

Challengers

— Serious about fun for all disabled children and young people — 

**ANNUAL REPORT 1 JANUARY 2015 TO
31 DECEMBER 2015
Approved – unsigned**

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 Arden 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
Mr Christopher Brewer DL
Mr Colin Brompton
Dame Sarah Goad (retired June 2015)
Mr Peter Gordon
Mr Colin Hassell, Co-Founder
Mr Damon Hill and Mrs Georgie Hill
Mr Matthew Kelly
Mr Michael More Molyneux (LL)
Miss Rachel Morris
Mr James Morrison (appointed August 2015)
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 (THE BOARD OF TRUSTEES)

Chairman - Mr David Clinton
Treasurer - Mr Graham Seddon
Mrs Ann Baty
Mrs Gail Bedding
Mrs Pauline Brand
Mrs Sally Dewar
Mr Anthony Gorham MBE
Mrs Elizabeth Jordan
Mrs Diane McCormack
Mr Robert Pickles
Mr Richard Rose
Mrs Pauline Searle

SENIOR MANAGEMENT TEAM

CEO/ Company Secretary – Laura Sercombe

Head of Operations – Jonathan Dobson

Head of Finance – Amanda Matthews

Head of Quality – Laura Baxter

Head of Fundraising – Jessica Oliver

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 and Mission

Vision (revised 2015)

A world where all children and young people can play together, freely.

Mission (revised 2015)

To provide truly inclusive, fun and safe places where all disabled children and young people can spend time with their friends.

To offer a positive impact for families and the wider community.

CHAIRMAN'S REPORT

Charities hit the headlines in 2015, often for the wrong reasons. Failures of governance, leading to financial collapse, and questions about ethical fundraising have made the national press and have also been raised in Parliament. At Challengers we take governance very seriously and the Board of Trustees not only provides oversight but also represents a range of complementary skill sets which are actively deployed to assist the Senior Management Team (SMT) in the efficient and effective running of the charity. As regards ethical fundraising, in addition to raising the bar yet again on the amount collected (more on this below), we have double-checked our methods and are happy that our approach conforms to best practice. We have taken the time to explain this on our website in an effort to achieve real transparency.

In 2015 we extended our reach yet again in terms of the children and young people we serve. Our strategy has been to expand existing schemes to 'year round' operation rather than to increase our geographic spread and in 2015 we delivered in 24 different locations for just under 1,400 disabled children and young people. We have also begun to extend our pre-school services in response to significant demand. Overall hours were broadly flat in comparison with 2014 but this masked a sizeable shift away from 'non 1:1' towards '1:1' and even '2:1' services, that is children who need more support than others. This required more trained staff and 2015 was a busy year for recruitment and training along with a noteworthy 15% increase in volunteering.

High quality is an important management goal and is closely monitored by the Board as well as external scrutiny from Ofsted and award granting bodies as set out in the Trustee Report. Over the coming year we intend to redouble our efforts on quality to ensure that, in addition to this external recognition, we continue to meet the expectations of the most important judges of all, namely the people we serve. Both the Board and the SMT want Challengers to be recognised for the quality of our services across all the four south eastern counties in which we operate. From this foundation we can build a greater share of voice in the argument for a more inclusive society.

I referred in my report last year to an increasingly demanding financial climate, particularly in relation to statutory funding as austerity bites. As expected 2015 was a difficult year financially. We were delighted to hear in the autumn that no cuts for Hampshire would be introduced in the coming year but this has not changed the long term trend of a decline in statutory funding. Our ambition for growth to meet ever-increasing demand places a further strain on our funding. In response, our strategy is to increase fundraising each year. The Fundraising and Communications teams have worked incredibly hard and delivered in 2015 a significant increase in voluntary income. Of course, as soon as one year closes another one opens and we are planning for a further substantial uplift in the current year. Few commercial organisations could cope with such aggressive year-on-year targets.

The only way in which we can achieve these fundraising goals is by spreading our net as widely as possible. At Challengers we all consider ourselves fundraisers and in 2015 various members of the SMT, our parent ambassadors and trustees took part in a whole host of events, including Ride London, the Marathon, Kelly's Cycle Challenge, Kelly's Loseley Run, Surrey 3 Peaks, sponsored events, challenge events, community initiatives and so much more. We know that our events and communications create real interest in a wider group of people which often leads to financial and pro bono support from a variety of areas including corporates and community groups. On behalf of the Board I should personally like to thank you all for your participation and support; we rely on your help and don't take it for granted.

Finally, another big 'thank you' must go to the management and staff of Challengers, along with the Ambassadors, patrons and my fellow trustees. The success of the charity is entirely due to their tireless efforts. I should like to end with a quote from a parent, gained in the most recent parent feedback to remind us all how much their work is appreciated:

"The Challengers staff are truly amazing. My daughter would go to Challengers 7 days a week if she could. I feel happy to leave her in their care as I know they will look after her just as I would. We would be totally lost without Challengers"

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 carried out in 2015 by Sense found that 51% of disabled children are intentionally excluded from play in the UK. This is a shocking statistic; every child has the right to access play and it is critical for effective child development. Therefore we consider it essential that we continue to address that imbalance by offering inclusive play and leisure opportunities for all disabled children and young people.

Play remains an irreplaceable part of every childhood. We know that a wide range of social, emotional, creative, physical and intellectual skills are learnt through play. 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 pre-school, play, youth and young adult schemes across the South East in Surrey, Hampshire, Berkshire offering 24 different schemes reaching almost 1,400 children. In 2015 we extended some of our schemes to almost complete the work we began in 2014 to address the gaps that existed in schemes which only ran during the holidays. 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. This work continues in 2016.

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 services for disabled children and young people from 2 to 25 years of age. This is funded by the organisation generating income from fundraising as well as commissioned income. In addition, a contribution to the cost of provision is charged to parent/carers. However it is vital that a child is never turned away and if affordability is a problem we will ensure we offer a bursary for any families facing hardship.

The wider impact of our work is felt by the families and extended networks of the children and young people who attend. Parents tell us that Challengers provides a lifeline for their child, their siblings and themselves. It is widely recognised by families and professionals that the service is a preventative one offering much needed regular support for the whole family. Life without such support would be much more difficult and, we are told, we would see more families struggle to remain a unit.

"I can't thank the teams at Challengers enough for providing such a fun and exciting programme for Sally over the holidays. We have never come across anything like this before, the fact that Sally is now kept busy during the day in well planned activities has made such a difference to our quality of life. The holidays and weekends are especially tiring and draining for me in the sense of keeping Sally entertained, - but Challengers seems to understand what motivates Sally and not only meets her needs, but supports and helps us as a family as well"

Our annual Impact Report not only demonstrates how vital Challengers services are to the families that we support but also the wider impact for the staff, volunteers and supporters.

Some of the key headlines from our latest Impact Report:

For Families

- 65% of families with disabled children reported feeling isolated frequently or all of the time. Challengers is helping to change this. "Challengers gives me a chance to have a rest and recharge my batteries" A parent
- According to research conducted by Challengers 85% of young people said they had made friends at Challengers and 90% said they look forwards to coming to Challengers.

For Staff & volunteers

- 90% of staff say they get excited about coming to work and 93% would recommend Challengers as an employer.
- We know that working at Challengers helps our staff team get a better understanding of disability and for some it shapes the career they choose
"The skills I have gained and developed will aid me in my future career, hopefully medicine" A play worker
- Challengers train staff and volunteers to a high standard. In 2015 we delivered 10,232 hours of training over 118 courses.
- Volunteers work both on scheme and at HQ and in 2015, they volunteered for 4,541 hours; a 15% increase on 2014.

Wider Community

- The Community Fundraisers speak to lots of different groups including schools – helping them to understand disability
"We chose to support Challengers as we wanted to help local children who are less fortunate than ourselves. As well as all the cake-selling and sponsored activities, our Year 8 girls sit down with one of the Challengers team in their PSHE lesson to find out what living with a disability can be like and the daily challenges the children can face. We haven't looked back and we love being involved with such a positive charity with wonderful staff that are truly passionate about the work that they do"

Janine Bruneau, Head of PSHE & Citizenship at St Teresa's School

1.4 Strategic report: Achievements & Performance

2015 was a year of some incredible successes as well as some challenging times but we brought the year to an end knowing that the entire team had worked together to deliver services across a record breaking 24 schemes in 3 counties.

Our strategy was to extend existing schemes to year round schemes. It was more difficult than we initially thought to establish a year round venue and staff team but the team rose to the challenge and we ended the year with a strong set of schemes delivering high quality services.

There has been a significant uplift in the number of new recruits in 2015 with a 17% increase on 2014. 293 new staff members were recruited in the year, compared to 251 in 2014 and of course these are principally play and youth workers meeting the direct needs of children and young people benefitting from services offered. There has been a 35% increase in the number of volunteers recruited which was pleasing as this was a key strategic objective for the charity. In addition we increased our training hours from 7,000 in 2014 to over 10,000 in 2015.

We had 4 Ofsted Inspections that included 2 outstanding. We were nominated for 3 awards and were successful in winning 2 of them; the Sayer Vincent 'Making a Difference Team' and the Eagle Radio 'Charity of the Year' Award. We were proud to be successful in being finalists for the Children and Young People Now Award.

The quality of our services is critical to our development and we rely heavily on what parents, children and young people tell us. The analysis of engagement with families is helpful for our ongoing planning and the headlines will be included in the 2016 Impact Report. This will include facts such as:

- Nearly 1/3 of parents/carers say that their child has been excluded from other settings and 41% say no other setting meets their needs

- 70% of parents or carers see Challengers as a significant or essential part of their lives.

2015 was a year when we continued to address the long term funding challenges that we are seeing in the reduction of statutory income. We know that although we have received more income in 2015 we have been required to do significantly more work and the hourly contribution therefore reduces. Our long term plan to address this is to invest in the organisation's ability to generate voluntary income.

We watched the significant amount of national media's criticism of the Third Sector with interest in 2015. We then reviewed the press coverage and investigations with trustees to ensure that we were compliant with best practice at all times. In conclusion, after looking at our practices in depth we felt that we could be very proud about the way Challengers fundraises.

There is also now a renewed pressure on the Board of Trustees to take governance more seriously than ever before and our board maintains a very diligent approach to this. We are delighted to be developing the board in 2016 with the appointment of a young trustee to balance our thinking as well as start to consider how we capture the voice of young people.

In the autumn of 2015, we revised our Strategic Plan to ensure it remained appropriate and relevant. The plan for 2016 reflects some development as well as renewed focus on quality. This enabled us to become excited about the coming year and we hope that our supporters are too. We know that without their contribution and that of the staff and volunteer team we would not be able to do as much as we do.

2 RISK MANAGEMENT

The Charity is fortunate to have trustees with considerable experience in managing risk in their work life and they have been instrumental in developing an enhanced view on risk for the charity. In 2015 the Trustee Board delegated the responsibility for reviewing this to the Finance and Risk (FAR) subcommittee which meets once a month. The organisational Risk Register is a substantial document that covers 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 sent to all trustees but it was felt that this could be even better, especially in the wake of recent focus on governance.

Therefore the Board concluded to organise an away day in January 2016 for the entire board to review and restructure the approach to risk. This would become an annual meeting but we also aimed to regularly review the ongoing checks around that register by Senior Management and the Board.

The 3 principal risks as identified on the Risk Register are:

Risk that reserves drop below 3 months

In the past year the organisation has reviewed our policy and concluded that we need to find a way to increase the level of reserves for the organisation and aim for beyond 3 months. A plan to achieve this for 2016-17 is being developed around the responsible release of an asset. In the meantime this is reviewed monthly at SMT level and again at FAR before going to the Board on a quarterly basis.

Inadequate staff costs control

Our staff costs vary from month to month and this should be in line with delivery. It is imperative that this alignment is as close as possible and so we now produce monthly bookings and rota reports that are reviewed each month with Service Managers as well as track the data on our KPI's each month with trustees.

Negative impact on fundraising

Fundraising is a number of complex income streams and some will vary with the national and international financial backdrop as well as more local themes. The press and media coverage will also impact on voluntary income and although we recognise this risk there is little we can do to address it.

We need to focus on that which we can control and communicate clearly with funders on how important it is for the charity to fundraise in line with our ethical objectives contained within our Fundraising Policy.

Further to this we must ensure that we track the income and this is done in the pipeline which is updated daily and reviewed by the Senior Team and then monthly by FAR and quarterly by the Board.

3 FUTURE PLANS

3.1 Planning process

Following the annual Away Day, the Strategic Plan was reviewed and rewritten to include a 3 year perspective. As a result of this, the Operational Plan was written which is reviewed monthly by the SMT 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

1. Achieve and maintain 3-6 months reserves
2. Assure a balanced and sustainable income mix with particular focus on increasing voluntary income through new income streams including assessing trading opportunities
3. Maintain current and develop new relationships with statutory commissioners
4. Review expenditure through a business processes analysis project

Service and Quality

5. Execute and maintain plan for regional management; a 'hub and spoke' approach; aim to achieve one new purpose built hub by end of 2018
6. To ensure that our workforce is inclusive and supports all staff and volunteers including people from marginalised and disadvantaged communities
7. Review play services to achieve greater levels of inclusion which will also include non-disabled children and siblings.
8. Review youth and young adult schemes to assure relevance and quality
9. Value volunteers by the development of an improved and specialist offer

Mission and Values

10. To develop the voice of the young person with the appointment of a young trustee and development of a focus group
11. To build on our non-exclusion commitment to disabled children and young people
12. To undertake research that looks at the 'ripples of our impact' as well as gathering the needs of disabled children and communicate effectively

4 FINANCIAL RESULTS

4.1 Income

Challengers' income continues to increase year on year with 2015 seeing 5% growth to £2.87m. This year charitable activities have been redefined from Guildford, Farnham and Community based schemes to Pre-school and Play, Youth and Young Adult schemes, the trustees feel this to be more reflective of Challengers structure.

Income analyses: % of total income	2015	2014
Donations and Legacies (donations, trusts & legacies)	26%	24%
Other Trading Activities (events, centre rental)	8%	8%
Resources from charitable activities (entrance fees, Grants & service contracts)	66%	68%

Donations and legacies include individual, corporate and community donations. This area of income saw growth of 13% to £738k (2014: £651k). 2016 will see further investment in this income stream increasing the department by two income generating fundraisers.

Requested grant acknowledgments:

Garfield Weston - £50,000 towards Challengers transition to independence project.
Waverley Borough Council Community Partnership - £7,500 for Farnham schemes.
NIBS Wells fund via the Community Foundation for Surrey - £1,464 toward a mobile hoist.
Hamilton Fund via the Community Foundation for Surrey - £2,294 towards Guildford Youth Summer
Peter Harrison - £18,564 towards activity overnights.

Other trading activities include income from sponsored, sports, music and social events, business club membership, rental income and sale of Christmas cards and hoodies for a total income of £231k (2014: £223k) a 3% increase on 2014.

Income from entrance fees income rose by 6% to £579k (2014 £544k), entrance fees for Play and Youth schemes were increased from £18 to £20 per session in April.
Investment income is made up entirely of bank interest.

4.2 Expenditure

Charitable Expenditure

Expenditure rose by 7% in 2015 to £3.06m (2014: £2.86m). 2015 was a year in which Challengers made further investment in its fundraising and training teams. This was initiated in response to a need to increase our voluntary income and address the growing pains we were feeling in delivering the ever increasing demands for training e.g. in safeguarding, managing behaviour, moving and handling.

The SMT reviewed 2014 and as part of the move to a regional structure identified the need for us to recruit additional project officers. These roles are critical to scheme safety and wellbeing as they form the bridge from Head Office to frontline services. Their role is key in setting up schemes to run each week and providing skills and expertise to support leaders and their teams with specialist knowledge around delivery of care.

This year saw additional increases in the cost of charitable delivery. This prompted the SMT to lead a review of management information, how proactively it was used and by whom. Since this review on scheme cost control has significantly improved with full scheme leadership engagement.

Expenditure analysis: % of total charitable expenditure	2015	2014
Scheme Activities	4%	4%
Staff Costs	71%	71%
Motor Costs	2%	2%
Equipment Costs	3%	3%
Property Costs	6%	8%
Insurance	1%	1%
Depreciation	5%	6%
Other Costs	8%	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 trustee Board meetings.

4.3 Results

2015 reports a deficit of -£185k, a general fund deficit of -£27k (2014: -£11k), a designated surplus of £3.1m (2014: -£4k deficit) and a restricted fund deficit of £3.1m (2014: £108k deficit). These figures are stated after a transfer of funds of £3.1m from restricted to designated being the release of restricted funds trustees feel have had the restriction satisfied by the purchase of assets.

At 31 December 2015 Challengers net assets amounted to £3.8m (2014: £3.9m) of which £3.4m (2014: £3.5m) represents tangible fixed assets. Net current assets totalled £374k at 31st December 2015 (2014: £425k).

4.4 Reserves Policy

Challengers' reserves policy is to maintain free cash reserves of between 3 and 6 months expenditure. Due to seasonal changes in activity levels this will fluctuate throughout the year. However in practice the organisation has aimed to achieve 3 months but during 2015 the Trustee Board advised that our ambition should be to find a way to achieve more than this.

There is now a plan to identify 5-6 months reserves. This will be realised by the sale of land attached to the Farnham Youth centre during 2016-17. This is being overseen by the Finance and Risk subcommittee and the CEO.

The main objective of the reserves policy is to deal with short term cashflow challenges to protect the long term future of the charity. In addition the trustees believe this level of reserve 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.

The free cash reserves level at year end was 3 months forward operating expenditure.

Year-end designated funds stood at £3.19m, the residual value of this fund is required to support the long term security of premises to ensure the charity can meet its objectives.

Of this amount £2.27m has been set aside for known future depreciation costs for buildings at our Farnham and Guildford centres over the next 47 yrs.

4.5 Going Concern

The trustees take financial governance seriously and each month consider the monthly finance report, the cashflow and the organisational KPI's.

On reflection after the Strategic Review and in preparation for the annual report, trustees feel that Challengers is a strong and viable going concern.

The factors that lead to this conclusion are:

- Need for Challengers services and contracts in place
- Strong financial governance and current financial position
- Good management control and regular governance
- Clearly demonstrable public benefit
- Clear and well informed strategic plan
- Secure plan to improve cashflow through the development of sustainable income projects and realising an asset

5. REMUNERATION

Challengers SMT has a remuneration statement to provide a clear and transparent policy which demonstrates accountability and applies to all employees. The organisation does not offer an annual discretionary bonus scheme, nor does it offer a long term incentive plan. Whilst common in the commercial world, these incentive schemes are not common in the third sector and we do not think that it is appropriate for Challengers.

The principles of the organisation's approach are to establish a set of single salary points in a structure that is fair and equitable. Job roles are mapped onto this structure so that a single salary point will exist for each job. These points are benchmarked with industry and local standards to ensure that they are fair as well as remove subjectivity to salary decisions.

Career progression beyond a salary point is through promotion to a different job role, mapped on to a different salary point. We would like to look at developing bands so that there might be opportunity to achieve some salary progression outside of promotion but this is a project for 2016 and to be done in consultation with a cross organisational project team to evaluate reward.

This also applies to the SMT. It is widely accepted that certain roles are paid more than others and whilst we would aim to have a salary point that is acceptable for all members of the SMT, at times market forces may dictate that a different salary is required. Any variation will be discussed with trustees before being approved.

This structure is annually reviewed to ensure that a fair wage is being paid for each role. However the manager making the appointment may decide to award a lower salary initially and bring into line at a relevant point such as 3 month appraisal or the first annual appraisal. This may be seen as a form of 'probation' period.

6. DIRECTORS AND TRUSTEES

6.1 Organisation

The Executive Committee (Trustee Board), who oversee the charity, has expertise in 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. Following the annual review of this skills mix it was agreed that there was a gap for a young trustee and so, in 2015 we launched a recruitment campaign to successfully appoint.

Trustees meet quarterly at Trustee Board meetings and in addition there are three sub-committees who meet regularly covering Operations & Quality, Finance & Risk, and Fundraising & Communications. It is the Chief Executive Officer who manages the day-to-day operation of the charity with the SMT. The trustees keep up to date by attending training courses in governance, disability awareness, and safeguarding as well as an annual Away Day. This will be enhanced with the annual Risk Review.

6.2 Directors

The members of the Executive Committee (Trustee Board), 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.

6.3 Induction of Trustees

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

6.4 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.

6.5 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 2015 about the subjects for 2015-16 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:

Governance and Risk

New regulatory requirements

Safeguarding (an annual refresher)

6.6 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 auditors are aware of that information. Furthermore, trustees and senior staff have completed the annual declaration of interest paperwork.

6.7 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.

6.8 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 view 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 2015.
- 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.
- 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.

6.9 Auditors

Sayer Vincent LLP continue to act as Challengers auditors.

The trustees' report which includes the strategic report has been approved by the trustees on 5th July 2016 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 2015 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 Chairman's report and 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 2015 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)

Date

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

	Note	2015				2014			
		Unrestricted £	Designated £	Restricted £	Total £	Unrestricted £	Designated £	Restricted £	Total £
Income from:									
Donations and legacies	2	355,711	-	382,346	738,057	357,639	-	292,878	650,517
Other Trading activities	3	230,957	-	-	230,957	223,154	-	-	223,154
Charitable activities									
Pre-school and Play Schemes	4	995,552	-	36,158	1,031,710	969,344	-	19,786	989,130
Youth Schemes	4	733,313	-	8,222	741,535	759,624	-	6,569	766,193
Young Adult Schemes	4	128,784	-	-	128,784	100,882	-	9,799	110,681
Investments	5	2,898	-	-	2,898	2,526	-	-	2,526
Total Income		2,447,215	-	426,726	2,873,941	2,413,169	-	329,032	2,742,201
Expenditure on:									
Raising funds	6	231,396	-	20,370	251,766	173,860	-	1,500	175,360
Charitable activities									
Pre-school and Play Schemes	6	1,144,647	4,411	247,134	1,396,192	1,190,735	4,410	231,934	1,427,079
Youth Schemes	6	884,783	-	162,690	1,047,473	930,054	-	135,892	1,065,946
Young Adult schemes	6	213,658	-	149,764	363,422	130,020	-	68,009	198,029
Total Expenditure		2,474,484	4,411	579,958	3,058,853	2,424,669	4,410	437,335	2,866,414
Net income / (expenditure) for the year	7	(27,269)	(4,411)	(153,232)	(184,912)	(11,500)	(4,410)	(108,303)	(124,213)
Transfers between funds		-	3,125,990	(3,125,990)	-	-	-	-	-
Net movements in funds		(27,269)	3,121,579	(3,279,222)	(184,912)	(11,500)	(4,410)	(108,303)	(124,213)
Reconciliation of funds:									
Total funds brought forward		533,304	72,148	3,334,826	3,940,278	544,804	76,558	3,443,129	4,064,491
Total funds carried forward		506,035	3,193,727	55,604	3,755,366	533,304	72,148	3,334,826	3,940,278

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements

Disability Challengers

Balance Sheet

As at 31 December 2015

Company No: 1095134

	Note	£	2015 £	£	2014 £
Fixed Assets:					
Tangible assets	12		<u>3,381,187</u>		<u>3,515,639</u>
			3,381,187		3,515,639
Current assets:					
Debtors	13	168,849		118,951	
Cash at bank and in hand		731,946		634,110	
		<u>900,795</u>		<u>753,061</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>526,616</u>		<u>328,422</u>	
Net current assets			<u>374,179</u>		<u>424,639</u>
Total net assets			<u>3,755,366</u>		<u>3,940,278</u>
The funds of the charity:	16				
Restricted income funds			55,604		3,334,826
Unrestricted income funds:					
Designated funds		3,193,727		72,148	
General funds		<u>506,035</u>		<u>533,304</u>	
Total unrestricted funds			<u>3,699,762</u>		<u>605,452</u>
Total charity funds			<u>3,755,366</u>		<u>3,940,278</u>

Approved by trustees on 5th July 2016 and signed on their behalf by

Mr David Clinton
Trustee / Chairman

Mr Graham Seddon
Trustee / Treasurer

Disability Challengers
Statement of cash flows

For the year ended 31 December 2015

Company No: 1095134

	Note	2015 £	£	2014 £	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities			104,813		(94,366)
Cash flows from investing activities:					
Purchase of fixed assets		(6,977)		(183,635)	
Change in cash and cash equivalents in the year			97,836		(278,001)
Cash and cash equivalents at the beginning of the year			634,110		912,111
Cash and cash equivalents at the end of the year	19		731,946		634,110

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £6,597. This has been included in the accounts for 2015. No other restatements were required.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor(s) intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering Pre-school, Play, Youth and Young Adult services undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

1 Accounting policies (continued)

- Pre-school and play schemes 56%
- Youth schemes 36%
- Young Adult schemes 8%

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The rates in use are as follows:

- Land Not depreciated
- Buildings 50 years
- Play equipment 5-10 years
- Other equipment 5 years
- IT Equipment 3 years
- Fixtures & Fittings 5 years
- Motor Vehicles 4 years

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in 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.

2. Income from donations and legacies

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Gifts	343,574	371,430	715,004	615,525
Legacies	8,177	-	8,177	-
Donated services	3,960	-	3,960	26,218
Grants	-	10,916	10,916	8,774
	<u>355,711</u>	<u>382,346</u>	<u>738,057</u>	<u>650,517</u>

3. Income from other trading activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Centre rental	29,051	-	29,051	34,865
Sponsored events	73,879	-	73,879	57,203
Corporate events	52,412	-	52,412	70,456
Other events	69,454	-	69,454	47,894
Miscellaneous sales	6,161	-	6,161	12,736
	<u>230,957</u>	<u>-</u>	<u>230,957</u>	<u>223,154</u>

4. Income from charitable activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Pre-school and Play schemes				
Contract -Surrey County Council	476,609	-	476,609	459,740
Contract - Hampshire County Council	222,363	-	222,363	229,295
Session Fees	285,003	-	285,003	268,853
Grants	11,577	36,158	47,735	31,242
Sub-total for Pre-School and Play Schemes	995,552	36,158	1,031,710	989,130
Youth schemes				
Contract -Surrey County Council	265,438	-	265,438	316,734
Contract - Hampshire County Council	193,926	-	193,926	197,963
Contract - Southampton County Council	65,018	-	65,018	27,351
Contract - Reading Borough Council	20,091	-	20,091	19,892
Contract - Wokingham Borough Council	12,089	-	12,089	12,080
Session Fees	165,360	-	165,360	174,288
Grants	11,391	8,222	19,613	17,885
Sub-total for Youth Schemes	733,313	8,222	741,535	766,193

4. Income from charitable activities (continued)

Young Adult schemes

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Session Fees	128,784	-	128,784	100,882
Grants	-	-	-	9,799
	<u>128,784</u>	<u>-</u>	<u>128,784</u>	<u>110,681</u>
Sub-total for Young Adult Schemes	128,784	-	128,784	110,681
Total income from charitable activities	<u><u>1,857,649</u></u>	<u><u>44,380</u></u>	<u><u>1,902,029</u></u>	<u><u>1,866,004</u></u>

5. Income from investments

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Bank Interest on Reserves	<u>2,898</u>	<u>-</u>	<u>2,898</u>	<u>2,526</u>
	<u><u>2,898</u></u>	<u><u>-</u></u>	<u><u>2,898</u></u>	<u><u>2,526</u></u>

Disability Challengers
Notes to the financial statements
For the year ended 31 December 2015

6 Analysis of expenditure

	Cost of raising funds £	Charitable activities					Support Costs £	2015 £	2014 £
		Pre-school & Play Schemes £	Youth Schemes £	Young Adult Schemes £	Governance Costs £	Governance Costs £			
Staff costs (Note 8)	180,648	826,647	611,556	272,724	32,852	260,417	2,184,844	2,001,619	
Activities	-	23,836	64,062	20,514	-	-	108,412	111,295	
Motor costs	-	18,222	43,938	5,185	-	43	67,388	51,462	
Equipment cost	2,393	42,262	20,797	5,535	-	8,614	79,601	73,469	
Property cost	1,436	101,770	78,847	2,815	-	3,589	188,457	236,366	
Insurance	267	14,315	8,044	1,796	850	801	26,073	28,625	
PPS, Phone, Scheme promotion	6,235	7,168	6,942	3,238	-	19,555	43,138	42,147	
Depreciation	84	98,751	35,519	5,441	-	1,634	141,429	168,815	
Other costs	15,020	55,365	44,141	16,479	10,059	31,826	172,890	138,179	
Provision for doubtful debt	-	522	340	76	-	-	938	(536)	
Fundraising direct cost	45,683	-	-	-	-	-	45,683	14,973	
	<u>251,766</u>	<u>1,188,858</u>	<u>914,186</u>	<u>333,803</u>	<u>43,761</u>	<u>326,479</u>	<u>3,058,853</u>	<u>2,866,414</u>	
Support costs	-	182,828	117,533	26,118	-	(326,479)	-	-	
Governance costs	-	24,506	15,754	3,501	(43,761)	-	-	-	
Total Expenditure 2015	<u>251,766</u>	<u>1,396,192</u>	<u>1,047,473</u>	<u>363,422</u>	<u>-</u>	<u>-</u>	<u>3,058,853</u>	<u>2,866,414</u>	
Total Expenditure 2014	<u>175,360</u>	<u>1,425,887</u>	<u>1,067,596</u>	<u>197,571</u>	<u>-</u>	<u>-</u>	<u>2,866,414</u>		

The cost of raising funds support costs have been directly allocated to each expenditure line on the basis of the number of staff employed for this function as a % of total head office staff.

7. Net incoming resources for the year

This is stated after charging / crediting:

	2015 £	2014 £
Depreciation	141,428	168,815
Operating leases (photocopiers)	4,662	4,662
Auditors' remuneration (excluding VAT):		
Audit	7,950	7,916
	<u> </u>	<u> </u>

8. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	2,090,089	1,915,981
Social security costs	87,280	78,526
Employer's contribution to defined contribution pension schemes	7,475	7,113
	<u> </u>	<u> </u>
	<u>2,184,844</u>	<u>2,001,620</u>

No employee earned more than £60,000 during the year (2014: nil).

The total employee benefits including pension contributions of the key management personnel were £224,529 (2014: £209,383). See page 4 for details of key management personnel.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

No Trustee expenses were paid during the year (2014: nil).

9. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2015 No.	2014 No.
Raising funds	6	5
Pre-school & Play Schemes	232	196
Youth Schemes	149	126
Young Adult Schemes	33	28
Support	16	15
Governance	-	-
	<u> </u>	<u> </u>
	<u>436</u>	<u>370</u>

Disability Challengers

Notes to the financial statements

For the year ended 31 December 2015

10. Related party transactions

There are no related party transactions to disclose for 2015 (2014: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Tangible fixed assets

	Freehold property £	Play Equipment £	Other £	Motor Vehicles £	Furniture £	Total £
Cost or valuation						
At the start of the year	3,389,096	599,927	261,710	98,804	21,408	4,370,945
Additions in year	-	-	6,977	-	-	6,977
Disposals in year	-	(40,564)	(36,563)	-	(4,478)	(81,605)
At the end of the year	<u>3,389,096</u>	<u>559,363</u>	<u>232,124</u>	<u>98,804</u>	<u>16,930</u>	<u>4,296,317</u>
Depreciation						
At the start of the year	222,108	346,141	176,963	96,943	13,151	855,306
Charge for the year	47,326	46,015	43,333	1,861	2,893	141,428
Eliminated on disposal	-	(40,564)	(36,562)	-	(4,478)	(81,604)
At the end of the year	<u>269,434</u>	<u>351,592</u>	<u>183,734</u>	<u>98,804</u>	<u>11,566</u>	<u>915,130</u>
Net book value						
At the end of the year	<u>3,119,662</u>	<u>207,771</u>	<u>48,390</u>	<u>-</u>	<u>5,364</u>	<u>3,381,187</u>
At the start of the year	<u>3,166,988</u>	<u>253,786</u>	<u>84,747</u>	<u>1,861</u>	<u>8,257</u>	<u>3,515,639</u>

Land with a value of £1,022,797 (2014: £1,022,797) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

13. Debtors

	2015 £	2014 £
Trade debtors	57,184	54,268
Accrued income	35,134	4,601
Prepayments	47,413	36,249
Credit card reserve	29,118	23,833
	<u>168,849</u>	<u>118,951</u>

Disability Challengers

Notes to the financial statements

For the year ended 31 December 2015

14. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	42,899	89,703
Taxation and social security	18,253	15,629
Accruals	114,848	85,241
Deferred income	350,616	137,849
	<u>526,616</u>	<u>328,422</u>

15. Deferred income

Deferred income comprises of Local Authority contracts and session fees booked in advance of delivery.

	2015 £	2014 £
Balance at the beginning of the year	137,849	208,184
Amount released to income in the year	(137,849)	(208,184)
Amount deferred in the year	350,616	137,849
Balance at the end of the year	<u>350,616</u>	<u>137,849</u>

16. Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	171,412	3,162,946	46,823	3,381,187
Net current assets	334,623	30,781	8,775	374,179
Long term liabilities	-	-	-	-
Net assets at the end of the year	<u>506,035</u>	<u>3,193,727</u>	<u>55,604</u>	<u>3,755,366</u>

Disability Challengers
Notes to the financial statements
For the year ended 31 December 2015

17. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Capital					
Guildford Centre fund	941,583	-	33,504	(908,079)	-
Farnham Centre fund	2,287,386	-	69,475	(2,217,911)	-
Equipment fund	87,967	19,762	60,527	-	47,202
Scheme operating					
Pre-school and Play schemes	8,758	108,756	109,688	(7,231)	595
Youth schemes	5,017	106,005	101,658	(4,649)	4,715
Young Adult schemes	1,115	141,534	141,534	(1,033)	82
Other					
Foundation fund	3,000	-	370	-	2,630
Fundraising	-	20,000	20,000	-	-
Training	-	30,669	43,202	12,913	380
Total restricted funds	3,334,826	426,726	579,958	(3,125,990)	55,604
Unrestricted funds:					
Designated funds					
Guildford redevelopment	72,148	-	4,411	(67,737)	-
Property and Development fund	-	-	-	3,193,727	3,193,727
Total designated funds	72,148	-	4,411	3,125,990	3,193,727
General funds	533,304	2,447,215	2,474,484	-	506,035
Total unrestricted funds	605,452	2,447,215	2,478,895	3,125,990	3,699,762
Total funds including pension funds	3,940,278	2,873,941	3,058,853	-	3,755,366

Purposes of restricted funds

Equipment fund - represents specific donations for equipment. Depreciation being provided over the useful life of the item.

Scheme operating funds - funding for general running costs of specific schemes.

Foundation fund - set up in 1996 with the intention of building it into an income producing fund.

Fundraising - a specific award to help fundraising develop new fundraising streams.

Training - funding to support and develop our training and volunteer and recruitment officer roles.

Purposes of designated funds

The Guildford redevelopment fund has been amalgamated with the Guildford centre fund. These funds were used towards the Guildford rebuild in 2013.

Guildford centre fund - having been satisfied that the restriction on this fund has been fulfilled by spend on capital assets the Trustees have agreed to redefine this fund from a restricted to a designated fund. These funds exist as a result of Challengers 2013 capital appeal to rebuild its Guildford centre. They will cover future depreciation and maintenance charges for the centre and form part of the Property and Development designated fund.

Farnham centre fund - the Trustees are satisfied that the restriction on these funds has been fulfilled by spend on capital assets so have agreed to redefine this fund as designated. The fund has been spent on the purchase of land and buildings that now form Challengers centre in Farnham. The funds will cover future depreciation and maintenance charges for the centre and form part of the Property and Development designated fund.

18. Reconciliation of net expenditure to net cash flow from operating activities

	2015 £	2014 £
Net expenditure for the reporting period (as per the statement of financial activities)	(184,912)	(124,213)
Depreciation charges	141,428	168,815
(Profit)/loss on the disposal of fixed assets	1	-
(Increase)/decrease in debtors	(49,898)	51,684
Increase/(decrease) in creditors	198,194	(190,652)
Net cash provided by / (used in) operating activities	104,813	(94,366)

19. Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	At 31 December 2015 £
Cash in hand	634,110	97,836	731,946
Total cash and cash equivalents	634,110	97,836	731,946

20. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.