

ChallengeAid

Report and accounts

31 March 2023

ChallengeAid

REPORT AND ACCOUNTS

31 March 2023

CONTENTS

	Page
Company information	2
Report of the Directors	3-5
Accountant's Report	6
Statement of financial activities	7
Balance Sheet	8
Notes to the accounts	9-10

ChallengeAid

COMPANY INFORMATION

Directors	M. Ryan R.J.Bywater J. Cox M. Ellis I.M. Hunt V Jones-Mathias G.E.K Thomas
Secretary	I.O. Thomas
Registered Company Number	<u>5318179</u>
Registered Charity Number	1109055
Registered Office	1 Kings Road Llandovery Carmarthenshire SA20 OAW

ChallengeAid

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2023.

Principal activities

ChallengeAid promotes health and fitness throughout the UK by motivating schools, universities, corporate groups and individuals to undertake physical challenges and raise money through sponsored activity and exercise. Most of our challenges are organised in-house so our costs are far less than those organised by for-profit companies for other charities. Our pledge is that none of the money raised from any of these challenges or sponsored exercise is used for administrative purposes.

The aim of our charitable giving is to create "Schools of Hope" (SoHs) for aspirational young informal slum dwellers living in extreme poverty, who may not be able to attend school during the day due to family or work commitments. These centres offer a complementary and alternative form of schooling, as well as a unique long term sustainable solution to the provision of education.

We believe that we are one of the very few charities that is able to respond effectively to some of East Africa's ongoing issues in some of the largest slums without creating a culture of dependency or bringing knee-jerk reactions to the latest crises.

Through our work we enable some of the poorest people in Kenya and Tanzania to escape a lifetime of poverty.

The charity was established in 2005 to help disadvantaged children living in some of the worst conditions in the developing world. This is being achieved by raising the awareness of schoolchildren in the UK about the severe poverty that these children experience, largely through visits and presentations to promote exercise and awareness about the work of ChallengeAid.

Administrative costs are specially covered by trustees' and private patrons' donations.

ChallengeAid is a company limited by guarantee.

Financial overview:

The company received funds totalling £132,694 (2022: £96,594) during the year and incurred direct charitable expenditure totalling £77,984 (2022: £41,617). Details of awards made are given in note 4 to the accounts. The balance of funds carried forward at 31 March 2023 is £30,220 (2022: £21,631).

Review

Schools of Hope

Our major focus continues to be the development of Schools of Hope (SoH), which are designed to provide a complimentary education to children attending school and as an alternative education for children who either work or look after their younger siblings during the day, to help provide a path out of poverty. Most do not have lighting or space in their homes, so attending each evening during the week and during weekends and school holidays allows them to study. ChallengeAid's support covers the provision of text books, desks and chairs, secure storage space and electric lighting. There is also a programme of life skills support, covering topics such as substance misuse education and HIV/Aids awareness programmes. Unusually for Kenya and the cultural norms of East Africa, we have more girls than boys attending our SoH's. This has largely been brought about through our sponsored Sanitary Pad programme which provides all adolescent girls who attend the SoH's regularly, with free sanitary pads. Since ChallengeAid began in 2005 over 12,000 pupils have benefitted from the SoH programme and we are currently catering for over 5,000 children each night, at weekends and during school holidays. We currently operate 50 SoHs in Nairobi, Mombassa, Nyeri, the Aberdares, Bisil, Kajiado and Arusha in Tanzania and an extra 4 virtual learning centres.

ChallengeAid 3-5

We have in place quite an extensive extra-curricular programme-the pupils have opportunities in music and drama, chess, art and debating. In addition, at weekends there are sports teams and coaching opportunities with cricket, football, rugby and volleyball. Over 60 of our Supervisors have been trained to basic National Standard in these sports. The extra-curricular programme has been difficult to maintain during the pandemic, though activities have still continued within the communities but inter-community competition and practice has been curtailed due to National restrictions.

Adult literacy Programme

This project is in Kajiado County - serving indigenous Masai households in 6 locations. We currently have over 1000 learners enrolled in 9 centres set up by the project and about 85% of the participants are women. Recently the learners undertook a government exam in literacy-all passed.

The Project also promotes livelihood enhancement among women. 4 savings and loans groups have been formed and trained to managing a simple documentation system. The women are making craft and will be selling these outside their villages with support from the project.

960 women/mothers have received training in hygiene, nutrition and childcare - the training is carried out by the Ministry of Public Health and targets women who attend adult literacy classes.

This is now a 3 year project being implemented by ChallengeAid Africa with financial support from ERKO an NGO from Slovakia. which has now been extended.

Challenges & Events

Going forward ChallengeAid aims to increase the number of challenges organised in the UK and also to increase the number of adults raising money through a wider variety of challenges. Covid restrictions have made challenges difficult but we will be rebuilding in 2023 with Celtic Challenge Cycle, the Welsh 3 Peaks, The Taff Trail Hike and the 100 Mile Challenge. Our events have continued successfully and have been a substantial source of income, with Le Gavroche lunch, Cardiff dinner and our annual golf day at Burhill.

ChallengeAid Africa

Three years ago, ChallengeAid Africa was set up as a company and foundation in its own right, which means that we no longer need to rely on partners in Kenya running the SoHs for us. This has had a huge effect, increasing our efficiency with our own dedicated co-ordinator operating out of Nairobi. This has had positive implications on ChallengeAid's sustainability in the future, as we can now co-ordinate with all the previous partners and monitor their efficiency. Another exciting development is a new relationship with the Federation of Slum Dwellers, which will enable us to identify suitable buildings in slum areas for any future SoHs and also will be able to help us identify Community Leadership groups from our SoH Committee can be formed.

Highlights and Headlines takeaways for 2023

1. 50 Schools of Hope (SoHs) and almost 5000 students per day.
2. There are now 10 virtual learning centres (VLC's)
3. Science, Maths & English lessons are delivered by 5 expert volunteer teachers from the UK.
4. 423 form 4 students (almost double the number from 2021) sat the KCSE in 2022, 66 qualified for at place at university.
5. In 2022 826 students sat the KCPE (primary exams), 20% more than last year, with a total of 97.8% transitioning to secondary school. The norm in Kenya for transition would be 60% with a mere 40% in informal slum settlements.
6. Nine centres with just under 1000 young women in Kajiado (South Kenya, Masai County) are involved with women's empowerment and adult literacy sessions as most young girls, as young as 12, are forced into polygamous marriages, suffer FGM, experience early childbirth and consequently leave education.
7. We are currently piloting a new Maths programme 'Education in a Suitcase' sponsored by the Icelandic Government with the crypto currency - Smiley Coin- "Earn as you learn". 306 students from 7 centres are participating in the programme
8. 135 of last years leavers have already volunteered as supervisors to 'give back'. Self sustainability in action.

9. Most SoHs are participating in soap, disinfectant and shampoo making. They are then selling these products into their communities as a way of earning a sustainable income. All the SoH's are also involved in vegetable growing.
10. We have formal working relationships with The Federation of Slum Dwellers of Kenya, and more recently The Association of Informal Schools. There are over 100 informal schools in just two of Nairobi's informal slums settlements as there are no Government schools in the slums.
11. The average cost of educating a ChallengeAid pupil in our SoHs is less than 3p per day, or less than 20p per week, or £10 a year.
12. 2500 girls receive complementary sanitary pads every month.
13. There are 767 boys currently participating in Boys Club. This club focuses on keeping boys in education, leadership, taking responsibility and longer-term decision making.
14. There are currently 962 girls participating in 'Girls Can Clubs' which meet to discuss topics such as womens empowerment, career and lifestyle choices, womens health and education.
15. We have formed 218 sports teams for both boys and girls in secondary and primary, in rugby, cricket, football, volleyball and more recently, netball and handball.
16. Life skills sessions are held in each of our SoHs, normally twice a month.
17. Debating and art classes are held in some of the SoHs. Chess has become incredibly popular, with over 500 young people participating and a chess academy has been formed for SoH students to access national and international tournaments.
18. Approximately 40% of girls living in the slum and under the age of 17 are sexually active. Almost 50% of those girls drop out of school through unintended and unwanted pregnancies. Our average dropout rate for SoH girls is just 1.4%. We are working through the Girls Club to eliminate incidences of teenage pregnancy in the SOH programme.
19. Of the 25 students who started our mentoring programme in 2019, all have transitioned to University. Many of the mentors are former students from our SoHs who are now either in University or have graduated and are now on career pathways. The mentorship programme is now being extended to include university-leavers.
20. Inset lessons in maths, physics, chemistry, biology and English are being held with teachers from informal schools in Nairobi and Kisumu. The pilot scheme started with 260 teachers, we will be raising the number to 271 in 2023.
21. We are currently piloting a remedial literacy and numeracy project with Strathmore University to help the young students in the informal slum settlements who have fallen behind in these two basic areas.

Directors

The directors of the company who served during the year are as follows.

M. Ryan (Chair)
 R.J. Bywater
 J. Cox
 M Ellis
 I. M. Hunt
 V. Jones-Mathias
 G.E.K Thomas

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors on and signed on its behalf by:

Martyn Ryan
 Director

**ChallengeAid
Accountant's Report
For The Year Ended 31 March 2023**

Report to the directors on the preparation of the unaudited statutory accounts of ChallengeAid for the year ended 31 March 2023

To assist you to fulfil your duties under the Companies Act 2006, I have prepared for your approval the accounts of ChallengeAid which comprise the Income and Expenditure Account, the Balance Sheet and the related notes, from the company's accounting records and from information and explanations you have given us.

As a practising member of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html>.

This report is made to the directors of ChallengeAid, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of ChallengeAid and state those matters that we have agreed to state to the directors of ChallengeAid, as a body, in this report in accordance with the Association of Chartered Certified Accountants as detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ChallengeAid and its directors as a body for our work or for this report.

It is your duty to ensure that ChallengeAid has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit or loss of ChallengeAid. You consider that ChallengeAid is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of ChallengeAid. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Signed



Date 22 December 2023

EST Accountants Ltd
Henstaff Court
Llantrisant Road
Cardiff
CF72 8NG

ChallengeAid

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

INCOME AND EXPENDITURE	Note	2023 £	2022 £
Incoming resources			
Donations	2	132,694	96,594
Gift aid repayments/HMRC refunds		(375)	(84)
Other income		-	8,237
Interest receivable		153	3
Total incoming resources		<u>132,472</u>	<u>104,750</u>
Resources expended			
Fundraising trading costs	3	21,729	20,798
Charitable expenditure	4	77,984	41,617
Management and administration of the charity	5	24,170	20,884
Total resources expended		<u>123,883</u>	<u>83,299</u>
Net incoming/(outgoing) resources for the year		8,589	21,451
Fund balances brought forward		<u>21,631</u>	<u>180</u>
Fund balances carried forward at 31 March 2023		<u>30,220</u>	<u>21,631</u>

The notes on pages 9-10 form part of these accounts.

BALANCE SHEET

31 March 2023

		2023	2022
		£	£
Current assets	<i>Note</i>		
Cash at bank and in hand		<u>36,220</u>	<u>27,631</u>
		36,220	27,631
Creditors			
Amounts falling due within one year	6	(6,000)	(6,000)
Net assets		<u><u>£30,220</u></u>	<u><u>£21,631</u></u>
Capital and reserves			
General fund		<u><u>£30,220</u></u>	<u><u>£21,631</u></u>

For the financial year ended 31 March 2023, the company was entitled to exemption from audit under section 477 Companies Act 2006. No notice has been deposited under section 476. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 396 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The notes on pages 9-10 form part of these accounts.

Approved by the Board of Directors and signed on its behalf by

M. Ryan
Director

Date

ChallengeAid
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Basis of accounting

The accounts have been prepared in accordance with applicable standards, the Statement of Recommended Practice - Accounting and Reporting by Charities, and under the historical cost convention.

Incoming resources and outgoing expenditure are accounted for on an accruals basis.

	2023	2022
	£	£
2 Donations received		
School challenges	1,075	1,000
Adult challenges	-	-
	1,075	1,000
 Fund raising events	 74,346	 41,154
Private Donations	41,913	49,796
Grants	15,360	4,644
	<u>132,694</u>	<u>96,594</u>

Income from schools represents 50% of funds actually raised for the schools. The balance of funds raised is retained directly by the schools.

3 Fundraising trading costs

Fundraising events	21,729	20,798
Other	-	-
	<u>21,729</u>	<u>20,798</u>

4 Direct charitable expenditure

St Prisca's School, Nairobi	-	-
Challenge & exercise activity	-	-
ChallengeAid Africa	65,000	35,000
Direct salary costs	7,573	6,578
Direct expenses	5,412	39
	<u>77,984</u>	<u>41,617</u>

ChallengeAid
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
5 Management and administration of the charity		
Staff salaries	11,276	11,173
Public relations	-	-
Fundraising & Bidding consultancy	-	-
Promotional material	-	132
Legal and professional fees	7,933	2,472
Website maintenance	323	344
Premises costs	2,123	1,657
Insurance costs	-	1,317
Office supplies	1,925	3,281
Bank charges	590	508
Miscellaneous	-	-
	<u>24,170</u>	<u>20,884</u>

Costs incurred in the management and administration of the charity are covered by funds raised by private donors.

6 Creditors: amounts falling due within one year		
Loans	6,000	6,000
	-	-
	<u>6,000</u>	<u>6,000</u>