



# ANNUAL REPORT

1 JANUARY 2014 TO 31 DECEMBER 2014

## **Disability Challengers**

Stoke Park, Guildford, Surrey, GU1 1TU

Registered Charity No: 1095134

Registered Company No: 4300724

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## **PRESIDENT**

Dr Helen Foley

## **PATRONS**

Mr Derek and Mrs Sally Arden

Mr Bill Bellerby MBE, Freeman of the Borough of Guildford

Baroness Virginia Bottomley of Nettlestone

Mr Michael Buerk

Ms Myanna Buring (appointed Dec 2014)

Mr Christopher Brewer DL

Mr Colin Brompton

Mrs Sarah Goad LL

Mr Peter Gordon

Mrs Penny McGuffog (resigned Aug 2014)

Mr Colin Hassell, Co-Founder

Mr Damon Hill and Mrs Georgie Hill

Mr Matthew Kelly

Mr Ric Law (resigned Aug 2014)

Mr Michael More Molyneux (appointed Dec 2014)

Miss Rachel Morris

Mr Rene Poisson and Mrs Ruth Poisson

Mrs Jane Powis

Lady Beryl Tindle

Mrs Sandy Tyrrell

Miss Jenny Seagrove

Dr Bill White

Mrs Sandra Young

## **EXECUTIVE COMMITTEE 2014**

Chairman - Mr David Clinton

Treasurer - Mr Graham Seddon

Company Secretary - Laura Sercombe

Mrs Ann Baty

Mrs Gail Bedding

Mrs Pauline Brand

Mrs Sally Dewar

Mr Anthony Gorham MBE

Mr Robert Pickles  
Mrs Pauline Searle  
Mr Richard Rose  
Mrs Diane McCormack  
Mrs Elizabeth Jordan

## **ADVISERS**

### **Auditors**

Sayer Vincent LLP  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

### **Bankers**

Barclays Bank PLC  
North Street  
Guildford, GU1 4AG

### **Honorary Legal Advisers**

rhw solicitors LLP  
Ranger House  
Walnut Tree Close  
Guildford, GU1 4UL

### **Registered Office**

Challengers  
Stoke Park  
Guildford, GU1 1TU

The Charity (Registered Charity: 1095134) is a company limited by guarantee (No.: 4300724) and governed by the Memorandum and Articles of Association.

## **CHALLENGERS'**

### **VISION**

"An environment where facilities are provided for disabled and non disabled children and young people to play and have fun *together*, thereby changing the way that society regards and treats disabled young people generation after generation."

## **CHALLENGERS'**

### **MISSION**

To provide a broad range of play, leisure, respite and short breaks thus giving support to disabled children and young people, their family and their friends.

## CHAIRMAN'S REPORT

Challengers was 35 years old in 2014 and to celebrate this we held a wonderful orange party. Our founder, Helen Foley, and children and young people of all ages joined us for the day. In total over 700 people attended and the wonderful feedback reminded us how far we have come since The Guildford Adventurers was set up in 1979 to address the lack of play and leisure facilities for disabled children. It was an incredible day and inspired us all to continue our endeavours to make Challengers the very best. Recent research by Contact a Family found that 86% of families with disabled children and young people do not have access to a regular leisure activity in the UK which in 2015 is difficult statistic to swallow. The need is still there and we are privileged to work for an organisation that has such considerable impact in the lives of disabled children, young people and their families.

2014 was a tough but an invigorating year for Challengers: tough because the financial climate became increasingly demanding; invigorating because we experienced highlights in both our fundraising efforts and our service delivery. We opened 5 new schemes – in Southampton, Eastleigh (two), Andover and Epsom - and delivered over 138,000 hours of fun for more than 1,300 disabled children and young people. Not surprisingly to support this we needed a bigger team and we duly recruited more staff and volunteers; 341 people in 2014 compared to 270 in 2013. This meant that our suite of training also grew and in 2014 we delivered over 7,000 hours of training – which is an increase of 50% from 2013.

We moved into our new Guildford Head Office in January 2014 and spent the year making the most of our new home. The teams now work in an open plan office which enables them to be far more collaborative and supportive than before. This has a direct impact on the lives of the families we support as it ensures that we are all working together far more effectively. Last year also saw the start of us using our new technology systems which had been in development for over two years and had occupied much management time and attention during that period. The new technology includes not only the back office systems supporting finance and HR but also the online booking system for staff and families. The impact of this is tangible and although a difficult project we remain firm in our resolve to meet any challenges head on so that every parent will benefit from a truly '21st century' booking experience.

The Fundraising and Communications teams have had an extremely busy time. The most high profile event was perhaps the selection of Challengers as Charity of the Year for the BMW PGA, when a vast team of Challengers volunteers turned the Wentworth golf course orange for a week collecting funds and raising our profile. After almost a decade of trying, the charity was

also successful in being appointed as one of the beneficiaries for the International Charity Day at ICAP. Both of these opportunities were only awarded because the organisations considered the charity robust enough to manage the considerable work to make them possible. For us it was an incredible opportunity to raise our profile and bring the wider team together to raise funds for the work Challengers does.

Times are most certainly changing in our relationships with statutory bodies. There is now a requirement for us to tender for contracts rather than apply for grant funding and that subtle change has significant impact for the charity. The tendering process is understandably long and demanding but the charity has risen to the challenge and achieved success. Furthermore there is a requirement for us to deliver more than ever before for any contracts awarded which makes our fundraising strategy ever more critical. Looking forward, fundraising will become even more important as Challengers continues to seek to grow its services to meet demand. Traditional sources of funding are become ever more stretched, between 2011 and 2014 statutory sources declined from 58% to 50% of total funding. There is an expectation that the trend of declining local authority contribution is set to continue as austerity bites ever harder. Therefore, in 2015, we are planning a step change in our efforts to increase our income from fundraising and events by more than 30%. This will sit alongside other initiatives designed to look at the long term financial stability of the Charity.

Finally, as always the success of Challengers in 2014 has been due to the dedication and commitment of the permanent and casual staff, volunteers, and a strong team of loyal trustees, patrons and ambassadors who continue to work tirelessly in supporting the Challengers team. Although we never take it for granted, we continue to enjoy the support of parents, over 90% of whom believe our staff are good or excellent at dealing with their child's individual needs. An incredible 94% also said they will or intend to recommend Challengers to other families. Their feedback is what drives us to continuously improve the services we offer and to work harder to meet the need.

David Clinton, Chairman of the Trustees

# TRUSTEES' REPORT

## 1 DISABILITY CHALLENGERS

Challengers (Disability Challengers) provides essential play and leisure opportunities for disabled children and young people with any kind of physical, learning, sensory or emotional impairment.

### 1.1 The objects of the Charity

- to provide recreation and other leisure facilities for children with physical, learning, and emotional impairments;
- to evolve, establish and maintain adventure play centres;
- to encourage the inclusion of disabled children in mainstream leisure activities;
- to provide care for such children on a short-term basis so as to give respite to their parents, families and carers;
- to provide support and information to parents and carers of disabled children.

### 1.2 Principal Activities

Research by Contact a Family found that 86% of families with disabled children do not have the opportunity to access regular play and leisure opportunities. When you consider how important this is in the development of individuals it essential we address that imbalance.

Play is an irreplaceable part of every childhood. We know that a wide range of social, emotional, creative, physical and intellectual skills are learnt through playing - children deprived of this social experience will not reach their full potential. If young disabled people are to grow up to lead fulfilling lives they need the same opportunities as their non-disabled peers.

Challengers delivers a range of play, youth and young adult schemes across the South East. In 2014 we opened 5 new schemes to bring the total number of schemes to 24. We also started the work to address the gaps that we felt existed in schemes that ran during the holidays but not throughout the year. It was felt that this was an important development of our work; to ensure that families had access to schemes throughout the year and children had a regular leisure experience.



### **1.3 Public Benefit**

Our charitable activities focus on providing play and leisure for a marginalised group of children and young people who would not otherwise be able to access their basic right to play. We provide the service for disabled children and young people from 2 years to 25 years of age. This is funded by the organisation accessing a range of income sources. In addition, a contribution to the cost of provision is charged to parents and carers. It is however, vital to the organisation that a child is never turned away and if affordability is a problem then we ensure we initiate our concessions policy for any families facing hardship.

## **Strategic report**

### **1.4 Achievements & Performance**

2014 was a year in which the charity achieved a great deal and continued to build its reach beyond the year of 2013 and the capital appeal. Sustaining that level of energy and enthusiasm was important and the Senior Team was pleased to see how well the team responded to the challenge. The Charity was delighted to be able to move into our new playcentre and HQ in Guildford after an exciting year of fundraising and building. We were thrilled to be able to use it to celebrate our 35<sup>th</sup> birthday in real style with so many families, supporters, patrons and our founder Dr Helen Foley.

We grew the number of schemes by adding a further 5 schemes in Eastleigh (2), Andover, Southampton and Epsom. We also grew 2 schemes to ensure that they delivered services throughout the year and not just in holidays. This is part of our strategic plan; to try and achieve a consistent and regular service for families who depend on the support. Across the schemes we delivered over 138,000 hours of play and leisure for over 1300 disabled children, young people and young adults.

In order to achieve this we recruited lots more staff and volunteers – in 2014 it was 341 compared to 270 in 2013. We also maintained an exceptionally high level of training and delivered over 7,000 hours of training to 602 members of the team – staff and volunteers. We were particularly proud of the contribution made by volunteers as their contribution enables us to achieve so much more and in 2014 volunteers donated an incredible 3,948 hours to Challengers.

Ensuring our services meet the need is important and so consultation with everyone who uses or delivers the service is critical. This drives our planning process and forms a central part of our strategic plan. We were therefore delighted when we found that over 90% of parents say our

staff are good or excellent at dealing with their child's individual needs and 94% of families will, or intend to, recommend Challengers to other parents. Families reported that our booking process remained a problem but in 2014 we launched our online booking system and although the gradual roll out has meant that this will not be concluded until mid 2015 we are hopeful that this will make a real difference to their lives.

We could only make such strides with the help and support of so many. In particular, we were really fortunate to work with Kelly's once again, be selected as the official charity of the BMW PGA Championship and be one of the beneficiaries of the ICAP Charity Day 2014. Not only did they help raise important funding their selection of Challengers against significant competition we saw as an external quality mark. This was further endorsed by the Charity being approved as members of the Good Recruitment Campaign as well as achieving the seal of approval from the Fundraising Standards Board. 2015 is a year when quality will remain a high priority for the charity and one of our 3 themes which will also include important projects to increase our voluntary income as well as assuring our mission remains central to all we do.

## **2 RISK MANAGEMENT**

The Charity is fortunate to have a trustee who works for an International Bank in risk. Her expertise and that of a patron who has similar skills have been instrumental in developing an enhanced view on risk. The trustee Executive Board delegates the responsibility for reviewing this to the Finance and Risk (FAR) subcommittee which meets once a month.

Following a Trustee Away Day the Risk Register for the Charity was developed and this is reviewed each month at the FAR meeting. The risks cover a range of subjects including:

*Mission and Objects*

*Legal Compliance*

*Reputation*

*Fundraising*

*I.T. & Infrastructure*

*Human Resources Operational*

*Governance and Management*

*External Factors*

*Finance*

Each risk is summarised and categorised into the likelihood, severity and retained risk. Then the Register seeks to identify forms of mitigation and further action. This is an extensive document and reviewing every risk each month would be impractical and so the Charity has committed to reviewing 1/12 each month so that every risk is reviewed once a year and the detail updated.

### **3 FUTURE PLANS**

#### **3.1 Planning process**

Following the annual Away Day in 2014, the Strategic Plan was reviewed and rewritten to include a 3 year perspective. As a result of this an Operational plan was written which is reviewed monthly by the Senior Management Team and quarterly by different trustee sub committees. The Strategic Plan will be reviewed again by the trustees and senior team at the next annual away day.

#### **3.2 Strategic development paths**

The business plan is based on development paths identified in the *Challengers Strategic Plan 2015 and Beyond*, which may be summarised as follows:

##### **Income**

- Assure a balanced and sustainable income mix with particular focus on increasing voluntary income
- Review expenditure through a business processes analysis project
- Maintain current and develop new relationships with statutory commissioners

##### **Service and Quality**

- Develop a plan for regional management; a 'hub and spoke' approach
- Aim to achieve at least one new purpose built hub
- Review all services to assure their relevance and quality
- Strive for excellence in quality and compliance
- Value volunteers by the development of an improved and specialist offer

##### **Mission and Values**

- Review and refresh our Vision and Mission to ensure it reflects what we deliver
- Review Inclusion and ensure we are supporting parents with regular reviews and analysis
- Research the 'ripples of our impact' and communicate

## 4 FINANCIAL RESULTS

### 4.1 Income

Challengers income decreased by £603K to £2.7m in 2014 this is represented by a reduction in restricted income of £784K and an increased in unrestricted of £181K. 2013 income had benefited from a successful £1m capital appeal for the new Guildford Centre.

<b>Income analyses: % of total income</b>	<b>2014</b>	<b>2013</b>
Voluntary income (donations, trusts, legacies & grants)	25%	46%
Activities for generating funds (events, centre rental)	9%	6%
Resources from charitable activities (entrance fees & service contracts)	66%	48%

Voluntary income includes grants, support from business, trust donations, individual donations and fundraising income from local community groups. If we exclude the 2013 capital appeal figures 2014 saw a 28% (£143K) increase in income from this stream. 2015 will see greater investment in this area with the expectation of a further increase of 20%.

Included in voluntary income are grants received from:

Waverley Borough Council Community Partnership - £7,500 towards Farnham Play and Youth  
Sanofi Health in the Community Fund via the Community foundation for Surrey- £2,000 towards Guildford Summer Playscheme

Peter Harrison Community Fund via the Community foundation for Surrey - £1,000 towards Guildford Summer Playscheme

Hamilton Fund via the Community foundation for Surrey - £3,009 towards Challengers concession programme

Activities for generating funds have seen a 29% (£58K) increase on 2013. The continued support from Kelly's Storage Ltd, particularly with the introduction of a cycle event which raised £24K, has made a significant contribution to funds. In addition, the continued development of the Challengers Business Club membership and investment in social media has increased participation in all Challengers events.

Income from entrance fees rose by 1% to £544K, a reduction in funding from local authorities for additional places at schemes put pressure on this figure during the year, general entrance fees where increased from £17 to £18 per session in April.

Investment income is made up entirely of bank interest.

## 4.2 Expenditure

### Charitable Expenditure

Charitable expenditure increased by 19% (£420K) to £2.8m with property and insurance costs seeing the largest % increase due to 5 new schemes becoming operational during 2014, inline with this staff costs increased by (16%) £256K to £1.8m for the year. Along with our employed staff team Challengers had 222 volunteers donating 3,948 hours of time and expertise. Depreciation increased by 49% (£56k) due to significant new assets, the Guildford building and CRM system.

<b>Expenditure analysis: % of total charitable expenditure</b>	<b>2014</b>	<b>2013</b>
Scheme activities	4%	6%
Staff costs	70%	71%
Motor costs	2%	2%
Equipment costs	3%	3%
Property costs	9%	7%
Insurance	1%	1%
Depreciation	6%	5%
Other costs	5%	5%

### Governance Costs

Costs associated with the governance arrangements of the charity relating to the general running of the charity. They include audit fees, the cost of preparing statutory accounts, strategy and planning costs, Trustee training and expenses and attendance of executive meetings.

### **4.3 Results**

2014 reports a deficit of -£124K, a general fund deficit of -£16K (2013: -£34K) and a restricted fund deficit of -£108K (2013: £871K). At 31 December 2014 Challengers net assets amounted to £3.9m (2013: £4m) of which £3.5m (2013: £3.5m) represents tangible fixed assets. Net current assets totalled £424K at 31<sup>st</sup> December 2014 (2013: £564K).

### **4.4 Reserves Policy**

The Trustees reviewed the reserves policy in 2014 to re-evaluate its ambition and purpose. It was concluded that the Charity's policy to maintain general fund cash reserves of between three and six month's expenditure remained a healthy ambition. Due to the seasonal changes in activity levels this does fluctuate throughout the year. The main objective of the policy is to deal with short term cashflow challenges to protect the long term future of the charity. In addition the Trustees believe this would allow a safe and sensible closure in the event that this was the only option. Reserves are reviewed monthly at the Finance and Risk subcommittee.

### **4.5 Organisation**

The Executive committee, who oversee the charity, has expertise over a wide range of business disciplines as well as specialist disciplines such as clinical and child development knowledge. The charity looks to maintain this balance when selecting new trustees. Furthermore there are 2 parent Trustees who represent the parent view and their view is critical. Trustees meet quarterly at Executive Committee meetings and in addition there are three sub-committees who meet regularly covering Operations, Finance & Risk, and Fundraising & Communications. It's the Chief Executive Officer who manages the day-to-day operation of the charity. The Trustees keep up to date by attending training courses in governance, disability awareness, and safeguarding as well as an annual Away Day.

## **5 DIRECTORS AND TRUSTEES**

### **5.1 Directors**

The officers and members of the executive committee, who are directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

### **5.2 Induction of Trustees**

The charity has a program for induction and training of Trustees which is clearly set out in the Disability Challengers Trustee Handbook. This is revised annually.

### **5.3 Appointment of Trustees**

One third of the Trustees, who act as directors for the purposes of company law, shall retire from office at the Annual General Meeting. Those retiring trustees shall be eligible for re-election.

### **5.4 Trustee Training**

Training is highly valued at Challengers, where the team believes that development of staff and volunteers is critical to ensuring we remain a learning organisation. This extends to our trustees whose experience and skillset is much appreciated.

Every year training is provided for the Trustees on a range of subjects. They were consulted in 2014 about the subjects for 2014-15 that they would benefit from and the most popular themes developed into training sessions for the Board.

As such the Training Team planned training in:

*Young Adults*

*Evaluation and Consultation*

*Safeguarding (an annual refresher)*

### **5.5 Information given to the Auditor**

Each of the Trustees has confirmed that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have each taken all the steps that they ought to have taken, as trustees, in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **5.6 Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### **5.7 Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the trustees' Annual report and the financial statements in accordance with Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the

financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
  - Observe the methods and principles in the charities SORP;
  - Make judgements and estimates that are reasonable and prudent;
  - State whether applicable UK Accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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.

## **5.8 Auditors**

Sayer Vincent LLP were appointed as the charitable company's auditors during the year and have expressed their willingness to act in that capacity.

The Trustees' report which includes the strategic report has been approved by the Trustees on 1 July 2015 and is signed on their behalf by:

.....  
**Mr David Clinton – Chairman**



## **Independent Auditors' report to the members of Disability Challengers**

We have audited the financial statements of Disability Challengers for the year ended 31 December 2014 which comprise the statement of financial activities, the balance sheet, cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditors**

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Trustees including the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based

on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Helen Elliott (Senior statutory auditor)

13 July 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**DISABILITY CHALLENGERS  
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE  
ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014**

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2014</u> £	<u>Total 2013</u> £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	344,691	329,032	673,723	1,549,570
Activities for generating funds	3	258,874	-	258,874	199,996
		<u>603,565</u>	<u>329,032</u>	<u>932,597</u>	<u>1,749,566</u>
Investment income		2,526	-	2,526	3,462
Incoming resources from charitable activities					
Guildford centre	4	375,141	-	375,141	341,732
Farnham centre		559,701	-	559,701	556,990
Community based schemes		872,236	-	872,236	693,398
<b>Total incoming resources</b>		<u>2,413,169</u>	<u>329,032</u>	<u>2,742,201</u>	<u>3,345,148</u>
<b>Resources expended</b>					
Costs of generating funds					
Charitable activities	5	173,860	1,500	175,360	190,656
Guildford centre	6	414,597	226,803	641,400	581,830
Farnham centre		823,835	111,284	935,119	845,195
Community based schemes		969,992	97,748	1,067,740	796,929
Governance costs	8	46,795	-	46,795	92,543
<b>Total resources expended</b>		<u>2,429,079</u>	<u>437,335</u>	<u>2,866,414</u>	<u>2,507,153</u>
Net incoming/(outgoing) resources before transfers		(15,910)	(108,303)	(124,213)	837,995
Transfers between funds	17	-	-	-	-
<b>Net incoming/(outgoing) resources for the year</b>	9	<u>(15,910)</u>	<u>(108,303)</u>	<u>(124,213)</u>	<u>837,995</u>
Balances brought forward at 1 January 2014		621,362	3,443,129	4,064,491	3,226,496
<b>Balances carried forward at 31 December 2014</b>	17	<u>605,452</u>	<u>3,334,826</u>	<u>3,940,278</u>	<u>4,064,491</u>

The charity has no recognised gains or losses other than the net movement in funds for the period.

The results for the year arise entirely from continuing activities.

The notes on pages 22 to 29 form part of these accounts.

**DISABILITY CHALLENGERS  
BALANCE SHEET AS AT 31 DECEMBER 2014**

Company no. 4300724

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
<b><u>FIXED ASSETS</u></b>			
Tangible fixed assets	12	3,515,639	3,500,819
<b><u>CURRENT ASSETS</u></b>			
Debtors	13	118,951	170,635
Short term deposits		547,737	551,306
Cash at bank		86,373	360,805
		<u>753,061</u>	<u>1,082,746</u>
<b><u>CREDITORS</u></b>			
Amounts falling due within one year	14	(328,422)	(519,074)
		<u>424,639</u>	<u>563,672</u>
<b><u>NET CURRENT ASSETS</u></b>			
		<u>424,639</u>	<u>563,672</u>
<b><u>NET ASSETS</u></b>			
	16	<u>3,940,278</u>	<u>4,064,491</u>
Financed by:			
<b><u>FUNDS</u></b>			
Unrestricted funds:			
Designated funds	17	72,148	76,558
General fund	17	533,304	544,804
		<u>605,452</u>	<u>621,362</u>
Restricted funds	17	3,334,826	3,443,129
		<u>3,940,278</u>	<u>4,064,491</u>
<b><u>TOTAL FUNDS</u></b>			
		<u>3,940,278</u>	<u>4,064,491</u>

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf on 1 July 2015

Mr David Clinton

-

Chairman of the Board

Mr Graham Seddon

-

Treasurer

The notes on pages 22 to 29 form part of these accounts.

**DISABILITY CHALLENGERS  
CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
Net cash flow from operating activities	20	(94,366)	1,138,873
Capital expenditure and financial investment	21	<u>(183,635)</u>	<u>(895,503)</u>
Cash flow before liquid resources and financing		(278,001)	243,370
<b><u>Decrease in cash in the year</u></b>	22	<u><u>(278,001)</u></u>	<u><u>243,370</u></u>

**Reconciliation of net cash flow to movement in net funds  
for the year ended 31 December 2014**

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£	£
Decrease in cash in the year		<u>(278,001)</u>	<u>243,370</u>
<b><u>Movement in net funds in the year</u></b>		(278,001)	243,370
Net funds at 1 January 2014		912,111	668,741
<b><u>Net funds at 31 December 2014</u></b>	22	<u><u>634,110</u></u>	<u><u>912,111</u></u>

The notes on pages 22 to 29 form part of these accounts.

# DISABILITY CHALLENGERS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. Accounting Policies

#### a. Basis of Accounting

These financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued in March 2005.

#### b. Income

Voluntary income is received by way of grants and donations and is included in the financial statements when receivable.

Revenue grants are credited to the statement of financial activities when received unless they relate to a specific period, in which case they are deferred.

Events income is credited to the financial statements when received.

Entrance fees are deferred and credited to the financial statements in the period to which the session relates.

Service contracts are deferred and credited to the financial statements inline with service delivery.

Capital grants are credited to the statement of financial activities when received as a restricted fund. Depreciation of the asset is charged to the fund to write off the cost of the asset over its life.

#### c. Resources Expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered. Resources expended are allocated to a particular activity where the cost relates to that activity. However, the costs of overall direction and support comprising of the salary and overhead costs of central functions, are apportioned on the basis of hours delivered at scheme.

The costs of generating funds relate to costs incurred by the charity in raising funds for the charitable work and capital projects.

Governance costs include costs associated with the governance arrangements of the charity and compliance with constitutional and statutory requirements.

#### d. Fixed Assets

Depreciation is provided on all tangible assets other than land, at rates calculated to write off the cost over their expected useful life once assets are in use.

Depreciation is charged on a straight line basis on cost or valuation as follows:

Land	0%
Buildings	2%
Play equipment	5% - 20%
Other equipment	20%
IT Equipment	33.33%
Furniture	15% - 20%
Motor Vehicles	25%

Expenditure below £1,000 is not capitalised.

#### e. Donated Goods and Services

Donated goods and services in kind represent those provided to the Charity for which payment would otherwise have had to be made. These are included as an approximation of the economic cost to the charity of the services provided.

#### f. Operating Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

## **DISABILITY CHALLENGERS NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **f. Fund Accounting**

Funds held by the charitable company are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects at the discretion of the trustees.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **g. Pensions: Defined**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company on an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

**DISABILITY CHALLENGERS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total 2014</u>	<u>Total 2013</u>
	£	£	£	£
<b>2. Voluntary income</b>				
Donations	290,184	162,087	452,271	539,449
Trusts/legacies	31,734	122,017	153,751	383,751
Grants	22,773	44,928	67,701	626,370
	<u>344,691</u>	<u>329,032</u>	<u>673,723</u>	<u>1,549,570</u>

	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total 2014</u>	<u>Total 2013</u>
	£	£	£	£
<b>3. Incoming resources from activities for generating funds</b>				
Corporate Events	70,455	-	70,455	13,347
Social Events	23,458	-	23,458	16,512
Sponsored Events	117,361	-	117,361	138,470
Centre Rental	34,865	-	34,865	30,041
Miscellaneous Income	12,735	-	12,735	1,626
	<u>258,874</u>		<u>258,874</u>	<u>199,996</u>

	<u>Guildford Centre</u>	<u>Farnham Centre</u>	<u>Community Based Schemes</u>	<u>Total 2014</u>	<u>Total 2013</u>
	£	£	£	£	£
<b>4. Incoming resources from charitable activities</b>					
Entrance fees	174,152	173,149	196,721	544,022	539,638
Service Contracts	200,989	386,552	675,515	1,263,056	1,052,482
	<u>375,141</u>	<u>559,701</u>	<u>872,236</u>	<u>1,807,078</u>	<u>1,592,120</u>

	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total 2014</u>	<u>Total 2013</u>
	£	£	£	£
<b>5. Cost of activities for generating funds</b>				
Staff costs	136,806	-	136,806	138,532
Office costs	23,318	-	23,318	24,875
Depreciation	263	-	263	630
Direct activity costs	13,473	1,500	14,973	26,619
	<u>173,860</u>	<u>1,500</u>	<u>175,360</u>	<u>190,656</u>



**DISABILITY CHALLENGERS**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	<u>Guildford</u> <u>Centre</u>	<u>Farnham</u> <u>Centre</u>	<u>Community based</u> <u>Schemes</u>	<u>2014</u> <u>£</u>	<u>2013</u> <u>£</u>
<b>6. Costs of charitable activities</b>					
Provision of charity services:					
Activities and outings	24,821	20,822	65,653	111,296	126,167
Staff costs	445,254	683,454	708,148	1,836,856	1,581,249
Motor costs	9,483	15,983	25,996	51,462	42,960
Equipment costs	17,946	26,944	26,271	71,161	67,498
Property costs	34,357	70,266	130,444	235,067	163,679
Insurance	6,025	10,320	10,623	26,968	18,205
Post, printing stationery and telephone	9,382	9,837	14,253	33,472	31,688
Depreciation	63,043	69,681	35,828	168,552	112,773
Other costs	31,011	28,426	50,524	109,961	96,686
Provision for doubtful debt	78	(614)	-	(536)	(16,952)
	<u>641,400</u>	<u>935,119</u>	<u>1,067,740</u>	<u>2,644,259</u>	<u>2,223,953</u>

Guildford Centre, Farnham Centre and the Community Based Schemes include support costs of £311,415

	<u>Basis of</u> <u>Allocation</u>	<u>Fundraising</u> <u>£</u>	<u>Guildford</u> <u>Centre</u> <u>£</u>	<u>Farnham</u> <u>Centre</u> <u>£</u>	<u>Community based</u> <u>Schemes</u> <u>£</u>	<u>Total</u> <u>2014</u> <u>£</u>	<u>Total</u> <u>2013</u> <u>£</u>
<b>7. Breakdown of support costs by activity</b>							
Management	Scheme Hrs	8,203	9,751	14,743	15,971	48,668	49,843
Finance	Scheme Hrs	4,311	27,530	41,624	45,093	118,558	70,173
Human Resources	Scheme Hrs	-	19,801	29,938	32,433	82,172	68,108
Communications	Scheme Hrs	4,401	13,883	20,992	22,741	62,017	29,376
		<u>16,915</u>	<u>70,965</u>	<u>107,297</u>	<u>116,238</u>	<u>311,415</u>	<u>217,500</u>

## DISABILITY CHALLENGERS

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 8. Governance costs

	<u>Total</u> <u>2014</u>	<u>Total</u> <u>2013</u>
Staff costs	29,630	69,290
Auditors remuneration	9,360	6,000
Depreciation	-	375
Other costs	7,805	16,878
	<u>46,795</u>	<u>92,543</u>

Auditors' remuneration includes irrecoverable VAT of £1,560.  
No Trustee expenses were paid during the year.

#### 9. Net (outgoing)/incoming resources for the year

	<u>General</u> <u>Fund</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2014</u> £	<u>Total</u> <u>2013</u> £
This is stated after charging				
Depreciation	17,645	151,170	168,815	113,778

#### 10. Staff

	<u>Total</u> <u>2014</u> £	<u>Restated</u> <u>Total</u> <u>2013</u> £
Salaries	1,915,981	1,703,141
Social security costs	78,526	81,976
Pension Contributions	7,113	3,053
	<u>2,001,620</u>	<u>1,788,170</u>

Salary costs for 2013 have been restated to split out pension contributions

No staff were paid in excess of £60,000 (2013: none).

The average number of employees, calculated on a full time equivalent basis, analysed by function was:

	<u>2014</u>	<u>2013</u>
Charitable activities	91	82
Support staff	9	9
Voluntary income & Management	9	9
Total	<u>109</u>	<u>100</u>

#### 11. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

**DISABILITY CHALLENGERS  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

12. Tangible fixed assets	<u>Land &amp;</u>	<u>Equipment</u>		<u>Motor</u>	<u>Furniture</u>	<u>Total</u>
	<u>Buildings</u>	<u>Play</u>	<u>Other</u>	<u>Vehicles</u>		
	£	£	£	£	£	£
Cost or valuation at 1/1/2014	3,245,525	617,920	256,442	98,804	16,757	4,235,448
Additions in the year	143,571	-	34,125	-	5,939	183,635
Disposals in the year	-	(17,993)	(28,857)	-	(1,288)	(48,138)
Cost or valuation at 31/12/2014	3,389,096	599,927	261,710	98,804	21,408	4,370,945
Accumulated depreciation at 1/1/2013	174,782	318,119	157,931	72,638	11,159	734,629
Charge for the year	47,326	46,015	47,889	24,305	3,280	168,815
Eliminated on disposals	-	(17,993)	(28,857)	-	(1,288)	(48,138)
Depreciation at 31/12/2014	222,108	346,141	176,963	96,943	13,151	855,306
Net Book Value at 31/12/2014	3,166,988	253,786	84,747	1,861	8,257	3,515,639
Net Book Value at 31/12/2013	3,070,743	299,801	98,511	26,166	5,598	3,500,819

The land at Farnham is freehold and held at cost, it is not depreciated, the cost value is £1,022,797 (2013: £1,022,797)

The Challengers site at Stoke Park, Guildford is leasehold with 98 yrs. remaining, the cost value of the buildings is £937,432 being depreciated at a rate of 2% per year.

13. Debtors	<u>2014</u>	<u>2013</u>
	£	£
Trade Debtors	54,268	93,652
Accrued Income & Credit Note Provision	39,694	51,399
Prepayments	36,249	21,052
Credit Card Reserve	23,833	4,532
	<u>118,951</u>	<u>170,635</u>

14. Creditors	<u>2014</u>	<u>2013</u>
	£	£
Trade creditors	89,703	241,329
Social security and other taxes	15,629	21,275
Accruals	85,241	48,286
Deferred income	102,758	208,184
	<u>328,422</u>	<u>519,074</u>

15. Deferred income	<u>2014</u>	<u>2013</u>
	£	£
Balance at 1 January 2014	208,184	152,377
Released in year	(208,184)	(152,377)
Pre-paid grants & Parent Fees	137,850	208,184
Balance at 31 December 2014	<u>137,850</u>	<u>208,184</u>

16. Analysis of net assets between funds	<u>General</u>	<u>Designated</u>	<u>Restricted</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
	£	£	£	£
As at 31 December 2014				
Fixed assets	184,267	24,790	3,306,582	3,515,639
Net current assets	349,037	47,358	28,244	424,639
	<u>533,304</u>	<u>72,148</u>	<u>3,334,826</u>	<u>3,940,278</u>
As at 31 December 2013	<u>544,804</u>	<u>76,558</u>	<u>3,443,129</u>	<u>4,064,491</u>

## DISABILITY CHALLENGERS NOTES TO THE FINANCIAL STATEMENTS (continued)

### 17. Funds

#### Purpose of designated funds

a. The Guildford redevelopment fund will be used as part of the Guildford Centre new build completed January 2014 and will be released to cover depreciation.

#### Purpose of restricted funds

- a. Guildford centre fund - funding for the re-build of our Guildford centre which opened on the 4th January 2014.
- b. Farnham centre fund - represents the restricted funds raised from the Big Play Appeal from 2002 to 2008 and invested in the land, buildings and play equipment at the Farnham Centre.
- c. Equipment fund - represents specific donations for equipment. Depreciation being provided over the useful life of the item.
- d. Scheme operating fund - funding for general running costs of specific schemes.
- e. Foundation fund - was set up in 1996 with the intention of building it into an income producing fund.
- f. Fundraising - donation specifically for Ryan Air advertising

<u>Movements on Funds</u>	<u>Fund Type</u>	<u>As @ 1/1/14</u> £	<u>Incoming Resources</u> £	<u>Outgoing Resources</u> £	<u>Inter-Fund Transfers</u> £	<u>Balances @ 31/12/2014</u> £
<b>Capital</b>						
Guildford centre fund	Restricted	3,066	-	-	(3,066)	-
Guildford centre fund (Research Fund)	Restricted	11,463	-	-	(11,463)	-
Guildford centre Fund	Restricted	974,207	16,729	(63,882)	14,529	941,583
Farnham Centre Fund	Restricted	2,284,245	40,000	(36,859)	-	2,287,386
Equipment Fund	Restricted	167,148	13,746	(92,927)	-	87,967
<b>Scheme operating</b>						
Guildford centre	Restricted	-	145,767	(141,700)	-	4,067
Farnham centre	Restricted	-	40,610	(35,906)	-	4,704
Community based schemes	Restricted	-	70,679	(64,560)	-	6,119
<b>Other</b>						
Foundation fund	Restricted	3,000	-	-	-	3,000
Fundraising	Restricted	-	1,500	(1,500)	-	-
Total of Restricted Funds		<u>3,443,129</u>	<u>329,032</u>	<u>(437,335)</u>	<u>-</u>	<u>3,334,826</u>
General fund	Unrestricted	544,804	2,413,169	(2,424,670)	-	533,304
Guildford redevelopment fund	Designated	76,558	-	(4,410)	-	72,148
Total of Unrestricted Funds		<u>621,362</u>	<u>2,413,169</u>	<u>(2,429,080)</u>	<u>-</u>	<u>605,452</u>
Total Funds		<u>4,064,491</u>	<u>2,742,201</u>	<u>(2,866,414)</u>	<u>-</u>	<u>3,940,278</u>

### 18. Donated Goods & Services

	<u>2014</u> £
Legal services	5,767
Farnham - Decorating	17,451
Equipment	3,000
	<u>26,218</u>

## DISABILITY CHALLENGERS NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. Adequacy of Charity's assets

All the Restricted and Unrestricted funds are adequate to fulfil the immediate obligations upon them.

### 20. Net cash flow from operating activities

	<u>2014</u> £	<u>2013</u> £
Net (outgoing)/incoming resources	(124,213)	837,995
Depreciation of tangible fixed assets	168,815	113,778
Profit on sale of fixed assets	-	(124)
(Increase)/decrease in debtors	51,684	(69,187)
Increase/(decrease) in creditors	(190,652)	256,411
Net cash inflow from operations	<u>(94,366)</u>	<u>1,138,873</u>

### 21. Analysis of cash flows for headings netted in cash flow statement

	<u>2014</u> £	<u>2013</u> £
Purchase of tangible fixed assets	(183,635)	(897,248)
Sale of fixed assets	-	1,745
Net cash outflow from capital expenditure	<u>(183,635)</u>	<u>(895,503)</u>

### 22. Analysis of changes in net funds

	<u>As @</u> <u>1/1/14</u>	<u>Cashflow</u>	<u>Other</u> <u>non-cash</u> <u>changes</u>	<u>Balances @</u> <u>31/12/2014</u>
Cash in bank and in hand	360,805	(274,432)	-	86,373
Short term deposits	551,306	(3,569)	-	547,737
Net funds	<u>912,111</u>	<u>(278,001)</u>	-	<u>634,110</u>

### 23. Related party transaction

Some members of the Board of Trustees are parents of children attending Challengers. The places are funded in the same way as all other places at Challengers and the children receive the same level of services and benefits as other children.

During the year one trustee was paid £200 for speaking at a conference. This was funded by the conference.