

Charity Registration No. 1107023

Company Registration No. 05268721 (England and Wales)

CHALLENGE & ADVENTURE LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



CHALLENGE & ADVENTURE LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Bell Mrs W Bluestone Mr S Howe JP Mrs G Kennett MBE Mrs C Taverner
Charity number	1107023
Company number	05268721
Registered office	9 St Johns Place Newport Isle of Wight PO30 1LH
Accountants	Moore (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH
Bankers	Santander UK Plc 2 Triton Square Regent's Place London NW1 3AN

CHALLENGE & ADVENTURE LTD

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CHALLENGE & ADVENTURE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their report and financial statements for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" issued in October 2019.

Objectives and activities

The Charity's objects are to engage young people who are in need by reason of their social, health, or economic circumstances by providing opportunity and support to achieve through a progressive programme of informal educational activity, thus providing a positive and constructive alternative to crime and anti-social behaviour and to help develop responsible and useful members of society and improve the quality of their lives.

The charity's activities included:

1. Providing the opportunity and space for young people to achieve
2. Providing initial engagement for referred young people
3. Providing an ongoing programme of activity and support to maintain engagement post the "challenge group"
4. Providing programmes to support post 16 engagement in education, training and employment
5. Providing 1-2-1 opportunities to support re-engagement with Isle of Wight based education
6. Providing access, support and activities to enable opportunity of participating in and gaining local or national accreditations e.g. the Duke of Edinburgh's Award)
7. Providing opportunities for young people to learn about and engage in their local, national and international communities.

As a result of changes to funding, the Trustees resolved to close the Charity in the summer of 2019, and the Trustees are in the process of closing the charity.

The trustees have paid due regard to guidance issued by the Charity Commission and public benefit in deciding what activities the charity should undertake.

CHALLENGE & ADVENTURE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

Challenge and Adventure worked with HTP Apprenticeship College, a local education provider throughout recent years in running the Challenge Programme which gave the Charity the chance to deliver a wider range of educational opportunities for young people including outdoor activities using facilities in Parkhurst Forest, and sailing activities. These opportunities enabled young people to have experiences that might not otherwise be available to them.

The Challenge group worked with the Duke of Edinburgh Award programme and one to one support was provided to the young people as well as them being able to take part in Challenge and Adventure activities as a group. The educational input was provided by HTP.

Due to changes in national funding around provision of education services, it was decided that the Charity would close.

As a result of this the Challenge and Adventure operational staff were transferred to HTP and have been able to continue to deliver a similar Challenge programme for young people on the Isle of Wight. The Charity had leased a building in Parkhurst Forest for the use of Challenge and Adventure and negotiations are ongoing with the Forestry Commission for the lease to be surrendered early so that the Charity may close.

HTP apprenticeship College is in negotiations direct with the Forestry Commission to enable them to continue using the facility for the benefit of young people, which will enable the ethos of the Challenge and Adventure to continue alongside the Duke of Edinburgh Award scheme.

The Charity's decision to close means that the Charity is no longer a going concern, and as soon as the financial obligations are met the Charity will seek formal closure.

Financial review

During the year the Charity settled its liabilities, and lease commitments were donated from HTP.

The Charity is grateful for the management support provided by HTP, and in helping the Charity with the closing of the charity, and taking over the lease at the Forest.

It is planned that, once the obligations of the charity have been fully met, the charitable company will be closed.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity's governing document is its Articles and Memorandum of Association.

The organisation is a charitable company limited by guarantee, incorporated and registered as a charity on 25th October 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Bell

Mrs W Bluestone

Mr S Howe JP

Mrs G Kennett MBE

Mrs C Taverner

CHALLENGE & ADVENTURE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Under the requirements of the Articles, the Board must elect officers to the positions of Chair, Vice-Chair and Treasurer. Officers serve for a period of one year after which they must be re-elected at the next Annual General Meeting. Training for trustees is available.

In carrying out our work, the Trustees have taken regard to the Charity Commission's guidance on public benefit.


Statement of trustees' responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- 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 presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



Mrs G Kennett MBE

Trustee

Dated: 28 March 2022

CHALLENGE & ADVENTURE LTD

CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CHALLENGE & ADVENTURE LTD FOR THE YEAR ENDED 30 JUNE 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Challenge & Adventure Ltd for the year ended 30 June 2021, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made to the charity's trustees, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Challenge & Adventure Ltd and state those matters that we have agreed to state to the charity's trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Challenge & Adventure Ltd and the charity's trustees as a body, for our work or for this report.

It is your duty to ensure that Challenge & Adventure Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and deficit of Challenge & Adventure Ltd. You consider that Challenge & Adventure Ltd is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of Challenge & Adventure Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Moore (South) LLP

28 March 2022

Chartered Accountants

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

CHALLENGE & ADVENTURE LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
<u>Income from:</u>			
Donations and legacies	3	5,050	18,199
Charitable activities	4	-	5,869
Other trading activities	5	-	12,453
Total income		<u>5,050</u>	<u>36,521</u>
<u>Expenditure on:</u>			
Raising funds	6	-	20,864
Charitable activities	7	13,327	54,682
Total resources expended		<u>13,327</u>	<u>75,546</u>
Net expenditure for the year/ Net movement in funds		(8,277)	(39,025)
Fund balances at 1 July 2020		<u>8,277</u>	<u>47,302</u>
Fund balances at 30 June 2021		<u>-</u>	<u>8,277</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from activities which ceased in the subsequent period.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHALLENGE & ADVENTURE LTD

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	11	-		8,098	
Cash at bank and in hand		228		179	
		<u>228</u>		<u>8,277</u>	
Creditors: amounts falling due within one year	12	(228)		-	
Net current assets			-		8,277
Income funds					
Unrestricted funds			-		8,277
			<u>-</u>		<u>8,277</u>

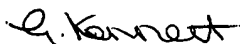
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements. Members have not required the company to obtain an audit.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 March 2022



Mrs G Kennett MBE
Trustee

Company Registration No. 05268721

CHALLENGE & ADVENTURE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Charity information

Challenge & Adventure Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 9 St Johns Place, Newport, Isle of Wight, PO30 1LH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees have resolved to close the activities of the charitable company and as such cannot continue to adopt the going concern basis in the preparation of these accounts. Therefore the fixed assets have been reclassified as current assets. The charity ceased to operate services to young people at the end of July 2019.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income in respect of education grants and services are recognised, when any conditions for their receipt are complied with and in the period to which they relate.

1.5 Expenditure

Expenditure for Charitable activities is recognised when incurred and allocated to the Youth Work of the Charity, Expenditure for fundraising costs are recognised when incurred. Staff costs are charged to Youth Work or fundraising depending on the employee and role. Support costs are then allocated pro-rata to Youth Work and Fundraising as appropriate, using actual allocations where possible.

CHALLENGE & ADVENTURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHALLENGE & ADVENTURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted Funds	Unrestricted Funds
	2021	2020
	£	£
Donations and gifts	5,050	18,199

4 Charitable activities

	Unrestricted Funds	Unrestricted Funds
	2021	2020
	£	£
Sales within charitable activities - contracts for training provision	-	5,869

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	-	12,453

CHALLENGE & ADVENTURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Raising funds

	Unrestricted funds	Total
	2021	2020
	£	£
Fundraising and publicity		
Staging fundraising events	-	8,016
Share of governance costs	-	581
Advertising	-	761
Staff costs	-	7,500
Support costs	-	4,006
Fundraising and publicity	-	20,864
	-	20,864

7 Charitable activities

	2021	2020
	£	£
Staff costs	-	26,298
General activities	325	2,698
Transport and travel costs	-	3,100
Transfer of vehicles and educational equipment	-	7,990
	325	40,086
Share of support costs (see note 8)	13,002	12,020
Share of governance costs (see note 8)	-	2,576
	13,327	54,682

CHALLENGE & ADVENTURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Insurance	1,543	-	1,543	6,196	Staff time
Telephone/internet	-	-	-	607	Staff time
Repairs	-	-	-	52	Actual
Printing and stationery	-	-	-	780	Actual
Rent and utilities	11,459	-	11,459	7,526	Staff time
Training costs	-	-	-	(30)	Actual
Sundry expenses	-	-	-	671	Actual
Computer expenses	-	-	-	224	Staff time
Accountancy	-	-	-	1,440	Actual
Legal and professional	-	-	-	149	Actual
Consultancy	-	-	-	1,568	Actual
	<u>13,002</u>	<u>-</u>	<u>13,002</u>	<u>19,183</u>	
Analysed between					
Fundraising	-	-	-	5,667	
Charitable activities	<u>13,002</u>	<u>-</u>	<u>13,002</u>	<u>14,596</u>	
	<u>13,002</u>	<u>-</u>	<u>13,002</u>	<u>42,426</u>	

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	-	2
	<u>-</u>	<u>2</u>
Employment costs	2021 £	2020 £
Wages and salaries	-	32,393
Social security costs	-	1,405
	<u>-</u>	<u>33,798</u>
	<u>-</u>	<u>33,798</u>

CHALLENGE & ADVENTURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Employees (Continued)

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Assets held for transfer to other charities or resale	-	8,098
	<u> </u>	<u> </u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	228	-
	<u> </u>	<u> </u>

13 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of the Parkhurst Forest property, which fall due as follows:

	2021 £	2020 £
Within one year	-	8,000
	<u> </u>	<u> </u>

14 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).