P J Wilson CBE - Trustee

**Independent Examiner's Report to the Trustees of  
Project Challenge (Registered number: 03264709)**

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**Independent examiner's report to the trustees of Project Challenge ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st July 2022.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Victoria J Atkinson FCA  
Institute of Chartered Accountants in England and Wales  
Riley & Co Limited  
Chartered Accountants  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW



Date: ..... 22 March 2023 .....

**PROJECT CHALLENGE**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31st July 2022**

	Notes	Unrestricted funds £	Restricted funds £	31/7/22 Total funds £	31/7/21 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	110,170	-	110,170	50,691
<b>Charitable activities</b>					
Charitable		399,161	-	399,161	345,242
Investment income	3	61	-	61	-
<b>Total</b>		<u>509,392</u>	<u>-</u>	<u>509,392</u>	<u>395,933</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Charitable	5	415,700	-	415,700	281,483
<b>NET INCOME</b>		93,692	-	93,692	114,450
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		202,585	-	202,585	88,135
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>296,277</u></u>	<u><u>-</u></u>	<u><u>296,277</u></u>	<u><u>202,585</u></u>

The notes form part of these financial statements

PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)

Balance Sheet  
31st July 2022

	Notes	31/7/22 £	31/7/21 £
<b>FIXED ASSETS</b>			
Tangible assets	11	12,622	7,066
<b>CURRENT ASSETS</b>			
Debtors	12	49,179	41,836
Cash at bank and in hand		248,157	164,850
		<u>297,336</u>	<u>206,686</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(13,681)	(11,167)
		<u>283,655</u>	<u>195,519</u>
<b>NET CURRENT ASSETS</b>			
		<u>283,655</u>	<u>195,519</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		296,277	202,585
		<u>296,277</u>	<u>202,585</u>
<b>NET ASSETS</b>		296,277	202,585
		<u>296,277</u>	<u>202,585</u>
<b>FUNDS</b>	16		
Unrestricted funds:			
General fund		257,163	177,585
Designated Fund - Redundancy		39,114	25,000
		<u>296,277</u>	<u>202,585</u>
		<u>296,277</u>	<u>202,585</u>
<b>TOTAL FUNDS</b>		296,277	202,585
		<u>296,277</u>	<u>202,585</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st July 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st July 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

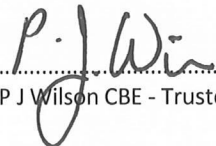
PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)

Balance Sheet - continued  
31st July 2022

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22/3/23 and were signed on its behalf by:

  
P J Wilson CBE - Trustee

The notes form part of these financial statements

PROJECT CHALLENGE

Cash Flow Statement  
for the Year Ended 31st July 2022

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	Notes	31/7/22 £	31/7/21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>95,670</u>	<u>90,506</u>
Net cash provided by operating activities		<u>95,670</u>	<u>90,506</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(12,424)</u>	<u>(6,791)</u>
Interest received		<u>61</u>	<u>-</u>
Net cash used in investing activities		<u>(12,363)</u>	<u>(6,791)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>83,307</u>	<u>83,715</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>164,850</u>	<u>81,135</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>248,157</u></u>	<u><u>164,850</u></u>

The notes form part of these financial statements

PROJECT CHALLENGE

Notes to the Cash Flow Statement  
for the Year Ended 31st July 2022

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

	31/7/22	31/7/21
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	93,692	114,450
<b>Adjustments for:</b>		
Depreciation charges	6,868	2,916
Interest received	(61)	-
Increase in debtors	(7,343)	(19,840)
Increase/(decrease) in creditors	2,514	(7,020)
<b>Net cash provided by operations</b>	<u>95,670</u>	<u>90,506</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/8/21	Cash flow	At 31/7/22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	164,850	83,307	248,157
	<u>164,850</u>	<u>83,307</u>	<u>248,157</u>
<b>Total</b>	<u>164,850</u>	<u>83,307</u>	<u>248,157</u>

The notes form part of these financial statements

## PROJECT CHALLENGE

### Notes to the Financial Statements for the Year Ended 31st July 2022

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

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

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

##### **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.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

##### **Taxation**

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

##### **Fund accounting**

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

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

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

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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

2. DONATIONS AND LEGACIES

	31/7/22	31/7/21
	£	£
Donations	-	213
Grants	110,170	50,478
	<u>110,170</u>	<u>50,691</u>

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

	31/7/22	31/7/21
	£	£
Calderdale Metropolitan Borough Council	-	11,000
Community Foundation for Calderdale	88,913	1,500
Co-Operative	1,123	943
Kickstart	20,134	-
West Yorkshire Police - Violence Reduction Unit	-	37,035
	<u>110,170</u>	<u>50,478</u>

3. INVESTMENT INCOME

	31/7/22	31/7/21
	£	£
Deposit account interest	61	-
	<u>61</u>	<u>-</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Activity		31/7/22 £	31/7/21 £
Service income	Charitable		393,235	300,946
HMRC Furlough Claims	Charitable		5,926	44,296
			<u>399,161</u>	<u>345,242</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable	<u>413,547</u>	<u>2,153</u>	<u>415,700</u>

**6. SUPPORT COSTS**

			Governance costs £
Charitable	-		<u>2,153</u>

**7. NET INCOME/(EXPENDITURE)**

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

	31/7/22 £	31/7/21 £
Depreciation - owned assets	<u>6,868</u>	<u>2,915</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2022 nor for the year ended 31st July 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st July 2022 nor for the year ended 31st July 2021.

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022

9. STAFF COSTS

	31/7/22	31/7/21
	£	£
Wages and salaries	226,885	195,694
Other pension costs	29,831	15,310
	<u>256,716</u>	<u>211,004</u>

The average monthly number of employees during the year was as follows:

	31/7/22	31/7/21
Direct charitable	<u>12</u>	<u>9</u>

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

The senior management is Lorna Butterick, and in the prior year also Pete Dawber, they have their pay set by the board of trustees and this is reviewed annually. The aggregate total remuneration and redundancy payments, including pension contributions, for these senior management was £50,332 (2021: £46,978).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	50,691	-	50,691
<b>Charitable activities</b>			
Charitable	<u>345,242</u>	<u>-</u>	<u>345,242</u>
<b>Total</b>	<u>395,933</u>	<u>-</u>	<u>395,933</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable	<u>281,483</u>	<u>-</u>	<u>281,483</u>
<b>NET INCOME</b>	114,450	-	114,450
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>88,135</u>	<u>-</u>	<u>88,135</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>202,585</u>	<u>-</u>	<u>202,585</u>

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1st August 2021	2,856	27,605	45,856	76,317
Additions	-	-	12,424	12,424
At 31st July 2022	<u>2,856</u>	<u>27,605</u>	<u>58,280</u>	<u>88,741</u>
<b>DEPRECIATION</b>				
At 1st August 2021	1,124	25,833	42,294	69,251
Charge for year	571	443	5,854	6,868
At 31st July 2022	<u>1,695</u>	<u>26,276</u>	<u>48,148</u>	<u>76,119</u>
<b>NET BOOK VALUE</b>				
At 31st July 2022	<u>1,161</u>	<u>1,329</u>	<u>10,132</u>	<u>12,622</u>
At 31st July 2021	<u>1,732</u>	<u>1,772</u>	<u>3,562</u>	<u>7,066</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/7/22 £	31/7/21 £
Prepayments and accrued income	<u>49,179</u>	<u>41,836</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/7/22 £	31/7/21 £
Social security and other taxes	6,188	5,274
Other creditors	5,353	3,672
Accruals and deferred income	2,140	2,221
	<u>13,681</u>	<u>11,167</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022**

**14. LEASING AGREEMENTS**

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

	31/7/22	31/7/21
	£	£
Within one year	26,913	26,913
Between one and five years	27,193	54,105
	<u>54,106</u>	<u>81,018</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	31/7/22 Total funds	31/7/21 Total funds
	£	£	£	£
Fixed assets	12,622	-	12,622	7,066
Current assets	297,336	-	297,336	206,686
Current liabilities	(13,681)	-	(13,681)	(11,167)
	<u>296,277</u>	<u>-</u>	<u>296,277</u>	<u>202,585</u>

**16. MOVEMENT IN FUNDS**

	At 1/8/21	Net movement in funds	Transfers between funds	At 31/7/22
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	177,585	93,692	(14,114)	257,163
Designated Fund - Redundancy	25,000	-	14,114	39,114
	<u>202,585</u>	<u>93,692</u>	<u>-</u>	<u>296,277</u>
<b>TOTAL FUNDS</b>	<u>202,585</u>	<u>93,692</u>	<u>-</u>	<u>296,277</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	509,392	(415,700)	93,692
	<u>509,392</u>	<u>(415,700)</u>	<u>93,692</u>
<b>TOTAL FUNDS</b>	<u>509,392</u>	<u>(415,700)</u>	<u>93,692</u>

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/8/20 £	Net movement in funds £	Transfers between funds £	At 31/7/21 £
<b>Unrestricted funds</b>				
General fund	88,135	114,450	(25,000)	177,585
Designated Fund - Redundancy	-	-	25,000	25,000
	<u>88,135</u>	<u>114,450</u>	<u>-</u>	<u>202,585</u>
<b>TOTAL FUNDS</b>	<u>88,135</u>	<u>114,450</u>	<u>-</u>	<u>202,585</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	395,933	(281,483)	114,450
	<u>395,933</u>	<u>(281,483)</u>	<u>114,450</u>
<b>TOTAL FUNDS</b>	<u>395,933</u>	<u>(281,483)</u>	<u>114,450</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/8/20 £	Net movement in funds £	Transfers between funds £	At 31/7/22 £
<b>Unrestricted funds</b>				
General fund	88,135	208,142	(39,114)	257,163
Designated Fund - Redundancy	-	-	39,114	39,114
	<u>88,135</u>	<u>208,142</u>	<u>-</u>	<u>296,277</u>
<b>TOTAL FUNDS</b>	<u>88,135</u>	<u>208,142</u>	<u>-</u>	<u>296,277</u>

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2022

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	905,325	(697,183)	208,142
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>905,325</u>	<u>(697,183)</u>	<u>208,142</u>

**Transfers between funds**

The trustees have transferred £25,000 from general funds to a designated fund, relating to the calculation of staff redundancy cost liability at the year end.

17. RELATED PARTY DISCLOSURES

Plus Public Affairs Limited is owned/managed by K J Butterick, the husband of L Butterick, who is a member of the senior management team.

Amounts were paid during the year to Plus Public Affairs Limited of £21,878 (2021: £12,665), in relation to services for Education and Support workers. There was no balance outstanding at the year end (2021: £Nil).

18. ULTIMATE CONTROLLING PARTY

The charity is under the control of the board of trustees.

PROJECT CHALLENGE

Detailed Statement of Financial Activities  
for the Year Ended 31st July 2022

	31/7/22 £	31/7/21 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	-	213
Grants	110,170	50,478
	<u>110,170</u>	<u>50,691</u>
<b>Investment income</b>		
Deposit account interest	61	-
<b>Charitable activities</b>		
Service income	393,235	300,946
HMRC Furlough Claims	5,926	44,296
	<u>399,161</u>	<u>345,242</u>
<b>Total incoming resources</b>	<b>509,392</b>	<b>395,933</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	226,885	195,694
Pensions	29,831	15,310
Insurance	5,805	5,451
Light, heat and rates	404	1,050
Telephone	225	339
Rent	21,550	20,833
Sundries	307	600
Repairs and maintenance	76	357
Computer repairs and maintenance	18,481	2,677
Stationery & postage	1,049	1,986
Training	1,109	716
Photocopying costs	2,586	1,922
Expeditions, projects & course	97,346	27,937
Payroll preparation costs	835	1,952
Motor and travel expenses	162	35
Bank charges	28	28
Depreciation - Fixture & fittings	571	571
Depreciation - Motor vehicles	443	591
Depreciation - Computer equipment	5,854	1,754
	<u>413,547</u>	<u>279,803</u>

This page does not form part of the statutory financial statements

PROJECT CHALLENGE

Detailed Statement of Financial Activities  
for the Year Ended 31st July 2022

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	31/7/22	31/7/21
	£	£
<b>Support costs</b>		
<b>Governance costs</b>		
Accountancy and legal fees	2,140	1,627
Legal fees	13	53
	<u>2,153</u>	<u>1,680</u>
Total resources expended	<u>415,700</u>	<u>281,483</u>
<b>Net income</b>	<u><u>93,692</u></u>	<u><u>114,450</u></u>

This page does not form part of the statutory financial statements

**PROJECT CHALLENGE**

England & Wales - Charity number 1060934

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# Accounts

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**REGISTERED COMPANY NUMBER: 03264709 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1060934**

**Report of the Trustees and  
Unaudited Financial Statements  
for the Year Ended 31st July 2021  
for  
PROJECT CHALLENGE**

Riley & Co Limited  
Chartered Accountants  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

**PROJECT CHALLENGE**

**Contents of the Financial Statements  
for the Year Ended 31st July 2021**

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**Report of the Trustees  
for the Year Ended 31st July 2021**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The Charity's objectives are:

**To advance the education of disaffected young people in West Yorkshire between the ages of 16 and 19, who are unemployed, or lacking in qualifications, or at risk of persistent anti-social behaviour, or offending, by the provision of programmes of outdoor education other training and challenging activities to improve their personal and social skills.**

**Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The project receives core funding for all the programmes from Calderdale College under a Study Programme sub contract. This ran from August 2020 to July 2021.

The project was successful in obtaining funding from Calderdale College to support young people with Higher Needs Additional Learning (EHCPs). The funding has enabled the Project to continue with its key services and develop additional services for those most vulnerable young people.

The company employed from its funding, the following full and part time employees:

- Business Manager	Full time
- Functional Skills Tutor - Maths	Part time 0.6
- Functional Skills Tutor - English	Part time 0.6
- N'Gage Vocational Tutor	Full time
- ACTIV8 Vocational Tutor	Full time
- ACTIV8 Youth/Support Worker	Full time
- N'Gage Youth/Support Worker	Full time
- N'Gage Co-ordinator	Full time

In addition the company commissioned one freelance worker to oversee Quality Assurance and external verification.

**PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)**

**Report of the Trustees  
for the Year Ended 31st July 2021**

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**ACHIEVEMENT AND PERFORMANCE**

**Covid 19 Effects - Operational and Financial**

Project Challenge remained open throughout the whole of the academic year as the students were among those designated most vulnerable. This was facilitated by shorter days of engagement, no leaving the building once attended, feeding learners breakfast and lunch. This together with a strict cleaning regime, facilitated by the Landlord, Calderdale MBC, resulted in reducing contamination. The furlough scheme was utilised to cover for periods of isolation for staff.

The Project is grateful to the Council which played a pivotal role in the fact that there was not one positive case reported from learners.

Covid had an adverse effect on enrolments which meant by April there would be a £21,000 shortfall against the contract and 15 planned places.

A NEET programme, named F.O.M.O.(Fear of Missing Out) was devised which attracted an additional 17 learners and resulted in the shortfall being reduced to £4,000. This was devised as lockdown measures were easing to reintroduce education with some fun and days out by the means of a 9 week programme.

The success rate increased to 93%, with 100% achievement in English and Vocational qualifications and 93% (2 fails) in Maths. The management fee for the 2021/22 contract has now been negotiated to 10%.

**FINANCIAL REVIEW**

**Financial position**

The charity has received income of £395,933 (2020: £255,937) and incurred expenditure of £281,483 (2020: £307,048) in the year, leaving a surplus for the year of £114,450 (2020: £51,111 deficit).

Going forward into 2021/22 the following changes have been made;

- Functional Skills Tutors changed to Term Time only contracts
- 2 Support staff contracts changed to Term Time only (due to resignation of one)
- Additional Admin post created full time (previous support staff)
- A more substantial contract for young people in receipt of Education Health Care Plans - (EHCP) was secured - this increased from £60,000 to £140,000

## PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)

### Report of the Trustees for the Year Ended 31st July 2021

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#### FINANCIAL REVIEW

##### Principal funding sources

##### Calderdale College Core Funding

Funding bands have again remained static and this continues to prove to be an issue for the project. With an unpredictable client group it is difficult to manage both success factors and whether they will remain on full time programmes once enrolled which draws down maximum funding rates. The College funding was predicted to have a shortfall by February 2021. Discussions were instigated with Careers, PC Management Board and the College and a new programme to meet the needs of a disengaged learners was developed. The ethos was to inject some structure, routine, and fun back into learning and to progress to education in September 2021. The programme had a 94% progression rate.

The project remains to be the sole deliverer of Study Programme for Calderdale and benefits this with a roll on/off programme. However, the client group are those young people who are the most vulnerable and furthest away from the employment market. Again, this year we have continued to see an increase in the number of vulnerable learners from neighbouring authorities and learners from Calderdale, who were previously educated outside of the Borough, as 'alternative' post 16 educational provision is dwindling in their areas. The Local Authority have pledged to retain within the borough as many of their own vulnerable young people as part of future cost cutting plans.

The Project was successful in securing £37,000 from the Violence Reduction Unit (VRU) to operate the working café for the breakfast and lunch club. This has had a lasting legacy past the March deadline of the funding.

##### Orange Box

The Orange Box in the centre of the town became the lifeline that Project Challenge needed to remain open throughout the pandemic. PC was the only tenant in the building as the Local Authority employees were encouraged to work from home. They supported the Project with a cleaning regime that included 3 people. This also allowed the LA to test the waters before bringing staff back into the building. Staff and learners settled into a well-rehearsed routine.

##### Reserves policy

The charity aims to maintain a sufficient level of reserves to ensure that uninterrupted services may continue in the event of short term funding problems, funding being withdrawn, redundancy payments and settlement of creditors.

The charity has a reserves equivalent to 3 months running costs, so that in the event of delays in funding the charity can continue to provide the services it is contracted to provide and provision for redundancy, should this not be the case.

The surplus for the year of £114,450 has been retained in unrestricted reserves, these reserves are £202,585 at 31 July 2021.

#### FUTURE PLANS

Project Challenge continues to build a reputation for being a 'specialist' provider for young people with 'high needs' resulting in 5 from out of area specifying our provision in their Education Health Care Plan and 15 from within Calderdale on full and part time programmes.

2020/21 has also led to 4 referrals from schools looking for alternative provision. This is a developing relationship.

We are also in conversations with partnership ventures with Orange Box as the Local Authority Youth Service has restructured leading to a loss of services.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is a limited company, limited by guarantee, and as such is controlled by its Memorandum and Articles of Association.

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**PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)**

**Report of the Trustees  
for the Year Ended 31st July 2021**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisation**

The Articles of Association state that, at every Annual Meeting, one third of the Trustees who are subject to retirement shall retire. Per the Companies Act 2006 the Trustees who retire by rotations shall be those who have served the longest. For those who were appointed on the same day those who retire shall (unless otherwise agreed amongst themselves be determined by majority votes, the Chair will have the casting vote.

The Trustees meet quarterly with the Business Manager informing of major changes/issues by a newsbites email.

Trustees have areas of responsibility and can meet to deal with emerging issues for their area, making decisions that do not need a vote.

**Induction and training of new trustees**

All Trustees receive induction on their appointment to the Board and receive appropriate training during their term of office. They are all in receipt of an enhanced DBS check.

**Related parties**

The Secretary is also the Business Manager of the Project. None of the other Trustees have a beneficial interest in the Company.

**Risk management**

1665\*The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03264709 (England and Wales)

**Registered Charity number**

1060934

**Registered office**

Orangebox  
Blackledge  
Halifax  
West Yorkshire  
HX1 1AF

**Trustees**

P J Wilson CBE Chair  
R A Harvey OBE  
D M Horsman MBE  
C G Ratcliffe  
A P Naylor  
N A Earnshaw  
C Eves  
R W Masterson

**Company Secretary**

L M Butterick

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Report of the Trustees  
for the Year Ended 31st July 2021

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**

Riley & Co Limited  
Chartered Accountants  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW

**Bankers**

Yorkshire Bank PLC  
7 Waterhouse Street  
Halifax  
West Yorkshire  
HX1 1XZ

**Solicitors**

Wilkinson Woodward  
11 Fountain Street  
Halifax  
HX1 1LU

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**


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

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

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

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

Approved by order of the board of trustees on 30.01.22..... and signed on its behalf by:

  
.....  
P.J. Wilson CBE - Trustee

**Independent Examiner's Report to the Trustees of  
Project Challenge (Registered number: 03264709)**

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**Independent examiner's report to the trustees of Project Challenge ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st July 2021.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Victoria J Atkinson FCA  
Institute of Chartered Accountants in England and Wales  
Riley & Co Limited  
Chartered Accountants  
52 St Johns Lane  
Halifax  
West Yorkshire  
HX1 2BW



Date: 24 January 2022

**PROJECT CHALLENGE**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31st July 2021**

	Notes	Unrestricted funds £	Restricted funds £	31/7/21 Total funds £	31/7/20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	50,691	-	50,691	8,301
<b>Charitable activities</b>	4				
Charitable		345,242	-	345,242	247,599
Investment income	3	-	-	-	37
<b>Total</b>		<u>395,933</u>	<u>-</u>	<u>395,933</u>	<u>255,937</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Charitable		281,483	-	281,483	307,048
<b>NET INCOME/(EXPENDITURE)</b>		<u>114,450</u>	<u>-</u>	<u>114,450</u>	<u>(51,111)</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		88,135	-	88,135	139,246
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>202,585</u></u>	<u><u>-</u></u>	<u><u>202,585</u></u>	<u><u>88,135</u></u>

The notes form part of these financial statements

**PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)**

**Balance Sheet  
31st July 2021**

	Notes	31/7/21 £	31/7/20 £
<b>FIXED ASSETS</b>			
Tangible assets	10	7,066	3,190
<b>CURRENT ASSETS</b>			
Debtors	11	41,836	21,997
Cash at bank and in hand		164,850	81,135
		<u>206,686</u>	<u>103,132</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(11,167)	(18,187)
		<u>195,519</u>	<u>84,945</u>
<b>NET CURRENT ASSETS</b>			
		<u>202,585</u>	<u>88,135</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>202,585</u>	<u>88,135</u>
<b>NET ASSETS</b>			
		<u>202,585</u>	<u>88,135</u>
<b>FUNDS</b>	15		
Unrestricted funds:			
General fund		177,585	88,135
Designated Fund - Redundancy		25,000	-
		<u>202,585</u>	<u>88,135</u>
<b>TOTAL FUNDS</b>		<u>202,585</u>	<u>88,135</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st July 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st July 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

**PROJECT CHALLENGE (REGISTERED NUMBER: 03264709)**

**Balance Sheet - continued  
31st July 2021**

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

The financial statements were approved by the Board of Trustees and authorised for issue on .....**20.01.22**..... and were signed on its behalf by:

  
.....  
PJ Wilson CBE - Trustee

The notes form part of these financial statements

## PROJECT CHALLENGE

### Notes to the Financial Statements for the Year Ended 31st July 2021

---

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

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

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

##### **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.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

##### **Taxation**

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

##### **Fund accounting**

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

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

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

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021

1. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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

2. DONATIONS AND LEGACIES

	31/7/21	31/7/20
	£	£
Donations	213	361
Grants	50,478	7,940
	<u>50,691</u>	<u>8,301</u>

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

	31/7/21	31/7/20
	£	£
Calderdale Metropolitan Borough Council	11,000	5,418
Community Foundation for Calderdale	1,500	2,522
Co-Operative	943	-
West Yorkshire Police - Violence Reduction Unit	37,035	-
	<u>50,478</u>	<u>7,940</u>

3. INVESTMENT INCOME

	31/7/21	31/7/20
	£	£
Deposit account interest	-	37
	<u>-</u>	<u>37</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Activity		31/7/21 £	31/7/20 £
Service income	Charitable		300,946	213,054
HMRC Furlough Claims	Charitable		44,296	34,545
			<u>345,242</u>	<u>247,599</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs £	Totals £
Charitable	<u>279,803</u>	<u>1,680</u>	<u>281,483</u>

**6. NET INCOME/(EXPENDITURE)**

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

	31/7/21 £	31/7/20 £
Depreciation - owned assets	<u>2,915</u>	<u>1,272</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st July 2021 nor for the year ended 31st July 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st July 2021 nor for the year ended 31st July 2020.

**8. STAFF COSTS**

The average monthly number of employees during the year was as follows:

	31/7/21	31/7/20
Direct charitable	<u>9</u>	<u>9</u>

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

The senior management is Lorna Butterick, and in the prior year also Pete Dawber, they have their pay set by the board of trustees and this is reviewed annually. The aggregate total remuneration and redundancy payments, including pension contributions, for these senior management was £46,978 (2020: £87,091).

PROJECT CHALLENGE

Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	8,301	-	8,301
<b>Charitable activities</b>			
Charitable	247,599	-	247,599
Investment income	37	-	37
<b>Total</b>	<u>255,937</u>	<u>-</u>	<u>255,937</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable	307,048	-	307,048
<b>NET INCOME/(EXPENDITURE)</b>	<u>(51,111)</u>	<u>-</u>	<u>(51,111)</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	139,246	-	139,246
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>88,135</u>	<u>-</u>	<u>88,135</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021**

**10. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1st August 2020	1,381	27,605	40,540	69,526
Additions	1,475	-	5,316	6,791
	<u>2,856</u>	<u>27,605</u>	<u>45,856</u>	<u>76,317</u>
At 31st July 2021	2,856	27,605	45,856	76,317
<b>DEPRECIATION</b>				
At 1st August 2020	553	25,243	40,540	66,336
Charge for year	571	590	1,754	2,915
	<u>1,124</u>	<u>25,833</u>	<u>42,294</u>	<u>69,251</u>
At 31st July 2021	1,124	25,833	42,294	69,251
<b>NET BOOK VALUE</b>				
At 31st July 2021	<u>1,732</u>	<u>1,772</u>	<u>3,562</u>	<u>7,066</u>
At 31st July 2020	<u>828</u>	<u>2,362</u>	<u>-</u>	<u>3,190</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/7/21 £	31/7/20 £
Prepayments and accrued income	<u>41,836</u>	<u>21,997</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/7/21 £	31/7/20 £
Social security and other taxes	5,274	2,803
Other creditors	3,672	2,009
Accruals and deferred income	2,221	13,375
	<u>11,167</u>	<u>18,187</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021**

**13. LEASING AGREEMENTS**

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

	31/7/21 £	31/7/20 £
Within one year	26,913	26,913
Between one and five years	54,105	81,019
	<u>81,018</u>	<u>107,932</u>

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	31/7/21 Total funds £	31/7/20 Total funds £
Fixed assets	7,066	-	7,066	3,190
Current assets	206,686	-	206,686	103,132
Current liabilities	(11,167)	-	(11,167)	(18,187)
	<u>202,585</u>	<u>-</u>	<u>202,585</u>	<u>88,135</u>

**15. MOVEMENT IN FUNDS**

	At 1/8/20 £	Net movement in funds £	Transfers between funds £	At 31/7/21 £
<b>Unrestricted funds</b>				
General fund	88,135	114,450	(25,000)	177,585
Designated Fund - Redundancy	-	-	25,000	25,000
	<u>88,135</u>	<u>114,450</u>	<u>-</u>	<u>202,585</u>
<b>TOTAL FUNDS</b>	<u>88,135</u>	<u>114,450</u>	<u>-</u>	<u>202,585</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	395,933	(281,483)	114,450
	<u>395,933</u>	<u>(281,483)</u>	<u>114,450</u>
<b>TOTAL FUNDS</b>	<u>395,933</u>	<u>(281,483)</u>	<u>114,450</u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021**

**15. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1/8/19 £	Net movement in funds £	At 31/7/20 £
<b>Unrestricted funds</b>			
General fund	139,246	(51,111)	88,135
	<u>139,246</u>	<u>(51,111)</u>	<u>88,135</u>
<b>TOTAL FUNDS</b>	<u><u>139,246</u></u>	<u><u>(51,111)</u></u>	<u><u>88,135</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	255,937	(307,048)	(51,111)
	<u>255,937</u>	<u>(307,048)</u>	<u>(51,111)</u>
<b>TOTAL FUNDS</b>	<u><u>255,937</u></u>	<u><u>(307,048)</u></u>	<u><u>(51,111)</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/8/19 £	Net movement in funds £	Transfers between funds £	At 31/7/21 £
<b>Unrestricted funds</b>				
General fund	139,246	63,339	(25,000)	177,585
Designated Fund - Redundancy	-	-	25,000	25,000
	<u>139,246</u>	<u>63,339</u>	<u>-</u>	<u>202,585</u>
<b>TOTAL FUNDS</b>	<u><u>139,246</u></u>	<u><u>63,339</u></u>	<u><u>-</u></u>	<u><u>202,585</u></u>

**PROJECT CHALLENGE**

**Notes to the Financial Statements - continued  
for the Year Ended 31st July 2021**

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**15. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	651,870	(588,531)	63,339
<b>TOTAL FUNDS</b>	<u>651,870</u>	<u>(588,531)</u>	<u>63,339</u>

**Transfers between funds**

The trustees have transferred £25,000 from general funds to a designated fund, relating to the calculation of staff redundancy cost liability at the year end.

**16. RELATED PARTY DISCLOSURES**

Plus Public Affairs Limited is owned/managed by K J Butterick, the husband of L Butterick, who is a member of the senior management team.

Amounts were paid during the year to Plus Public Affairs Limited of £12,665 (2020: £9,880), in relation to services for Education and Support workers. There was no balance outstanding at the year end (2020: £Nil).

**17. ULTIMATE CONTROLLING PARTY**

The charity is under the control of the board of trustees.

**PROJECT CHALLENGE**

**Detailed Statement of Financial Activities  
for the Year Ended 31st July 2021**

	31/7/21 £	31/7/20 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	213	361
Grants	50,478	7,940
	<u>50,691</u>	<u>8,301</u>
<b>Investment income</b>		
Deposit account interest	-	37
<b>Charitable activities</b>		
Service income	300,946	213,054
HMRC Furlough Claims	44,296	34,545
	<u>345,242</u>	<u>247,599</u>
<b>Total incoming resources</b>	<b>395,933</b>	<b>255,937</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	195,694	222,729
Pensions	15,310	17,646
Service charge	-	302
Insurance	5,451	5,307
Light, heat and rates	1,050	278
Telephone	339	2,763
Rent	20,833	15,340
Sundries	600	702
Repairs and maintenance	357	1,491
Computer repairs and maintenance	2,677	5,202
Stationery & postage	1,986	1,001
Training	716	2,316
Photocopying costs	1,922	2,226
Expeditions, projects & course	27,937	22,636
Payroll preparation costs	1,952	2,003
Motor and travel expenses	35	376
Bank charges	28	68
Depreciation - Fixture & fittings	571	276
Carried forward	277,458	302,662

This page does not form part of the statutory financial statements

**PROJECT CHALLENGE**

**Detailed Statement of Financial Activities  
for the Year Ended 31st July 2021**

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	31/7/21	31/7/20
	£	£
<b>Charitable activities</b>		
Brought forward	277,458	302,662
Depreciation - Motor vehicles	591	787
Depreciation - Computer equipment	1,754	207
	<u>279,803</u>	<u>303,656</u>
<b>Support costs</b>		
<b>Governance costs</b>		
Accountancy and legal fees	1,627	2,429
Legal fees	53	963
	<u>1,680</u>	<u>3,392</u>
Total resources expended	<u>281,483</u>	<u>307,048</u>
<b>Net income/(expenditure)</b>	<u>114,450</u>	<u>(51,111)</u>

This page does not form part of the statutory financial statements