

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

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

PROJECT CHALLENGE

CONTENTS

	Page
Trustees report	1 - 4
Statement of trustees responsibilities	5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Statement of cash flows	9
Notes to the financial statements	10 - 19

PROJECT CHALLENGE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2025

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

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

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

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

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

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

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income and endowments from:			
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
Total income		691,015	626,255
Expenditure on:			
Charitable activities	7	726,826	595,230
Total expenditure		726,826	595,230
Net income/(expenditure) and movement in funds		(35,811)	31,025
Reconciliation of funds:			
Fund balances at 1 August 2024		414,135	383,110
Fund balances at 31 July 2025		378,324	414,135

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

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

PROJECT CHALLENGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

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

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

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>
Grants		
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 £
Income from Charitable activities		
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	<u>10,879</u>	<u>12,635</u>

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 £
Direct costs		
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
	724,558	593,069
Share of support and governance costs (see note 8)		
Support	2,268	2,161
	726,826	595,230
Analysis by fund		
Unrestricted funds	726,826	595,230

8 Support costs allocated to activities

	Charitable Expenditure 2025 £	Total 2024 £
Governance	2,268	2,161

PROJECT CHALLENGE

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

8	Support costs allocated to activities	(Continued)	
		2025	2024
	Governance costs comprise:	£	£
	Accountancy fees	2,268	2,161
		2,268	2,161
9	Net movement in funds	2025	2024
		£	£
	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
10	Trustees		
	None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.		
11	Employees		
	The average monthly number of employees during the year was:		
		2025	2024
		Number	Number
	Charitable activities	13	14
	Employment costs	2025	2024
		£	£
	Wages and salaries	419,086	378,650
	Other pension costs	44,375	33,040
		463,461	411,690

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	71,223	73,705

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 £
Cost				
At 1 August 2024	2,856	58,280	27,605	88,741
At 31 July 2025	2,856	58,280	27,605	88,741
Depreciation and impairment				
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	2,856	58,280	27,107	88,243
Carrying amount				
At 31 July 2025	-	-	498	498
At 31 July 2024	295	83	747	1,125

14 Debtors

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

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
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<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 £
At 31 July 2025:	
Tangible assets	498
Current assets/(liabilities)	<u>377,826</u>
	<u>378,324</u>
	Unrestricted funds 2024 £
At 31 July 2024:	
Tangible assets	1,125
Current assets/(liabilities)	<u>413,010</u>
	<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	<u>-</u>	<u>1,507</u>

PROJECT CHALLENGE

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

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

22 Analysis of changes in net funds

The charity had no material debt during the year.