

CHALLENGE MINISTRIES SWAZILAND UK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CHARITY NUMBER 1162211

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Challenge Ministries Swaziland UK

Reference and administrative details of the charity, its trustees and advisers

Trustees	Simon Howard, Chair Tony Barwell Graham Brewer Lloyd Cheshire Mark Dowding Mark Herbert (appointed 20 September 2023) Tim Whan (appointed 7 December 2023) Glyn Williams
Charity Registered Number	1162211
Registered Office	Crendon House Westfield Road Long Crendon HP18 9EW
Independent Examiner	Gary Brookes FCA BSc FCIE
Bankers	The Co-operative Bank plc PO Box 50 Skelmersdale WN8 6YL
Solicitors	Anthony Collins, Solicitors 134 Edmund Street Birmingham B3 2ES

Challenge Ministries Swaziland UK Trustees' report for the year ended 31 March 2023

OBJECTIVES AND ACTIVITIES

Summary of the purposes of the charity as set out in the governing document

The objectives of the Charitable Incorporated Organisation, as set out in the Constitution are, in accordance with Christian principles set out in the Statement of Faith:

- i. The prevention and/or relief of poverty and/or financial hardship in Swaziland and such other parts of Africa as the charity trustees may from time to time decide by (but not exclusively) the construction of homes in local communities
- ii. The advancement of education in particular (but not exclusively) for the benefit of children and young people disadvantaged or marginalised by reason of economic, geographic or social circumstances in Swaziland and such other parts of Africa as the charity trustees may from time to time decide by (but not limited to) the provision of schools, educational facilities and apprenticeship training centres
- iii. The advancement of the Christian faith in particular (but not limited to) the provision of, or assistance in the provision of, discipleship and training centres
- iv. To promote and protect the physical and mental health of those infected and affected by HIV/AIDS in Swaziland and such other parts of Africa through the provision of financial assistance, support, education and practical advice
- v. To promote sustainable development for the benefit of the public by (i) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities in Africa, and (ii) the promotion of sustainable means of achieving economic growth and regeneration.

Summary of the main activities undertaken in relation to these purposes

Our primary purpose is to raise funds to help care for orphans and vulnerable children in Swaziland/Eswatini.

In particular, we are helping convert Bulembu, a disused mining town, into a community with schools, homes, healthcare facilities and businesses. The project is designed eventually to become self-sustaining with the profits from the businesses providing for the childcare costs. Bulembu has a dairy, a lodge and conference centre, a bakery, a honey factory and other smaller agricultural initiatives.

Challenge Ministries Swaziland UK

Trustees' report for the year ended 31 March 2023 (continued)

CMS UK also provides support and raises funds for women's and men's centres providing holistic care for those living at the centres in a 12-month programme. The people cared for have emotional and behavioural problems. Some have been living on the streets, some have been abused and some have addiction problems. The centres provide vital care for these vulnerable young people.

In Community, By Community (ICBC) projects take holistic care and education into remote locations across Eswatini. Our model is to plant a church and a school in a rural location. The pastor and his wife will care for the spiritual and educational needs of the population they serve. Some of the ICBCs also provide a home for orphans and some have a borehole to provide a much needed source of clean water for the local community. A community nurse makes routine visits to each of the ICBCs in order to run clinics, providing healthcare to people often unable to reach other healthcare facilities.

CMS UK raises funds for all these projects in Eswatini through regular giving and child sponsorship, through fundraising events and by making grant applications. Our growth to date has mostly come from private individuals met at church or school-based events. Our intention for the future is to increase income from the business sector, through increased grant applications and by legacy giving in addition to growing our regular donor base.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements during the year

The year has seen significant development of the charity. Following the COVID pandemic we have been able to resume face to face fundraising and we restarted the programme of mission trips with one completed in the year. To support these activities and increase the charity's profile on social media the staff team was increased with an additional headcount.

Taking people to see the work of CMS on a 2-week mission trip remains a key activity as it is when people see the challenges in Eswatini and see the impact that CMS are making that we capture hearts. Most people become donors once they have been on a mission trip. The mission trips also give an opportunity for participants to serve in Eswatini and to create connections with the work carried out there.

Donations from trustees and the income from MTech Access meant that virtually all CMS UK support and fundraising costs are covered, which enables the charity to transfer most other donations in full to support the work in Eswatini. During the year £320,229 was transferred as grants to Eswatini, an increase of 6% on the £302,026 transferred in the previous financial year.

Challenge Ministries Swaziland UK

Trustees' report for the year ended 31 March 2023 (continued)

We are extremely grateful to those donors who continued to support the charity on a regular basis, as well as those who gave one-off donations to support our core work of caring for orphans and vulnerable children and other projects to address difficulties faced in Eswatini. In the year we were also able to provide financial support to enable drilling of boreholes so that clean water is available to rural communities, to develop ICBC buildings and to continue supporting young adults through tertiary education. Funds we also raised and transferred to support urgent medical needs in Eswatini and the Potters Wheel church.

FINANCIAL REVIEW

Review of the charity's financial position at the end of the financial year

Total income for the year was £429k, which was an increase from £372k the previous year. Regular income through our child sponsorship programme reduced a little with donations of £99k. However promotional events in person were restarted in the year and a successful choir tour was held which resulted in significant one-off income. The charity recognised income from contributions of £16,628 against the costs of a mission impact trip and received further amounts, totalling £13,586 towards future trips and this amount is recognised as a creditor.

Support and fundraising costs totalled £98k, which was a significant increase on the previous year total of £68k. This was due to an increased investment in our staff team and increased marketing and event costs as a result of being able to attend in person exhibitions and the costs of the UK tour of a choir from Eswatini.

The charity was able to distribute funds of £320k to Eswatini during the year and at the year end, the charity held total funds of £98k, a small decrease compared to the previous year end figure of £108k.

Challenge Ministries Swaziland UK

Trustees' report for the year ended 31 March 2023 (continued)

FUTURE PLANS

The trustees plan to continue to develop and grow the charity, maintaining its focus on making a difference to the lives of vulnerable children in Eswatini.

The charity continues to improve its fundraising activities whilst carefully managing the level of costs incurred. Our donor relationship management system enables us to become more systematic in how we grow our donor pool and the investment in our staff team enables us to develop further our work with our ambassadors, who have a passion for CMS and the people of Eswatini, promoting our work in schools, churches and businesses. In this way we will grow a much larger volunteer resource who can promote CMS across the UK.

Our longer-term vision is to raise £1m per year in the UK.

RESERVES POLICY

The trustees have reviewed the charity's reserves policy to assist in achieving long term stability, commensurate with the risks it faces, particularly relating to a significant fall in income and unexpected costs being incurred. The trustees take into account the level of recurring income it expects to receive to meet its operational costs. The trustees seek to hold unrestricted reserves in the range of £50-70k. At the year end unrestricted reserves were £90k.

Challenge Ministries Swaziland UK

Trustees' report for the year ended 31 March 2023 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The organisation is a charitable incorporated organisation, incorporated on 15 June 2015. The organisation was established under a constitution which outlines the objects and powers of the organisation and is a registered charity (charity number 1162211).

In common with Christian based organisations across the nation the trustees have had to be mindful of the needs to consider the Charity Commission's guidance of assessing all activities in the light of public benefit so that they are open to all people regardless of personal circumstances and backgrounds.

Methods used to recruit and appoint new charity trustees

New trustees are appointed by a resolution passed at a properly convened meeting of the charity trustees.

In selecting individuals for appointment as charity trustees, the contribution to the skills mix and balance within the board is considered. Trustees that are appointed would be expected to support the values of the organisation.

RISK POLICY

The biggest financial risks to achieving the charity's objectives is the impact of exchange rates and protection of funds held. Money raised in the UK is buying less in Eswatini if the sterling exchange rate falls. All funds of the charity are held with its main bankers.

As a charity which supports those helping children and other vulnerable people overseas, the trustees are very mindful of their responsibilities for safeguarding and protecting from harm those who come into contact with the charity. There are child protection policies in place, ensuring that their wellbeing and safety is ensured at all times. All trustees and staff of the charity have received training on the importance of safeguarding and in the charity's policies and procedures.

Challenge Ministries Swaziland UK

Trustees' report for the year ended 31 March 2023 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required under charity law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the CIO and its results for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for the safeguarding of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

This report was approved by the trustees on 10 January 2024 and signed on their behalf

DocuSigned by:

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Simon Howard, Chair

**Challenge Ministries Swaziland UK
for the year ended 31 March 2023
Independent Examiner's Report to the Trustees of Challenge
Ministries Swaziland UK**

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31 March 2023 which is set out on pages 10 to 17.

Responsibilities and basis of report

As the charity trustees of the company you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('The Act')

I report in respect of my examination of the charity's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5) (b) of the Act

Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

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) the accounting records were not kept in respect of the company as required by section 130 of the Act, or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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

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.

Signed



Date 12/01/2024

Gary Peter Brookes
Fellow of The Institute of Chartered Accountants of England and Wales
130 Wombourne Park
Wombourne
South Staffs
WV5 0LY

Challenge Ministries Swaziland UK
Statement of Financial Activities
for the year ended 31 March 2023

	Notes	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations	4	72,478	339,408	411,886	371,995
Charitable Activities	5	-	16,628	16,628	-
Total Income		<u>72,478</u>	<u>356,036</u>	<u>428,514</u>	<u>371,995</u>
Expenditure on:					
Charitable Activities	6	82,306	298,138	380,444	338,093
Raising funds	7	-	57,174	57,174	36,641
Total Expenditure		<u>82,306</u>	<u>355,312</u>	<u>437,618</u>	<u>374,734</u>
Net (Expenditure)/Income		<u>(9,828)</u>	<u>724</u>	<u>(9,104)</u>	<u>(2,739)</u>
Reconciliation of funds					
Total funds brought forward 1 April 2022		18,509	89,163	107,672	110,411
Total funds carried forward 31 March 2023		<u>8,681</u>	<u>89,887</u>	<u>98,568</u>	<u>107,672</u>

Challenge Ministries Swaziland UK
Balance Sheet
As at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
Current Assets					
Cash at bank and in hand		114,362		124,995	
Debtors		-		-	
			114,362		124,995
Creditors: amounts falling due within one year	9		(15,794)		(17,323)
Net Assets			98,568		107,672
Charity Funds					
Restricted Funds	10		8,681		18,509
Unrestricted Funds	10		89,887		89,163
Total Funds			98,568		107,672

The financial statements were approved by the Trustees on 10 January 2024 and signed on their behalf by:

DocuSigned by:

Simon Howard

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Trustee

Mr Simon Howard, Chair

Challenge Ministries Swaziland UK

for the year ended 31 March 2023

Notes to the accounts

Note 1 Basis of preparation

The charity is a Charitable Incorporated Organisation and constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) second edition published October 2019, the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include certain items at fair value.

Note 2 Accounting policies

Recognition of income Income is included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Grants and donations Grants and donations are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met.

Legacies Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Donated goods Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Challenge Ministries Swaziland UK
for the year ended 31 March 2023
Notes to the accounts (continued)

Note 2 (continued)

Accounting policies

Donated services and facilities

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Support costs

The charity has incurred expenditure on support costs. Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Note 3

Key judgements and assumptions concerning the future in applying the accounting policies

Donations received relating to Mission Impact trips planned for after the year end have not been recognised as income to the extent of contributions received in excess of costs incurred up to the year end, as these amounts may need to be repaid after the year end if for any reason a planned trip did not go ahead.

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

Challenge Ministries Swaziland UK
Notes to the accounts
for the year ended 31 March 2023

Note 4 Donations

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Child Sponsorship	-	99,198	99,198	-	106,566	106,566
Donations and gifts	69,203	200,728	269,930	69,378	150,599	219,977
Gift Aid	3,275	39,482	42,756	2,429	43,023	45,452
TOTAL	72,478	339,408	411,886	71,807	300,188	371,995

Note 5 Charitable Activities

	Unrestricted Funds	Unrestricted Funds
	2023	2022
	£	£
Mission Impact	16,628	-

Challenge Ministries Swaziland UK
Notes to the accounts
for the year ended 31 March 2023

Note 6 Charitable Activities

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Funds transferred to Swaziland	76,795	243,434	320,229	71,253	230,773	302,026
Education fees paid	310	-	310	-	-	-
Mission Impact	-	14,645	14,645	-	-	-
Shipping costs	-	4,550	4,550	-	4,641	4,641
Support Costs (Note 8)	5,201	35,509	40,710	4,577	26,849	31,426
TOTAL	82,306	298,138	380,444	75,830	262,263	338,093

Note 7 Expenditure on raising funds

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Staff costs	-	34,984	34,984	-	36,538	36,538
Marketing and event costs	-	22,190	22,190	-	103	103
TOTAL	-	57,174	57,174	-	36,641	36,641

Note 8 Support Costs

	2023	2022
	£	£
Staff costs	30,938	15,290
Office costs	1,852	2,088
Travel and accommodation costs	2,099	288
IT Consultancy	2,050	4,500
IT costs	1,466	6,315
Governance costs	2,305	2,945
TOTAL	40,710	31,426

Governance costs includes £895 paid to the independent examiner for the independent examination (2022- £845). During the year the average number of staff employed by the charity was 3 (2022 - 3). No employee received employee benefits of more than £60,000 (2022 - None).

Challenge Ministries Swaziland UK**Notes to the accounts****for the year ended 31 March 2023****Note 9 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Deferred income	13,586	16,370
Taxation and social security	671	860
Other creditors	1,537	93
	15,794	17,323

Deferred income relates to amounts received in relation to Mission Impact trips planned for after the year end.

Note 10 Funds

	Balance at 1 April 2022	Income	Transfers to Eswatini	Allocated costs	Balance at 31 March 2023
	£	£	£	£	£
Restricted funds					
ICBC Building	-	5,000	(4,500)	(500)	-
Tractor Fund	-	5,000	(4,500)	(500)	-
Water pipeline	120	-	-	(120)	-
Hardship Fund	-	944	(755)	-	189
Borehole	13,660	17,000	(28,994)	(1,666)	-
Potters Wheel	1,000	12,000	(10,800)	(1,200)	1,000
Men's Centre	100	1,650	(1,440)	(160)	150
Women's Centre	471	2,034	(1,433)	(222)	850
Adoption Fund	-	160	-	-	160
Tertiary education support	2,260	12,935	(9,626)	(730)	4,839
Provision of presents	-	68	(60)	(8)	-
Medical Emergency Fund	157	14,776	(13,394)	(249)	1,289
Shoes for Orphans	741	911	(1,293)	(156)	203
Total restricted funds	18,509	72,478	(76,795)	(5,511)	8,681
Unrestricted funds	89,163	356,036	(243,434)	(111,878)	89,887
Total funds	107,672	428,514	(320,229)	(117,389)	98,568

Challenge Ministries Swaziland UK**Notes to the accounts****for the year ended 31 March 2023****Note 11 Analysis of net assets between funds**

	Restricted Funds	Unrestricted Funds	Total 2023
	£	£	£
Cash	8,681	105,681	114,362
Liabilities	-	(15,794)	(15,794)
Net assets	8,681	89,887	98,568

	Restricted Funds	Unrestricted Funds	Total 2022
	£	£	£
Cash	-	124,995	124,995
Liabilities	-	(17,323)	(17,323)
Net assets	-	107,672	107,672

Note 12 Trustee donations, expenses and related party disclosures

None of the trustees were paid any remuneration or received any other benefits as a trustee or from an employment in the charity (2022 - None).

No expenses were reimbursed to trustees during the year (2022 - None).

Donations from trustees during the year totalled £46,659 (2022 - £33,838)

There were no other related party transactions during the year (2022 - None) requiring disclosure.

Note 13 Previous year's Statement of Financial Activities

	Notes	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total 2022 £
Income from:				
Donations	4	71,807	300,188	371,995
Total income		71,807	300,188	371,995
Expenditure on:				
Charitable Activities	5	75,830	262,263	338,093
Raising funds	7	-	36,641	36,641
Total Expenditure		75,830	298,904	374,734
Net income/(expenditure)		(4,023)	1,284	(2,739)

Reconciliation of funds

Total funds brought forward 1 April 2021	22,532	87,879	110,411
Total funds carried forward 31 March 2022	18,509	89,163	107,672