

CHALLENGE MINISTRIES UK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

CHARITY NUMBER 1162211

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Challenge Ministries UK

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

Trustees	Simon Howard, Chair Graham Brewer Lloyd Cheshire (resigned 22 March 2025) Tim Collett (appointed 3 July 2024) Mark Dowding Mark Herbert Carrie Priestnall (appointed 15 October 2025) Tim Whan 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 2025

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:

- the prevention and/or relief of poverty and/or financial hardship in Eswatini 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;
- 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 circumstance in Eswatini 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; and
- to promote and protect the physical and mental health of those infected and affected by HIV/AIDS in Eswatini and such other parts of Africa through the provision of financial assistance, support, education and practical advice.

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 Eswatini.

In particular, we are helping support Bulembu, a disused mining town, as it provides a community with schools, homes, healthcare facilities and businesses. Bulembu has a dairy, a lodge and conference centre, a bakery, and other smaller agricultural initiatives.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2025 (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 a small increase in donation income from child sponsorship and other donations compared to the previous year. We have also continued to increase the programme of mission trips with five trips completed in the financial year compared to two in the previous financial year.

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 Challenge Ministries are making that we capture hearts. Many 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.

Bringing a choir from Eswatini to the UK provides a great opportunity for members to entertain, to share their stories and to testify to the impact of the work of Challenge Ministries. During the year a choir toured in Northern Ireland and successfully helped to raise funds and new supporters for the charity.

We are very grateful for donations from trustees 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 £306,796 (2024: £300,314) was transferred as grants to Eswatini.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2025 (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 including a disability fund to provide much needed medical care.

As reported last year, 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 £543,700, which was an increase from £461,270 the previous year. Total donation and Gift Aid income increased to £450,364 (2024: £413,562) and additional income was recognised from organising Mission Impact trips. The charity recognised income from contributions of £85,755 (2023: £43,721) against the costs incurred for Mission Impact trips and at the year end held £8,387 (2023: £31,491) towards future trips which is recognised as a creditor.

Support and fundraising costs totalled £115,442 and was a reduction of £26,635 on the previous year total, largely due to lower overall staff costs relating to fundraising following a reorganisation of the team near the year of the previous financial year.

The charity was able to distribute funds of £306,796 to Eswatini during the year. Overall there was an excess of income over expenditure for the year of £36,334 (2024: a deficit of £25,898). At the year end, the charity held total funds of £109,004, of which £9,137 was held in Restricted Funds.

Challenge Ministries UK

Trustees' report for the year ended 31 March 2025 (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 £99,867. Since the year end, grants have been made to Challenge Ministries in Eswatini such that reserves held are within the range provided for in the reserves policy.

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 these ways we will grow a much larger volunteer resource who can promote CMS across the UK. We plan to continue development of Mission Impact trips and continue arranging choir tours in the UK to engage with current and prospective supporters, demonstrating the impact of our work.

Challenge Ministries UK
Trustees' report for the year ended 31 March 2025
(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 2025 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

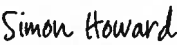
The trustees are required under charity law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the CIO and its results for that period. In preparing those financial statements, the trustees are required to:

- 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 5 December 2025 and signed on their behalf

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Simon Howard, Chair

Challenge Ministries UK for the year ended 31 March 2025

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 2025 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

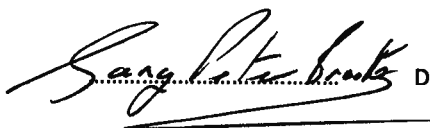
Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

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 8th December 2025

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

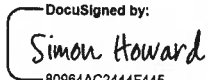
Challenge Ministries UK
Statement of Financial Activities
for the year ended 31 March 2025

		Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	Notes	2025	2025	2025	2024
		£	£	£	£
Income from:					
Donations	4	51,587	398,777	450,364	413,562
Charitable Activities	5	-	92,666	92,666	47,708
Interest		-	670	670	-
Total Income		51,587	492,113	543,700	461,270
Expenditure on:					
Charitable Activities	6	45,525	427,746	473,271	431,691
Raising funds	7	-	34,095	34,095	55,477
Total Expenditure		45,525	461,841	507,366	487,168
Net (Expenditure) /Income		6,062	30,272	36,334	(25,898)
Reconciliation of funds					
Total funds brought forward 1 April		3,075	69,595	72,670	98,568
Total funds carried forward 31 March		9,137	99,867	109,004	72,670

Challenge Ministries UK
Balance Sheet
As at 31 March 2025

	Notes	2025	2024
		£	£
Current Assets			
Cash at bank and in hand		120,048	107,385
Debtors		<u>10</u>	<u>1</u>
		120,058	107,386
Creditors: amounts falling due within one year	9	(11,054)	(34,716)
Net Assets		<u><u>109,004</u></u>	<u><u>72,670</u></u>
Charity Funds			
Restricted Funds	10	9,137	3,075
Unrestricted Funds	10	99,867	69,595
Total Funds		<u><u>109,004</u></u>	<u><u>72,670</u></u>

The financial statements were approved by the Trustees on 5 December 2025 and signed on their behalf by:

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Approved for use and distribution by the Trustees

Trustee

Mr Simon Howard, Chair

Challenge Ministries UK
for the year ended 31 March 2025
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 the 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	<p>Income is included in the Statement of Financial Activities (SoFA) when:</p> <ul style="list-style-type: none"> 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	<p>Grants and donations are only included in the SoFA when the general income recognition criteria are met.</p> <p>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.</p>
Legacies	<p>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.</p>
Tax reclaims on donations and gifts	<p>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.</p>
Donated goods	<p>Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.</p> <p>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.</p> <p>Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.</p>

Challenge Ministries UK
for the year ended 31 March 2025
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

Amounts 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 2025

Note 4 Donations

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Child Sponsorship	-	100,336	100,336	-	96,977	96,977
Donations and gifts	41,808	264,269	306,077	49,957	249,854	299,811
Gift Aid	9,779	34,172	43,951	1,487	15,287	16,774
TOTAL	51,587	398,777	450,364	51,444	362,118	413,562

Note 5 Charitable Activities

	Unrestricted Funds	Unrestricted Funds
	2025	2024
	£	£
Events	6,911	3,987
Mission Impact	85,755	43,721
	92,666	47,708

Challenge Ministries UK
Notes to the accounts
for the year ended 31 March 2025

Note 6 Charitable Activities

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Funds transferred to Swaziland	37,795	269,001	306,796	55,215	245,099	300,314
Education fees paid	-	670	670	-	220	220
Mission Impact	4,619	75,109	79,728	-	36,640	36,640
Shipping costs	-	4,730	4,730	-	7,917	7,917
Support Costs (Note 8)	3,111	78,236	81,347	1,835	84,765	86,600
TOTAL	45,525	427,746	473,271	57,050	374,641	431,691

Note 7 Expenditure on raising funds

	Restricted Funds	Unrestricted Funds	Total	Restricted Funds	Unrestricted Funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Staff costs	-	28,403	28,403	-	47,211	47,211
Marketing and event costs	-	5,692	5,692	-	8,266	8,266
TOTAL	-	34,095	34,095	-	55,477	55,477

Note 8 Support Costs

	2025	2024
	£	£
Staff costs	67,227	67,251
Office costs	3,343	4,590
Travel and accommodation costs	1,772	4,712
IT Consultancy	4,085	2,850
IT costs	3,400	6,252
Governance costs	1,520	945
TOTAL	81,347	86,600

Governance costs includes £945 paid to the independent examiner for the independent examination (2024- £945). During the year the average number of staff employed by the charity was 3 (2024 - 3). No employee received employee benefits of more than £60,000 (2024 - None).

Challenge Ministries UK
Notes to the accounts
for the year ended 31 March 2025

Note 9 Creditors: amounts falling due within one year

	2025	2024
	£	£
Deferred income	8,387	31,491
Taxation and social security	2,075	2,192
Other creditors	592	1,033
	11,054	34,716

Deferred income relates to amounts received in relation to Mission Impact trips planned for after the year end. The movement on deferred income in the year was

Deferred income brought forward	31,491	13,586
Amounts received during the year	62,651	61,626
Amounts recognised as income relating to trips undertaken	(85,755)	(43,721)
Deferred income carried forward	8,387	31,491

Note 10 Funds

	Balance at 1 April 2024	Income	Transfers to Eswatini	Costs	Balance at 31 March 2025
	£	£	£	£	£
Restricted funds					
ICBC Kincesi	2,135	5,018	6,050	672	431
ICBC Mpolonjenni	-	2,000	1,800	200	-
ICBC Mshaweni	-	2,350	1,735	193	422
ICBC Engcamini	-	6,635	5,308	590	737
Hardship	-	38	-	-	38
Ward support	-	1,181	-	-	1,181
Clothing Drive	-	2,710	1,991	220	499
Potters Wheel	100	1,286	1,110	276	-
Disability Fund	-	10,893	10,893	-	-
Solar lighting	-	113	103	10	-
Men's Life Group	50	650	600	50	50
Women Set Free	164	1,692	1,384	154	318
Tertiary education	406	7,558	4,209	466	3,289
Tractor	-	1,250	-	-	1,250
Presents	220	1,615	1,472	164	199
Medical emergency fund	-	44	-	-	44
Driving lessons fund	-	1,156	1,040	116	-
Mission Impact fund	-	5,298	-	4,619	679
Bulembu equipment fund	-	100	100	-	-
Total restricted funds	3,075	51,587	37,795	7,730	9,137
Unrestricted funds	69,595	492,113	269,001	192,840	99,867
Total funds	72,670	543,700	306,796	200,570	109,004

Challenge Ministries UK
Notes to the accounts
for the year ended 31 March 2025

Note 11 Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Total 2025
	£	£	£
Debtors	-	10	10
Cash	9,137	110,911	120,048
Liabilities	-	(11,054)	(11,054)
Net assets	9,137	99,867	109,004

	Restricted Funds	Unrestricted Funds	Total 2024
	£	£	£
Debtors	-	1	1
Cash	3,075	104,310	107,385
Liabilities	-	(34,716)	(34,716)
Net assets	3,075	69,595	72,670

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 (2024 - None). In June 2024 £1,000 was paid for consulting services to Salt and Light Coaching Ltd, a company related to Mark Herbert.

No expenses were reimbursed to trustees during the year (2024 - None).

Amounts totalling £1,715 (2024: £5,280) were paid to trustees in reimbursement of operating costs paid on behalf of the charity

Donations from trustees during the year totalled £71,453 (2024 - £56,464)

Since March 2024, the charity has employed on a part time basis Amy Edwards who is the daughter of a trustee, Simon Howard. Including employer pension contributions the amounts payable for Amy Edwards in the year totalled £18,588 (2024: £1,549).

There were no other related party transactions during the year (2024 - None) requiring disclosure.

Note 13 Previous year's Statement of Financial Activities

	Notes	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total 2024 £
Income from:				
Donations	4	51,444	362,118	413,562
Charitable Activities	6	-	47,708	47,708
Total income		51,444	409,826	461,270
Expenditure on:				
Charitable Activities	5	57,050	374,641	431,691
Raising funds	7	-	55,477	55,477
Total Expenditure		57,050	430,118	487,168
Net income/(expenditure)		(5,606)	(20,292)	(25,898)
Reconciliation of funds				
Total funds brought forward 1 April		8,681	89,887	98,568
Total funds carried forward 31 March		3,075	69,595	72,670