CHALLENGE WALES

England & Wales · Charity number 1111859

Details

Other names	MAIDEN VOYAGE
Status	Registered
Legal form	Charitable company
Company number	05342397
Registered	2005-10-28
Register	View on the Charity Commission register

Contact

Address	Crown House Windsor Road Penarth Vale of Glamorgan CF64 1JG
Phone	02920704657
Email	reservations@challengewales.org
Website	www.challengewales.org

Activities

Objects: TO EDUCATE YOUNG PEOPLE AGED BETWEEN 12 AND 25 YEARS IN SAIL TRAINING AND NAVIGATION SO AS TO DEVELOP ESSENTIAL LIFE SKILLS INCLUDING TEAM DEVELOPMENT, COMMUNICATION, RESPECT FOR OTHERS, SELF CONFIDENCE, SELF ESTEEM AND INTERDEPENDENCE ENABLING THEM TO GROW TO FULL MATURITY AS INDIVIDUALS AND MEMBERS OF SOCIETY AND IMPROVING THEIR CONDITIONS OF LIFE.

Activities: Provision of Sail Training to Young People

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Other Charitable Purposes
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

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Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE: NATIONAL AND OVERSEAS .
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£315,165	£240,585	-	-
2024-01-31	£174,305	£242,618	-	-
2023-01-31	£173,365	£316,957	-	-
2022-01-31	£147,318	£134,788	-	-
2021-01-31	£224,378	£112,875	-	-

Trustees

Name	Role	Appointed
David Peter Chapman		2015-12-07
Helen Phillips		2019-08-05
Kathy Mason		2021-11-11
Susan Went		2025-05-07

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CHALLENGE WALES

England & Wales - Charity number 1111859

Accounts

REGISTERED COMPANY NUMBER: 05342397 (England and Wales)
REGISTERED CHARITY NUMBER: 1111859

Trustees' Report and Financial Statements for the Year Ended 31st January 2024 for Challenge Wales



Challenge Wales

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for the Year Ended 31st January 2024

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Challenge Wales

Chair's Statement
for the Year Ended 31st January 2024

It gives me pleasure, in my third year as Chair of the Charity, to present the Trustees' report and Financial Statements for the year ended 31st January 2024.

The Board of Trustees are incredibly proud of the impact that the charity has on young peoples' lives. We continue to demonstrate significant improvements in their mental health and physical wellbeing as well as developing vital life and employability skills in the young people we work with.

In a frustrating start to the year, unforeseeable issues found during the annual planned maintenance programme meant that the start of the season was delayed from March to June, which had a negative impact on income.

A new staff skipper was appointed in July 2023, and we launched a new training programme for volunteers, focussing as much on soft skills and youth work as we do on sailing competency, so we can provide the very best support for the young people we work with.

There have been further changes to the board of Trustees in 2023. Carl Sandom stepped down at the end of his tenure as Interim CEO. Vicky Williams, one of the founders of the charity, has stepped down as a Trustee to enable her to focus fully on managing day to day operations and business development, and to take a lead role in re-establishing the Fund-raising Committee. Russell Bright has also decided that the time is appropriate to step down, having served more than 4 years as a Trustee. I would like to thank the retiring Trustees for their commitment and hard work during what has been a challenging time.

Looking forward to the 2024 financial year:

Adventure Wales, the charity's second vessel, enabled the charity to work with a wider range of young people, and to access ports in North and West Wales which are not accessible to *Challenge Wales*. It allowed us to undertake longer voyages overseas whilst continuing to deliver youth work closer to home.

At a routine survey at the end of 2022, significant work was recommended and the vessel was taken out of service. The Trustees commissioned a more detailed survey in 2023, and in April 2024 carried out a detailed options evaluation. It was concluded that the most sensible option to secure the long term future of the charity was to return to single boat operation, and at the time of this report, *Adventure Wales* is for sale

We continue to look for trustees to strengthen the team. We are particularly looking for trustees with lived experience which reflects the young people we work with, to support our marine team of skipper and maintenance volunteers, and to provide for long term succession within the board.

The financial situation continues to be challenging with the market for funding becoming increasingly competitive, and if we are forced to reschedule voyages for reasons beyond our control this has an immediate impact on our income. We are looking at new approaches to fundraising, and measures to make the charity more resilient. Our Corporate Leadership Programme has been particularly successful in delivering great value for corporate partners and raising significant sums.

Finally, none of this would be possible without the continuing commitment of our hard-working team, led by Vicky Williams, our generous funders, and our amazing volunteers.

Helen Phillips
Chair

26th October 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 January 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 102 (effective 1 January 2019).

Objectives and activities

Objectives
The Challenge Wales charity works with young people aged 12 – 25 years on life-changing accredited personal development voyages to improve their prospects. This is achieved through activities delivered onboard the sail training vessel; *Challenge Wales* | *Wales' Tall Ship*.

The vision that helps shape the focus of the Charity is; "To become the premier provider of youth development activities in Wales and the South West through sail training".

Mission statement
Challenge Wales' mission statement is; "To educate young people aged between 12 and 25 years in sail training and navigation so as to develop essential life skills including team development, communication, respect for others, self-confidence, self-esteem and interdependence enabling them to grow to full maturity as individuals and members of society and improving their conditions of life".

Significant activities
Activities on *Challenge Wales* promotes the growth of group identity and personal self-confidence, enables achievement and success, places everyone on a level playing field and presents challenging experiences in a stimulating, positive, natural environment regardless of ability and background. Whether joining as an individual or as a group the aim is to give young people the opportunity they deserve to develop as positive citizens. Challenge Wales' transformative outdoor learning programme is also evidenced to improve young people's mental health and raises their awareness of ocean literacy and sustainability issues.

Challenge Wales is proud of its reputation in the youth work sector, particularly in Wales, for delivering innovative & effective services that are evidenced to be changing lives positively.

Fundraising voyages:
As a developing Charity receiving no government grants the Charity relies on fundraising voyages to help bring in revenue. These mainly take the form of one day big boat sailing days together with delivery voyages when the boat isn't used by youth groups. These voyages are also a critical part of our volunteer crew application process as every volunteer has to have sailed on *Challenge Wales* as a guest before becoming a volunteer.

Accreditation and Awards:
Challenge Wales is a Sailability Centre and Training Centre with the Royal Yachting Association (RYA) and continues to be an Approved Activity Provider for the Gold Residential Duke of Edinburgh's Award (DofE)

The Charity also offers Agored Cymru accreditation in Teamwork, Developing Own Confidence and Environmental Project. Challenge Wales is also a provider of the John Muir Award.

Challenge Wales is a member of CWVYS (Council of Wales Voluntary Youth Service), C3SC (Cardiff Third Sector Council), Glamorgan Voluntary Services (GVS), Youth Cymru and the Association of Sail Training Organisations (ASTO).

Membership Scheme:
The Challenge Wales Membership Scheme is set up as a way to generate funds for the Charity

The Public Benefit resulting from Sail Training
Various academic research has provided a wealth of evidence about the benefits of sail training voyages.

- A study of the Value of Sail Training undertaken by the University of Edinburgh found dramatic and measurable improvements in personal confidence and the ability to work with, and understand differences, of other people. These benefits were sustained over time after the voyage had ended.

- A study carried out by the University of Sydney found that Sail Training was capable of producing social capital in its participants, showing success in fostering networks and alliances.

An independent evaluation of Challenge Wales over three years as part of its '*Voyages of Discovery'* project and carried out by the Social Effectiveness Research Centre found that sail training improves teamwork & communication skills, social networks and confidence as well as mental health and wellbeing. The project created learning, progression routes and a value-for-money approach.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We review our aims, objectives and activities each year. This review looks back at what we achieved and the outcomes of our work in the previous year. This review helps us ensure our aims objectives and activities remain focused on our stated purposes.

Volunteering:

Challenge Wales wouldn't be the Charity it is without its amazing volunteers who donate their time to work with young people, become our crew on adult and fundraising voyages, maintain the boat and help us fundraise as well as providing us with a significant mix of skills, knowledge and expertise in various areas.

Those wishing to become volunteer crew have to have a volunteer qualifying assessment voyage to ensure they not only have the right skills but more importantly the right outlook and soft skills for working with young people and the commitment. All those who become volunteers with Challenge Wales will require two successful character references in addition to an enhanced DBS check.

All volunteers also need to attend a shore-side volunteer induction as part of the volunteering process enabling them to learn about the Charity as much as we learn about the new volunteers. The Charity has changed its recruitment of volunteer crew from previously allowing people with no sailing experience to become (trainee) crew to insisting that volunteers have either Day Skipper qualifications, sailing experience and knowledge or experience in instructing / teaching. This has become an important move enabling those who are still inexperienced in sailing to become competent, confident and progress up the ranks while providing a slightly more experienced volunteer and filling the gaps left by volunteers who do not progress beyond that of a trainee.

Challenge Wales depends significantly on its volunteers for both crewing and shore-side management. These dedicated individuals guide the charity's operations at Board level, help with maintenance, oversee accounting and Treasurer duties and contribute to strategic planning and various sub-committees. It's evident that Challenge Wales wouldn't be the organisation it is today without the invaluable support of its volunteers, to whom the charity remains deeply grateful.

Achievement and Performance:



In Summary

Having returned to a full operational programme in 2022 [after COVID], the Charity was looking forward to an exciting 2023 with its flagship vessel *Challenge Wales*.

At the end of the last Annual Report, the Trustees had advised that 2023 would be a year without *Adventure Wales* (the Charity's smaller sail training vessel) in operation and our efforts were now focussed on *Challenge Wales*. However, due to an unforeseeable maintenance issue that occurred during our annual planned maintenance programme our youth work activities onboard *Challenge Wales* were delayed and instead of starting in March started in June. This naturally had an impact on our income generation.

However, even with a shorter season than anticipated we continued to have a positive impact on young people, heading overseas to represent Cardiff, Wales and the UK at the Tall Ships Races [Europe's largest youth event], undertaking local accredited day voyage activities, shore-based activities and adult fundraising voyages which included piloting our new *Leadership Development Programme*.

Sail Training Activities and Impact

Our charitable mission is to work with young people "*to educate young people in sail training so as to develop essential life skills"*.

We deliver on this through on the water immersive, in-the-moment, personal development for those aged 12 – 25 years. It involves decision making, planning & problem solving, improves resilience, and improves young people's teambuilding, communication & leadership skills. It helps young people to make new friends, improve confidence and self-esteem and has been evidenced to improve young people's mental health. But it is not just sailing as the Charity's 3-hour shore-side programme 'Sea and Tell' opens up a new interactive world and maritime & sustainability experience for those who are not yet ready to voyage with Challenge Wales or those who only have a short amount of time available to undertake outdoor activities.

Youth development voyages vary in length from 1 to 10 days, catering for both established youth groups, schools and home schoolers and individual participants with each voyage accommodating up to 10 young people at a time. Day voyages offer a brief introduction to Challenge Wales; more comprehensive and often more challenging residential voyages, where young people engage in planning activities, working in watches, cooking, cleaning, and managing a boat. These experiences don't just help the young person's personal development but helps them make friends, develop life skills while having lots of fun.

Our shore-side Sea and Tell sessions enabled young people to bring STEM subjects to life in addition to undertaking microplastic sampling and learning about the impact of one-use plastic on the ocean, wildlife and themselves.

Challenge Wales operates a bursary scheme that subsidises many young people subject to them meeting the bursary criteria and eligibility at the time. Funding is often available for individuals and groups if they require additional financial support, but is always subject to the funds the Charity has available, but funding ensures voyages are as accessible as possible. We are thankful to all Trusts and Foundations that help support us but we must say a special thank you to the Reardon Smith Nautical Trust who are enabling young people to start their nautical journey with us.

Challenge Wales' activities often form part of an accredited learning offering participants *Agored Cymru*[1] accreditation or RYA[2] sailing qualifications supporting literacy, numeracy, STEM and ocean literacy learning. We also provide activities that form part of young peoples' participation in the *Duke of Edinburgh's Award scheme*[3]. Our work with the John Muir Award was paused in 2024 as the John Muir Trust undertakes a rebrand but we look forward to re-offering this Award in 2025.

We seek to ensure that we work with and offer services to as many young people as we can from a variety of diverse backgrounds. Working closely with local and national youth organisations, Local Authorities and third sector we have worked with groups of young people including:

- Current and looked after children
- Neurodiverse individuals
- Young Carers
- Young people with low skills/qualifications and literacy levels
- Those wo are not in Employment, Education and Training (NEET's)
- Black and minority ethnic young people, including Travellers
- Young people from economically deprived households
- Additional learning needs / learning disabilities (including SEN school groups)
- Those living in rural areas and have a lack of opportunity
- Those in school, college, university or in the educational system
- Young people with mental health issues
- LGBTQ+ groups
- Those looking to improve their prospects in a marine career.

The work that Challenge Wales does continues to be aligned with a number of initiatives, policies and plans at local, national and UK government level. Most prominent at national level is the Welsh Government's *Well-being of Future Generations (Wales) Act* [4](2015) with its seven well-being goals (for example that of creating a healthier and more equal Wales) as well some of the foundations of those goals in particular reducing inequality.

Our activities are also relevant to the *Youth Engagement and Progressions Framework*[5], or more recently, the *Youth Work Strategy for Wales*[6] which defines youth work as work which "offers young people opportunities for learning that are educative, expressive, participative, inclusive and empowering". Sail Training on *Challenge Wales* certainly does that.

This year, saw *Challenge Wales* step back into the world of Tall Ships Racing. An event which brings together young people from all over the world as part of a Global Citizen youth event. The event started in Falmouth (UK) and finished in Cadiz (Southern Spain). During the event Challenge Wales picked up the Environmental Award which we are very proud of.

[1] https://www.agored.cymru/
[2] https://www.rya.org.uk/
[3] https://www.dofe.org/
[4] https://www.gov.wales/sites/default/files/publications/2021-10/well-being-future-generations-wales-act-2015-the-essentials-2021.pdf
[5] https://www.gov.wales/youth-engagement-and-progression-framework-overview
[6] https://www.gov.wales/sites/default/files/publications/2019-06/youth-work-strategy-for-wales.pdf

Our impact measurement framework is guided by the Association of Sail Training Organisation's (ASTO) Theory of Change. And, the outcomes wheel model we use is a widely opted tool in the youth work sector which helps measure progress. It is a structured framework to evaluate the impact of youth work focusing on key outcomes such as personal development, skill acquisition, social engagement and mental wellbeing. Using both these frameworks it ensures our sail training and shore-based activities are both effective and measurable.

We closely monitor all our voyages and most young people taking part in Challenge Wales voyages reported significant improvements. Of those that completed the Outcomes Wheel in 2023 68% evidenced improvements in mental health and physical wellbeing, 83% showed improved teamwork abilities, 73% saw improved confidence and self-esteem and 80% said they had improved social networks [through making friends on the voyage].

Case Study:
'Sarah' joined us for a 5 day voyage. She was a carer due to her parents' incapacity. Her parents had alcohol issues, mental health issues and she [and her brother] were on the Child Protection List.

The Impact: Sarah **made new friends**, improved her confidence and **improved her mental health**. Her Uncle contacted Challenge Wales after the voyage to say that; Sarah has **more confidence**, is **more outgoing** and most importantly has an **increased feeling of self-worth**.

Beyond Sail Training
2023 saw the new Challenge Wales Youth Panel have its first meeting. Despite being in its early stages, the Youth Panel has already shown promising development enabling us to gather valuable insights from our young participants helping to shape the direction of our programme. This includes previous beneficiaries being supported to become peer mentors. The enthusiasm of some of the youth panel members has been encouraging while others have faced difficulties joining meetings due to school and life commitments. Nevertheless, Youth Panel contributions are starting to influence our processes ensuring that our activities continue to be aligned with the needs and aspirations of the young people we serve.

Fundraising

Fundraising through sailing: Alongside our core mission we continue to use our resources, when not delivering youth voyages, to help raise funds for the activities and opportunities for young people.

We had hoped to repeat our *Sup and Sailing activities* in Scotland but unfortunately the business running the activities went into administration so *Challenge Wales* amended its schedule and stayed closer to home. Round the Island Race, Cowes, became our main adult fundraiser with adult big boat sailing days undertaken more locally. Our adult sailing days also help us to recruit new volunteers, some of which we have seen return in 2024.

Fundraising Shore-Side: A small fundraising committee was launched to help develop fundraising ideas. Although this didn't quite get off the ground the way it was anticipated, a couple of positive meetings were held with some initial ideas being explored. Some of the ideas are going to reap small benefits in 2024 and we will aim to grow the fundraising committee in 2024/2025 enabling more volunteers to be empowered to drive and deliver more fundraising initiatives.

Other fundraising: We are thrilled to highlight the incredible achievement of four rowers who rowed the Atlantic Ocean starting in December 2023 and finishing in January 2024. Their remarkable journey helped raise over £20,000 for Challenge Wales.

The Charity follows the Code of Fundraising Practice. The Code sets the standards for fundraising activities and tis commitment helps us maintain transparency, accountability and integrity in our fundraising efforts.

The Challenge Wales Team

Leadership and management

Advancing the charity's mission through leadership and management, the Business Development Manager oversees daily operations ensuring activities are aligned with the Charity's goals and meet regulatory standards.

At the beginning of 2024 with the news that the Charity's second vessel wouldn't be operated, the newly appointed Marine Operations Manager stepped down as the Charity no longer had a fleet of vessels to manage. Recruitment started for a Skipper of Challenge Wales, with the previously retired Skipper temporarily coming out of retirement to assist, prior to the post being filled shortly after our sailing season started in July 2023.

Challenge Wales has a small yet dedicated office team that had to handle customers and reschedule voyages during the beginning of the year due to planned maintenance activities encountering unforeseeable delays and did a fantastic job minimising disappointment. The office team continued to undertake its outreach programme, its recruitment programme and making sure everything behind the scenes goes smoothly.

Our Amazing Volunteers

Our impact and work would not have achieved its success if it wasn't for our amazing and dedicated volunteers. This year is no exception and we have certainly seen some volunteers go above and beyond with their assistance and support. They have continued to support the charity with maintenance activities to keep the boats ship-shape, being positive adult role models on the boat, and helping to deliver our sail training voyages.

The recruiting, developing, supporting, training and ensuring volunteers are at the heart of everything we do. These activities follow the *Investing in Volunteers Framework*[7] enabling the Charity to voluntarily, benchmark itself against their quality standard. In Spring 2024 (not covered by this reporting period) we were excited to be awarded funding to develop our volunteering activities and during end of 2024 and 2025 we have now started the accreditation process, working towards the Investing in (IiV) Quality Mark – the UK standard for excellence in volunteer management helping Challenge Wales to strive towards improving, and excelling, its volunteer practices and ensuring a valuable and positive experience for volunteers whichever role they undertake.

Crew development and training

In 2023, we relaunched the Volunteer Competency Log – a Challenge Wales volunteer crew scheme designed to follow a progression framework based on both the RYA training syllabus and the Charity's own standards. This scheme enables volunteers to achieve various levels of competency, allowing them to undertake different roles on the boat while gaining thorough knowledge of safety, systems and soft skills.

Our crew development programme also provides opportunities for those wishing to develop their sailing CV.

Our shore-side crew training programme 'SEA-ing the Bigger Picture' compliments this with training on safeguarding and working with young people.

[7] https://investinginvolunteers.co.uk/

Maintaining the Fleet

Challenge Wales had a successful extensive maintenance programme and she started operating in June 2023. Ensuring the safe operation of our fleet is paramount and as the vessel heads towards her 24th birthday we need to ensure preventative maintenance continues with the help of our volunteers.

Adventure Wales was taken out of circulation for 2023 while we could make an informed decision on her future and it was decided in 2024 that she would be sold. Members, volunteers and stakeholders were informed of this decision. An infographic was created showing the impact of *Adventure Wales* was created and over the few years that we had her she worked with over 1,000 people, delivered almost 150 voyages ranging from 1 to 10 days, created the charity's first sea staff roles and saw 45 different youth organisations jump onboard with 1 organisation returning no fewer than 6 times!

Governance and Management

Challenge Wales is a Charitable Company Limited by Guarantee. Trustees usually meet each month and review all charity policies and operating procedures each year which have been developed by the operating team. They are responsible for the strategic management and administration of the organisation.

The Trustees, and Management, are aware of the Charity Governance Code, a practical tool to help charities and their trustees develop high standards of effective governance practices and use this to guide to develop the charity and strengthen governance.

Priorities and Developments for 2024

Following extensive maintenance work in 2023, only operating one vessel and a shorter sailing season, increasing the Charity's reserves and bringing in income remains a major priority. But, with more charities fighting for funding it remains a very competitive market for funding and never guaranteed.

Our priorities are based on Funding, Human Resources and Programme Development;

Human Resources:
Recruiting more Mates and Skippers which would enable us to continue to deliver our services is a key priority. This includes freelancers, as well as volunteer, Mate's and Skippers and early 2024 we undertook our first Freelance Skippers and Mates training weekend. We still have some way to go but we are going in the right direction.

Our crew training programme will continue with an important emphasis on developing soft skills as well as technical sailing skills.

Most volunteer crew are asked to assist with maintenance tasks however, once the next couple of years the charity aims to transition to a dedicated volunteer maintenance team to support the Skipper and thereby optimising resource use.

We aim to continue our recruitment to recruit at least 2 additional Trustees. This recruitment aims to enhance the Board's diversity and expertise ensuring a broader range of perspectives to better address the challenges and opportunities that the Charity encounters. We will look at using wider trustee recruitment platforms to help us reach out to a wider audience.

Funding:
Having piloted one 3-day Corporate Leadership Development Programme, as part of our adult fundraising activities, we aim to deliver 4 Corporate Leadership programmes in 2024. At the time of writing this report, although outside the reporting period, 4 programmes were delivered;

"*It was an amazing event. We were looking to combine team building with some kind of fun outdoor activity and we got that combined with leadership lessons on both theoretical and practical terms.*

It was an eye opening experience to see how we really moved from a group of people working together to a proper team having multiple tasks fully aligned for a common objective. It helped to be out of the comfort zone. It was a fun but tough learning experience but also key to the activity was the charisma and involvement of the volunteers that made it a wonderful couple of days and a lifelong learning experience".

Growing the Fundraising Committee numbers will help in the long-term financial health of the charity, expand outreach with more dedicated volunteer members which could help us reach a broader audience and a well-rounded committee will bring different ideas and expertise to improve the fundraising strategies.

It is essential to bring in funding to ensure we can maintain our vessel, cover running costs and support young people accessing our services who may need financial assistance.

Programme Development:
Delivering Agored Cymru Accreditation and the DofE Award (Gold Residential Section) will continue, enabling young people to put something tangible onto their CV. Although plans were to undertake DofE Gold and Silver Expeditions this did not materialise, as we feel we need to get more funding in place to support the young people working towards achieving this but we hope to re-look at this in the future.

Expanding access for disadvantaged young people to access our services remains important for 2024 but part of this is related to fundraising and bringing in sufficient funds to provide the opportunities.

Our priorities for 2024/2025 include further development of the Youth Panel into a new Youth Action Team, to allow a better representative of young people to join including those who haven't sailed. We also aim to introduce young volunteers (aged 16 – 17 years) into the charity in a way that enables a clear pathway into volunteering (and potentially a marine career) that helps them build up their skills and experience without the responsibility of being a full volunteer crew person (which is for those aged 18 years+) but still enables them to feel valued and will have a voice.

With a new, albeit temporary, Chief Instructor onboard for our Royal Yachting Association (RYA) Training Centre this will provide more opportunities for young people to make that first step into a marine career with RYA sailing qualifications.

Thank You

Challenge Wales would like to thank the individual donors, friends, trusts and funders who have believed in us and supported us this year. Your support has been life-changing to many of the young people we have had the pleasure of welcoming onboard.

We extend our heartfelt gratitude to all the companies that support with their help, guidance and services enabling us to carry out our outdoor learning programmes.

We also want to express our deep appreciation to our volunteers for their invaluable contributions to crewing, maintenance, fundraising, those that sit on a committee, our Treasurer and Board Members as well as our amazing staff team.

We really appreciate everyone's help and support and you are really making a difference in positively transforming young lives – Thank You






And Finally, it's always great to hear the positive feedback and the impact we are having:

*"I genuinely woke up every day **excited to learn** and anticipating the adrenaline rush that high wind speeds, choppy water and a journey on a 72ft yacht would bring. I had no idea I would connect so well with the other participants onboard like I did. These **friendships are lifelong**. After talking with the women crew onboard I know that there is a gap to fill with regards to gender and diversity in yachts and I think that Challenge Wales has provided such a **great opportunity**." Young participant aged 17*

*"The young carers were able to **experience something different and enjoy some time away from their responsibilities as young carers** at home. It was a **very fun educational experience**. All the staff and volunteers on the boat were so welcoming and **understanding of the different level of needs** of the young people and were able to adjust their approaches to suit each young person's individual's personalities."* Group Leader

*"I have been to these docks all my life but **I learnt something new** about this place, being on a boat. I have seen my favourite place in a different way. I have seen lots of different animals/species that I would not have seen before it if wasn't for Challenge Wales. I also completed my Gold DofE Residential Section and the Discovery Level of the John Muir Award".* Young participant, aged 18

"*The most significant outcome was the **confidence developed** by young people, **pushing outside their comfort zone**, despite being nervous"* Group Leader

*"I **improved** my **confidence**, **teamwork**, **felt better physically and mentally** and **made new friends**"* Young participant, aged 18

Organisational Structure & Trustees

Governing document
The Charity, registration number 1111859, is a company limited by guarantee and governed by its Memorandum and Articles of Association. It received its charitable registration and became an incorporated company, number 05342397, on the 25 January 2005.

Recruitment and appointment of new Trustees
Potential Trustees are invited to attend one of Challenge Wales' Trustee meetings as an observer, although not a compulsory route to becoming a Trustee it is encouraged to give the potential trustee an insight into the Charity.

Trustees are appointed at any board meeting and are chosen from individuals interested in the work of the Charity. In an effort to maintain a diverse and skilled mix of Board members, Trustees are required to provide a list of their skills (and update it annually through a skills audit). This enables the Trustees to identify gaps in the board skills mix and address these.

Organisational structure
The Charity employs a Business Development Manager who provides strategic leadership and overseas all operations and staff, which includes a full time Sea Staff Skipper, part time Administrative Assistant and part time Youth Development Officer. A Trustee fulfils the role of Treasurer. The Charity also has a designated Child Protection and Safeguarding Officer and this role is currently undertaken in a volunteer capacity. Challenge Wales operates a Marine Committee with a responsibility for boat maintenance and safety, a Volunteer Training Committee responsible for the personal development of all volunteer crew and a newly formed Fundraising Committee tasked with the responsibility of diversifying the income of the charity in particular through growing community fundraising.

The Chair of the Board of Trustees, a volunteer role, has oversight of the day to day operations of the charity.

Induction and training of new Trustees
New Trustees may or may not be familiar with Challenge Wales' activities. New Trustees are provided with an induction pack which includes the Memorandum & Articles of Association, the current annual Report and Accounts, a copy of the previous board meeting minutes and links to the Charity Commission publications "The Essential Trustee" and "The Hallmarks of an Effective Charity". A Disclosure and Barring Service (DBS) check is undertaken following successfully receiving two character references.

Registered office
Crown House
Windsor Road
CF64 1JG

Trustees during the year ended 31 January 2024

Ms V. Williams BA.(Hons), MA., MIDM, MCIM, Chartered Marketer	Resigned as a Trustee on 25 September 2023
Mr D. P. Chapman B.A., F.C.A., DChA	
Mr R.L. Bright BSc	Resigned on 29 September 2023.
Ms H Phillips MSc, BSc (Eng) (Hons), ACGI	
Dr C. W. Sandom BEng (Hons), MSc, PhD CEng ,CErgHF, FIET	Resigned on 27 March 2023
Ms K. Mason B.A. (Hons),MSc (Econ), MIHSM	

Independent examiner
Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff, CF24 5PJ

Bankers
Barclays Bank Plc
Port Talbot, West Glamorgan, SA13 1LJ

Challenge Wales

Trustees' Report
for the Year Ended 31st January 2024

Financial review

Results

The Charity reports a deficit on unrestricted funds for the year amounting to £68,313 (2023: deficit £143,592). This has resulted in the level of unrestricted funds carried forward to next year decreasing from £440,739 to £372,426 (2023: 556,145 to £440,739). These unrestricted funds include a revaluation reserve amounting to £286,961 (2023: £286,961), which arose from the revaluation of the Challenge Wales yacht.

Restricted funds brought forward and amounts received during the year have been fully expended in the year with the exception of those stated in note 17 to the accounts,

Investment policy and objectives

The Charity has no investment powers except to place any surplus funds into deposit accounts.

Reserves policy

It is the policy of the Trustees to maintain adequate unrestricted funds to ensure that they are able to provide for the continuance of sail training activities should grant funding not be able. The Trustees are currently looking into ways to improve the available reserves. Once the investment in fixed assets and investments is taken into consideration, the Charity had available free funds (excluding unrestricted long term creditors) of £49,724 (2023: £111,846).

Approved by order of the board of Trustees on 31 October 2024 and signed on its behalf by:

.....

D. P. Chapman, B.A. F.C.A. Dip ChA – Trustee & Treasurer

Independent Examiner's Report to the Trustees of Challenge Wales

I report to the Charity Trustees on my examination of the accounts of the charitable company for the year ended 31st January 2024.

Responsibilities and basis of report

As the Trustees of the charitable 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 charitable 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 charitable company'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

I have completed my examination.

I confirm that no material 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 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.



Mrs Victoria Carter FCA
Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

31st October 2024

Challenge Wales

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the Year Ended 31st January 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Income and endowments from					
Donations and legacies		50,054		50,054	31,170
Charitable activities	4				
Core funding		45,896	73,377	119,273	142,195
Investment income	3	618	-	618	-
Other income	2	4,360	-	4,360	-
Total		100,928	73,377	174,305	173,365
Expenditure on					
Raising funds		6,170		6,170	150
Charitable activities					
Core funding		163,071	73,377	236,448	316,807
Total		169,241	73,377	242,618	316,957
Net expenditure		(68,313)		(68,313)	(143,592)
Other recognised gains					
Gain on revaluation of fixed assets		-	-	-	-
		(68,313)	-	(68,313)	(143,592
Net movement in funds					
Reconciliation of funds					
Total funds brought forward		440,739		440,739	584,331
Transfer between funds		-	-	-	-
Total funds carried forward		372,426	-	372,426	440,739

The notes on pages 16 to 25 form part of these financial statements

Challenge Wales

Balance Sheet
At 31st January 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Fixed assets					
Tangible assets	10	485,727	-	485,727	442,040
Investments	11	100	-	100	100
		485,827	-	485,827	559,615
Current assets					
Stock		400	-	400	400
Debtors	12	44,766	-	44,766	28,184
Cash at bank and in hand		65,005		65,005	106,028
		110,171	-	110,171	134,612
Creditors					
Amounts falling due within one year	13	(60,447)	-	(60,447)	(22,766)
Net current assets		49,724		49,724	111,846
Total assets less current liabilities		535,551		535,551	553,986
Creditors					
Amounts falling due after more than one year	14	(163,125)	-	(163,125)	(113,247)
Net assets		372,426	-	372,426	440,739
Funds	17				
Unrestricted funds				372,426	440,739
Restricted funds					-
Total funds				372,426	440,739

The notes on pages 16 to 25 form part of these financial statements

continued...

Balance Sheet - continued
At 31st January 2024

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st January 2024.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st January 2024 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.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective January 2019).

The financial statements were approved by the Board of Trustees on 31st October 2024 and were signed on its behalf by:

H Phillips

.....

Ms H Phillips MSc, BSc (Eng) (Hons), ACGI

.....

Mr D. P. Chapman, B.A., F.C.A., DChA –Trustee &Treasurer

Company Number 05342397

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, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Exemption from preparing a cash flow statement
Exemption has been taken from preparing a cash flow statement in accordance with the Financial Reporting Standard 102 (effective January 2019).

Income
Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised on a receivable basis.

Grants receivable for revenue purposes are credited to the income and expenditure account when they become due. Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful life of the related assets.

Expenditure
Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of goods for resale.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Raising funds
Raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts and the cost of any legal advice to Trustees on governance or constitutional matters.

1. Accounting policies - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost, less residual value, of each asset over its estimated useful life. Depreciation commences from the date an asset is fully commissioned.

- Challenge Wales Yacht 20 years
-Challenge Wales Standing Rigging 10 years
- Adventure Wales Yacht 10 years
- RIB safety boat 10 years

Fixed assets purchased from unrestricted funds and with an initial value of over £1,000 are capitalised at cost. All Fixed assets purchased from restricted funds are capitalised at cost.

Taxation
The company is a registered Charity and all of its income is primary purpose and is therefore exempt from taxation.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Stock
Stock comprises of fuel bunkered on Challenge Wales and is valued at cost.

Debtors

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

Creditors and provisions

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

Functional currency
The Company's functional and presentation currency is the pound sterling.

2. Other trading activities

	2024	2023
	£	£
Sundry income and merchandise	4,360	-
	4,360	-

3. Investment income

	2024	2023
	£	£
Deposit account interest	618	-

4. Income from charitable activities

	Activity	2024 £	2023 £
Membership subscriptions	Core funding	7,916	7,345
Sail days and training courses	Core funding	1,955	480
Sail Training Activities	Core funding	35,995	38,482
Reardon Smith Nautical Trust	Core funding	49,141	45,750
Reardon Smith Nautical Trust	Training Centre Capital Grant	-	13,888
Garfield Weston	Core funding		20,000
ASTO	Core and COVID funding	4,090	4,730
James Myatt	Bursaries	900	1,275
Royal Thames Yacht Club	Bursaries	978	1,173
CWYVS	Summer of Fun Revenue Funding	7,423	6,190
Merthyr County Borough Council	Winter of Wellbeing Revenue Funding	-	2,882
St James' Place Foundation	Core funding	5,000	-
Sail Training International	Core funding	3,375	-
Millennium Stadium Charitable Trust		2,500	-
		119,273	142,195

5. Support costs

	Other £	Governance costs £	Totals £
Core funding	16,081	1,846	17,927

Support costs, included in the above, are as follows

	2024 £	2023 £
Property rent and rates	11,347	11,838
Light, heat and water	1,064	192
Telephone	2,236	398
Accountancy and legal fees	1,846	1,480
Office consumables	1,084	737
Marketing	200	-
Office repairs and small equipment	150	306
	17,927	14,951

6. Net income

Net income is stated after charging:

	2024 £	2023 £
Depreciation and impairment charge - owned assets	981	5,776
Hire of life rafts	2,283	1,696
Operating leases	7,800	7,800
Loan interest	6,707	7,406
Independent Examiner's fee	1,595	1,345

7. Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel

	2024	2023
	£	£
Salaries and wages	90,408	65,547
Social security costs	2,665	2,213
Pension costs	1,859	1,301
	94,932	69,061

The key management personnel of the Charity comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £39,250.

Ms V Williams, a Trustee has a two year contract of employment with the Charity and received a salary of £39,250 (2023: £38,083) in respect of her services as Marketing and Business Development Manager. This remuneration is made by way of provision in the Charity's governing documents.

None of the other Trustees received remuneration or expenses in this or the previous year. No employees received emoluments in excess of £60,000.

8. Staff numbers

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

	2024	2023
Business Development and Administrative support	2.0	2.0
Ship's skippers and mates	0.8	0.7
	2.8	2.7

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	31,170	-	31,170
Charitable activities			
Core funding	94,505	47,690	142,195
Total	125,675	47,690	173,365
Expenditure on			
Raising funds	150	-	150
Charitable activities			
Core funding	240,931	75,876	316,807
Total	241,081	75,876	316,957
Net expenditure and Net movement in funds	(115,406)	(28,186)	(143,592)
Reconciliation of funds			
Total funds brought forward	556,145	28,186	584,331
Transfer between funds	-	-	-
Total funds carried forward	440,739	-	440,739

10. Tangible fixed assets

	Challenge Wales Yacht £	Adventure Wales Yacht £	Other equipment £	Total £
Cost or valuation				
At 1 February 2023	479,273	171,733	4,992	655,998
Additions	45,320	-	246	45,566
At 31 January 2024	524,593	171,733	5,238	701,564
Depreciation				
At 1 February 2023	79,977	131,731	2,250	213,958
Charge for the year	1,359	-	520	1,879
At 31 January 2024	81,336	131,731	2,770	215,837
Net Book Value				
At 31 January 2024	443,257	40,002	2,468	485,727
At 31 January 2023	399,296	40,002	2,742	442,040

Challenge Wales Yacht is held on a revalued basis (plus additions at cost) less accumulated depreciation, being revalued at appropriate intervals. The current valuation for the Challenge Yacht of £450,000 was carried out by YSC Surveys (Yacht & Small Craft Surveying) on 30 January 2015.

The historical cost amounts to £226,493 on which depreciation of £97,088 has been charged.

The Adventure Wales Yacht is carried at a Directors' valuation based on an informal survey.

11. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1st February 2023 and 31st January 2024	100
Net book value	
At 1st February 2023 and 31st January 2024	100

There were no investment assets outside the UK.

The shares in group undertakings represent a 100% holding of the issued share capital of Challenge Wales (Sales) Limited, a company incorporated in England and Wales, registered number 08049080. The following amounts are derived from the unaudited accounts of Challenge Wales (Sales) Limited for the year ended 31 January 2024.

11. Fixed asset investments (continued)

	2024	2023
	£	£
Turnover	24,125	19,170
Total expenditure	(3,813)	(1,389)
Net profit for year	20,312	17,781
Total assets	4,687	8,332
Total liabilities	(1,275)	(451)
Shareholders' funds	3,412	7,881

12. Debtors: amounts falling due within one year

	2024	2023
	£	£
Trade debtors	37,264	10,668
VAT	5,765	3,683
Amounts owed by group undertakings	-	461
Prepayments and accrued income	1,737	13,372
	44,766	28,184

13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Other loans	11,615	10,692
Trade creditors	5,665	3,052
Receipts in advance of sailing	36,000	-
Amounts owed to group undertakings	100	100
Social security and other taxes	3,598	5,096
Accruals and deferred income	3,469	3,826
	60,447	22,766

14. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Other loans - 1-2 years	11,615	17,417
Other loans - 2-5 years	30,742	33,343
Other loans – over 5 years	120,768	62,487
	163,125	113,247

The repayment profile of the other loans reflects the loan schedules in force with the Wales Council for Voluntary Action.

15. Operating lease commitments

The following operating lease payments are committed to be paid:

	2024	20223
	£	£
Expiring:		
Within 1 year	10,800	10,800
Within 2 to 5 years	15,800	25,800

16. Secured debts

The following secured debts are included within creditors:

	2024	2023
	£	£
Other loans	149,523	93,650

All other loans are secured by way of statutory ship's mortgage and deed of covenant dated 3 April 2008.

17. Movement in funds

	At 1.2.23	**Net movement in funds**	**Transfers between funds**	**At 31.1.24**
	£	**£**	**£**	**£**
Unrestricted funds				
General fund	153,778	(68,313)	-	85,465
Revaluation reserve	286,961	-	-	286,961
	440,739	(68,313)	-	372,426
TOTAL FUNDS	440,739	(68,313)	-	372,426

17. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	100,928	(169,241)	(68,313)
Restricted funds			
Reardon Smith Nautical Trust	49,141	(49,141)	-
ASTO	4,090	(4,090)	-
James Myatt	900	(900)	-
Royal Thames Yacht Club	948	(948)	-
CWYVS	7,423	(7,423)	-
St James' Place Foundation	5,000	(5,000)	-
Sail Training International	3,375	(3,375)	-
Millenium Stadium Charitable Trust	2,500	(2,500)	
Total unrestricted funds	73,777	(73,777)	-
TOTAL FUNDS	174,305	(242,618)	(68,313)

Unrestricted funds
General funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity. Revaluation reserve relates to the Challenge Wales Yacht, this was reduced annually in-line with depreciation.

Restricted funds

- Reardon Smith Nautical Trust – provided funding to assist young people with bursaries to develop their practical experience at sea
- ASTO - a bursary received for those taking part in sail training voyages.
- James Myatt/Royal Thames Yacht Club - a bursary received for those taking part in sail training voyages
- CWVYS- provided funding to help voluntary youth organisations with the cost-of-living crisis and other related challenges
- St James' Place Foundation – Funding for disadvantaged young people to take part in sail training voyages
- Sail Training International -a bursary received for those taking part in sail training voyages
- Millennium Stadium Charitable Trust – Funding towards sail training voyages for disadvantaged young people

17. Movement in funds - continued

Transfers between funds
Depreciation on revalued assets is transferred from the revaluation reserve to unrestricted funds in-line with the Charity's depreciation policy.

18. Related party disclosures

Wages and salaries

One of the Trustees has a contract of employment with the Charity and received a salary of £39,250 (2023: £38,083).

Trustee Memberships

During the year ended 31 January 2024 the Trustees and family members collectively paid £432 (2023: £625) for annual membership of the Charity.

Trustee Donations

During the year the Charity received donations from Trustees totalling £365 (2023: £974).

Transactions with Subsidiary

During the year ended 31 January 2024 the Charity received £20,047 (2023: £20.047) by way of Gift Aid donation from its' trading subsidiary Challenge Wales (Sales) Limited.

19. Member's liability

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

Detailed Statement of Financial Activities for the Year Ended 31st January 2024

	2024 £	2023 £
Income and endowments		
Donations and legacies		
Third party donations	22,308	7,564
Gift aid	1,905	2,060
Challenge Wales (Sales) Limited	24,781	20,047
Private Donations	1,060	1,499
	50,054	31,170
Investment income		
Deposit account interest	618	-
Charitable activities		
Membership subscriptions	7,916	7,345
Crew fees	1,955	480
Sail Training Activities	35,995	38,482
Reardon Smith Nautical Trust – sail training bursary	49,141	45,750
Reardon Smith Nautical Trust – general grant	-	13,888
Garfield Weston	-	20,000
ASTO	4,090	4,730
James Myatt	900	1,275
Millennium Stadium Charitable Trust	2,500	-
Sail Training International	3,375	-
Royal Thames Yacht Club	978	1,173
St James' Place	5,000	-
CWYVS	7,423	6,190
Merthyr County Borough Council	-	2,882
	119,273	142,195
Other income		
Sundry income	4,360	-
	4,360	-
Total incoming resources	174,305	173,365

Challenge Wales
Detailed Statement of Financial Activities
for the Year Ended 31st January 2024

	2024	2023
	£	£
Expenditure		
Charitable activities		
Wages	94,932	86,635
Skipper and mates' fees	11,588	22,850
Insurance	7,588	7,362
Postage and stationery	42	50
Coding of Challenge Wales and Adventure Wales	51,212	13,631
Sundries	1,148	1,666
Offshore costs	20,119	20,100
Boat repairs and maintenance	12,509	6,112
Onshore storage costs	-	224
Marine Charts and publications	1,199	592
Subscriptions and donations	1,171	1,458
Travel and subsistence	6,492	6,271
Computer and software	907	2,536
Depreciation of Vessels and other equipment	1,879	1,682
Impairment charge on Adventure Wales	-	116,966
Bank and other loan interest	6,707	7,079
Staff and volunteer training	774	793
Course accreditation, monitoring and evaluation	33	83
	218,300	296,090
Support costs		
Other		
Property rent and rates	11,347	11,838
Light, heat and water	1,064	192
Telephone	2,236	398
Office consumables	1,084	737
Marketing	200	-
Office repairs and maintenance	150	306
Bank charges	220	211
	16,301	13,682
Governance costs		
Accountancy and legal fees	1,846	1,480
Recruitment fees	-	5,555
Fund raising costs	6,170	150
	8,016	7,185
Total resources expended	242,618	316,957
Net expenditure	(68,313)	(143,592)

CHALLENGE WALES

England & Wales - Charity number 1111859

Accounts

REGISTERED COMPANY NUMBER: 05342397 (England and Wales)
REGISTERED CHARITY NUMBER: 1111859

Trustees' Report and Financial Statements for the Year Ended 31st January 2023 for Challenge Wales

Challenge Wales

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for the Year Ended 31st January 2023

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Challenge Wales

Chair's Statement
for the Year Ended 31st January 2023

It gives me great pleasure, in my second year as Chair of the Charity, to present the Trustees' report and Financial Statements for the year ended 31st January 2023.

It was good to be able to deliver a full season of activities for the first time since before the Covid pandemic. As our season continued, it was clear that Covid had had a lasting impact on the young people that sail with us in terms of social, academic and overall wellbeing. Sail Training is evidenced to improve mental health and life skills and reduce isolation, and it was wonderful to see from our outcomes measurements, the improvement in wellbeing, social interaction and confidence in the young people we worked with.

The year to 31st January 2023 was also one of significant change as Captain Andrew Hall, our Founder, Principal and Skipper, officially retired from the Charity. The Trustees considered how the organisation should be structured to support our future plans, creating a salaried position of Marine Operations Manager, and appointing an interim Chief Executive (volunteer) in October 2022 for a period of six months to assist with the transition.

Ensuring the safe operation of our fleet is paramount, and both vessels were scheduled for comprehensive inspection and maintenance during the winter of 2022/23 to ensure compliance with statutory requirements.

At the end of this reporting period, *Challenge Wales* was still undergoing work, but returned successfully to operations for the 2023 season. The initial survey findings on *Adventure Wales* recommended more extensive work, and the Board of Trustees have agreed to commission a detailed report on the condition of the yacht to enable an informed decision on its future.

Looking forward to the remainder of the 2023-24 financial year, the Charity faces a number of key challenges. The conditions post-pandemic have had an impact on cash flow, operating costs and availability of volunteers; and with the loss of the Marine Operations Manager in early 2023, there was a delay to the start of the 2023 season, but we were successful in recruiting a new permanent staff skipper in July 2023.

There have been further changes to the board of Trustees in 2023. Carl Sandom stepped down at the end of his tenure as Interim CEO. Vicky Williams, one of the founders of the charity, has stepped down as a Trustee to enable her to focus fully on managing day to day operations and business development, and to take a lead role in re-establishing the Fund-raising Committee. Russell Bright has also decided that the time is appropriate to step down, having served more than 4 years as a Trustee. I would like to thank the retiring Trustees for their commitment and hard work during what has been a challenging time.

The Trustees have identified the skills and experience we need to deliver on our future plans, and are proactively recruiting additional Trustees to complement the team. We're moving towards an exciting year ahead as we focus on our values, our passion for sail training, the needs of our beneficiaries and supporting the operational team.

Finally, none of this would be possible without the continuing commitment of our hard-working office team, led by Vicky Williams, our generous funders, and our amazing volunteers.

Helen Phillips
Chair

30 October 2023

Trustees' Report
for the Year Ended 31st January 2023

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 January 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 102 (effective 1 January 2019).

Objectives and activities

Objectives
The Challenge Wales charity works with young people aged 12 – 25 years on life-changing accredited personal development voyages to improve their prospects. This is achieved through activities delivered onboard the sail training vessels; *Challenge Wales* | *Wales' Tall Ship* and *Adventure Wales*

The vision that helps shape the focus of the Charity is; "To become the premier provider of youth development activities in Wales and the South West through sail training".

Mission statement
Challenge Wales' mission statement is; "To educate young people aged between 12 and 25 years in sail training and navigation so as to develop essential life skills including team development, communication, respect for others, self-confidence, self-esteem and interdependence enabling them to grow to full maturity as individuals and members of society and improving their conditions of life".

Significant activities
Activities on both yachts promotes the growth of group identity and personal self-confidence, enables achievement and success, places everyone on a level playing field and presents challenging experiences in a stimulating, positive, natural environment regardless of ability and background. Whether joining as an individual or as a group the aim is to give young people the opportunity they deserve to develop as positive citizens.

Challenge Wales is proud of its reputation in the youth work sector, particularly in Wales, for delivering innovative & effective services that are evidenced to be changing lives positively.

Fundraising voyages:
As a developing Charity receiving no government grants the Charity relies on fundraising voyages to help bring in revenue. These mainly take the form of one day big boat sailing days together with delivery voyages when the boat isn't used by youth groups. These voyages are also a critical part of our volunteer crew application process as every volunteer has to have sailed on Challenge Wales as a client before becoming a volunteer.

Accreditation and Awards:
Challenge Wales is a Sailability Centre and Training Centre with the Royal Yachting Association (RYA) and continues to be an Approved Activity Provider for the Gold Residential Duke of Edinburgh's Award (DofE). In 2022 Challenge Wales became an Approved Activity Provider for the Gold DofE Expedition section.

The Charity also offers Agored Cymru accreditation in Teamwork, Developing Own Confidence and Environmental Project. Challenge Wales is also a provider of the John Muir Award.

Challenge Wales is a member of CWVYS (Council of Wales Voluntary Youth Service), C3SC (Cardiff Third Sector Council), Youth Cymru and the Association of Sail Training Organisations (ASTO).

Membership Scheme:
The Challenge Wales Membership Scheme is set up as a way to generate funds for the Charity.

The Public Benefit resulting from Sail Training
Various academic research has provided a wealth of evidence about the benefits of sail training voyages.

- A study of the Value of Sail Training undertaken by the University of Edinburgh found dramatic and measurable improvements in personal confidence and the ability to work with, and understand differences, of other people. These benefits were sustained over time after the voyage had ended.

- A study carried out by the University of Sydney found that Sail Training was capable of producing social capital in its participants, showing success in fostering networks and alliances.

An independent evaluation of Challenge Wales over three years as part of its '*Voyages of Discovery*' project and carried out by the Social Effectiveness Research Centre found that sail training improves teamwork & communication skills, social networks and confidence as well as mental health and wellbeing. The project created learning, progression routes and a value-for-money approach.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We review our aims, objectives and activities each year. This review looks back at what we achieved and the outcomes of our work in the previous year. This review helps us ensure our aims objectives and activities remain focused on our stated purposes.

Volunteering:

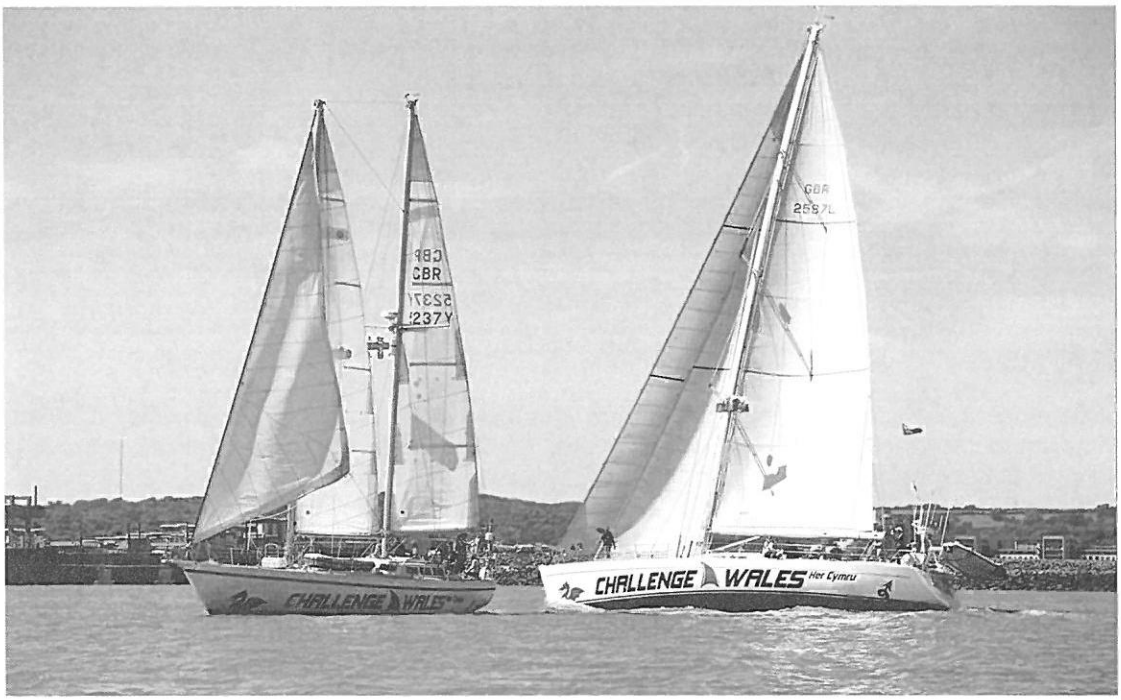
Challenge Wales wouldn't be the Charity it is without our amazing volunteers who donate their time to work with young people, become our crew on adult and fundraising voyages, maintain the boat and help us fundraise as well as providing us with a significant mix of skills, knowledge and expertise in various areas.

Those wishing to become volunteer crew have to have a volunteer qualifying assessment voyage to ensure they not only have the right skills but more importantly the right outlook for working with young people and the commitment. All those who become volunteers with Challenge Wales will require two successful character references followed by an enhanced DBS check which is carried out in a face-to-face meeting.

All volunteers also need to attend a shore-side volunteer induction as part of the volunteering process enabling them to learn about the Charity as much as we learn about the new volunteers. The Charity has changed its recruitment of volunteer crew from previously allowing people with no sailing experience to become (trainee) crew to insisting that volunteers have either Day Skipper qualifications, sailing experience and knowledge or experience in instructing / teaching. This has become an important move enabling those who are still inexperienced in sailing to become competent, confident and progress up the ranks while providing a slightly more experienced volunteer and filling the gaps left by volunteers who do not progress beyond that of a trainee.

Challenge Wales relies heavily on its volunteers for crewing and shore-side management of the Charity. Volunteers direct the affairs of Challenge Wales at board level, skipper and crew the boat, assist with maintenance, manage some of the administration tasks including book-keeping, as well as contributing to strategic planning and sub-committee/steering group activities. It is clear that Challenge Wales would not be the organisation it is today without its volunteers and the Charity continues to be greatly indebted to them.

Achievement and performance:



Back on the Water

We were delighted to deliver a full season of voyages and activities in 2022, the first full season of operation since 2019. The impact of the pandemic meant no sailing at all in 2020 and only a partial year of activities in 2021, when we were one of the first sail training organisations to welcome back young people within the restrictions at the time.

This return to full operations has been a positive direction of travel, but not without some challenges including the ongoing impact of Covid infections on staff, crew and young people. In the summer, *Challenge Wales* also experienced first-hand the local impact of climate change as water levels in our home port meant that some days the water was so low *Challenge Wales* could not go sailing.

For the 2022 season our smaller boat *Adventure Wale*s stayed close to home delivering the programme of youth voyages and adult fundraising trips. Meanwhile, *Challenge Wales* headed a little further afield to Northern Ireland, to the *Foyle Maritime Festival* to meet up with the *Clipper Round the World Race*. This gave young people on the trip an opportunity to be inspired, be part of an event and to do one of our more challenging sailing voyages as the round trip was over 500 miles. The end of our season finished with big boat *Challenge Experience* days, an opportunity to start recruiting new volunteers ready for the next season.

Sail training activities

It is the Charity's core mission is to work with young people "*to educate young people in sail training so as to develop essential life skills*". We deliver on this through on the water immersive, in-the-moment, personal development for those aged 12 – 25 years. It involves decision making, planning & problem solving, improves resilience, improves young people's teambuilding, communication & leadership skills. It helps young people to make new friends, improve confidence and self-esteem and has been evidenced to improve young people's mental health.

Youth development voyages ranged from 1 to 10 days with either established groups or individuals using our services. Up to 10 young people will join a voyage at any one time. Day voyages give a small taster into Challenge Wales' more structured residential voyages which get the young people planning their activities, working as a team in watches, cooking, cleaning and running a boat while making friends, learning life skills and having lots of fun.

The Charity runs a bursary scheme and through this is able to subsidise young people subject to them meeting the bursary criteria at the time. Funding is often available for individuals and groups if they require additional financial support, ensuring our voyages are as accessible as possible.

Sail training activities (continued)

Challenge Wales' activities often form part of an accredited learning offering participants *Agored Cymru*[1] accreditation or RYA[2] sailing qualifications supporting literacy, numeracy, STEM and ocean literacy learning. We also provide activities that form part of young peoples' participation in the *Duke of Edinburgh's Award scheme*[3] as well as the *John Muir Award*[4].

We seek to ensure that we work with and offer services to as many young people as we can from a variety of diverse backgrounds. Working closely with local and national youth organisations, Local Authorities and third sector we have worked with groups of young people including:

- Current and former looked after children
- Rurally isolated young people
- Young Carers
- Young people with low skills/qualifications and literacy levels
- Those who are not in Employment, Education or Training (NEET's)
- Black and minority ethnic young people, including Travellers
- Young people who are homeless or at risk of homelessness
- Young people from economically deprived households
- Additional learning needs / learning disabilities (including SEN school groups)
- High educational achievers
- Young people with Mental Health Issues
- LGBTQ groups
- Those looking to improve their prospects in a marine career

The work that Challenge Wales does continues to be aligned with a number of initiatives, policies and plans at local, national and UK government level. Most prominent at national level is the Welsh Government's *Well-being of Future Generations Act* [5](2015) with its seven well-being goals (for example that of creating a healthier and more equal Wales) as well some of the foundations of those goals in particular reducing inequality.

Our activities are also relevant to the *Youth Engagement and Progressions Framework*[6], or more recently, the *Youth Work Strategy for Wales*[7] which defines youth work as work which "offers young people opportunities for learning that are educative, expressive, participative, inclusive and empowering". Sail Training on our vessels certainly does that.

We continue to monitor the impact of our youth voyages through an 'Outcomes Wheel' which measures the journey a young person goes on, whether it is a day or longer. The majority of young people taking part in Challenge Wales voyages reported improvements. Of those that completed the Outcomes Wheel 63% evidenced improvements in mental health and physical wellbeing, 73% showed improved teamwork abilities, 68% saw improved confidence and self-esteem and 63% said they had improved social networks (through making friends on the voyage). When these results are analysed a little bit deeper, those young people who joined us for Summer of Fun activities (which was aimed primarily at disadvantaged young people) saw even higher levels of improvements (up to 85%) after their sail training activities. We also saw more young people working towards *Agored Cymru* accreditation.

[1] https://www.agored.cymru/
[2] https://www.rya.org.uk/
[3] https://www.dofe.org/
[4] https://www.johnmuirtrust.org/john-muir-award/
[5] https://www.gov.wales/sites/default/files/publications/2021-10/well-being-future-generations-wales-act-2015-the-essentials-2021.pdf
[6] https://www.gov.wales/youth-engagement-and-progression-framework-overview
[7] https://www.gov.wales/sites/default/files/publications/2019-06/youth-work-strategy-for-wales.pdf

Developing the next generation of young sailors

We are always keen to help develop the next generation of professional sailors and those looking to improve their prospects in a marine career. We do this through our youth voyages, and also through encouraging young people to become volunteers and to progress through formal sailing and marine accreditation schemes, such as the RYA.

Whilst this usually involves young people participating in a group residential, in April 2022 we launched Boat Camp, for individuals, which provided a lower-cost entry into volunteering for those aged 14+, making our activities more accessible for those who could not attend residentials and gave a taster into the outdoor education world.

Fundraising through sailing

Alongside our core mission we continue to use our resources, when they are not delivering youth voyages, to help raise funds for the activities and opportunities for young people.

In June 2022, we sought to diversify our fundraising adult activities and target a new client group with the launch of *Sup and Sailing*("Stand Up Paddleboarding") in in Scotland in partnership with an outdoor water sports centre. Utilising the Charity's smaller boat this was highly successful and has opened up new future opportunities. This was enhanced by some excellent publicity with a six-page spread in a well-known Supping publication.

Back in Penarth, we successfully commenced delivery of RYA VHF and First Aid courses during 2022 providing a very welcome additional revenue stream. This followed on from our establishment as a shore-side training provider in 2022.

The Challenge Wales Team

Leadership & Management

Towards the end of 2022 we saw the leadership of the organisation change as one of the co-founders, Captain Andy Hall, stepped back from the Charity and retired. Andy has been an inspirational and dedicated leader, CEO and volunteer, skippering and leading the maintenance programme of the fleet.

The Trustees hosted a retirement event in October 2022, to which volunteers and supporters were invited, and presented him with an original painting of the yacht *Challenge Wales*[8].

This change in leadership provided the opportunity for the Trustees to review and assess the organisational structure in the context of current operations and future strategy and plans. In October 2022 the Trustees appointed an interim Chief Executive on a voluntary basis for six months to support them in leading the transition plan following Captain Andy's retirement. A salaried position of Marine Operations was created, incorporating the role of Staff Skipper and responsibility for maintaining the fleet.

Meanwhile, our dedicated team in the office pulled out all the stops to deliver a full 2022 programme. This required a big effort to reschedule and reshuffle voyages as post-pandemic effects continued to impact our lives. They achieved great results, minimising cancellations, disappointed young people and subsequent loss of income. We were also delighted to welcome a new team member appointed to the post of administration assistant, who joined in March 2022.

[8] Limited edition prints are available to purchase and a donation goes to the Charity.

Our Amazing Volunteers

We say each year that Challenge Wales wouldn't be the charity it is without its team of amazing and dedicated volunteers, and this year is no exception. They have continued to support the charity with maintenance activities to keep the boats ship-shape, being positive role models on the boat, and helping to deliver our sail training voyages.

The recruiting, developing, supporting, training and ensuring volunteers are at the heart of everything we do. These activities follow the *Investing in Volunteers Framework*[9], enabling the Charity to voluntarily benchmark itself against their quality standard. During the year, one of the Trustees has taken a lead on activities to review and plan future development to strengthen our volunteer programme processes and procedures. It has been gratifying to see new volunteers join the Challenge Wales team, which was great news after a reduction in active volunteers following the pandemic.

Crew development and training

We started the 2022 season with a series of Crew Refresher training sessions for volunteers. This was particularly important as many had not been out sailing with us for over two years as a result of the pandemic restrictions.

In July 2022 the charity became an RYA Training Centre for shore-side courses, enabling another revenue stream to be created but also provide additional training and personal development opportunities for Challenge Wales volunteers. The new VHF and First Aid courses are part of this and will be available to volunteers to support their development as crew.

Maintaining the fleet

Ensuring the safe operation of our fleet is paramount. Winter 2021/2 was *Challenge Wales'* five-year out of the water survey and we were expecting a full de-construction of the inside of the boat to take place, however the surveyor deferred this to winter 2022/3. This meant that the boat needed to be lifted out of the water and subjected to an extensive maintenance programme through the 2022/3 winter period. At the end of this reporting period the yacht was still undergoing work, however it was successfully returned to operations for the 2023 Season.

Towards the end of 2022, *Adventure Wales* was surveyed in line with its scheduled maintenance programme. The initial survey findings reported a more extensive maintenance requirement than anticipated and the Board of Trustees approved a recommendation to commission a more detailed review and report on the condition of the yacht to enable an informed decision on its future. This meant that the 2023 Programme was planned and is being delivered without *Adventure Wales* in operation.

Governance and Management

Challenge Wales is a Charitable Company Limited by Guarantee. Trustees usually meet each month and review all charity policies and operating procedures each year. They are responsible for the strategic management and administration of the organisation.

[9] https://investinginvolunteers.co.uk/

Priorities and Developments for 2023

Annually the Trustees take time out to review the Charity's position and update its longer term strategy and annual plan. This exercise considers the strengths weaknesses opportunities and threats (SWOT) facing the organisation.

A number of key challenges were factored into the plans for 2023 including the continued impact of the post-pandemic on the Charity's activities. Postponed voyages paid for 12 months earlier needing space on the programme in 2022 and 2023 meant a reduced capacity for new bookings and resulting impact on cash flow. Reduced volunteer capacity also required more use of short term senior crew (such as contract Skippers and Mates) to help deliver our programme, with resulting increase in operating costs.

These anticipated challenges were added to by the loss of our Marine Operations Manager in early 2023. This had an impact on the timely completion of the winter maintenance programme and meant a delay to the start of our 2023 sailing season.

More positively, we were successful in recruiting a new permanent staff skipper in July 2023, having delivered the earlier part of the programme with volunteer and contract senior crew.

Our 2023 Plans included the launch of a *Corporate Leadership Residential Programme*, as part of our adult fundraising activities, our plans also included stepping back into the world of *Tall Ships Racing*. This is an event bringing young people together from all over the world, *Tall Ships Races* is about being better global citizens, fun and adventure, life-skills and personal development and a positive focus on the environment. A further development was the launch of a shore side training course for volunteers, *SEA-ing the Bigger Picture*. This focuses on youth work, engaging young people and safeguarding and ties in with the roll out of compulsory online safeguarding training, through Social Care Wales, for all volunteers which reflects new Welsh legislation. We are delighted to report that all these activities have been successfully delivered.

Thank You

Challenge Wales would like to thank the individual donors, friends, trusts and funders who have believed in us and supported us this year. Your support has been life-changing to many of the young people we have had the pleasure of welcoming onboard.

We'd like to pay a huge thanks to all the companies who provide us with help, assistance, guidance and services to enable us to do the work that we do.

We'd like to thank all our volunteers, their contributions to crewing and maintenance and getting the boat ship shape, as well as our amazing staff team.

We really appreciate everyone's help and support and you are really making a difference to young people – Thank You



And Finally, it's always great to hear the positive feedback and the impact we are having:

"I was really pleased to join the crew and everyone was friendly and inclusive. I have had the opportunity to build on my sailing skills learned previously with Challenge Wales but also the social and life skills learned. This is invaluable to me as a young person on the ASD spectrum and I am very grateful for the opportunity. I have come away feeling confidence in my own abilities and encouraged to learn more. Diolch yn fawr". **Participant on a residential voyage**

"This specific trip for me was very inspiring and has reignited the thirst to be on the water. I am thankful for what Challenge Wales does because it has a definite impact on my life and has opened so many doors towards future career options on land and on the sea" **Participant on residential voyage.**

"The favourite part of the voyage was watching the young people take on new skills, working as a team despite not knowing each other prior. It was special to see how those young people developed skills, listened and acted in a positive attitude" **Local Authority Group leader accompanying young people**

"Some young people had reservations about being at sea, but it was fantastic to see them completely absorbed in the experience and surprise themselves at what they achieved. We enjoyed seeing the young people bonding, working as a team and not one needed to reach for their phones. They switched off from social media and escaped from day-to-day routines, at times even reflecting upon life and their choices alongside the opportunity they were currently having. Many of the young people that attended do not often leave their local community so this experience was huge and gave them all a massive sense of achievement" **Housing Association Group Leader accompanying young people**

"The most important lesson I learnt from Challenge Wales is that I am more capable than I believe myself to be. My anxieties before the voyage were remedied by the crew's expertise and emotional support provided by the other young people. My experience with Challenge Wales served as a purposeful exercise in managing anxiety and mindfulness. In addition to improving my self-confidence, the crew helped and encouraged me to come out of my shell. It was a wonderful experience that has left a lasting impression on me" **Participant"**

Structure, governance and management

Governing document
The Charity, registration number 1111859, is a company limited by guarantee and governed by its Memorandum and Articles of Association. It received its charitable registration and became an incorporated company, number 05342397, on the 25 January 2005.

Recruitment and appointment of new Trustees
Potential Trustees are invited to attend one of Challenge Wales' Trustee meetings as an observer, although not a compulsory route to becoming a Trustee it is encouraged to give the potential trustee an insight into the Charity.

Trustees are appointed at any board meeting and are chosen from individuals interested in the work of the Charity. In an effort to maintain a diverse and skilled mix of Board members, Trustees are required to provide a list of their skills (and update it annually through a skills audit). This enables the Trustees to identify gaps in the board skills mix and address these.

Organisational structure
The Charity employs a Business Development Manager who overseas an Administration Assistant (when in post) and the Youth Development Officer. Other Trustees undertake finance and vessel management roles. The Charity also has a designated Child Protection and Safeguarding Officer and this role is currently undertaken by Peter Robinson.

The Charity has appointed a permanent Chair of the Board of Trustees, which is a volunteer role, to have oversight of the day to day operations of the charity

Induction and training of new Trustees
All new Trustees are already familiar with Challenge Wales' activities. New Trustees are provided with an induction pack which includes the Memorandum & Articles of Association, the current annual Report and Accounts, a copy of the previous board meeting minutes and links to the Charity Commission publications "The Essential Trustee" and "The Hallmarks of an Effective Charity". A Disclosure and Barring Service (DBS) check is undertaken following successfully receiving two character references.

Registered office
Crown House
Windsor Road
CF64 1JG

Trustees during the year ended 31 January 2023

Ms V. Williams B.A.(Hons), M.A., M.I.D.M., M.C.I.M., Chartered Marketer
Mr D. P. Chapman B.A., F.C.A., DChA
Mr R.L. Bright B.Sc

Ms H Phillips MSc, B.Sc (Eng) (Hons), ACGI
Dr C. W. Sandom B.Eng (Hons), MSc, PhD CEng ,CErgHF, FIET
Ms K. Mason B.A. (Hons),M.Sc (Econ), MIHSM

Subsequent to the year end Dr C.W. Sandom resigned on 27 March 2023, Ms V Williams resigned as a Trustee on 25 September 2023 and Mr R.L Bright resigned on 29 September 2023.

Independent examiner
Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff, CF24 5PJ

Bankers
Barclays Bank Plc
Port Talbot, West Glamorgan, SA13 1LJ

Financial review

Results

The Charity reports a deficit on unrestricted funds for the year amounting to £115,406 (2022: surplus £26,866). This was caused primarily by the impairment charge on Adventure Wales of £116,966 which arose following its scheduled survey late in 2022. This has resulted in the level of unrestricted funds carried forward to next year decreasing from £556,145 to £440,739 (2022: £529,279 to £556,145). These unrestricted funds include a revaluation reserve amounting to £286,961 (2022: £286,961), which arose from the revaluation of the Challenge Wales yacht.

Restricted funds brought forward and amounts received during the year have been fully expended in the year with the exception of those stated in note 17 to the accounts,

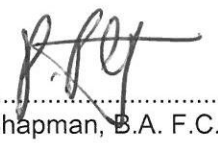
Investment policy and objectives

The Charity has no investment powers except to place any surplus funds into deposit accounts.

Reserves policy

It is the policy of the Trustees to maintain adequate unrestricted funds to ensure that they are able to provide for the continuance of sail training activities should grant funding not be able. The Trustees are currently looking into ways to improve the available reserves. Once the investment in fixed assets and investments is taken into consideration, the Charity had available free funds (excluding unrestricted long term creditors) of £111,846 (2022: £120,637).

Approved by order of the board of Trustees on 30 October 2023 and signed on its behalf by:



.....

D. P. Chapman, B.A. F.C.A. Dip ChA – Trustee & Treasurer

Independent Examiner's Report to the Trustees of Challenge Wales

I report to the Charity Trustees on my examination of the accounts of the charitable company for the year ended 31st January 2023 set out on pages thirteen to twenty five.

Responsibilities and basis of report

As the Trustees of the charitable 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 charitable 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 charitable company'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

I have completed my examination.

I confirm that no material 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 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.

Mr Stephen Lucey
FCA
Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

29 October 2023

Challenge Wales

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the Year Ended 31st January 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Income and endowments from					
Donations and legacies		31,170	-	31,170	7,658
Charitable activities	4				
Core funding		94,505	47,690	142,195	126,189
Investment income	3	-	-	-	9
Other income	2	-	-	-	206
HMRC Corona Virus Job Retention Scheme		-	-	-	13,256
Total		125,675	47,690	173,365	147,318
Expenditure on					
Raising funds		150	-	150	140
Charitable activities					
Core funding		240,931	75,876	316,807	134,648
Total		241,081	75,876	316,957	134,788
Net (expenditure)/income		(115,406)	(28,186)	(143,592)	12,530
Other recognised gains					
Gain on revaluation of fixed assets		-	-	-	-
Net movement in funds		(115,406)	(28186)	(143,592)	12,530
Reconciliation of funds					
Total funds brought forward		556,145	28,186	584,331	571,801
Transfer between funds		-	-	-	-
Total funds carried forward		440,739	-	440,739	584,331

The notes on pages 16 to 25 form part of these financial statements

Challenge Wales

Balance Sheet
At 31st January 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets					
Tangible assets	10	442,040	-	442,040	559,515
Investments	11	100	-	100	100
		442,140	-	442,140	559,615
Current assets					
Stock		400	-	400	400
Debtors	12	28,184	-	28,184	44,361
Cash at bank and in hand		106,028	-	106,028	134,219
		134,612	-	134,612	179,980
Creditors					
Amounts falling due within one year	13	(22,766)	-	(22,766)	(30,157)
Net current assets		111,846	-	111,846	148,823
Total assets less current liabilities		553,986	-	553,986	708,438
Creditors					
Amounts falling due after more than one year	14	(113,247)	-	(113,247)	(124,107))
Net assets		440,739	-	440,739	584,331
Funds	17				
Unrestricted funds				440,739	556,145
Restricted funds				-	28,186
Total funds				440,739	584,331

The notes on pages 16 to 25 form part of these financial statements

continued...

Balance Sheet - continued
At 31st January 2023

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

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st January 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.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective January 2019).

The financial statements were approved by the Board of Trustees on 30 October 2023 and were signed on its behalf by:

H Phillips

.....

Ms H Phillips MSc, B.Sc (Eng) (Hons), ACGI

.....

Mr D.P. Chapman, B.A., F.C.A., DChA –Trustee &Treasurer

Company Number 05342397

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, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement in accordance with the Financial Reporting Standard 102 (effective January 2019).

Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised on a receivable basis.

Grants receivable for revenue purposes are credited to the income and expenditure account when they become due. Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful life of the related assets.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of goods for resale.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Raising funds

Raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts and the cost of any legal advice to Trustees on governance or constitutional matters.

1. Accounting policies - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost, less residual value, of each asset over its estimated useful life. Depreciation commences from the date an asset is fully commissioned.

- Challenge Wales Yacht 20 years
- Adventure Wales Yacht 10 years
- RIB safety boat 10 years

Fixed assets purchased from unrestricted funds and with an initial value of over £1,000 are capitalised at cost. All Fixed assets purchased from restricted funds are capitalised at cost.

Taxation
The company is a registered Charity and all of its income is primary purpose and is therefore exempt from taxation.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Stock
Stock comprises of fuel bunkered on Challenge Wales and is valued at cost.

Debtors

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

Creditors and provisions

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

Functional currency
The Company's functional and presentation currency is the pound sterling.

2. Other trading activities

	2023	2022
	£	£
Sundry income and merchandise	-	206
	-	206

3. Investment income

	2023	2022
	£	£
Deposit account interest	-	9

4. Income from charitable activities

	Activity	2023 £	2022 £
Membership subscriptions	Core funding	7,345	8,347
Sail days and training courses	Core funding	480	505
Sail Training Activities	Core funding	38,482	19,852
Reardon Smith Nautical Trust	Core funding	45,750	10,000
Reardon Smith Nautical Trust	Centenary grant	-	20,000
Reardon Smith Nautical Trust	Training Centre Capital Grant	13,888	-
Garfield Weston	Core funding	20,000	20,000
Wales Council for Voluntary Action	Core, capital and COVID funding	-	14,063
ASTO	Core and COVID funding	4,730	5,750
James Myatt	Bursaries	1,275	-
Royal Thames Yacht Club	Bursaries	1,173	-
CWYVS	Summer of Fun Revenue Funding	6,190	-
Merthyr County Borough Council	Winter of Wellbeing Revenue Funding	2,882	-
National Lottery Community Fund	Core funding	-	9,307
Welsh Government -ERF	COVID funding	-	2,500
Welsh Government – Outdoor activities	COVID funding	-	6,250
Joseph Levy Foundation	Core funding	-	3,000
Crystal Lodge	Core funding	-	1,000
Sports Council for Wales	Capital funding	-	1,263
Sail Training International	Core funding	-	2,815
Vale of Glamorgan Council	COVID funding	-	-
Co-Operative	Core Funding	-	1,537
		142,195	126,189

5. Support costs

	Other £	Governance costs £	Totals £
Core funding	13,471	1,480	14,951

Support costs, included in the above, are as follows

	2023 £	2022 £
Property rent and rates	11,838	9,723
Light, heat and water	192	633
Telephone	398	287
Accountancy and legal fees	1,480	1,495
Office consumables	737	628
Marketing	-	948
Office repairs and small equipment	306	708
	14,951	14,422

6. Net income

Net income is stated after charging:

	2023 £	2022 £
Depreciation and impairment charge - owned assets	118,648	5,776
Hire of life rafts	1,907	1,696
Operating leases	7,800	7,800
Loan interest	7,079	7,406
Independent Examiner's fee	1,480	1,345

7. Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel

	2023	2022
	£	£
Salaries and wages	65,547	53,757
Social security costs	2,213	4,341
Pension costs	1,301	1,094
	69,061	59,192

The key management personnel of the Charity comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £38,083.

Ms V Williams, a Trustee has a two year contract of employment with the Charity and received a salary of £38,083 (2022: £35,200) in respect of her services as Marketing and Business Development Manager. This remuneration is made by way of provision in the Charity's governing documents.

None of the other Trustees received remuneration or expenses in this or the previous year. No employees received emoluments in excess of £60,000.

8. Staff numbers

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

	2023	2022
Business Development and Administrative support	2.0	2.0
Ship's skippers and mates	0.7	-
	2.7	2.0

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	7,658	-	7,658
Charitable activities			
Core funding	49,991	76,198	126,189
Other trading activities	215	-	215
HMRC Coronavirus Job Retention	13,256	-	13,256
Total	71,120	76,198	147,318
Expenditure on			
Raising funds	140	-	140
Charitable activities			
Core funding	44,114	90,534	134,648
Total	44,254	90,534	134,788
Net income and Net movement in funds	26,886	(14,336)	12,530
Reconciliation of funds			
Total funds brought forward	529,729	42,522	571,801
Transfer between funds	-	-	-
Total funds carried forward	556,145	28,186	584,331

10. Tangible fixed assets

	Challenge Wales Yacht £	Adventure Wales Yacht £	Other equipment £	Total £
Cost or valuation				
At 1 February 2022	478,843	171,733	4,250	654,826
Additions	430	-	742	1,172
At 31 January 2023	479,273	171,733	4,992	655,998
Depreciation				
At 1 February 2022	78,996	14,765	1,550	95,311
Charge for the year	981	-	700	1,681
Impairment charge	-	116,966	-	116,966
At 31 January 2023	79,977	131,731	2,250	213,958
Net Book Value				
At 31 January 2023	399,296	40,002	2,742	442,040
At 31 January 2022	399,847	156,968	2,700	559,515

Challenge Wales Yacht is held on a revalued basis (plus additions at cost) less accumulated depreciation, being revalued at appropriate intervals. The current valuation for the Challenge Yacht of £450,000 was carried out by YSC Surveys (Yacht & Small Craft Surveying) on 30 January 2015.

The historical cost amounts to £226,493 on which depreciation of £97,088 has been charged.

The Adventure Wales Yacht is carried at a Directors' valuation based on an informal survey.

11. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1st February 2022 and 31st January 2023	100
Net book value	
At 1st February 2022 and 31st January 2023	100

There were no investment assets outside the UK.

The shares in group undertakings represent a 100% holding of the issued share capital of Challenge Wales (Sales) Limited, a company incorporated in England and Wales, registered number 08049080. The following amounts are derived from the unaudited accounts of Challenge Wales (Sales) Limited for the year ended 31 January 2023.

11. Fixed asset investments (continued)

	2023	2022
	£	£
Turnover	19,170	10,809
Total expenditure	(1,389)	(762)
Net profit for year	17,781	10,047
Total assets	8,332	13,565
Total liabilities	(451)	(3,418)
Shareholders' funds	7,881	10,147

12. Debtors: amounts falling due within one year

	2023	2022
	£	£
Trade debtors	10,668	31,421
VAT	3,683	836
Amounts owed by group undertakings	461	-
Prepayments and accrued income	13,372	12,104
	28,184	44,361

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Other loans	10,692	17,711
Trade creditors	3,052	1,929
Amounts owed to group undertakings	100	-
Social security and other taxes	5,096	3,860
Accruals and deferred income	3,826	6,657
	22,766	30,157

14. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other loans - 1-2 years	17,417	18,150
Other loans - 2-5 years	33,343	35,925
Other loans – over 5 years	62,487	70,032
	113,247	124,107

The repayment profile of the other loans reflects the loan schedules in force with the Wales Council for Voluntary Action.

15. Operating lease commitments

The following operating lease payments are committed to be paid:

	2023	2022
	£	£
Expiring:		
Within 1 year	10,800	10,800
Within 2 to 5 years	25,800	36,600

16. Secured debts

The following secured debts are included within creditors:

	2023	2022
	£	£
Other loans	93,650	124,107

All other loans are secured by way of statutory ship's mortgage and deed of covenant dated 3 April 2008.

17. Movement in funds

	At 1.2.22	Net movement in funds	Transfers between funds	At 31.1.23
	£	£	£	£
Unrestricted funds				
General fund	269,184	(115,406)	-	153,778
Revaluation reserve	286,961	-	-	286,961
	556,145	(115,406)	-	440,739
Restricted funds				
National Lottery Awards for All	8,186	(8,186)	-	-
Reardon Smith Nautical Trust	20,000	(20,000)		-
	28,186	(28,186)	-	-
TOTAL FUNDS	584,331	(143,592)	-	440,739

17. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	94,505	(240,931)	(146,426)
Restricted funds			
ASTO	4,730	(4,730)	-
Garfield Weston	20,000	(20,000)	-
Merthyr County Borough Council	2,882	(2,882)	-
The National Lottery Awards for All	-	(8,186)	(8,186)
CWVYS	6,190	(6,190)	-
Reardon Smith Nautical Trust	13,888	(13,888)	-
Reardon Smith Nautical Trust	-	(20,000)	(20,000)
	47,690	(75,876)	(28,186)
TOTAL FUNDS	142,195	(316,807)	(174,612)

Unrestricted funds

General funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity. Revaluation reserve relates to the Challenge Wales Yacht, this was reduced annually in-line with depreciation.

Restricted funds

- ASTO - a bursary received for those taking part in sail training voyages..
- Garfield Weston – provided support grant towards core operating costs.
- Merthyr County Borough Council – provided funding towards improving young people's mental health post-covid
- The National Lottery Awards for All – providing funds for volunteer training and expenses
- Reardon Smith Nautical Trust – provided funding to assist young people to obtain sailing qualifications and develop sailing experience towards their sailing qualifications
- Reardon Smith Nautical Trust – provided funding to set up as a shore-side training provider
- CWVYS- provided funding to help young people improve their mental health and wellbeing post-covid

17. Movement in funds - continued

Transfers between funds

Depreciation on revalued assets is transferred from the revaluation reserve to unrestricted funds in-line with the Charity's depreciation policy.

18. Related party disclosures

Wages and salaries

One of the Trustees has a two year contract of employment with the Charity and received a salary of £38,083 (2022: £35,200).

Trustee Memberships

During the year ended 31 January 2023 the Trustees and family members collectively paid £625 (2022: £685) for annual membership of the Charity.

Trustee Donations

During the year the Charity received donations from Trustees totalling £974 (2022: £432).

Transactions with Subsidiary

During the year ended 31 January 2022 the Charity received £20,047 (2022: £51) by way of Gift Aid donation from its' trading subsidiary Challenge Wales (Sales) Limited.

Skipper's Fees

During the year Captain A.H. Hall, a relative of a Trustee of the Charity (Trustee of the Charity until 4 October 2021), was paid £14,140 (2022: £6,720) in respect of services provided to the Charity in his capacity as Skipper of Challenge Wales and Adventure Wales

19. Member's liability

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

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

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Third party donations	7,564	5,227
Gift aid	2,060	2,380
Challenge Wales (Sales) Limited	20,047	51
Private Donations	1,499	-
	31,170	7,658
Investment income		
Deposit account interest	-	9
Charitable activities		
Membership subscriptions	7,345	8,347
Crew fees	480	505
Sail Training Activities	38,482	19,852
Reardon Smith Nautical Trust – sail training bursary	45,750	10,000
Reardon Smith Nautical Trust – general grant	13,888	20,000
Garfield Weston	20,000	20,000
Wales Council for Voluntary Action	-	14,063
Welsh Government ERF funding	-	2,500
Welsh Government Outdoor Activities grant	-	6,250
ASTO	4,730	5,750
The National Lottery Community Fund-Awards for All	-	9,307
James Myatt	1,275	-
Millenium Stadium Charitable Trust	-	-
Sail Training International	-	2,815
Co-Operative	-	1,537
Royal Thames Yacht Club	1,173	-
Crystal Lodge	-	1,000
Sports Council for Wales	-	1,263
Joseph Levy Foundation	-	3,000
CWYVS	6,190	-
Merthyr County Borough Council	2,882	-
	142,195	126,189
Other income		
Sundry income	-	206
	-	206
HMRC Corona Virus Job Retention Scheme	-	13,256
Total incoming resources	173,365	147,318

Challenge Wales
Detailed Statement of Financial Activities
for the Year Ended 31st January 2023

	2023	2022
	£	£
Expenditure		
Charitable activities		
Wages	86,635	59,192
Skipper and mates' fees	22,850	8,700
Insurance	7,362	7,341
Postage and stationery	50	19
Coding of Challenge Wales and Adventure Wales	13,631	-
Sundries	1,666	674
Offshore costs	20,100	18,394
Boat repairs and maintenance	6,112	7,256
Onshore storage costs	224	272
Marine Charts and publications	592	337
Subscriptions and donations	1,458	1,561
Travel and subsistence	6,271	387
Computer and software	2,536	2,429
Depreciation of Vessels and other equipment	1,682	5,776
Impairment charge on Adventure Wales	116,966	-
Bank and other loan interest	7,079	7,406
Staff and volunteer training	793	-
Course accreditation, monitoring and evaluation	83	300
	296,090	120,044
Support costs		
Other		
Property rent and rates	11,838	9,723
Light, heat and water	192	633
Telephone	398	287
Office consumables	737	628
Marketing	-	948
Office repairs and maintenance	306	708
Bank charges	211	182
	13,682	13,109
Governance costs		
Accountancy and legal fees	1,480	1,495
Recruitment fees	5,555	-
Fund raising costs	150	140
	7,185	1,635
Total resources expended	316,957	134,788
Net (expenditure)/ income	(143,592)	12,530

CHALLENGE WALES

England & Wales - Charity number 1111859

Accounts

REGISTERED COMPANY NUMBER: 05342397 (England and Wales)
REGISTERED CHARITY NUMBER: 1111859

Trustees' Report and Financial Statements for the Year Ended 31st January 2022 for Challenge Wales

Challenge Wales

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Challenge Wales

Chair's Statement
for the Year Ended 31st January 2022

I was honoured to be invited to accept the role of the Charity's first permanent chair in November 2021 and it gives me great pleasure to present the Trustees' report and Financial Statements for the year ended 31st January 2022. Whilst these statements, are of necessity "rear looking", the current year to 31st January 2023 will be one of significant change for the Charity as Captain Andrew Hall, our Founder, Principal and Skipper reaches a milestone birthday and officially retires from the Charity. There is no doubt that Challenge Wales would not be the award-winning Charity of today without his selfless efforts over the past 14 years.

Challenge Wales | Wales' Tall Ship was built by Devonport Yachts in 2000, and is one of 12 identical steel hulled yachts. She has sailed around the world twice in the Global Challenge 2000/2001 and the Global Challenge 2004/5, each race being some 29,000 nm. When the Charity acquired her in 2008, her condition reflected those sea miles. Andy has used his considerable experience as a Master Mariner to improve her condition working thousands of unpaid hours. He will also have enjoyed his 90 or so days at sea each year behind the wheel or at the chart plotter.

Andy will have witnessed the Charity's improving financial position from having net liabilities of c£100k in 2011 to net assets of £290k in 2022 (prior to revaluation reserves) and in December 2017, not content with having one yacht to maintain, the Charity bought *Adventure Wales* to assist delivery of the National Lottery funded "Voyages of Discovery" programme, to enable the Charity to be more accessible for service users due to the different nature of the vessel and to enable the Chairity to operate in different locations that compliment our sail training programme.

The Trustees have anticipated Andy's eventual retirement for a number of years and have developed a succession plan, part of which was my appointment, where I hope to bring my experience as a business coach and engineer to the table. I'm a keen dinghy sailor,and was the 2000 Class Welsh Champion in 2017. Although I have a sailing background, I am now developing my skills on a sail training vessel to be one of the volunteer crew team, enabling me to see at first hand youth work in action on the water and its impact.

The recent changes in the Board of Trustees mean that we have a dynamic team, with a wide range of knowledge and experience, who are keen to become actively involved in helping the Charity to achieve its potential, as much as we help young people to achieve theirs.

My thanks go to our office team, ably led by Vicky Williams, my fellow Trustees, all of our funders without whom we could not operate, and of course our amazing volunteers.



Helen Phillips
Chair

3rd October 2022

Trustees' Report
for the Year Ended 31st January 2022

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 January 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 102 (effective 1 January 2019).

Objectives and activities

Objectives
The Challenge Wales charity works with young people aged 12 – 25 years on life-changing accredited personal development voyages to improve their prospects. This is achieved through activities delivered onboard the sail training vessels; *Challenge Wales | Wales' Tall Ship* and *Adventure Wales*

The vision that helps shape the focus of the Charity is; "To become the premier provider of youth development activities in Wales and the South West through sail training".

Mission statement
Challenge Wales' mission statement is; "To educate young people aged between 12 and 25 years in sail training and navigation so as to develop essential life skills including team development, communication, respect for others, self-confidence, self-esteem and interdependence enabling them to grow to full maturity as individuals and members of society and improving their conditions of life".

Significant activities
Activities on both yachts promotes the growth of group identity and personal self-confidence, enables achievement and success, places everyone on a level playing field and presents challenging experiences in a stimulating, positive, natural environment regardless of ability and background. Whether joining as an individual or as a group the aim is to give young people the opportunity they deserve to develop as positive citizens.

Challenge Wales is proud of its reputation in the youth work sector, particularly in Wales, for delivering innovative & effective services that are evidenced to be changing lives positively.

Sail training:
Youth development voyages range from 1 to 14 days. Sail training activity is central to the organisation with a mixture of groups and individuals using our services. Up to 10 young people (trainees) and up to two group leaders will join us from different organisations or up to 10 individuals (trainees) when coming on their own. Day voyages give a small taster into our more structured residential voyages which get the young people planning their activities, working as a team in watches, cooking and cleaning and running the boat with the volunteer crew, learning to take responsibility, developing new skills, facing new challenges, making friends and developing confidence.

The Charity runs a bursary scheme and through this is able to subsidise young people aged 12 - 25 years subject to them meeting the bursary criteria at the time. This funding is available for individuals whether joining as part of a group or on their own.

Fundraising voyages:
As a developing Charity receiving no government grants the Charity relies on fundraising voyages to help bring in revenue. These mainly take the form of one day big boat sailing days together with delivery voyages when the boat isn't used by youth groups. These voyages are also a critical part of our volunteer crew application process as every volunteer has to have sailed on Challenge Wales as a client before becoming a volunteer.

Accreditation and Awards:
Challenge Wales is a Sailability Centre and Training Centre with the Royal Yachting Association (RYA) and continues to be an Approved Activity Provider for the Gold Residential Duke of Edinburgh's Award (DofE). In 2022 Challenge Wales became an Approved Activity Provider for the Gold DofE Expedition section.

The Charity also offers Agored Cymru accreditation in Teamwork, Developing Own Confidence and Environmental Project. Challenge Wales is also a provider of the John Muir Award.

Challenge Wales is a member of CWVYS (Council of Wales Voluntary Youth Service), C3SC (Cardiff Third Sector Council), Youth Cymru and the Association of Sail Training Organisations (ASTO).

Membership Scheme:
The Challenge Wales Membership Scheme is set up as a way to generate funds for the Charity.

The Public Benefit resulting from Sail Training
Various academic research has provided a wealth of evidence about the benefits of sail training voyages.

- A study of the Value of Sail Training undertaken by the University of Edinburgh found dramatic and measurable improvements in personal confidence and the ability to work with, and understand differences, of other people. These benefits were sustained over time after the voyage had ended.

- A study carried out by the University of Sydney found that Sail Training was capable of producing social capital in its participants, showing success in fostering networks and alliances.

An independent evaluation of Challenge Wales over three years as part of its '*Voyages of Discovery*' project and carried out by the Social Effectiveness Research Centre found that sail training improves teamwork & communication skills, social networks and confidence as well as mental health and wellbeing. The project created learning, progression routes and a value-for-money approach.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We review our aims, objectives and activities each year. This review looks back at what we achieved and the outcomes of our work in the previous year. This review helps us ensure our aims objectives and activities remain focused on our stated purposes.

Volunteering:

Challenge Wales wouldn't be the Charity it is without our amazing volunteers who donate their time to work with young people, become our crew on adult and fundraising voyages, maintain the boat and help us fundraise as well as providing us with a significant mix of skills, knowledge and expertise in various areas.

Those wishing to become volunteer crew have to have a volunteer qualifying assessment voyage to ensure they not only have the right skills but more importantly the right outlook for working with young people and the commitment. All those who become volunteers with Challenge Wales will require two successful character references followed by an enhanced DBS check which is carried out in a face-to-face meeting.

All volunteers also need to attend a shore-side volunteer induction as part of the volunteering process enabling them to learn about the Charity as much as we learn about the new volunteers. The Charity has changed its recruitment of volunteer crew from previously allowing people with no sailing experience to become (trainee) crew to insisting that volunteers have either Day Skipper qualifications, sailing experience and knowledge or experience in instructing / teaching. This has become an important move enabling those who are still inexperienced in sailing to become competent, confident and progress up the ranks while providing a slightly more experienced volunteer and filling the gaps left by volunteers who do not progress beyond that of a trainee.

Challenge Wales relies heavily on its volunteers for crewing and shore-side management of the Charity. Volunteers direct the affairs of Challenge Wales at board level, skipper and crew the boat, assist with maintenance, manage some of the administration tasks including book-keeping, as well as contributing to strategic planning and sub-committee/steering group activities. It is clear that Challenge Wales would not be the organisation it is today without its volunteers and the Charity continues to be greatly indebted to them.

Achievement and performance:



This year has been a strange and challenging year for Challenge Wales as restrictions from the COVID–19 pandemic continued to impact on the charity's work.

Government restrictions in Wales, were different from those in England and with the boats operating in both those regions of the UK, this brought its own challenges and considerations.

This report will show how we have started to move forwards and adapted in a post-Covid world.

Sail training activities on the water are immersive, are challenging, involve decision making & planning, helping you deal with the unexpected and improve resilience and it's these attributes that have helped us as an organisation to deal with the year ahead – overcoming difficulties with enthusiasm and determination.

In March 2021 when socially distanced outdoor activities could resume, we were one of the first sail training organisations to welcome back young people. However, it was non-sailing activity and part of our Sea and Tell programme; a shore-based day of marine learning with a residential school in a 'bubble'. It was very restricted but an activity that we were able to undertake during the year with other groups as government restrictions further relaxed.

It wasn't until June 2021 that we were able to undertake our first sail training activity with young people, and we started operating with reduced numbers on the boat and strict Covid protocols in place.

Taking adults sailing on the boats is not just a way to fundraise and bring in income but is also part of the volunteer recruitment programme. Having not sailed during 2020 and early 2021 no new volunteers were being recruited. As a very limited adult programme started in late June we did see a few new volunteers starting to come through. However, many people were now cautious of being amongst others, had lost confidence, or had their personal circumstances change due to Covid and in 2022 we started to see the impact of fewer volunteer crew being available.

Although it was great to start operating in June, even though we weren't up to full capacity on the boats, we knew that in just a few months' time in September the sail training season naturally ends and we start winter maintenance so we knew we had an even shorter time frame for generating income to support the Charity, not just through the remainder of the summer, but until we restarted our sailing season in spring 2022.

Two staff members returned to the office, the Business Development Manager and Youth Development Officer and in March 2022 a new Admin Assistant joined the team, which is now at pre-covid levels of staffing.

During 2021 we were successful in working with some new Local Authority partners on 'Summer of Fun' and 'Winter of Wellbeing' activities. These were funded via Welsh Government to improve the mental health of young people and to get them taking part in activities. We knew that the research undertaken by MIND and NHS showed that sail training fits into their 5 steps to wellbeing and this together with our own independent evaluation that showed sail training improved young people's mental health and their social networks meant we were able to reach into these small pots of funding.

As much as possible we continued to share our journey on social media platforms, we needed to keep our supporters, funders, beneficiaries and networks aware that we were now back operating and during July 2021 Challenge Wales and some of our amazing beneficiaries and volunteers were filmed for an ITV Wales programme 'Coast and Country' which shared the impact of our work with a national audience.

We still had a season of challenges which affected the charity's fundraising efforts. One of Challenge Wales' major fundraising sailing events 'Round the Island Race' in the Solent was taking place and Challenge Wales was taking part in it, but changes to English government Covid restrictions shortly before the event meant we had to pull out a few weeks before as we weren't able to have clients staying onboard. We also didn't run any open boat events or attend any maritime events where the public could explore the boat – these events would often bring in donations, new supporters and new volunteers and also an opportunity to meet up with current volunteers and funders to talk to them about the positive impact they are having on the lives of young people.

We aim to monitor the impact of our voyages through an Outcomes Wheel which measures the journey a young person goes on, whether it is a day or longer. The majority of young people taking part in Challenge Wales voyages evidenced improved mental health and physical wellbeing, improved teamwork abilities, improved confidence and self-esteem and improved social networks.

"We are so grateful to Challenge Wales for providing this experience for our young people. The young people reported feeling less isolated, having increased self-worth and confidence. The experienced built on their ability to be resilient and built on their leadership skills. The Challenge Wales staff and volunteers were all fantastic!! From start to finish, everybody went above and beyond for us providing us so much help, support and guidance. They were nothing short of brilliant with the young people, treating each person as an individual, ensuring their needs were met and that the young people felt supported throughout the day. Challenge Wales is a wonderful charity and the experience we had is unforgettable. We feel very privileged that we got to work with Challenge Wales and hope their work continues well into the future as they really do make such a difference".

Group Leader, Health Board

We were grateful to those funders who had allowed us to move unspent funding from 2020 to our 2021 programme enabling us to rebook in the young people's activities. As the summer season progressed, we were able to undertake a couple of weeks of residential voyages, taking part in the Association of Sail Training Small Ships Race with other sail training organisations which brought to the end a very short sail training season.

During the times the boats were not being used we undertook maintenance activities, with a very small number of volunteers and we are grateful to one of our Trustees, Andy Hall, who continued to look after the planned maintenance programme and spent many hours on the boats maintaining them.

As we headed into the autumn and 2022, Challenge Wales launched a new programme of Refresher Crew Training. It was evident having not sailed for a while, that many volunteers needed extra time on the boat to bring back their confidence and to understand what changes had happened since they last sailed. This programme put volunteers in good stead for the 2022 season.

Our Amazing Volunteers

We say each year that Challenge Wales wouldn't be the charity it is without its team of super-duper, amazing volunteers, and that continues to be the case. They have continued to help the charity with maintenance activities to keep the boats ship-shape and being positive role models on the boat helping to deliver our sail training voyages.

Recruiting, developing, supporting, training and ensuring volunteers are at the heart of everything we do has been developed through following the Investing in Volunteers [national] Framework. The Charity continues, voluntarily, to benchmark itself against the Investing in Volunteers quality standard as it continues to develop, review and strengthen its volunteer programme processes and procedures.

The impact of COVID-19 has seen the number of volunteers as part of the Challenge Wales team reduce to around 80, and while some volunteers have limited time crewing with the Charity due to personal situations other volunteers have stepped up and donated more time than we would normally see. We are grateful for all the donated time that all our volunteers have given us and as 2022 progresses we continue with our volunteer management strategy to increase the number of volunteers during 2022 and into 2023.

The Challenge Wales Trustees understand that our volunteers lead busy lives, and lives have changed in a post-Covid world but we are still continually amazed at the passion, enthusiasm, support and commitment that our volunteers continue to offer and are a true credit to the Challenge Wales charity.

Governance and Decision Making

Challenge Wales is a Charitable Company Limited by Guarantee. Trustees usually meet each month, review all charity policies and operating procedures each year, administer the charity and have strategic control of the organisation.

In 2021 we welcomed a new Child Protection and Safeguarding Officer, providing fresh input and support to our already robust safeguarding procedures

Priorities and Developments for 2022

As this report is being written we are still living with the impact of COVID-19 and the increase in the cost of living that has impacted on the UK.

At the end of 2021, Captain Andy Hall – Trustee of Challenge Wales since its inception - stepped down and took on a role of volunteer CEO while continuing to Skipper the boats. Andy will be retiring in October 2022 and as such has meant the charity looking at its operating structure moving forwards. Andy undertook a huge amount of work as a volunteer behind the scenes with the maintenance programme and it was decided that the best way forwards for the charity is to create a new role of Marine Operations Manager (which is currently being recruited). Although this has an obvious financial impact on the charity, it is felt that this role will strengthen the organisation and help its growth over the coming years.

From March 2022, Challenge Wales became a provider of the John Muir Award. An Award which is inclusive and accessible which challenges people of all backgrounds to connect with, enjoy, take responsibility for and share their knowledge of the natural environment through a structured scheme of fun, adventure and exploration. The John Muir Award complements other Awards and Accreditation Challenge Wales offers including; Agored Cymru, DofE Residential & Expedition and RYA sailing qualifications.

In July 2022 the charity became an RYA Training Centre for shore-side courses, enabling another revenue stream to be created but also provide additional training and personal development opportunities for Challenge Wales volunteers

Challenge Wales continues to work with a range of young people from a variety of diverse backgrounds including:

- Current and former looked after children
- Rurally isolated young people
- Young Carers
- Young people with low skills/qualifications and literacy levels
- Those who are not in Employment, Education or Training (NEET's)
- Black and minority ethnic young people, including Travellers
- Young people who are homeless or at risk of homelessness
- Young people from economically deprived households
- Additional learning needs / learning disabilities (including SEN school groups)
- High educational achievers
- Young people with Mental Health Issues
- LGBTQ groups
- Those looking to improve their prospects in a marine career

And it is these young people we will be continuing to work with in 2022.

The work that Challenge Wales does continues to be aligned with a number of initiatives, policies and plans at local, national and UK government level. Most prominent at national level is the Welsh Government's Well-being of Future Generations Act (2015) with its seven well-being goals (for example that of creating a healthier and more equal Wales) as well some of the foundations of those goals in particular reducing inequality.

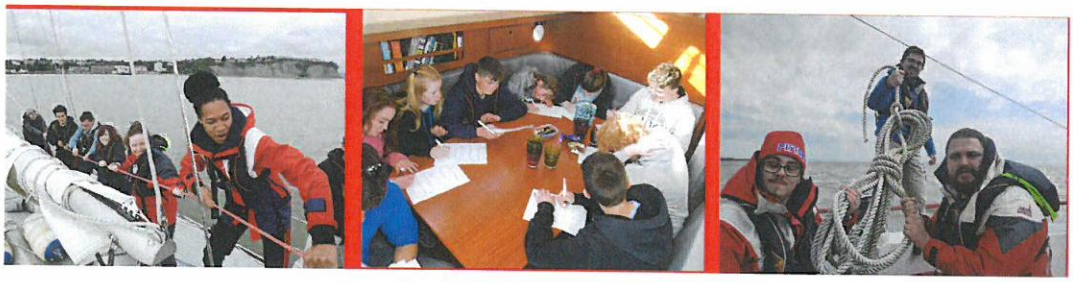
Our sail training programme enables young people and our volunteers to understand more about Ocean Literacy; the importance of the ocean's influence on us and our influence on the ocean. Learning about sustainability and the environment around us naturally happens within our activities and helps us, not just as an organisation but also all those coming onboard our vessels, make better informed and responsible decisions to help play a part in an important global issue

Activities are also relevant to the Youth Engagement and Progressions Framework, or more recently, the Youth Work Strategy for Wales which defines youth work as work which "offers young people opportunities for learning that are educative, expressive, participative, inclusive and empowering". Sail Training on our vessels certainly does that.

Thank You

In what has continued to be an unprecedented year, Challenge Wales would also like to thank the individual donors, trusts and funders who have believed in us and supported us. The outdoor residential world and young people's lives has certainly been rocked by COVID-19, but we know we couldn't have come through it without you. We'd like to thank again our volunteers and staff team and those who have shown their support through 2021.

Finally, we would like to pay our thanks to all the companies who provide us with help, assistance and services to enable us to do the work that we do. We really appreciate everyone's help and support and you are really making a difference to young people.



Structure, governance and management

Governing document

The Charity, registration number 1111859, is a company limited by guarantee and governed by its Memorandum and Articles of Association. It received its charitable registration and became an incorporated company, number 05342397, on the 25 January 2005.

Recruitment and appointment of new Trustees

Potential Trustees are invited to attend one of Challenge Wales' Trustee meetings as an observer, although not a compulsory route to becoming a Trustee it is encouraged to give the potential trustee an insight into the Charity.

Trustees are appointed at any board meeting and are chosen from individuals interested in the work of the Charity. In an effort to maintain a diverse and skilled mix of Board members, Trustees are required to provide a list of their skills (and update it annually through a skills audit). This enables the Trustees to identify gaps in the board skills mix and address these.

Organisational structure

The Charity employs a Business Development Manager who overseas an Administration Assistant (when in post) and the Youth Development Officer. Other Trustees undertake finance and vessel management roles. The Charity also has a designated Child Protection and Safeguarding Officer and this role is currently undertaken by Peter Robinson.

The Charity has appointed a permanent Chair of the Board of Trustees, which is a volunteer role, as well as a Volunteer CEO to have oversight of the day to day operations of the charity

Induction and training of new Trustees

All new Trustees are already familiar with Challenge Wales' activities. New Trustees are provided with an induction pack which includes the Memorandum & Articles of Association, the current annual Report and Accounts, a copy of the previous board meeting minutes and links to the Charity Commission publications "The Essential Trustee" and "The Hallmarks of an Effective Charity". A Disclosure and Barring Service (DBS) check is undertaken following successfully receiving two character references.

Related parties

During the year Captain A.H. Hall, a Trustee of the Charity until 4 October 2021, was paid £6,720 (2021: £840) in respect of services provided to the Charity in his capacity as Skipper of *Challenge Wales* and *Adventure Wales*.

Registered office

Crown House
Windsor Road
CF64 1JG

Trustees during the year ended 31 January 2022

Captain A. H. Hall M.M, M.N.I.	Retired 4 October 2021
Mr L. B. Creaven	Resigned 1 April 2021
Ms V. Williams B.A.(Hons), M.A., M.I.D.M., M.C.I.M., Chartered Marketer	
Mr D. P. Chapman B.A., F.C.A., DChA	
Mr R.L. Bright B.Sc	
Mr D. K. Evans	Resigned 9 November 2021
Ms H Phillips MSc, B.Sc (Eng) (Hons), ACGI	
Dr C. W. Sandom B.Eng (Hons), MSc, PhD CEng ,CErgHF, FIET	Appointed 4 October 2021
Ms K. Mason B.A. (Hons),M.Sc (Econ), MIHSM	Appointed 11 November 2021

Independent examiner

Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff, CF24 5PJ

Bankers

Barclays Bank Plc
Port Talbot, West Glamorgan, SA13 1LJ

Financial review

Results

The Charity reports a surplus on unrestricted funds for the year amounting to £26,866 (2021: deficit £93,666). This has resulted in the level of unrestricted funds carried forward to next year increasing from £529,279 to £556,145 (2021: £435,613 to £529,279). These unrestricted funds include a revaluation reserve amounting to £286,961 (2021: £286,961), which arose from the revaluation of the Challenge Wales yacht.

Restricted funds brought forward and amounts received during the year have been fully expended in the year with the exception of those stated in note 17 to the accounts,

Investment policy and objectives

The Charity has no investment powers except to place any surplus funds into deposit accounts.

Reserves policy

It is the policy of the Trustees to maintain adequate unrestricted funds to ensure that they are able to provide for the continuance of sail training activities should grant funding not be able. The Trustees are currently looking into ways to improve the available reserves. Once the investment in fixed assets and investments is taken into consideration, the Charity had available free funds (excluding unrestricted long term creditors) of £120,637 (2021: £93,400). This reflects the support given to the Charity by both Government and its principal providers of grant finance at the start of the COVID-19 pandemic.

Approved by order of the board of Trustees on 3rd October 2022 and signed on its behalf by:

.....
D. P. Chapman, B.A. F.C.A. Dip ChA – Trustee & Treasurer

Independent Examiner's Report to the Trustees of Challenge Wales

I report to the Charity Trustees on my examination of the accounts of the charitable company for the year ended 31st January 2022 set out on pages eleven to twenty three.

Responsibilities and basis of report

As the Trustees of the charitable 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 charitable 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 charitable company'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

I have completed my examination.

I confirm that no material 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 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.

Mr Stephen Lucey
FCA
Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

10 October 2022

Challenge Wales

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the Year Ended 31st January 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income and endowments from					
Donations and legacies		7,658	-	7,658	18,466
Charitable activities	4				
Core funding		49,991	76,198	126,189	169,046
Investment income	3	9	-	9	22
Other income	2	206	-	206	-
HMRC Corona Virus Job Retention Scheme		13,256	-	13,256	36,844
Total		71,120	76,198	147,318	224,378
Expenditure on					
Raising funds		140	-	140	600
Charitable activities					
Core funding		44,114	90,534	134,648	112,275
Total		44,254	90,534	134,788	112,875
Net income		26,866	(14,336)	12,530	111,503
Other recognised gains					
Gain on revaluation of fixed assets		-	-	-	-
Net movement in funds		26,866	(14,336)	12,530	111,503
Reconciliation of funds					
Total funds brought forward		529,279	42,522	571,801	460,298
Transfer between funds		-	-	-	-
Total funds carried forward		556,145	28,186	584,331	571,801

The notes on pages 14 to 23 form part of these financial statements

Challenge Wales

Balance Sheet
At 31st January 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets					
Tangible assets	10	559,515	-	559,515	552,981
Investments	11	100	-	100	100
		559,615	-	559,615	553,801
Current assets					
Stock		400	-	400	400
Debtors	12	44,361	-	44,361	15,852
Cash at bank and in hand		106,033	28,186	134,219	168,578
		150,794	28,186	178,980	184,830
Creditors					
Amounts falling due within one year	13	(30,157)	-	(30,157)	(36,845)
Net current assets		120,637	28,186	148,823	147,985
Total assets less current liabilities		680,252	28,186	708,438	701,066
Creditors					
Amounts falling due after more than one year	14	(124,107)	-	(124,107)	(129,265)
Net assets		556,145	28,186	584,331	571,801
Funds	17				
Unrestricted funds				556,145	529,279
Restricted funds				28,186	42,522
Total funds				584,331	571,801

The notes on pages 14 to 23 form part of these financial statements

continued...

Balance Sheet - continued
At 31st January 2022

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

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st January 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.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective January 2019).

The financial statements were approved by the Board of Trustees on 3rd October 2022 and were signed on its behalf by:

Vicky Williams
.....
Ms V. Williams, M.I.D.M., M.C.I.M., Chartered Marketer

.....
Mr D. P. Chapman, B.A., F.C.A., DChA –Trustee &Treasurer

Company Number 05342397

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, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement in accordance with the Financial Reporting Standard 102 (effective January 2019).

Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised on a receivable basis.

Grants receivable for revenue purposes are credited to the income and expenditure account when they become due. Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful life of the related assets.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of goods for resale.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Raising funds

Raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts and the cost of any legal advice to Trustees on governance or constitutional matters.

1. Accounting policies - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost, less residual value, of each asset over its estimated useful life. Depreciation commences from the date an asset is fully commissioned.

- Challenge Wales Yacht 20 years
- Adventure Wales Yacht 10 years
- RIB safety boat 10 years

Fixed assets purchased from unrestricted funds and with an initial value of over £1,000 are capitalised at cost. All Fixed assets purchased from restricted funds are capitalised at cost.

Taxation
The company is a registered Charity and all of its income is primary purpose and is therefore exempt from taxation.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Stock
Stock comprises of fuel bunkered on Challenge Wales and is valued at cost.

Debtors

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

Creditors and provisions

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

Functional currency
The Company's functional and presentation currency is the pound sterling.

2. Other trading activities

	2022 £	2021 £
Sundry income and merchandise	206	-
	206	-

3. Investment income

	2022 £	2021 £
Deposit account interest	9	22

4. Income from charitable activities

	Activity	2022 £	2021 £
Membership subscriptions	Core funding	8,347	7,491
Sail days and training courses	Core funding	505	177
Sail Training Activities	Core funding	19,852	9,112
Reardon Smith Nautical Trust	Core funding	10,000	-
Reardon Smith Nautical Trust	Centenary grant	20,000	-
Reardon Smith Nautical Trust	COVID funding	-	5,000
Garfield Weston	Core funding	20,000	-
Wales Council for Voluntary Action	Core, capital and COVID funding	14,063	42,187
ASTO	Core and COVID funding	5,750	77,917
National Lottery Community Fund	Core funding	9,307	-
Welsh Government -ERF	COVID funding	2,500	-
Welsh Government – Outdoor activities	COVID funding	6,250	-
Soroptimist International Barry & District	Core funding	-	1,000
Millenium Stadium Charitable Trust	Core funding	-	2,500
Joseph Levy Foundation	Core funding	3,000	-
Crystal Lodge	Core funding	1,000	-
Glamorgan Voluntary Services	COVID funding	-	262
BBC Children in Need	Core funding	-	9,600
Sports Council for Wales	Capital funding	1,263	1,500
Sail Training International	Core funding	2,815	300
Vale of Glamorgan Council	COVID funding	-	12,000
Co-Operative	Core Funding	1,537	-
		126,189	169,046

5. Support costs

	Other £	Governance costs £	Totals £
Core funding	12,927	1,495	14,422

Support costs, included in the above, are as follows:

	2022 £	2021 £
Property rent and rates	9,723	8,805
Light, heat and water	633	823
Telephone	287	464
Accountancy and legal fees	1,495	1,300
Office consumables	628	296
Marketing	948	580
Office repairs and small equipment	708	-
	14,422	12,286

6. Net income

Net income is stated after charging:

	2022 £	2021 £
Depreciation - owned assets	5,776	5,570
Hire of life rafts	1,696	2,311
Operating leases	7,800	7,800
Loan interest	7,406	6,217
Independent Examiner's fee	1,345	1,300

7. Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel

	2022	2021
	£	£
Salaries and wages	53,757	48,274
Social security costs	4,341	3,450
Pension costs	1,094	901
	59,192	52,625

The key management personnel of the Charity comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £35,200.

Ms V Williams, a Trustee has a two year contract of employment with the Charity and received a salary of £35,200 (2021: £30,405) in respect of her services as Marketing and Business Development Manager. This remuneration is made by way of provision in the Charity's governing documents.

During the year Captain A.H. Hall, a Trustee of the Charity until 4 October 2021, was paid £6,720 (2021: £840) in respect of services provided to the Charity in his capacity as Skipper of Challenge Wales and Adventure Wales.

None of the other Trustees received remuneration or expenses in this or the previous year. No employees received emoluments in excess of £60,000.

8. Staff numbers

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

	2022	2021
Business Development and Administrative support	2.0	2.0
Ship's skippers and mates	-	-
	2.0	2.0

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	18,466	-	18,466
Charitable activities			
Core funding	34,780	134,266	169,046
Other trading activities	22	-	22
HMRC Coronavirus Job Retention	36,844	-	36,844
Total	90,112	134,266	224,378
Expenditure on			
Raising funds	600	-	600
Charitable activities			
Core funding	(4,154)	116,429	112,275
Total	3,554	116,429	112,875
Net income and Net movement in funds	93,666	17,837	111,503
Reconciliation of funds			
Total funds brought forward	435,613	24,685	460,298
Transfer between funds	-	-	-
Total funds carried forward	529,729	42,522	571,801

10. Tangible fixed assets

	Challenge Wales Yacht £	Adventure Wales Yacht £	Other equipment £	Total £
Cost or valuation				
At 1 February 2021	472,310	168,956	1,250	642,516
Additions	6,533	2,777	3,000	12,310
At 31 January 2022	478,843	171,733	4,250	654,826
Depreciation				
At 1 February 2021	78,015	10,270	1,250	89,535
Charge for the year	981	4,495	300	5,776
At 31 January 2022	78,996	14,765	1,550	95,311
Net Book Value				
At 31 January 2022	399,847	156,968	2,700	559,515
At 31 January 2021	394,295	158,686	-	552,981

Challenge Wales Yacht is held on a revalued basis (plus additions at cost) less accumulated depreciation, being revalued at appropriate intervals. The current valuation for the Challenge Yacht of £450,000 was carried out by YSC Surveys (Yacht & Small Craft Surveying) on 30 January 2015.

The historical cost amounts to £226,493 on which depreciation of £97,088 has been charged.

The Adventure Wales Yacht is held at cost less accumulated depreciation.

11. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1st February 2021 and 31st January 2022	100
Net book value	
At 31st January 2022	100
At 31st January 2021	100

There were no investment assets outside the UK.

The shares in group undertakings represent a 100% holding of the issued share capital of Challenge Wales (Sales) Limited, a company incorporated in England and Wales, registered number 08049080. The following amounts are derived from the unaudited accounts of Challenge Wales (Sales) Limited for the year ended 31 January 2022.

11. Fixed asset investments (continued)

	2022	2021
	£	£
Turnover	10,809	357
Total expenditure	(762)	(306)
Net profit for year	10,047	51
Total assets	13,565	2,819
Total liabilities	(3,418)	(2,668)
Shareholders' funds	10,147	151

12. Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade debtors	31,421	728
VAT	836	1,857
Prepayments and accrued income	12,104	13,267
	44,361	15,852

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Other loans	17,711	23,757
Trade creditors	1,929	1,427
Amounts owed to group undertakings		588
Social security and other taxes	3,860	6,388
Accruals and deferred income	6,657	4,685
	30,157	36,845

14. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other loans - 1-2 years	18,150	32,140
Other loans - 2-5 years	35,925	97,125
Other loans – over 5 years	70,032	-
	124,107	129,265

The repayment profile of the other loans reflects the loan schedules in force with the Wales Council for Voluntary Action.

15. Operating lease commitments

The following operating lease payments are committed to be paid:

	2022	2021
	£	£
Expiring:		
Within 1 year	10,800	5,850
Within 2 to 5 years	36,600	-

16. Secured debts

The following secured debts are included within creditors:

	2022	2021
	£	£
Other loans	98,787	113,645

Other loans are secured by way of statutory ship's mortgage and deed of covenant dated 3 April 2008.

17. Movement in funds

	At 1.2.21	Net movement in funds	Transfers between funds	At 31.1.22
	£	£	£	£
Unrestricted funds				
General fund	242,318	26,866	-	269,184
Revaluation reserve	286,961	-	-	286,961
	529,279	26,866	-	556,145
Restricted funds				
Sail Training International	3,110	(3,110)	-	-
Wales Council for Voluntary Action	27,312	(27,312)	-	-
BBC Children in Need	9,600	(9,600)	-	-
Millenium Stadium Charitable Trust	2,500	(2,500)	-	-
National Lottery Awards for All		8,186	-	8,186
Reardon Smith Nautical Trust		20,000		20,000
	42,522	(14,336)	-	28,186
TOTAL FUNDS	571,801	12,530	-	584,331

17. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	49,991	(44,114)	5,877
Restricted funds			
ASTO	5,750	(5,750)	-
BBC Children in Need	-	(9,600)	(9,600)
Joseph Levy Foundation	3,000	(3,000)	
Wales Council for Voluntary Action	14,063	(41,375)	(27,312)
Sail Training International	2,815	(5,925)	(3,110)
Garfield Weston	20,000	(20,000)	-
Sports Council for Wales	1,263	(1,263)	--
The National Lottery Awards for All	9,307	(1,121)	8,186
Millenium Stadium Charitable Trust	-	(2,500)	(2,500)
Reardon Smith Nautical Trust	20,000	-	20,000
	76,198	(90,534)	(14,336)
TOTAL FUNDS	126,189	(134,648)	(8,459)

Unrestricted funds
General funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity. Revaluation reserve relates to the Challenge Wales Yacht, this was reduced annually in-line with depreciation.

Restricted funds

- ASTO - a bursary received for those taking part in sail training voyages.
- BBC Children in Need -provided part funding for young carers to undertake sail training.
- Wales Council for Voluntary Action – Resilience Fund grant to support charities during the COVID -19 pandemic
- Sail Training International – provided funding for accredited sail training voyages.
- Garfield Weston – provided support grant towards core operating costs
- Sports Council for Wales grant – funding used to purchase equipment for Adventure Wales.
- Millenium Stadium Charitable Trust – provided funding for accredited sail training voyages.
- The National Lottery Awards for All – providing funds for volunteer training and expenses
- Joseph Levy Foundation - Providing funding for sail training voyages with young people who are autistic or have Cystic Fibrosis
- Reardon Smith Nautical Trust – provided funding to assist young people obtain sailing qualifications,

17. Movement in funds - continued

Transfers between funds

Depreciation on revalued assets is transferred from the revaluation reserve to unrestricted funds in-line with the Charity's depreciation policy.

18. Related party disclosures

Wages and salaries

One of the Trustees has a two year contract of employment with the Charity and received a salary of £35,200 (2021: £30,405).

Trustee Memberships

During the year ended 31 January 2022 the Trustees and family members collectively paid £685 (2021: £600) for annual membership of the Charity.

Trustee Donations

During the year the Charity received donations from Trustees totalling £432 (2021: £2,050).

Transactions with Subsidiary

During the year ended 31 January 2022 the Charity received £51 (2021: £11,047) by way of Gift Aid donation from its' trading subsidiary Challenge Wales (Sales) Limited.

Skipper's Fees

During the year Captain A.H. Hall, a Trustee of the Charity until 4 October 2021, was paid £6,720 (2021: £840) in respect of services provided to the Charity in his capacity as Skipper of Challenge Wales and Adventure Wales.

19. Member's liability

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

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

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Third party donations	5,227	3,449
Gift aid	2,380	1,920
Challenge Wales (Sales) Limited	51	11,047
Private Donations	-	2,050
	7,658	18,466
Investment income		
Deposit account interest	9	22
Charitable activities		
Membership subscriptions	8,347	7,491
Crew fees	505	177
Sail Training Activities	19,852	9,112
Reardon Smith Nautical Trust – sail training bursary	10,000	-
Reardon Smith Nautical Trust – general grant	20,000	5,000
Garfield Weston	20,000	-
Wales Council for Voluntary Action	14,063	42,187
Welsh Government ERF funding	2,500	-
Welsh Government Outdoor Activities grant	6,250	-
ASTO	5,750	77,917
The National Lottery Community Fund-Awards for All	9,307	-
Soroptomist	-	1,000
Millenium Stadium Charitable Trust	-	2,500
Sail Training International	2,815	300
Co-Operative	1,537	-
BBC Children in Need	-	9,600
Crystal Lodge	1,000	-
Sports Council for Wales	1,263	1,500
Joseph Levy Foundation	3,000	-
Vale of Glamorgan Council	-	12,000
Glamorgan Voluntary Services Comic Relief	-	262
	126,189	169,046
Other income		
Sundry income	206	-
	206	-
HMRC Corona Virus Job Retention Scheme	13,256	36,844
Total incoming resources	147,318	224,378

Challenge Wales
Detailed Statement of Financial Activities
for the Year Ended 31st January 2022

	2022 £	2021 £
Expenditure		
Charitable activities		
Wages	59,192	52,625
Skipper and mates' fees	8,700	840
Insurance	7,341	7,110
Postage and stationery	19	159
Sundries	674	1,211
Offshore costs	18,394	15,643
Boat repairs and maintenance	7,256	6,615
Onshore storage costs	272	816
Marine Charts and publications	337	72
Subscriptions and donations	1,561	517
Travel and subsistence	387	64
Computer and software	2,429	1,645
Depreciation of Vessels and other equipment	5,776	5,571
Bank and other loan interest	7,406	6,217
Staff and volunteer training	-	581
Course accreditation, monitoring and evaluation	300	-
	120,044	99,686
Support costs		
Other		
Property rent and rates	9,723	8,999
Light, heat and water	633	823
Telephone	287	464
Office consumables	628	296
Marketing	948	580
Office repairs and maintenance	708	-
Bank charges	182	127
	13,109	11,289
Governance costs		
Accountancy and legal fees	1,495	1,300
Fund raising costs	140	600
	1,635	1,900
Total resources expended	134,788	112,875
Net income	12,530	111,503

CHALLENGE WALES

England & Wales - Charity number 1111859

Accounts

REGISTERED COMPANY NUMBER: 05342397 (England and Wales)
REGISTERED CHARITY NUMBER: 1111859

Trustees' Report and Financial Statements for the Year Ended 31st January 2021 for Challenge Wales

Challenge Wales

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for the Year Ended 31st January 2021

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Challenge Wales

Trustees' Report
for the Year Ended 31st January 2021

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 January 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 102 (effective 1 January 2019).

Objectives and activities

Objectives
The Challenge Wales charity works with young people aged 12 – 25 years on life-changing accredited personal development voyages to improve their prospects. This is achieved through activities delivered onboard the sail training vessels; *Challenge Wales | Wales' Tall Ship* and *Adventure Wales*

The vision that helps shape the focus of the Charity is; "To become the premier provider of youth development activities in Wales and the South West through sail training".

Mission statement
Challenge Wales' mission statement is; "To educate young people aged between 12 and 25 years in sail training and navigation so as to develop essential life skills including team development, communication, respect for others, self-confidence, self-esteem and interdependence enabling them to grow to full maturity as individuals and members of society and improving their conditions of life".

Significant activities
Activities on both yachts promotes the growth of group identity and personal self-confidence, enables achievement and success, places everyone on a level playing field and presents challenging experiences in a stimulating, positive, natural environment regardless of ability and background.

Whether joining as an individual or as a group the aim is to give young people the opportunity they deserve to develop as positive citizens.

Challenge Wales is proud of its reputation in the youth work sector, particularly in Wales, for delivering innovative & effective services that are evidenced to be positively changing lives.

Sail training:
Youth development voyages have ranged from 1 to 14 days. Sail training activity is central to the organisation with a mixture of groups and individuals using our services. Up to 10 young people (trainees) and up to two group leaders will join us from different organisations or up to 10 individuals (trainees) when coming on their own. Day voyages give a small taster into our more structured residential voyages which get the young people; planning their activities, working as a team in watches, cooking and cleaning and running the boat with the volunteer crew, learning to take responsibility, developing new skills, facing new challenges, making friends and developing confidence.

The Charity runs a bursary scheme and through this is able to subsidise young people aged 12 - 25 years subject to them meeting the bursary criteria at the time. This funding is available for individuals whether joining as part of a group or on their own.

Fundraising voyages:
As a developing Charity receiving no government grants the Charity relies on fundraising voyages to help bring in revenue. These mainly take the form of one day big boat sailing days together with delivery voyages when the boat isn't used by youth groups. These voyages are also a critical part of our volunteer crew application process as every volunteer has to have sailed on Challenge Wales as a client before becoming a volunteer.

Accreditation and Awards:
Challenge Wales is a Sailability Centre with the Royal Yachting Association (RYA) and continues to be an Approved Activity Provider for the Gold Residential Duke of Edinburgh's Award (DofE).

The Charity also offers Agored Cymru accreditation in Teamwork, Developing Own Confidence and Environmental Project.

Challenge Wales is a member of CWVYS (Council of Wales Voluntary Youth Service), C3SC (Cardiff Third Sector Council), Youth Cymru and the Association of Sail Training Organisations (ASTO).

Membership Scheme:
The Challenge Wales Membership Scheme has been growing over the past few years and was set up as a way to generate funds for the Charity.

The Public Benefit resulting from Sail Training
Various academic research has provided a wealth of evidence about the benefits of sail training voyages.

- A study of the Value of Sail Training undertaken by the University of Edinburgh found dramatic and measurable improvements in personal confidence and the ability to work with, and understand differences, of other people. These benefits were sustained over time after the voyage had ended.

- A study carried out by the University of Sydney found that Sail Training was capable of producing social capital in its participants, showing success in fostering networks and alliances.

An independent evaluation of Challenge Wales over three years as part of its '*Voyages of Discovery*' project and carried out by the Social Effectiveness Research Centre found that sail training improves teamwork & communication skills, social networks and confidence as well as mental health and wellbeing. The project created learning, progression routes and a value-for-money approach.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We review our aims, objectives and activities each year. This review looks back at what we achieved and the outcomes of our work in the previous year. This review helps us ensure our aims objectives and activities remain focused on our stated purposes.

Volunteering:

Challenge Wales wouldn't be the Charity it is without our amazing volunteers who donate their time to work with young people, become our crew on adult and fundraising voyages, maintain the boat and help us fundraise as well as providing us with a significant mix of skills, knowledge and expertise in various areas.

Those wishing to become volunteer crew have to have a volunteer qualifying assessment voyage to ensure they not only have the right skills but more importantly the right outlook for working with young people and the commitment. All those who become volunteers with Challenge Wales will require two successful character references followed by an enhanced DBS check which is carried out in a face-to-face meeting.

All volunteers also need to attend a shore-side volunteer induction as part of the volunteering process enabling them to learn about the Charity as much as we learn about the new volunteers. The Charity has changed its recruitment of volunteer crew from previously allowing people with no sailing experience to become (trainee) crew to insisting that volunteers have either Day Skipper qualifications, sailing experience and knowledge or experience in instructing / teaching. This has become an important move enabling those who are still inexperienced in sailing to become competent, confident and progress up the ranks while providing a slightly more experienced volunteer and filling the gaps left by volunteers who do not progress beyond that of a trainee.

Challenge Wales relies heavily on its volunteers for crewing and shore-side management of the Charity. Volunteers direct the affairs of Challenge Wales at board level, skipper and crew the boat, assist with maintenance, manage some of the administration tasks including book-keeping, as well as contributing to strategic planning and sub-committee/steering group activities. It is clear that Challenge Wales would not be the organisation it is today without its volunteers and the Charity continues to be greatly indebted to them.

Challenge Wales

Trustees' Report
for the Year Ended 31st January 2021

Achievement and performance:



It has been a very strange year for Challenge Wales and one where we only operated one residential voyage, in early March 2020, due to the COVID-19 pandemic.

This report, unlike many previous ones, helps us to reflect on the unique difficulties that have been encountered over the last year, how we have dealt with them and how we are slowly bouncing back with our unrelenting enthusiasm.

Sail training activities on the water are challenging, involve decision making & planning, adapting to changes and coming across the unexpected or unknown, make us more resilient and help us reflect on our actions. Running Challenge Wales during an unprecedented year has certainly been one of resilience, challenge, worry and overcoming difficulties but also one where determination and support has been strong to enable us to safeguard the future of the charity and knowing that we would be able to restart when it was safe to do so.

By February 2020 the charity had already booked up its overseas summer youth adventures and had funding in place to deliver day voyages in Wales. We were also just in the process of recruiting an additional Skipper and Mate as part of our core delivery team. It had all the signs of being our busiest year of life-changing activities and we were excited to be expanding our sail training programme.

However, at the end of March 2020, Challenge Wales had to batten down the hatches and little did we know that our next day voyage with young people would be June 2021.

Prior to the UK's first lockdown Challenge Wales spent many days reluctantly cancelling every single voyage. A heart-breaking task when we knew the impact that not going sail training could have on young people's lives, particularly their mental health. Our adult adventures are also used to recruit new volunteers and as such our recruitment processes stopped.

Our only three staff members, the Business Development Manager, Youth Development Officer and Administration Assistant, were furloughed as the charity took advantage of the Government's job retention scheme and Trustees ensured the office would be ready to go, once restrictions lessened.

The charity was fortunate that very few of our sailing guests asked for a refund of their voyage fees but for those who did, our Treasurer was able to action this promptly as well as having the task of navigating the complexities of the furlough scheme and some of the local authority emergency funding that was made available for which we express our thanks.

The charity would also like to thank another Trustee who looks after the planned maintenance programme of our vessels who spent many hours maintaining and checking the boats to again ensure that when restrictions were lessened, we could immediately restart our programme – whatever that would look like in a world where we are living with COVID.

Fundraising for Challenge Wales was severely impacted during 2020, particularly where we had participants in mass fundraising events which were postponed. This included our own adult adventure voyages, from day voyages to delivery trips and large-scale events & races to open-boat activities, which are fundraising opportunities and overnight this income dropped to zero.

It was great that some of our supporters and funders re-purposed their funding during the earlier stages of the pandemic enabling us to use grants to cover operational costs which we continued to incur despite the inability to sail. From other funders we were pleased to be offered an extension on grant deadlines to enable us to fulfil our activities which we have managed to achieve during 2021. Funding, via a loan, we had previously received from the Welsh Council of Voluntary Action (WCVA) saw the suspension of the repayments and new funding was realised through the Third Sector Resilience Fund for Wales (TSRF) which was part of a Welsh Government support mechanism to voluntary organisations. Unbelievably our year had started with just signing off a new fundraising strategy that had been developed with the help of an Institute of Fundraising Mentor who we had been working with, but with the backbone of a new strategy in place that all Trustees were invested in, it meant we could adapt it during 2020.

Throughout the pandemic we have used social media to stay in touch with volunteers, members and supporters and saw an increase in donations through online channels than in previous years with some of our volunteers raising funds through personal challenges.

2020 did see Challenge Wales have an unexpected celebration when the charity became a finalist in the Equality and Diversity Category of The Youth Work Excellence Awards. The awards recognise and celebrate outstanding youth work practice in Wales and being a finalist was fantastic recognition for the work that we do and our volunteers who are key to its delivery.

As we headed into the New Year of 2021, we were able to start bringing our office team back into work although on very reduced hours. Restrictions would mean our activities wouldn't be starting until June 2021, but we still had work to prepare for.

As part of a consultation exercise in January we reached out through our youth networks and partners, via an online survey and focus groups, to look at the impact of COVID on young people and how their needs may have changed and the results showed that there was certainly a need for our sail training activities. Both group leaders, parents and young people were involved with this. Group leaders and parents were very clear that activities that bring people closer, socialise them, build confidence and create personal achievement were essential. This was important for all groups including home educators. Young people reported isolation and not seeing friends has affected mental health while being safe, making new friends & building positive relationships, keeping fit and active and learning in a hands-on way through experience rather than the classroom were top priorities. Challenge Wales will be working with these findings in future funding bids to ensure we really meet the needs of our beneficiaries.

In March 2021, Challenge Wales moved office to newer premises enabling the charity to reduce its operating costs slightly over the next few years, maintain equipment in a more favourable environment and be more accessible. Moving in a pandemic was not a decision taken lightly but taken in the best interests of the charity, at the time.

Real concerns about the prospects and mental health of a generation have been raised due to the disruption COVID has brought to young people. MIND and the NHS have promoted 5 steps to wellbeing, each of which is a key element of a Challenge Wales sail training voyage; Connecting with other people, being physically active, learning a new skill, giving to others and paying attention to the present moment. Being out at sea and learning together, hoisting a sail, developing life skills, talking and listening to others under the stars, with limited technology, is evidenced to improve, young people's mental health which is why sail training is a great investment in the wellbeing of future generations.

During 2020 we took time to develop a shore-side programme, aptly named 'Sea & Tell' which provides even more accessible opportunities for young people to access our services. This programme enables young people to learn about sustainability, improve their social and communication skills, undertake citizen science activities, learn about the local community and geography as well as learning a new skill

"The group was put together because of low self-esteem and lack of confidence. Being part of a team sailing Challenge Wales has enabled the group to believe in themselves that they can do and will do activities outside of their comfort zones – it's a positive outcome." Group Leader from 2019

Our Amazing Volunteers

Challenge Wales wouldn't be the charity it is without our amazing volunteers who, in a 'normal' year would collectively donate thousands of hours of their time to work with young people and deliver our voyage programme and maintenance activity. Despite the lack of sailing, they have been there on Zoom showing their support, helping with fundraising as well as helping with keeping the boats ship-shape when we were able to welcome our volunteer family back onboard.

We have almost 100 volunteers and although our plans to increase our volunteer numbers in 2021 haven't come to fruition due to limited activities we are excited to have volunteer application forms in the pipeline and new volunteers raring to go.

The attitude and encouragement from the staff and volunteers on board had a hugely positive impact." Group Leader attending a voyage before COVID.

The Challenge Wales Trustees understand that our volunteers lead busy lives but are continually amazed at the passion, support & commitment that our volunteers continue to offer and they are definitely a credit to the organisation.

Governance and Decision Making

Trustees usually meet each month and review all charity policies and operating procedures each year. The Marine Sub-Committee made up of Trustees and volunteers also meet each month and feed into the Charity's Board Meetings. During the beginning of COVID in March 2020, Trustees met more frequently as they put plans in place to protect the Charity.

Priorities and Developments for 2021

As this report is being written, we still continue to find ourselves in unusual territory and living in a world that has changed. We have realised that change can happen in an instant and we need to manage that effectively.

As 2021 progressed, being an outdoor residential provider in Wales, albeit at sea, came with its problems as English providers could restart their activities whereas Wales continued to be restricted. This meant we weren't going to see any Welsh schools booking up residential activities with Challenge Wales until September 1st, 2021, when the summer holidays were pretty much over. However, this opened up different opportunities to operate in England (with any UK residents) for a few weeks during the summer. Many of those taking part in our activities were working towards Royal Yachting Association Competent Crew qualifications and the DofE Gold Residential award.

Challenge Wales works with a range of young people from a variety of diverse backgrounds including: current and former looked after children, young carers, young people with low skills/qualifications and literacy levels, those who are not in Employment, Education or Training (NEET's), black and minority ethnic young people, young people who are at risk of homelessness, young people from economically deprived households, additional learning needs / learning disabilities (including SEN school groups), high educational achievers, young people with mental health Issues, LGBTQ groups and those looking to improve their prospects in a marine career. And it is these young people we will be continuing to work with as our voyage programme reopens.

In June 2021 we restarted our accredited youth workday activities as well as our process for recruiting new volunteers.

The work that Challenge Wales does continues to be aligned with a number of initiatives, policies and plans at local, national and UK government level. Most prominent at national level is the Welsh Government's Well-being of Future Generations Act (2015) with its seven well-being goals (for example that of creating a healthier and more equal Wales) as well some of the foundations of those goals in particular reducing inequality. Our activities also link into the Welsh Government's Charter for Youth Work too, the second of whose eight provisions is that all young people in Wales are entitled to easy access to *"opportunities to take part in outdoor adventure and in residential and international experiences."*

Activities are also relevant to the Youth Engagement and Progressions Framework, or more recently, the Youth Work Strategy for Wales which defines youth work as work which "offers young people opportunities for learning that are educative, expressive, participative, inclusive and empowering". Sail Training on our vessels certainly does that.

Thank You

In what has been a year like no other, Challenge Wales would also like to thank the individual donors, trusts and funders who have believed in us and supported us. The outdoor residential world has certainly been rocked by what has happened, but we know we couldn't have come through it without you. We'd like to thank again our volunteers and staff team and those who have shown their support, through words and donations during the 2020 pandemic.

Finally, we would like to pay our thanks to all the companies who provide us with help, assistance and services to enable us to do the work that we do. **We really appreciate everyone's help and support and you are really making a difference to young people.**





Structure, governance and management

Governing document

The Charity, registration number 1111859, is a company limited by guarantee and governed by its Memorandum and Articles of Association. It received its charitable registration and became an incorporated company, number 05342397, on the 25 January 2005.

Recruitment and appointment of new Trustees

Potential Trustees are invited to attend one of Challenge Wales' Trustee meetings as an observer, although not a compulsory route to becoming a Trustee it is encouraged to give the potential trustee an insight into the Charity.

Trustees are appointed at any board meeting and are chosen from individuals interested in the work of the Charity. In an effort to maintain a diverse and skilled mix of Board members, Trustees are required to provide a list of their skills (and update it annually through a skills audit). This enables the Trustees to identify gaps in the board skills mix and address these.

Organisational structure

The Charity employs a Business Development Manager who overseas an Administration Assistant (when in post) and the Youth Development Officer. Other Trustees undertake finance and vessel management roles. The Charity also has a designated Child Protection and Safeguarding Officer and this role is currently undertaken by Peter Robinson.

Induction and training of new Trustees

All new Trustees are already familiar with Challenge Wales' activities. New Trustees are provided with an induction pack which includes the Memorandum & Articles of Association, the current annual Report and Accounts, a copy of the previous board meeting minutes and links to the Charity Commission publications "The Essential Trustee" and "The Hallmarks of an Effective Charity". A Disclosure and Barring Service (DBS) check is undertaken following successfully receiving two character references.

Related parties

During the year Captain A H Hall, who is a Trustee of the Charity, was paid £840 (2020: £15,000) in respect of services provided to the Charity in his capacity as Skipper of *Challenge Wales* and *Adventure Wales*.

Registered office

Crown House
Windsor Road
Penarth
Vale of Glamorgan
CF64 1JG

Trustees during the year ended 31 January 2021

Captain A. H. Hall M.M, M.N.I.
Mr L. B. Creaven
Ms V. Williams F.I.T.T., M.I.D.M., M.C.I.M., Chartered Marketer
Mr D. P. Chapman B.A., F.C.A., DChA
Mr R.L. Bright
Mr D. K. Evans
Ms H. Phillips

Independent examiner

Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff, CF24 5PJ

Bankers

Barclays Bank Plc
Port Talbot, West Glamorgan, SA13 1LJ

Financial review

Results

The Charity reports a surplus on unrestricted funds for the year amounting to £93,666 (2020: deficit £857). This has resulted in the level of unrestricted funds carried forward to next year increasing from £435,613 to £529,279 (2020: £431,409 to £435,613). These unrestricted funds include a revaluation reserve amounting to £286,961 (2020: £286,961), which arose from the revaluation of the Challenge Wales yacht.

Restricted funds brought forward and amounts received during the year have been fully expended in the year with the exception of those stated in note 17 to the accounts, which were expensed by 30 September 2021.

Investment policy and objectives

The Charity has no investment powers except to place any surplus funds into deposit accounts.

Reserves policy

It is the policy of the Trustees to maintain adequate unrestricted funds to ensure that they are able to provide for the continuance of sail training activities should grant funding not be able. The Trustees are currently looking into ways to improve the available reserves. Once the investment in fixed assets and investments is taken into consideration, the Charity had available free funds (excluding unrestricted long term creditors) of £93,400 (2020: £NIL). This reflects the support given to the Charity by both Government and its principal providers of grant finance during the COVID-19 pandemic.

Changes in Trustees in the period 1 February 2021 to date of approval of the accounts

Mr L. B. Creaven resigned on 1 April 2021. Liam played a fundamental role for many years as the Charity's Child Protection Officer and the Trustees thank him for his work. Captain A. H. Hall has decided, for the time being, to step back from being a Trustee and retired on rotation with effect from 4 October 2021. Andy lives, breathes and sleeps Challenge Wales 24/7, 365 days and will continue to play an active role at the helm in the delivery of the Charity's mission going forward. I am sure that the Charity's members and volunteers will recognise that this was a difficult decision for Andy to make and one which the Trustees fully support. Mr C.W. Sandom was appointed on 4 October 2021.

Approved by order of the board of Trustees on 26th October 2021 and signed on its behalf by:



.....

D. P. Chapman, B.A. F.C.A. Dip ChA – Trustee & Treasurer

Independent Examiner's Report to the Trustees of Challenge Wales

I report to the Charity Trustees on my examination of the accounts of the charitable company for the year ended 31st January 2021 set out on pages twelve to twenty two.

Responsibilities and basis of report

As the Trustees of the charitable 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 charitable 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 charitable company'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

I have completed my examination.

I confirm that no material 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 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.

The impact of uncertainties due to COVID -19 on our independent examination

Uncertainties relating to the effects of COVID -19 are relevant to understanding our independent examination of the financial statements. All independent examinations assess and challenge the reasonableness of estimates made by the directors, such as valuation of assets, appropriateness of the going concern basis of preparation of the financial statements and associated disclosures. All of these depend on assessments of the future economic environment and the Charity's future prospects and performance.

The COVID -19 viral pandemic is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We have applied a standardised approach in response to that uncertainty when assessing the company's future prospects and performance. However, no independent examinations should be expected to predict the unknowable factors or all possible future implications for a charity and this is particularly the case in relation to the COVID -19 pandemic.

Mr Stephen Lucey
FCA
Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

28 October 2021

Challenge Wales

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the Year Ended 31st January 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies		18,466	-	18,466	20,987
Charitable activities	4				
Core funding		34,780	134,266	169,046	192,626
Investment income	2	-	-	-	220
Other income	3	22	-	22	68
HMRC Corona Virus Job Retention Scheme		36,844	-	36,844	-
Total		90,112	134,266	224,378	213,901
Expenditure on					
Raising funds		600	-	600	1,350
Charitable activities					
Core funding		(4,154)	116,429	112,275	219,620
Total		(3,554)	116,429	112,875	220,970
Net income/(expenditure)		93,666	17,837	111,503	(7,069)
Other recognised gains					
Gain on revaluation of fixed assets		-	-	-	-
Net movement in funds		93,666	17,837	111,503	(7,069)
Reconciliation of funds					
Total funds brought forward		435,613	24,685	460,298	467,367
Transfer between funds		-	-	-	-
Total funds carried forward		529,279	42,522	571,801	460,298

The notes on pages 13 to 22 form part of these financial statements

Challenge Wales

Balance Sheet
At 31st January 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	10	552,981	-	552,981	553,989
Investments	11	100	-	100	100
		553,081	-	553,081	554,089
Current assets					
Stock		400	-	400	400
Debtors	12	15,852	-	15,852	14,285
Cash at bank and in hand		111,993	56,585	168,578	47,665
		128,245	56,585	184,830	62,350
Creditors					
Amounts falling due within one year	13	(34,845)	(2,000)	(36,845)	(37,910)
Net current assets		93,400	54,585	147,985	24,440
Total assets less current liabilities		646,481	54,585	701,066	578,529
Creditors					
Amounts falling due after more than one year	14	(117,202)	(12,063)	(129,265)	(118,231)
Net assets		529,279	42,522	571,801	460,298
Funds	17				
Unrestricted funds				529,279	435,613
Restricted funds				42,522	24,685
Total funds				571,801	460,298

The notes on pages 13 to 22 form part of these financial statements

continued...

Balance Sheet - continued
At 31st January 2021

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

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st January 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.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102 (effective January 2019).

The financial statements were approved by the Board of Trustees on 26th October 2021 and were signed on its behalf by:

V Williams

.....

Ms V. Williams F.I.T.T., M.I.D.M., M.C.I.M., Chartered Marketer

.....

Mr D. P. Chapman, B.A., F.C.A., DChA –Trustee &Treasurer

Company Number 05342397

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, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement in accordance with the Financial Reporting Standard 102 (effective January 2019).

Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised on a receivable basis.

Grants receivable for revenue purposes are credited to the income and expenditure account when they become due. Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful life of the related assets.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of goods for resale.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Raising funds

Raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts and the cost of any legal advice to Trustees on governance or constitutional matters.

1. Accounting policies - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost, less residual value, of each asset over its estimated useful life. Depreciation commences from the date an asset is fully commissioned.

- Challenge Wales Yacht 20 years
- Adventure Wales Yacht 10 years
- RIB safety boat 10 years

Fixed assets purchased from unrestricted funds and with an initial value of over £1,000 are capitalised at cost. All Fixed assets purchased from restricted funds are capitalised at cost.

Taxation
The company is a registered Charity and all of its income is primary purpose and is therefore exempt from taxation.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Investments
Fixed asset investments are included at market value at the balance sheet date.

Stock
Stock comprises of fuel bunkered on Challenge Wales and is valued at cost.

Debtors

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

Creditors and provisions

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

Functional currency
The Company's functional and presentation currency is the pound sterling.

2. Other trading activities

	2021	2020
	£	£
Sundry income and merchandise	-	220
	-	220

3. Investment income

	2021	2020
	£	£
Deposit account interest	22	68

4. Income from charitable activities

	Activity	2021 £	2020 £
Membership subscriptions	Core funding	7,491	8,455
Sail days and training courses	Core funding	177	2,033
Sail Training Activities	Core funding	9,112	16,493
Reardon Smith Nautical Trust	Core funding	-	29,926
Reardon Smith Nautical Trust	COVID funding	5,000	-
Wales Council for Voluntary Action	Core, capital and COVID funding	42,187	12,000
ASTO	Core and COVID funding	77,917	6,355
National Lottery Community Fund	Core funding	-	50,423
Royal Thames Yacht Club	Core funding	-	3,780
Soroptimist International Barry & District	Core funding	1,000	-
Millenium Stadium Charitable Trust	Core funding	2,500	-
Sultan of Oman Bursary Fund	Core funding	-	1,720
James Myatt Trust	Core funding	-	2,300
Rotary Club of Cardiff St David's	Core funding	-	1,080
Garfield Weston Trust	Core funding	-	30,000
Glamorgan Voluntary Services	COVID funding	262	-
BBC Children in Need	Core funding	9,600	9,600
Worshipful company of Shipwrights	Core funding	-	1,000
Sports Council for Wales	Capital funding	1,500	5,051
Merseyside Adventure Sailing Trust	Core funding	-	9,600
Sail Training International	Core funding	300	2,810
Vale of Glamorgan Council	COVID funding	12,000	-
		169,046	192,626

5. Support costs

	Other £	Governance costs £	Totals £
Core funding	10,986	1,300	12,286

Support costs, included in the above, are as follows:

	2021 £	2020 £
Property rent and rates	8,805	9,573
Light, heat and water	823	1,027
Telephone	464	448
Accountancy and legal fees	1,300	1,260
Office consumables	296	577
Marketing	580	5,172
	12,286	18,057

6. Net income

Net income is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	5,570	4,949
Hire of life rafts	2,311	2,485
Operating leases	7,800	7,800
Loan interest	12,014	8,991
Independent Examiner's fee	1,300	1,260

7. Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel

	2021	2020
	£	£
Salaries and wages	48,274	76,953
Social security costs	3,450	6,196
Pension costs	901	1,184
	52,625	84,333

The key management personnel of the Charity comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £35,750.

Ms V Williams, a Trustee has a two year contract of employment with the Charity and received a salary of £30,405 (2020: £35,750) in respect of her services as Marketing and Business Development Manager. This remuneration is made by way of provision in the Charity's governing documents.

During the year Captain A H Hall, who is a Trustee of the Charity, was paid £840 (2020: £15,000) in respect of services provided to the Charity under a "day rate" contract as Skipper of the Charity's yachts.

None of the other Trustees received remuneration or expenses in this or the previous year. No employees received emoluments in excess of £60,000.

8. Staff numbers

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

	2021	2020
Business Development and Administrative support	2.0	2.0
Ship's skippers and mates	-	1.0
	2.0	3.0

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	20,987	-	20,987
Charitable activities			
Core funding	26,981	165,645	192,626
Other trading activities	288	-	288
Total	48,256	165,645	213,901
Expenditure on			
Raising funds	1,350	-	1,350
Charitable activities			
Core funding	47,763	171,857	219,620
Total	49,113	171,857	220,970
Net income and Net movement in funds	(857)	(6,212)	(7,069)
Reconciliation of funds			
Total funds brought forward	431,419	35,948	467,367
Transfer between funds	5,051	(5,051)	-
Total funds carried forward	435,613	24,685	460,298

10. Tangible fixed assets

	Challenge Wales Yacht £	Adventure Wales Yacht £	Equipment for Voyages of Discovery £	Total £
Cost or valuation				
At 1 February 2020	472,310	164,394	1,250	637,954
Additions	-	4,562	-	4,562
At 31 January 2021	472,310	168,956	1,250	642,516
Depreciation				
At 1 February 2020	77,034	5,681	1,250	83,965
Charge for the year	981	4,589	-	5,570
At 31 January 2021	78,015	10,270	1,250	89,535
Net Book Value				
At 31 January 2021	394,295	158,686	-	552,981
At 31 January 2020	395,276	158,713	-	553,989

Challenge Wales Yacht is held on a revalued basis (plus additions at cost) less accumulated depreciation, being revalued every three to five years. The current valuation for the Challenge Yacht of £450,000 was carried out by YSC Surveys (Yacht & Small Craft Surveying) on 30 January 2015. The COVID -19 pandemic has continued to delay the Trustees obtaining an updated valuation in the current financial year.

The historical cost amounts to £226,493 on which depreciation of £96,107 has been charged.

The Adventure Wales Yacht is held at cost less accumulated depreciation.

11. Fixed asset investments

	Shares in group undertakings £
Market value	
At 1st February 2020 and 31st January 2021	100
Net book value	
At 31st January 2021	100
At 31st January 2020	100

There were no investment assets outside the UK.

The shares in group undertakings represent a 100% holding of the issued share capital of Challenge Wales (Sales) Limited, a company incorporated in England and Wales, registered number 08049080. The following amounts are derived from the unaudited accounts of Challenge Wales (Sales) Limited for the year ended 31 January 2021.

11. Fixed asset investments (continued)

	2021	2020
	£	£
Turnover	357	12,347
Total expenditure	(306)	(1,300)
Net profit for year	51	11,047
Total assets	2,819	13,326
Total liabilities	(2,668)	(2,179)
Shareholders' funds	151	11,147

12. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	728	1,889
VAT	1,857	3,013
Prepayments and accrued income	13,267	9,383
	15,852	14,285

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Other loans	23,757	25,993
Trade creditors	1,427	3,387
Amounts owed to group undertakings	588	587
Social security and other taxes	6,388	2,792
Accruals and deferred income	4,685	5,151
	36,845	37,910

14. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other loans - 1-2 years	32,140	12,801
Other loans - 2-5 years	97,125	33,186
Other loans – over 5 years	-	72,244
	129,265	118,231

The repayment profile of the other loans reflects the loan schedules in force with the Wales Council for Voluntary Action at 20 September 2021.

15. Operating lease commitments

The following operating lease payments are committed to be paid:

	2021	2020
	£	£
Expiring:		
Within 1 year	-	5,850

16. Secured debts

The following secured debts are included within creditors:

	2021	2020
	£	£
Other loans	113,645	144,224

Other loans are secured by way of statutory ship's mortgage and deed of covenant dated 3 April 2008.

17. Movement in funds

	At 1.2.20	Net movement in funds	Transfers between funds	At 31.1.21
	£	£	£	£
Unrestricted funds				
General fund	148,652	93,666	-	242,318
Revaluation reserve	286,961	-	-	286,961
	435,613	93,666	-	529,279
Restricted funds				
Sail Training International	2,810	300	-	3,110
Wales Council for Voluntary Action	-	27,312	-	27,312
BBC Children in Need	-	9,600	-	9,600
Millenium Stadium Charitable Trust	-	2,500	-	2,500
Garfield Weston	21,875	(21,875)	-	-
	24,685	17,837	-	42,522
TOTAL FUNDS	460,298	111,503	-	571,801

17. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	90,112	3,554	93,666
Restricted funds			
ASTO	77,917	(77,917)	-
BBC Children in Need	9,600	-	9,600
Glamorgan Voluntary Services Comic Relief	262	(262)	-
Wales Council for Voluntary Action	42,187	(14,875)	27,312
Sail Training International	300	-	300
Garfield Weston	-	(21,875)	(21,875)
Sports Council for Wales	1,500	(1,500)	-
Millenium Stadium Charitable Trust	2,500	-	2,500
	134,266	(116,429)	17,837
TOTAL FUNDS	224,378	(112,875)	111,503

Unrestricted funds
General funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity. Revaluation reserve relates to the Challenge Wales Yacht, this was reduced annually in-line with depreciation.

Restricted funds

- ASTO - a bursary received for those taking part in the Small Ships and Tall Ships races.
- BBC Children in Need -provided part funding for young carers to undertake sail training.
- Glamorgan Voluntary Services Comic Relief -to purchase supplies in connection with COVID precautions
- Wales Council for Voluntary Action – Resilience Fund grant to support charities during the COVID -19 pandemic
- Sail Training International – provided funding for improvements to Adventure Wales.
- Garfield Weston – provided support grant towards core operating costs
- Sports Council for Wales grant – funding used to purchase capital equipment for Adventure Wales.
- Millenium Stadium Charitable Trust – provided funding for sailing bursaries.

17. Movement in funds - continued

Transfers between funds
Depreciation on revalued assets is transferred from the revaluation reserve to unrestricted funds in-line with the Charity's depreciation policy.

18. Related party disclosures

Wages and salaries

One of the Trustees has a two year contract of employment with the Charity and received a salary of £30,405 (2020: £35,750).

Trustee Memberships

During the year ended 31 January 2021 the Trustees and family members collectively paid £660 (2020: £610) for annual membership of the Charity. In addition, crew fees of £- (2020: £-) were also paid.

Trustee Donations

During the year the Charity received donations from Trustees totalling £2,050 (2020: £-).

Transactions with Subsidiary

During the year ended 31 January 2021 the Charity received £11,047 (2020: £15,858) by way of Gift Aid donation from its' trading subsidiary Challenge Wales (Sales) Limited.

Skipper's Fees

During the year Captain A.H. Hall, a Trustee of the Charity, was paid £840 (2020: £15,000) in respect of services provided to the Charity in his capacity as Skipper of Challenge Wales and Adventure Wales.

19. Member's liability

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

Challenge Wales

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

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Third party donations	3,449	1,661
Gift aid	1,920	1,824
Challenge Wales (Sales) Limited	11,047	15,858
Private Donations	2,050	1,644
	18,466	20,987
Investment income		
Deposit account interest	22	68
Charitable activities		
Membership subscriptions	7,491	8,455
Crew fees	177	2,033
Sail Training Activities	9,112	16,493
Reardon Smith Nautical Trust – sail training bursary	-	29,926
Reardon Smith Nautical Trust – general grant	5,000	-
Garfield Weston	-	30,000
Wales Council for Voluntary Action	42,187	12,000
ASTO	77,917	6,355
Royal Thames Yacht Club	-	3,780
The National Lottery Community Fund-Voyages of Discovery	-	50,423
Soroptomist	1,000	-
Millenium Stadium Charitable Trust	2,500	-
Rotary Club of Cardiff St. David's	-	1,080
Sail Training International	300	2,810
James Myatt Trust	-	2,300
Sultan of Oman Bursary Fund	-	1,720
BBC Children in Need	9,600	9,600
Worshipful Company of Shipwrights	-	1,000
Sports Council for Wales	1,500	5,051
Merseyside Adventure Sailing Trust	-	9,600
Vale of Glamorgan Council	12,000	-
Glamorgan Voluntary Services Comic Relief	262	-
	169,046	192,626
Other income		
Sundry income	-	220
	-	220
HMRC Corona Virus Job Retention Scheme	36,844	-
Total incoming resources	224,378	213,901

Challenge Wales
Detailed Statement of Financial Activities
for the Year Ended 31st January 2021

Expenditure		
Charitable activities		
Wages	52,625	84,333
Skipper and mates' fees	840	22,580
Insurance	7,110	7,728
Postage and stationery	159	101
Sundries	1,211	1,036
Offshore costs	15,643	24,438
Boat repairs and maintenance	6,615	21,493
Onshore storage costs	816	753
Costs associated with Single Minded	-	1,778
Marine Charts	72	176
Subscriptions and donations	517	940
Travel and subsistence	64	8,482
Computer and software	1,645	1,440
Depreciation of Vessels and other equipment	5,571	4,949
Bank and other loan interest	6,217	8,991
Staff and volunteer training	581	2,788
Translation costs		-
Course accreditation, monitoring and evaluation	-	7,792
Big Lottery branded clothing	-	736
	99,686	200,534
Support costs		
Other		
Property rent and rates	8,999	9,573
Light, heat and water	823	1,027
Telephone	464	448
Office consumables	296	577
Marketing	580	5,172
Office repairs and maintenance	-	745
Bank charges	127	284
	11,289	17,826
Governance costs		
Accountancy and legal fees	1,300	1,260
Fund raising costs	600	1,350
	1,900	2,610
Total resources expended	112,875	220,970
Net income/(expenditure)	111,503	(7,069)