

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**

### **Contents of the Financial Statements for the Year Ended 31st January 2024**

	Page
Chair's statement	1
Trustees' Report	2 to 12
Independent Examiner's Report	13
Statement of Financial Activities	14
Balance Sheet	15 to 16
Notes to the Financial Statements	17 to 26
Detailed Statement of Financial Activities	27 to 28

**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

26<sup>th</sup> October 2024

**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2024**

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

**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2024**

**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.

**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2024**

## **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*<sup>1</sup> accreditation or RYA<sup>2</sup> 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*<sup>3</sup>. 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 who 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*<sup>4</sup> (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*<sup>5</sup>, or more recently, the *Youth Work Strategy for Wales*<sup>6</sup> 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.

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<sup>1</sup> <https://www.agored.cymru/>

<sup>2</sup> <https://www.rya.org.uk/>

<sup>3</sup> <https://www.dofe.org/>

<sup>4</sup> <https://www.gov.wales/sites/default/files/publications/2021-10/well-being-future-generations-wales-act-2015-the-essentials-2021.pdf>

<sup>5</sup> <https://www.gov.wales/youth-engagement-and-progression-framework-overview>

<sup>6</sup> <https://www.gov.wales/sites/default/files/publications/2019-06/youth-work-strategy-for-wales.pdf>

**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2024**

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 its commitment helps us maintain transparency, accountability and integrity in our fundraising efforts.

**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2024**

## **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*<sup>7</sup> 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.

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<sup>7</sup> <https://investinginvolunteers.co.uk/>

**Challenge Wales**  
**Trustees' Report**  
**for the Year Ended 31st January 2024**

## **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 24<sup>th</sup> 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 oversees 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, CEngHF, 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

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

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

# Challenge Wales

## Balance Sheet At 31st January 2024

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

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

**Challenge Wales**

**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

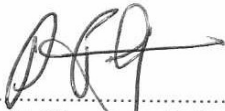
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its 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 31<sup>st</sup> October 2024 and were signed on its behalf by:



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



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 2024

#### 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.

## Challenge Wales

### Notes to the Financial Statements - continued for the Year Ended 31st January 2024

#### 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	-
	<u>4,360</u>	<u>-</u>

#### 3. Investment income

	2024	2023
	£	£
Deposit account interest	618	-
	<u>618</u>	<u>-</u>

# Challenge Wales

## Notes to the Financial Statements - continued for the Year Ended 31st January 2024

### 4. Income from charitable activities

		2024	2023
	Activity	£	£
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	Winter of Wellbeing Revenue	-	2,882
Council	Funding		
St James' Place Foundation	Core funding	5,000	-
Sail Training International	Core funding	3,375	-
Millennium Stadium Charitable			
Trust		2,500	-
		<u>119,273</u>	<u>142,195</u>

### 5. Support costs

	Other	Governance	Totals
	£	costs	£
Core funding	<u>16,081</u>	<u>1,846</u>	<u>17,927</u>

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	<u>150</u>	<u>306</u>
	<u>17,927</u>	<u>14,951</u>

### 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	<u>1,595</u>	<u>1,345</u>

## Challenge Wales

### Notes to the Financial Statements - continued for the Year Ended 31st January 2024

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

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

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:

	<b>2024</b>	2023
Business Development and Administrative support	2.0	2.0
Ship's skippers and mates	<u>0.8</u>	<u>0.7</u>
	<u><u>2.8</u></u>	<u><u>2.7</u></u>

# Challenge Wales

## Notes to the Financial Statements - continued for the Year Ended 31st January 2024

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

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

## Challenge Wales

### Notes to the Financial Statements - continued for the Year Ended 31st January 2024

#### 10. Tangible fixed assets

	Challenge Wales Yacht £	Adventure Wales Yacht £	Other equipment £	Total £
<b>Cost or valuation</b>				
At 1 February 2023	479,273	171,733	4,992	655,998
Additions	45,320	-	246	45,566
At 31 January 2024	<u>524,593</u>	<u>171,733</u>	<u>5,238</u>	<u>701,564</u>
<b>Depreciation</b>				
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	<u>81,336</u>	<u>131,731</u>	<u>2,770</u>	<u>215,837</u>
<b>Net Book Value</b>				
At 31 January 2024	<u>443,257</u>	<u>40,002</u>	<u>2,468</u>	<u>485,727</u>
At 31 January 2023	<u>399,296</u>	<u>40,002</u>	<u>2,742</u>	<u>442,040</u>

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 £
<b>Market value</b>	
At 1st February 2023 and 31st January 2024	<u>100</u>
<b>Net book value</b>	
At 1st February 2023 and 31st January 2024	<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 2024.

## Challenge Wales

### Notes to the Financial Statements - continued for the Year Ended 31st January 2024

#### 11. Fixed asset investments (continued)

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

#### 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	<u>1,737</u>	<u>13,372</u>
	<u>44,766</u>	<u>28,184</u>

#### 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	<u>3,469</u>	<u>3,826</u>
	<u>60,447</u>	<u>22,766</u>

#### 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	<u>120,768</u>	<u>62,487</u>
	<u>163,125</u>	<u>113,247</u>

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

## Challenge Wales

### Notes to the Financial Statements - continued for the Year Ended 31st January 2024

#### 15. Operating lease commitments

The following operating lease payments are committed to be paid:

	2024 £	2023 £
Expiring:		
Within 1 year	10,800	10,800
Within 2 to 5 years	<u>15,800</u>	<u>25,800</u>

#### 16. Secured debts

The following secured debts are included within creditors:

	2024 £	2023 £
Other loans	<u>149,523</u>	<u>93,650</u>

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 £
<b>Unrestricted funds</b>				
General fund	153,778	(68,313)	-	85,465
Revaluation reserve	<u>286,961</u>	<u>-</u>	<u>-</u>	<u>286,961</u>
	440,739	(68,313)	-	372,426
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>440,739</u>	<u>(68,313)</u>	<u>-</u>	<u>372,426</u>

## Challenge Wales

### Notes to the Financial Statements - continued for the Year Ended 31st January 2024

#### 17. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	<u>100,928</u>	<u>(169,241)</u>	<u>(68,313)</u>
<b>Restricted funds</b>			
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)	-
<b>Total unrestricted funds</b>	<b>73,777</b>	<b>(73,777)</b>	<b>=</b>
 <b>TOTAL FUNDS</b>	 <u><b>174,305</b></u>	 <u><b>(242,618)</b></u>	 <u><b>(68,313)</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**

- 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

## **Challenge Wales**

### **Notes to the Financial Statements - continued for the Year Ended 31st January 2024**

#### **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.

## Challenge Wales

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

	2024 £	2023 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Third party donations	22,308	7,564
Gift aid	1,905	2,060
Challenge Wales (Sales) Limited	24,781	20,047
Private Donations	<u>1,060</u>	<u>1,499</u>
	50,054	31,170
<b>Investment income</b>		
Deposit account interest	<u>618</u>	-
<b>Charitable activities</b>		
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	<u>-</u>	<u>2,882</u>
	119,273	142,195
<b>Other income</b>		
Sundry income	<u>4,360</u>	<u>-</u>
	4,360	-
<b>Total incoming resources</b>	174,305	173,365

This page does not form part of the statutory financial statements

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

	<b>2024</b>	2023
	£	£
<b>Expenditure</b>		
<b>Charitable activities</b>		
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
	<hr/> 218,300	<hr/> 296,090
<b>Support costs</b>		
<b>Other</b>		
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
	<hr/> 16,301	<hr/> 13,682
<b>Governance costs</b>		
Accountancy and legal fees	1,846	1,480
Recruitment fees	-	5,555
Fund raising costs	<u>6,170</u>	<u>150</u>
	8,016	7,185
<b>Total resources expended</b>	<u>242,618</u>	<u>316,957</u>
<b>Net expenditure</b>	<u>(68,313)</u>	<u>(143,592)</u>

This page does not form part of the statutory financial statements