

CHALLENGE MINISTRIES UK

(Formerly Challenge Ministries Swaziland UK)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

CHARITY NUMBER 1162211

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	2
Trustees' report	3 - 8
Independent Examiner's report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the financial statements	12 - 17

Challenge Ministries UK
(Formerly Challenge Ministries Swaziland UK)
Reference and administrative details of the charity, its trustees and advisers

Trustees	Simon Howard, Chair Graham Brewer Lloyd Cheshire Tim Collett (appointed 3 July 2024) 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
Bankers	The Co-operative Bank plc PO Box 50 Skelmersdale WN8 6YL
Solicitors	Anthony Collins, Solicitors 134 Edmund Street Birmingham B3 2ES

Challenge Ministries UK

Trustees' report for the year ended 31 March 2024

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 which is now known as Eswatini.

In particular, we are helping convert Bulembu, a disused mining town, into a community with schools, homes, healthcare facilities and businesses. Bulembu has a dairy, a lodge and conference centre, a bakery, a honey factory and other smaller agricultural initiatives.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2024 (continued)

Challenge Ministries UK also provides support and raises funds for women's and men's centres providing rehabilitation 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.

The third strand of work is rural church planting which we call In Community By Community (ICBC) church plants. 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.

We raise 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 churches and private individuals. 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 an increase in the staff team in the previous year. Despite challenging economic circumstances, we have maintained our overall level of donation income and have increased the programme of mission trips with two completed in the financial year and a further three planned during 2024.

Taking people to see the work of Challenge Ministries 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.

We are very grateful for donations from trustees and from MTech Access that significantly contribute to our support and fundraising costs, which enables the charity to transfer most other donations in full to support the work in Eswatini. During the year £300,314 was transferred as grants to Eswatini.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2024 (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 able to provide financial support to four ICBC projects and to continue supporting young adults through tertiary education. Funds were also raised and transferred to support urgent needs in Eswatini and the Potters Wheel church.

On 13 April 2024 the trustees resolved to change the name of the charity to Challenge Ministries UK.

FINANCIAL REVIEW

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

Total income for the year was £461k, which was an increase from £429k the previous year. Total donation income was similar to the previous year but additional income was received from organising Mission Impact trips. The charity recognised income from contributions of £47,708 (2023: £16,628) against the costs incurred for Mission Impact trips and at the year end held £31,491 (2023: £13,586) towards future trips which is recognised as a creditor.

Support and fundraising costs totalled £142k, which was a significant increase on the previous year total of £98k. This reflects the full year impact of the increased investment in our staff team during the previous financial year.

The charity was able to distribute funds of £300k to Eswatini during the year resulting in an excess of expenditure over income for the year of £26k. At the start of the financial year the reserves held by the charity were in excess of that required under the reserves policy and the trustees decided to reduce the level of reserves held by transferring additional amounts to Eswatini. At the year end, the charity held total funds of £73k.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2024 (continued)

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 £70k.

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. We plan to continue development of Mission Impact trips. In this way we will grow a much larger volunteer resource who can promote CMS across the UK.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2024

(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 would buy less in Eswatini if the sterling exchange rate falls. All funds of the charity are held with its main bankers. The trustees do not consider it appropriate to sell forward any sterling currency as future donation income cannot be guaranteed.

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 UK

Trustees' report for the year ended 31 March 2024 (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 8 January 2025 and signed on their behalf

A handwritten signature in black ink, appearing to read 'Simon Howard', written in a cursive style.

Simon Howard, Chair

Challenge Ministries UK for the year ended 31 March 2024

Independent Examiner's Report to the Trustees of Challenge Ministries UK

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31 March 2024 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 11/1/2025

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

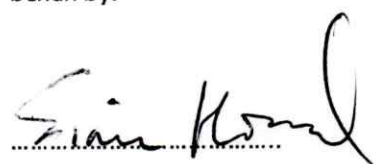
Challenge Ministries UK
Statement of Financial Activities
for the year ended 31 March 2024

		Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	Notes	2024	2024	2024	2023
		£	£	£	£
Income from:					
Donations	4	51,444	362,118	413,562	411,886
Charitable Activities	5	-	47,708	47,708	16,628
Total Income		<u>51,444</u>	<u>409,826</u>	<u>461,270</u>	<u>428,514</u>
Expenditure on:					
Charitable Activities	6	57,050	374,641	431,691	380,444
Raising funds	7	-	55,477	55,477	57,174
Total Expenditure		<u>57,050</u>	<u>430,118</u>	<u>487,168</u>	<u>437,618</u>
Net (Expenditure) /Income		<u>(5,606)</u>	<u>(20,292)</u>	<u>(25,898)</u>	<u>(9,104)</u>
Reconciliation of funds					
Total funds brought forward 1 April		<u>8,681</u>	<u>89,887</u>	<u>98,568</u>	<u>107,672</u>
Total funds carried forward 31 March		<u>3,075</u>	<u>69,595</u>	<u>72,670</u>	<u>98,568</u>

Challenge Ministries UK
Balance Sheet
As at 31 March 2024

	Notes	2024		2023	
		£	£	£	£
Current Assets					
Cash at bank and in hand		107,385		114,362	
Debtors		<u>1</u>		<u>-</u>	
			107,386		114,362
Creditors: amounts falling due within one year	9		(34,716)		(15,794)
Net Assets			<u>72,670</u>		<u>98,568</u>
Charity Funds					
Restricted Funds	10		3,075		8,681
Unrestricted Funds	10		69,595		89,887
Total Funds			<u>72,670</u>		<u>98,568</u>

The financial statements were approved by the Trustees on 8 January 2025 and signed on their behalf by:



Trustee

Mr Simon Howard, Chair

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.

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 UK
Notes to the accounts
for the year ended 31 March 2024

Note 4 Donations

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Child Sponsorship	-	96,977	96,977	-	99,198	99,198
Donations and gifts	49,957	249,854	299,811	69,203	200,728	269,930
Gift Aid	1,487	15,287	16,774	3,275	39,482	42,756
TOTAL	51,444	362,118	413,562	72,478	339,408	411,886

Note 5 Charitable Activities

	Unrestricted Funds	Unrestricted Funds
	2024	2023
	£	£
Events	3,987	
Mission Impact	43,721	16,628
	<u>47,708</u>	<u>16,628</u>

Challenge Ministries UK
Notes to the accounts
for the year ended 31 March 2024

Note 6 Charitable Activities

	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total 2024 £	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total 2023 £
Funds transferred to Swaziland	55,215	245,099	300,314	76,795	243,434	320,229
Education fees paid	-	220	220	310	-	310
Mission Impact	-	36,640	36,640	-	14,645	14,645
Shipping costs	-	7,917	7,917	-	4,550	4,550
Support Costs (Note 8)	1,835	84,765	86,600	5,201	35,509	40,710
TOTAL	57,050	374,641	431,691	82,306	298,138	380,444

Note 7 Expenditure on raising funds

	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total 2024 £	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total 2023 £
Staff costs	-	47,211	47,211	-	34,984	34,984
Marketing and event costs	-	8,266	8,266	-	22,190	22,190
TOTAL	-	55,477	55,477	-	57,174	57,174

Note 8 Support Costs

	2024 £	2023 £
Staff costs	67,251	30,938
Office costs	4,590	1,852
Travel and accommodation costs	4,712	2,099
IT Consultancy	2,850	2,050
IT costs	6,251	1,466
Governance costs	945	2,305
TOTAL	86,600	40,710

Governance costs includes £945 paid to the independent examiner for the independent examination (2023- £845). During the year the average number of staff employed by the charity was 3 (2023 - 3). No employee received employee benefits of more than £60,000 (2023 - None).

Challenge Ministries UK
Notes to the accounts
for the year ended 31 March 2024

Note 9 Creditors: amounts falling due within one year

	2024	2023
	£	£
Deferred income	31,491	13,586
Taxation and social security	2,192	671
Other creditors	1,033	1,537
	34,716	15,794

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 2023	Income	Transfers to Eswatini	Allocated costs	Balance at 31 March 2024
	£	£	£	£	£
Restricted funds					
ICBC Kincesi	-	3,085	(950)		2,135
ICBC Gbeni and Ingwempisi	-	3,000	(3,000)		-
ICBC Mpolonjenni	-	4,000	(4,000)		-
ICBC Mshaweni		2,000	(2,000)		-
Hardship	189		(189)		-
Emergency relief		5,000	(5,000)		-
Clothing Drive	-	282	(216)	(66)	-
Hawane boys	-	15,000	(15,000)		-
Potters Wheel	1,000	9,900	(10,500)	(300)	100
Adoption fund	160		(144)	(16)	-
Solar lighting	-	8	(8)		-
Mens Life Group	150	650	(735)	(15)	50
Women Set free	850	1,807	(2,251)	(242)	164
Tertiary education	4,839	6,260	(9,710)	(983)	406
Presents	-	333	(103)	(10)	220
Medical emergency fund	1,289	112	(1,194)	(207)	-
Shoes for Orphans	204	7	(214)	3	-
Total restricted funds	8,681	51,444	(55,214)	(1,836)	3,075
Unrestricted funds	89,887	373,185	(245,100)	(148,377)	69,595
Total funds	98,568	424,629	(300,314)	(150,213)	72,670

Challenge Ministries UK
Notes to the accounts
for the year ended 31 March 2024

Note 11 Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Total 2024
	£	£	£
Debtors	-	1	1
Cash	3,075	104,309	107,385
Liabilities	-	(34,716)	(34,716)
Net assets	3,075	69,594	72,670

	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

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 (2023 - None).

No expenses were reimbursed to trustees during the year (2023 - None).

Donations from trustees during the year totalled £56,464 (2023 - £46,659)

There were no other related party transactions during the year (2023 - None) requiring disclosure.

Note 13 Previous year's Statement of Financial Activities

	Notes	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total 2023 £
Income from:				
Donations	4	72,478	339,408	411,886
Charitable Activities	6	-	16,628	16,628
Total income		72,478	356,036	428,514
Expenditure on:				
Charitable Activities	5	82,306	298,138	380,444
Raising funds	7	-	57,174	57,174
Total Expenditure		82,306	355,312	437,618
Net income/(expenditure)		(9,828)	724	(9,104)

Reconciliation of funds

Total funds brought forward 1 April	18,509	89,163	107,672
Total funds carried forward 31 March	8,681	89,887	98,568