

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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**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).

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**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.

**Challenge Wales**  
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**for the Year Ended 31st January 2021**

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.

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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 1<sup>st</sup>, 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.

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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.**



**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2021**

**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 oversees 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

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**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 expended 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 26<sup>th</sup> 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

 October 2021

# Challenge Wales

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

|  |       | Unrestricted funds | Restricted funds | 2021<br>Total funds | 2020<br>Total funds |
|--|-------|--------------------|------------------|---------------------|---------------------|
|  | Notes | £                  | £                | £                   | £                   |
| <b>Income and endowments from</b>      |       |                    |                  |                     |                     |
| Donations and legacies                 |       | 18,466             | -                | 18,466              | 20,987              |
| <b>Charitable activities</b>           | 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              | -                   |
| <b>Total</b>                           |       | 90,112             | 134,266          | 224,378             | 213,901             |
| <b>Expenditure on</b>                  |       |                    |                  |                     |                     |
| Raising funds                          |       | 600                | -                | 600                 | 1,350               |
| <b>Charitable activities</b>           |       |                    |                  |                     |                     |
| Core funding                           |       | (4,154)            | 116,429          | 112,275             | 219,620             |
| <b>Total</b>                           |       | (3,554)            | 116,429          | 112,875             | 220,970             |
| <b>Net income/(expenditure)</b>        |       | 93,666             | 17,837           | 111,503             | (7,069)             |
| <b>Other recognised gains</b>          |       |                    |                  |                     |                     |
| Gain on revaluation of fixed assets    |       | -                  | -                | -                   | -                   |
| <b>Net movement in funds</b>           |       | 93,666             | 17,837           | 111,503             | (7,069)             |
| <b>Reconciliation of funds</b>         |       |                    |                  |                     |                     |
| <b>Total funds brought forward</b>     |       | 435,613            | 24,685           | 460,298             | 467,367             |
| <b>Transfer between funds</b>          |       | -                  | -                | -                   | -                   |
| <b>Total funds carried forward</b>     |       | <u>529,279</u>     | <u>42,522</u>    | <u>571,801</u>      | <u>460,298</u>      |

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

# Challenge Wales

## Balance Sheet At 31st January 2021

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

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

## Challenge Wales

### 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 26<sup>th</sup> October 2021 and were signed on its behalf by:



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

## Challenge Wales

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

#### 1. Accounting policies

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

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

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

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        |
|                               | <u>-</u> | <u>220</u> |

3. Investment income

|                          | 2021      | 2020      |
|--------------------------|-----------|-----------|
|                          | £         | £         |
| Deposit account interest | 22        | 68        |
|                          | <u>22</u> | <u>68</u> |

# Challenge Wales

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

### 4. Income from charitable activities

|  |                                 | 2021<br>£      | 2020<br>£      |
|--|---------------------------------|----------------|----------------|
|  | <b>Activity</b>                 |                |                |
| 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         | -              |
|  |                                 | <u>169,046</u> | <u>192,626</u> |

### 5. Support costs

|              | Other<br>£    | Governance<br>costs<br>£ | Totals<br>£   |
|--------------|---------------|--------------------------|---------------|
| Core funding | <u>10,986</u> | <u>1,300</u>             | <u>12,286</u> |

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

|                            | 2021<br>£     | 2020<br>£     |
|----------------------------|---------------|---------------|
| 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         |
|                            | <u>12,286</u> | <u>18,057</u> |

### 6. Net income

Net income is stated after charging:

|                             | 2021<br>£    | 2020<br>£    |
|-----------------------------|--------------|--------------|
| 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  | <u>1,300</u> | <u>1,260</u> |

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

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         | <u>901</u>    | <u>1,184</u>  |
|                       | <u>52,625</u> | <u>84,333</u> |

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                       | <u>-</u>   | <u>1.0</u> |
|   | <u>2.0</u> | <u>3.0</u> |

# Challenge Wales

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

### 9. Comparatives for the statement of financial activities

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

## Challenge Wales

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

#### 10. Tangible fixed assets

|                          | Challenge<br>Wales Yacht<br>£ | Adventure<br>Wales<br>Yacht<br>£ | Equipment<br>for Voyages<br>of Discovery<br>£ | Total<br>£     |
|--------------------------|-------------------------------|----------------------------------|---|----------------|
| <b>Cost or valuation</b> |                               |                                  |   |                |
| At 1 February 2020       | 472,310                       | 164,394                          | 1,250   | 637,954        |
| Additions                | -                             | 4,562                            | -   | 4,562          |
| At 31 January 2021       | <u>472,310</u>                | <u>168,956</u>                   | <u>1,250</u>                                  | <u>642,516</u> |
| <b>Depreciation</b>      |                               |                                  |   |                |
| 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       | <u>78,015</u>                 | <u>10,270</u>                    | <u>1,250</u>                                  | <u>89,535</u>  |
| <b>Net Book Value</b>    |                               |                                  |   |                |
| At 31 January 2021       | <u>394,295</u>                | <u>158,686</u>                   | =   | <u>552,981</u> |
| At 31 January 2020       | <u>395,276</u>                | <u>158,713</u>                   | =   | <u>553,989</u> |

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<br>group<br>undertakings<br>£ |
|--|---|
| <b>Market value</b>                        |   |
| At 1st February 2020 and 31st January 2021 | <u>100</u>                              |
| <b>Net book value</b>                      |   |
| At 31st January 2021                       | <u>100</u>                              |
| At 31st January 2020                       | <u>100</u>                              |

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.

# Challenge Wales

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

### 11. Fixed asset investments (continued)

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

### 12. Debtors: amounts falling due within one year

|                                | 2021<br>£     | 2020<br>£     |
|--------------------------------|---------------|---------------|
| Trade debtors                  | 728           | 1,889         |
| VAT                            | 1,857         | 3,013         |
| Prepayments and accrued income | <u>13,267</u> | <u>9,383</u>  |
|                                | <u>15,852</u> | <u>14,285</u> |

### 13. Creditors: amounts falling due within one year

|                                    | 2021<br>£     | 2020<br>£     |
|------------------------------------|---------------|---------------|
| 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       | <u>4,685</u>  | <u>5,151</u>  |
|                                    | <u>36,845</u> | <u>37,910</u> |

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

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

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

# Challenge Wales

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

### 15. Operating lease commitments

The following operating lease payments are committed to be paid:

|               | 2021<br>£ | 2020<br>£    |
|---------------|-----------|--------------|
| Expiring:     |           |              |
| Within 1 year | =         | <u>5,850</u> |

### 16. Secured debts

The following secured debts are included within creditors:

|             | 2021<br>£      | 2020<br>£      |
|-------------|----------------|----------------|
| Other loans | <u>113,645</u> | <u>144,224</u> |

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<br>£ | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At 31.1.21<br>£ |
|------------------------------------|----------------|----------------------------------|------------------------------------|-----------------|
| <b>Unrestricted funds</b>          |                |                                  |                                    |                 |
| General fund                       | 148,652        | 93,666                           | -                                  | 242,318         |
| Revaluation reserve                | <u>286,961</u> | -                                | -                                  | <u>286,961</u>  |
|                                    | 435,613        | 93,666                           | -                                  | 529,279         |
| <b>Restricted funds</b>            |                |                                  |                                    |                 |
| 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                    | <u>21,875</u>  | <u>(21,875)</u>                  | -                                  | -               |
|                                    | 24,685         | 17,837                           | -                                  | 42,522          |
| <b>TOTAL FUNDS</b>                 | <u>460,298</u> | <u>111,503</u>                   | -                                  | <u>571,801</u>  |

## Challenge Wales

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

#### 17. Movement in funds - continued

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

|   | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b>                 |                            |                            |                           |
| General fund                              | <u>90,112</u>              | <u>3,554</u>               | <u>93,666</u>             |
| <b>Restricted funds</b>                   |                            |                            |                           |
| 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        | <u>2,500</u>               | -                          | <u>2,500</u>              |
|   | 134,266                    | (116,429)                  | 17,837                    |
| <b>TOTAL FUNDS</b>                        | <u><b>224,378</b></u>      | <u><b>(112,875)</b></u>    | <u><b>111,503</b></u>     |

#### **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.

## **Challenge Wales**

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

#### **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<br>£    | 2020<br>£    |
|--|--------------|--------------|
| <b>Income and endowments</b>                             |              |              |
| <b>Donations and legacies</b>                            |              |              |
| Third party donations                                    | 3,449        | 1,661        |
| Gift aid   | 1,920        | 1,824        |
| Challenge Wales (Sales) Limited                          | 11,047       | 15,858       |
| Private Donations  | <u>2,050</u> | <u>1,644</u> |
|  | 18,466       | 20,987       |
| <b>Investment income</b>                                 |              |              |
| Deposit account interest                                 | <u>22</u>    | <u>68</u>    |
| <b>Charitable activities</b>                             |              |              |
| 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                | <u>262</u>   | <u>-</u>     |
|  | 169,046      | 192,626      |
| <b>Other income</b>                                      |              |              |
| Sundry income  | <u>-</u>     | <u>220</u>   |
|  | -            | 220          |
| HMRC Corona Virus Job Retention Scheme                   | 36,844       | -            |
| <b>Total incoming resources</b>                          | 224,378      | 213,901      |

This page does not form part of the statutory financial statements

**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                    | -      | <u>736</u> |
|   | 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              | <u>600</u>     | <u>1,350</u>   |
|                                 | 1,900          | 2,610          |
| <b>Total resources expended</b> | <u>112,875</u> | <u>220,970</u> |

|                                 |                |                |
|---------------------------------|----------------|----------------|
| <b>Net income/(expenditure)</b> | <u>111,503</u> | <u>(7,069)</u> |
|---------------------------------|----------------|----------------|