

CHALLENGE PARTNERS

England & Wales · Charity number 1149266

Details

Status	Registered
Legal form	Charitable company
Company number	08048330
Registered	2012-10-09
Register	View on the Charity Commission register

Contact

Address	Oxford House 49 Oxford Road London N4 3EY
Phone	020 7803 4970
Email	finance@challengepartners.org
Website	www.challengepartners.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY) BY PROMOTING AND SUPPORTING THE IMPROVEMENT OF SCHOOLS REGIONALLY, NATIONALLY OR INTERNATIONALLY.

Activities: Challenge Partners is an England-wide school improvement partnership. We foster collaboration and challenge between schools and school trusts through programmes, networks and knowledge sharing activities which drive upwards convergence across the education system.

Classification

- **How:** Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£3,289,577	£3,172,249	£654,845	26
2024-08-31	£3,319,768	£3,211,449	£537,517	25
2023-08-31	£2,962,779	£2,950,940	£429,198	24
2022-08-31	£2,643,079	£2,494,884	£417,359	24
2021-08-31	£2,116,752	£2,163,602	£269,163	24
2020-08-31	£2,699,223	£2,813,403	£316,014	23

Trustees

Name	Role	Appointed
Alison Linda Beane		2020-02-11
Candice Elizabeth Lott		2022-09-21
Dr Kate Chhatwal		2018-04-03
Folake Jumoke Anike Agbaniyaka		2025-09-24
Gary John Lewis		2022-09-21
Heather Duggan		2025-09-24
Janine Harion		2021-02-09
Lucinda Eleanor Ingram		2022-09-21
Pavandeep Bansal		2022-09-21
Rachel Louise Hargreaves		2025-09-24
Susanna Jane Eastham		2020-05-19

CHALLENGE PARTNERS

England & Wales - Charity number 1149266

Accounts



REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

For the Year Ended 31 August 2025

Challenge Partners

Registered company number: 08048330 (England and Wales)

Registered charity number: 1149266

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CHALLENGE PARTNERS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08048330 (England and Wales)

Registered Charity number

1149266

Registered office

Oxford House
49 Oxford Road
London N4 3EY

Trustees

Susanna Eastham (Chair)
Folake Agbaniyaka (appointed 24 September 2025)
Pavandeep Bansal
Alison Beane OBE
Dr Katherine Chhatwal OBE (ex officio)
Christopher Davison (resigned 15 April 2025)
Heather Duggan (appointed 24 September 2025)
Rachel Hargreaves (appointed 24 September 2025)
Janine Harion
Lucinda Ingram
Arwel Jones (resigned 15 April 2025)
Gary Lewis
Candice Lott
Vijita Patel (resigned 25 June 2025)
Louise Wolsey (resigned 15 September 2025)

Independent Auditor

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

HSBC UK Bank plc
The Helicon
1 South Place
London
EC2M 2UP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

The purpose of the Charity

The Charity's Objects ('Objects') are the advancement of education for the public benefit, in particular (but without prejudice to the generality) by promoting and supporting the improvement of schools regionally, nationally or internationally.

In reviewing the Charity's aims, and putting them into action, the Trustees have taken account of the Charity Commission's guidance on public benefit.

Who we are and our mission

Challenge Partners is a charity and national partnership of schools and trusts united by the belief that the best way to reduce educational inequality and enhance the life chances of all children is through collaboration, challenge and leadership development that improves school and pupil performance and spreads excellent practice around the system. We work together to ensure every school and trust community can benefit from the combined wisdom of the education system.

Objectives and activities

We aim to benefit half a million pupils each year and are already on track to make this ambitious goal a reality. While advancing the shared aims of the teachers and leaders in our partnership, we have collectively adopted three core aims that guide what we do:



Maximise the **LIFE CHANCES** of all pupils and accelerate the progress of the disadvantaged



Support **LEADERS** at all levels to develop and grow capacity for sustained improvement in schools and trusts



Extend **EXCELLENCE**, shaping a world-class system in which all pupils thrive

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Objectives and activities (continued)**

Rooted in the success of London Challenge in the 2000s, Challenge Partners is a national practitioner-led education charity. In 2024/25 we benefited over 410,000 pupils in our partnership of 540 schools and 135 trusts, with a growing presence in deprived regions, with 40 per cent of our schools being in high-deprivation target regions and 110,000 pupils in our partnership being eligible for Free School Meals.

Across England, we provide networks and programmes that facilitate sustainable collaboration and robust challenge between schools and trusts to realise improvement that would not be possible for any school to achieve on its own. Our programmes focus on school improvement, leadership development and knowledge exchange, with a focus on educational disadvantage throughout. These are independently evaluated, grounded in evidence of what works.

We are unique in being the only charity to systematically build school improvement capacity at scale across the country. This is delivered through three core activities: -

- **Tailored School Improvement Programmes:** we identify what each school needs to do and provide bespoke support according to their context and point on the school improvement journey.
- **Leadership Development:** we deliver programmes and networks to build leadership capacity across the education system.
- **Systematic Knowledge Exchange:** we share peer-accredited excellent practice so all can benefit.

These activities are underpinned by our flagship Quality Assurance Review (QA Review), which is a collaborative and rigorous peer review process, equipping schools with an agreed report and set of tools for development and actionable next steps. The QA Review has a sharp focus on how well schools support the outcomes of children from poorer backgrounds and/or with additional needs, captured in a discrete section of the report highlighting strong practice and opportunities for improvement. This operates at scale; cumulatively we have conducted 3,855 QA Reviews since the Charity started.

“This is my first year as Executive Headteacher, and as such, I used the review to empower my emerging senior leaders, practising my skills of delegation! It provided me with an opportunity at times to sit back and observe the process and to watch my leaders in action. This in turn has provided me with useful insights for the next development steps. It always feels like a privilege being part of a QA Review! It is a joy to see our school through the eyes of others, and to have dedicated time and space to engage in deep professional conversations and reflections”

Claire Purcell, Executive Headteacher, Dulwich Hamlet Junior School

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Objectives and activities (continued)****Our programmes:****Quality Assurance Review**

Our flagship Quality Assurance Review (QA Review) drives school and system-level improvements through a rigorous three-day assessment of teaching, curriculum, outcomes, and leadership. The process emphasizes support for disadvantaged learners and those with additional needs and as of 2025/26, evaluates engagement and inclusion.

Schools and visiting reviewers work collaboratively with an expert Lead Reviewer to identify strengths and areas for improvement. Participating schools host an annual review and reciprocate by sending leadership to review other partnership schools, providing experiential development and identifying excellent practice to share across the network.

SEND Developmental Peer Review

Our pioneering SEND Developmental Peer Review was developed and successfully piloted in 2023/24 in response to demand from school leaders. It supports mainstream schools to improve practice and outcomes for pupils with special educational needs and disabilities (SEND). At the systemic level it is giving us unique insight into what works for learners with SEND in mainstream schools, innovative approaches and how the system can be improved - insight we have shared with the Education Select Committee and the Department of Education as they consider SEND policy reforms.

The programme is based on our tried-and-tested review and improvement methodologies and was developed with global SEND expert David Bartram OBE. It brings mainstream schools together to examine their SEND practice, celebrate and share areas of strength, push forward areas for development, and co-create solutions to common challenges.

Schools are carefully matched in trios or quads beyond their locality to support, challenge and share expertise. They work through a rigorous self-evaluation, expert facilitated in-school review days, and whole cohort events.

Growing the Top

Growing the Top (GTT) is designed to support upward convergence by harnessing the practice of high-performing schools to lift the entire education system. While many resources focus on underperformance, this programme specifically extends excellence by bringing strong schools together to collaborate.

Participants are matched in trios or quads for facilitated in-school visit days led by Challenge Partners trained practitioner facilitators. These visits allow headteachers and senior leaders to explore systemic leading practice and provide constructive challenge. Additionally, two annual cohort events offer opportunities to hear from cross-sector expert speakers and network with peers.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Objectives and activities (continued)****Extending Leading Practice**

Extending Leading Practice (ELP) was launched in 2021 to provide support for schools aiming to move from good to great in line with our upwards convergence model. After three years of delivery as a dedicated programme, participants and practitioners on our Advisory Group recommended merging it with GTT. From September 2025, GTT and ELP were merged into one programme, under the name of 'Growing the Top'. The merger was designed to increase opportunities for schools previously rated as Ofsted Good or Outstanding to work together, while intelligent matching would ensure the schools in each trio or quad would feel like genuine peers.

Trust Peer Review

The Trust Peer Review (TPR) is an expert-led, three-day peer evaluation designed to assess a trust's effectiveness in driving improvement within its schools and enhancing outcomes for the children and young people it serves.

Reviews are led by recently retired CEOs from successful trusts, who are recruited, trained and quality assured by Challenge Partners. They lead a team of trust leaders drawn from different trusts across the national network, collaborating with the host trust to explore its strengths, identify areas for development, and establish actionable next steps for further improvement.

Middle Leader Quality Assurance Review

The Middle Leader Quality Assurance Review (MLQAR) is a programme that helps Middle Leaders within our Hubs to develop their subject or phase provision and leadership. The MLQAR draws on the principles of our acclaimed QA Review, giving subject leaders the chance to gain valuable skills in evaluation and peer review as part of their continuous professional development.

Our networks:**The Network of Excellence**

The Network of Excellence gives our partner schools and trusts access to a rich network of knowledge, and opportunities to connect with colleagues across the country to share best practice and collaborate on shared challenges. This unique national oversight is enhanced by access to a programme of expert speakers from the education sector and beyond, addressing topical and enduring themes.

Trust Leaders' Network

Our national Trust Leaders' Network (TLN) brings together CEOs and other senior trust leaders from across England to share knowledge as well as best and developing practice. It is expertly facilitated by recently retired CEOs of successful trusts and provides a supportive space that cultivates both individual and trust development, aligned with each trust's priorities and context.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Objectives and activities (continued)****Trust Leaders' Network (continued)**

TLN members have access to a range of activities across the academic year, including facilitated trust visit days, interactive business webinars (delivered in partnership with the Social Business Trust), a national Trust Leaders' Conference and our optional two-day Leadership Residential.

Jubilee Networks

Jubilee Networks (JN) were relational networks that enabled headteachers to build strong connections with peers across a region, where they shared knowledge, experience and school improvement strategies. In Autumn 2024, after four years of delivery as Jubilee Networks, a practitioner-led decision was made to increase our local collaboration opportunities by either integrating the three existing Jubilee Networks into Challenge Partners' Hubs or allowing them to re-organise as a new Hub. This was based on feedback from JN schools on what they value most highly from their local network and discussion with JN facilitators.

We are pleased that from 2025/26 onwards, all schools previously in a JN will have all the benefits of local collaboration through Hub activities. Within a Hub, schools have the opportunity to collaborate within or across phases, hear from guest speakers, discuss live issues, share leading practice and deepen their local network, thereby increasing support for leaders at all levels.

Local Hubs of Collaboration

Local collaboration is an essential element of the work Challenge Partners' schools and trusts do together to improve outcomes. Schools in our Network of Excellence join forces in local Hubs to collaborate on collectively agreed school improvement and leadership development initiatives.

Knowledge Exchange

Knowledge exchange is embedded into the design of every Challenge Partners' programme, network and event, facilitating effective practice to be transferred between schools and trusts, both locally and nationally, so ensuring every leader, teacher and pupil can benefit from the combined wisdom of the system.

We identify current and emerging leading practice and carefully facilitate forums, thereby establishing the moral and social capital for teachers and leaders to exchange lessons from their successes and jointly address sector challenges.

Areas of Excellence are accredited by peer and Lead Reviewers during QA Reviews. Once accredited, schools and trusts are supported and encouraged to share their expertise with their peers nationwide.

Objectives and activities (continued)

Knowledge Exchange (continued)

Our approach ensures that Four Capitals of effective knowledge exchange are always present:

Moral capital
We create the moral climate for knowledge sharing based on an explicitly articulated, shared moral purpose.

Knowledge capital
We are systematic in identifying excellent practice and those that have the knowledge of leading practice to share. We never recycle mediocrity.

Social capital
We include activities that build relationships of trust at each event and over time so that teachers and leaders are confident to share their knowledge effectively.

Organisational capital
We invest in the organisational systems to enable knowledge exchange to take place and for agreed actions to be followed through. By taking care of this for leaders and teachers we enable them to focus on purposeful knowledge exchange.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

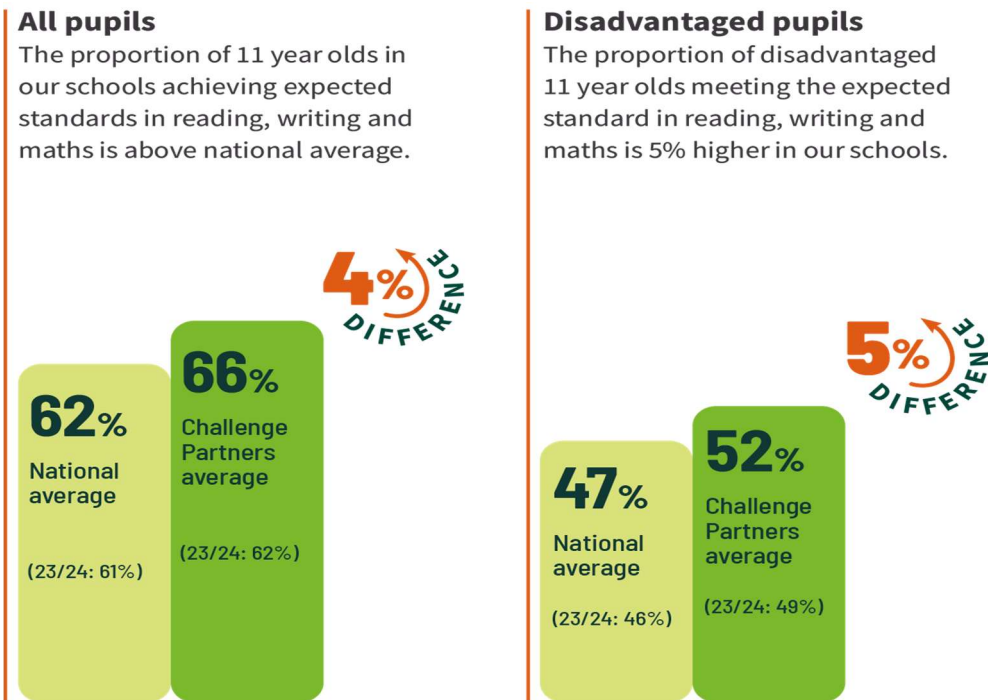
Achievements and performance

In 2024/25 we benefited over 410,000 pupils in our partnership of 540 schools and 135 trusts. Further information on our impact is detailed below and can also be found in our 2024/25 Impact Report.

Comparing our partnership and the sector

Primary (Key Stage 2) results¹

Consistent with previous years, Challenge Partners’ schools outperformed national averages in statutory tests at age 11 and public examinations at age 16. This means thousands more pupils are gaining the qualifications that will unlock their future life chances.



If all primary schools performed at the level of our schools, around 8,000 more disadvantaged 11 years olds would meet the expected standard.

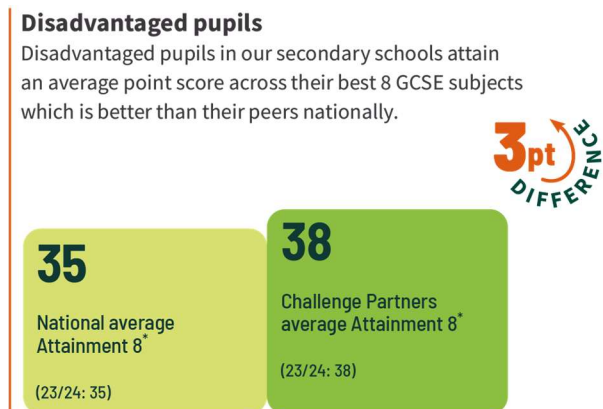
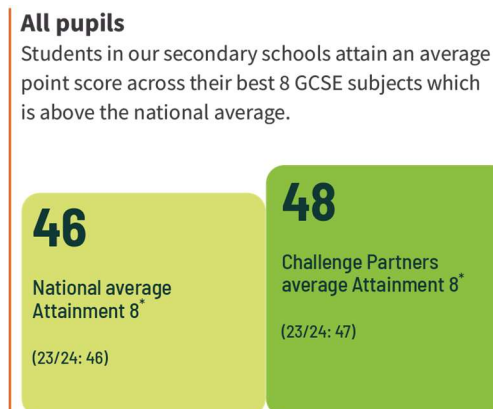
¹ All figures refer to state-funded mainstream schools in England. KS2 data using provisional data released in December 2025.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Achievements and performance (continued)

Comparing our partnership and the sector (continued)

Secondary (Key Stage 4) results²



Our long-term impact

We are proud that our schools and trusts gain so much from being in Challenge Partners that many return year after year, despite other calls on their budgets. This indicates the impact and excellent value for money our programmes and networks provide.

The average length of time our 2024/25 schools had been with Challenge Partners was almost five years and nearly 200 of them had been with us for six years or more. For school trusts the average tenure was three years. The data on page 12 highlights how schools in Challenge Partners have bucked national trends when it comes to securing improvements in attainment values for pupils eligible for Free Schools Meals over the period (2019-2024), despite the challenges of the COVID-19 period³.

² All figures refer to state-funded mainstream schools in England. KS4 data using provisional data released October 2025.

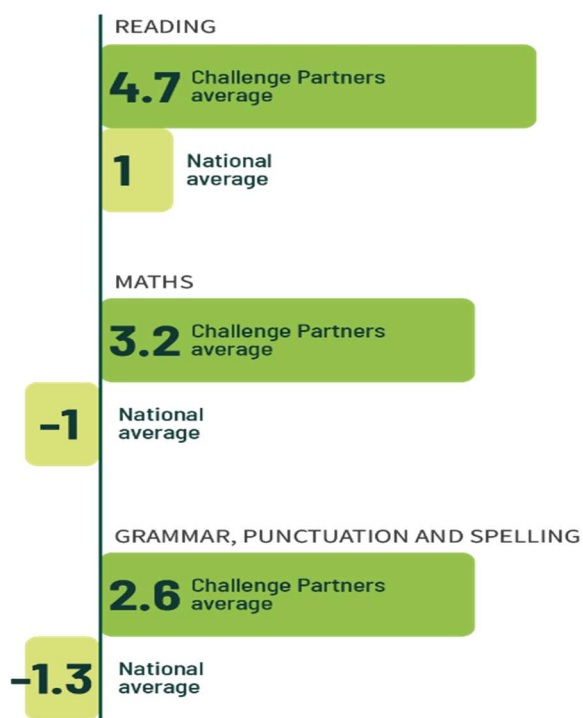
³ Independent longitudinal analysis produced by one of our funders.

*Attainment 8 is a measure showing a student’s average score across their best 8 GCSEs, including double-weighted English and Maths, with a maximum 90 points.

Achievements and performance (continued)

Comparing our partnership and the sector (continued)

5-year change in Key Stage 2 scaled scores for disadvantaged primary pupils (2019-24)



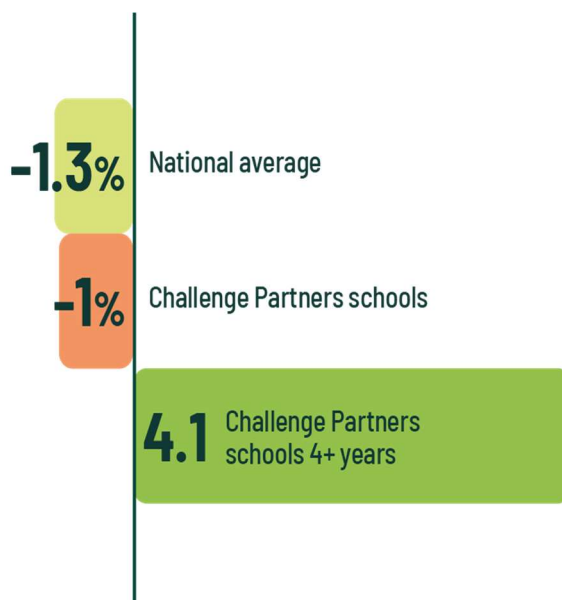
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Achievements and performance (continued)

Our long-term impact (continued)

We recognise that education is a complex system with multiple interconnected drivers and the performance we measure is impacted by a range of factors. However, this analysis aligns with other indicators of impact, including independent evaluation, inspection data, school feedback and our school and trust retention rates and we are proud of the scale of impact we have in and beyond our partnership.

5-year change in proportion of disadvantaged secondary students passing GCSE (with a grade 4+) in English and Maths (2019-24)



REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Achievements and performance (continued)

Our programmes:

Quality Assurance Review

In 2024/25 we delivered 408 QA Reviews: 182 primary, 127 secondary, six all-through, 89 special, three alternative provision and one post-16. We also maintained extremely high satisfaction ratings from both host schools and reviewers, with 97% and 99% being satisfied or highly satisfied respectively with their experience.

99% of reviewers brought an idea back to their own schools to discuss as a result of taking part in a QA Review in the past year.

The QA Reviews drive continuous and sustained improvement in our schools, while enabling us to identify, accredit and share excellence, spreading strong and innovative practice quickly across the country. In 2024/25, there were 82 new Areas of Excellence accredited as part of our QAR process, further increasing the excellent practice accessible to schools across the partnership. The new accreditations fall into the follow categories:

CATEGORY	NUMBER OF AREAS OF EXCELLENCE ACCREDITED
Curriculum	12
Equality and Inclusion	24
Leadership and Ethos	23
Outcomes for Pupils	2
Pupil Learning	5
School Improvement	1
Subjects	11
Teaching	4

Schools can decide whether they wish to receive an overall Peer Evaluation Estimate (an Estimate), which benchmarks and tracks where they are at in the school improvement journey and is collectively agreed by the review team. The agreed Estimate can be: Leading, Effective or Working Towards Effective. The Estimate 'Leading' mirrors the Challenge Partners' ethos where schools performing at an exceptional level lead the way by sharing their practice with others.

In 2024/25, 200 schools opted to not receive written estimates for their QA Review reports, a slight increase on 2023/24.

All schools evaluated as Effective in a QA Review in 2023/24 either improved or sustained their performance in 2024/25 and 97% of schools that were evaluated as Leading in a 2023/24 QA Review sustained their performance in 2024/25.

These figures indicate a continuation of a historic trend seen in Ofsted inspection data, whereby Challenge Partners' schools have been far more likely than other schools to retain Ofsted outstanding judgements or improve their performance to good or outstanding. We have not presented an analysis of Ofsted performance of our partnership due to ongoing changes to the inspection system, which make meaningful comparisons impossible.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Achievements and performance (continued)****SEND Developmental Peer Review**

In 2024/25, 43 schools – 28 primary and 15 secondary – took part in the first full year of the programme. The cohort spanned from Southampton to Manchester, encompassing schools from small village settings in Wiltshire and Buckinghamshire to large, diverse urban schools in London and Liverpool. Each group of schools was supported by an expert SEND Lead Facilitator, who was recruited, trained and quality assured by Challenge Partners.

We received incredibly positive feedback and satisfaction levels were high, with both host schools and visiting school leaders rating visit days 4.8/5.

- 97% of participants had seen, learned or discussed something that will support their own school to improve SEND provision in the longer term
- 91% had seen, learned or discussed something that will support their own school to improve SEND provision in the short term

Growing the Top

Twenty-six schools took part in 2024/25, nine secondary, six primary and 11 special schools.

The average satisfaction score was 4.7 out of 5 for host schools and 4.9 out of 5 for visiting school leaders.

- 96% of participants had seen or learned something they wanted to share with other senior leaders in their school

Extending Leading Practice

In 2024/25, there were 28 participating schools, (four secondary, 16 primary and eight special schools). The average feedback score was strong at 4.7 out of 5 for host schools and 4.8 out of 5 for visiting leaders.

The ELP programme shared its in-person launch event with the GTT cohort and its in-person wrap-up event with both the GTT and SEND Developmental Peer Review cohorts to promote networking and collaboration across programmes. ELP participants in 2024/25 gave an average satisfaction rating of 4.3 out of 5 across the two events held in the year.

Trust Peer Review

In 2024/25 we delivered five TPRs, using 34 trust leaders as visiting reviewers. Satisfaction with the programme was exceptionally high, with 100% of host trust respondents and visiting reviewers either satisfied or highly satisfied with their experience of TPR. All host trust respondents felt that participating in the Trust Peer Review will improve the life chances of pupils, especially those from disadvantaged backgrounds or with SEND.

Middle Leader Quality Assurance Review

Nine Hubs used their funding in 2024/25 to access training and materials to deliver the MLQAR, giving middle leaders this distinctive development opportunity to strengthen peer review and evaluation skills.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Achievements and performance (continued)****Our networks:****Network of Excellence**

We held two National Network Conferences in 2024/25, which received an average overall satisfaction rating of 4.7/5. Each conference brought in leading policy makers and speakers to focus on our theme of Change and Resilience, inviting exploration of policy and accountability changes following the July 2024 election, as well as the resilience leaders require to lead their teams through this transition.

90% of those who evaluated the National Network Conference saw or learned something they would like to share with senior leaders or others in their school.

Trust Leaders' Network

2024/25 was the fifth year of the TLN and membership remained at 41 trust leaders. While the majority were based in London and the South of England, we also had a strong presence in the North West and Midlands, further enhancing our geographical spread. Most trusts were small to medium in size, with four larger trusts comprising more than 20 schools. We carefully selected four trusts across the country (Futura Learning Partnership, LEO Academy Trust, United Learning and Solent Academies Trust) to host visits throughout the year to explore a broad range of topics in diverse settings. In 2024/25 we introduced key themes for our trust visits, which were identified by network members and revisited at each event. These included SEND and inclusion, trust growth and mergers, organisational strategy and curriculum and navigating policy change. We also hosted two business webinars which had a significant increase in participant satisfaction compared to 2023/24.

Our eighth annual Trust Leaders' Conference explored our 2024/25 theme of *Change and Resilience*. Feedback was excellent, with an overall satisfaction score of over 4.9/5. Both satisfaction and attendance were our highest ever for a Trust Leaders' Conference, with a record 70 trust and education leaders joining us for this interactive event.

Satisfaction levels were overwhelmingly positive for all aspects of the TLN offer:

- Trust visits received an average overall satisfaction score of 4.9/5. 97% of trust leaders taking part in a trust visit learned something they would use in their long-term trust development
- Webinars: All participants were satisfied or highly satisfied. 100% of respondents taking part in a business webinar learned something they would be taking back to their own trust in their leadership role

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Achievements and performance (continued)****Jubilee Networks**

In 2024/25, three JNs were in operation: Midlands Primary (13 schools), Midlands Secondary (17 schools) and South Central Secondary (7 schools). After a virtual launch event, schools in each group took it in turns to host four meetings across the year, showcasing areas of strength and areas for development. This provides inspiration for visiting headteachers to stimulate improvement in their own schools, while the host school benefits from feedback and questions to develop their approach further.

Participant feedback from the JN meetings was very positive, with an average satisfaction rating of 4.8 out of 5 for the practitioner facilitation of each meeting, and an overall satisfaction rating of 4.7 out of 5 for the meetings overall.

Local Hub Collaboration

In 2024/25, our 34 Local Hubs demonstrated the power of sustained collaboration and shared purpose across our network. Each Hub reflected the character and priorities of its local area, which in turn shaped each Hub Action Plan. Despite regional differences, many Hubs converged around shared focus areas, the most prominent of which being SEND, with nearly all Hubs working to improve outcomes, provision models, and leadership structures for pupils with additional needs. There was also a strong cross-Hub focus on leadership development at all levels, curriculum development, and improving outcomes for disadvantaged and vulnerable pupils.

Knowledge Exchange

In September 2024, we ran our highly rated facilitation training for selected school and trust leaders.

Now in its fifth year, this bespoke training provides outstanding preparation for those leading collaboration across our programmes and networks, ensuring that best practice is shared widely and the level of challenge is appropriate. It also serves as powerful professional development, building leadership capacity across the education system. Participants rated the training 4.7 out of 5 overall.

“Lots of activities and opportunities to discuss. Even as a standalone event this was incredibly useful.”

Ben White, Head of School, Ibstock School, LiFE Multi Academy Trust

Peer and Lead Reviewers accredited 82 new Areas of Excellence in the 2024/25. Once accredited, schools and trusts are supported and encouraged to share their expertise with their peers nationwide. More details of this can be found in QA Review achievements on page 14.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Plans for future periods

Strategic Plan

In January 2023, we launched our five-year 'Grow for Good' plan. As we approached its midpoint in 2025, our trustees decided to review and extend this strategy to 2030.

This decision was driven by two main factors: a significant shift in context since the original plan was developed during the pandemic and our excellent progress toward our initial goals. This success has positioned us to set even more ambitious targets for 2030.

As with our previous plan, practitioners, particularly those within our Education Advisory Group, were integral to the strategy development process. The plan also benefited from external scrutiny and challenge from Bain & Company (introduced to us by the Social Benefit Trust) and The Permira Foundation, before being finalised by our trustees.

As a result, our refined and extended 2030 strategy describes our vision for a future where every child can flourish and every community can thrive. It describes the actions we will take to achieve this.

By 2030 we aim to:

- Benefit at least **half a million pupils each year**
- Reach and benefit more **disadvantaged pupils** and learners with SEND, particularly in high-need areas
- Strengthen **policy and system influence**, using our unique data and insight to benefit all schools
- Sustain **innovation and excellence** in our programmes and networks
- Secure ongoing organisational **sustainability**, operational efficiency, and resilience

The progression of our strategic initiatives has been mapped out over the five-year strategy period and translated into six annual priorities for 2025/26, which are:

- Embedding the efficient delivery of processes for our **school improvement programmes**
- **Reaching and retaining more schools and trusts**, focussing on underserved areas and meeting the needs of vulnerable pupils, whilst embedding our account management methodology
- Embedding our DEI strategy and **enhancing our Employee Experience** and further developing our HR, IT and Finance processes and systems
- Further **develop our Hubs** as vibrant and connected communities of practice
- Ensuring our charity wide business system is fit for purpose and **leveraging our unique data**
- **Growing our fundraising resources** to cover core costs and accelerate our impact ambitions

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Financial Review****Financial performance**

Challenge Partners' statement of financial activities (SOFA) is shown on page 30 of this report. We received £3.3 million of income in the year ending 31 August 2025 (2024: £3.3 million), with outgoings totalling £3.2 million (2024: £3.2 million), delivering a surplus of £0.1 million (2024: £0.1 million).

Principal funding sources

The principal sources of funding for the year were:

- £2.8 million from the Network of Excellence, primarily partnership subscriptions. These funds are used to support schools in improving at a rate above the national average. Income in this area in 2024/25 was two percent below our 2023/24 in partnership income. School numbers in our partnership decreased by six percent over this same period, where a number of schools decided not to continue their subscriptions owing to financial constraints. The income decrease linked to school numbers was offset by an annual inflationary subscription price increase.
- £0.4 million from grant income, donations and donations of services and gifts (2024: £0.4 million), £0.14 million (2024: £0.17 million) of which came in the form of a donation of services for business consulting. We are very grateful to the Social Business Trust for facilitating these donated services and to the actual volunteers who donated their time to further our charitable causes.

Expenditure

Total expenditure decreased by £0.04 million year on year, which is mainly explained by the decrease in donations of services year on year, as donations of services are valued and recorded as expenditure and income, effectively cancelling each other out.

Reserves

Reserves held as at the end of the year amounted to £0.7 million (2024: £0.5 million). The reserves were split as follows:

- unrestricted reserves £0.7 million (2024: £0.5 million)
- restricted reserves £nil (2024: £nil)

Financial position and future outlook

The Charity concluded the year in a stable financial position, underpinned by a resilient subscription model. Since the year-end, our capacity to deliver our long-term strategic plan has been significantly bolstered by a major funding success. On 15 December 2025, Challenge Partners was awarded an unrestricted grant totalling £173,379 (€200,000) from The Permira Foundation Growth Fund. This award is the first instalment of a four-year unrestricted grant amounting to £823,550 (€950,000). These funds will support our strategic plan through to 2030, with further annual payments of £216,723 (€250,000) expected equally over the next three years.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Fundraising

Overview

Challenge Partners actively solicits grants from trusts, foundations, corporates and private donors, alongside generating income from school and trust subscriptions. Fundraising activities account for approximately 8 per cent of the charity's total income for the year and consist mainly of targeted fundraising from trusts, foundations and corporates and relationship-based giving from a small number of high-net-worth individuals.

All fundraising activities are undertaken to support the delivery of the charity's charitable objectives. Grant income has been a critical enabler of our 'Grow for Good' strategy which set out our ambitious goal to reach 500,000 pupils per year by 2027, growing fastest in under-served regions in the North and Midlands to enhance our impact on disadvantaged students. We are on track to achieve this: in 2024/25 our school and trust programmes and networks benefited over 410,000 pupils (up from 385,000 pupils in 2023/24). Forty per cent of our schools are in high-deprivation target regions, up from 31 per cent when the strategy was launched.

Challenge Partners did not use professional fundraisers or commercial participators during the year. All fundraising activities were carried out by the charity's staff and trustees. Christopher Davison, who was our Chair of Trustees until April 2025 when his final trustee term expired, continues to support our fundraising activities on a voluntary basis. We continued to work with fundraising consultant Doug Thomson, who conducted our fundraising feasibility study in 2024 and continues to provide strategic guidance and advice on our approach.

Fundraising regulation and compliance

Our Fundraising and Donations Policy, updated and ratified in June 2025, incorporates the updated Fundraising Regulator Code of Fundraising Practice and relevant guidance from the Charity Commission. Our trustees are aware of their role in ensuring compliance with our policy and these regulations where relevant to the charity's activities. In light of the limited and non-public nature of its fundraising, the charity is not registered with the Fundraising Regulator. Challenge Partners received no complaints in relation to fundraising activities during the year.

Protection of the public and vulnerable people

Fundraising activity is limited to formal grant applications and direct engagement with known donors. As we do not fundraise from the general public, the trustees consider the risk of undue pressure, unreasonable intrusion or impact on vulnerable people to be negligible.

The charity has appropriate policies and procedures in place to ensure fundraising is carried out ethically and with proper oversight, including trustee review of significant fundraising relationships and due-diligence procedures in respect of donations received.

Fundraising performance and risk

Fundraising income for the year was broadly in line with expectations. Fundraising performance and associated risks are reviewed regularly by the trustees. The trustees recognise the risk associated with reliance on a small number of funding sources and continue to seek to diversify income streams where appropriate. In the coming year, we will steward our existing relationships while developing new relationships with trusts, foundations, corporates and high-net-worth individuals who share our values and goals. Our fundraising efforts will focus on our updated 2030 Strategy, the next chapter in our mission to tackle disadvantage, strengthen inclusion, and shape a fairer education system where every child can thrive.

We are seeking donors to support our plans to:

- Accelerate the growth of Challenge Partners Hubs in the North East, West Midlands, and South Yorkshire, reaching the pupils and communities that need us the most
- Sustain innovation and excellence in our programmes and networks, including our pioneering SEND Developmental Review Programme
- Strengthen our influence across education policy and practice
- Build long-term organisational resilience and impact, enabled by an ambitious digital upgrade plan

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Reserves Policy**

Throughout 2024/25, the Charity maintained an unrestricted cash reserves policy that stipulated that of no less than three months of average cash expenditure, with an expectation that reserves will be maintained with at least six months unrestricted cash reserves at any one time. These cash reserves allowed Challenge Partners to address and financially manage the consequences of any unforeseen events or to take advantage of fresh opportunities that further Challenge Partners' aims and objectives.

A Red-Amber-Green (RAG) rating was adopted in this area, to report to the Trustees to ensure that cash reserves remained strong. Unrestricted cash reserves at 31 August 2025 and a forecast for the 12 months ending 31 August 2026 were at RAG status Green.

Unrestricted cash reserves as at 31 August 2025 amounted to £2,912,066 (2024: £2,829,330).

In addition to the above, cash, income and expenditure forecasts are updated on a monthly basis to communicate to Trustees. The Chair of the Finance and Audit Committee (FAC) is consulted if there is a material deviation from agreed budgets and plans. Theoretical financial winding up scenarios are also modelled once a year to ensure that reserves are sufficient to cover such an event. Our reserves policy is also reviewed and updated where relevant every year by the FAC.

In September 2025, the Trustees approved a new reserves policy that was deemed to better meet the needs of the Charity in the future. This new policy sets an objective to maintain a minimum unrestricted reserves level equivalent to three months of average operating costs that have more than seven days-notice of termination with suppliers. This minimum level is calculated as £580,000 for 2025/26 and is forecast to be maintained at least at this target level by the end of the 2025/26 accounting period.

Principal Risks and Uncertainties

Risk management is central to Challenge Partners' ability to deliver its mission and objectives. Challenge Partners applies multiple ways of identifying and managing risks through the Leadership Team (LT), the FAC and the Board.

The organisational risk register is a shared tool through which we record financial, strategic and operational risks and strategies to mitigate these risks. The Board leads on the review and approval of the organisational risk register. This process helps Challenge Partners to identify and assess potential risks and to develop effective mitigation strategies.

Financial risk management is implemented through rigorous budget control and monthly cash flow management, which ensures only secured funds are spent. The LT interacts with the FAC and implements a scheme of delegation on issues that need reporting to the FAC. Monthly management accounts discussions are held at LT level and at the FAC. The management accounts are also presented to the Board. The FAC reviews risks, challenges and key financial management policies and assumptions. The FAC ensures that the annual budget is adequately funded and makes recommendations to the Board for adoption.

Strategic risks are identified by the LT, who lead on managing these risks and notifying the FAC and the Board.

Operational risk is identified and bespoke mitigations are undertaken by the delivery teams, who review programme activities as part of their regular programme monitoring schedule.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Principal Risks and Uncertainties (continued)

Challenge Partners identified and mitigated for the following key risks in 2024/25:

Major risk	Mitigations
<p>Income and reserves</p> <ul style="list-style-type: none"> Income - Insufficient income from subscriptions and fundraising to meet our expenditure and maintain fund reserves limits our scope for investment in innovation and deters potential funders. Expenditure - Inflationary pressures on budgets due to national economic conditions lead to expenditure coming in over budget. 	<ul style="list-style-type: none"> Diversification of income with innovations, and new programmes introduced in 2023/24. Additional focus has been placed on account management strategy and local Hub quality processes. Enhanced focus on the fundraising process and fundraising opportunities for Challenge Partners, underpinned by incremental fundraising expertise and resources. All expenditure is tightly monitored against an approved budget and a procurement policy.
<p>Educational landscape: Our offer loses relevance</p> <ul style="list-style-type: none"> The trust sector matures (i.e. trusts grow and consolidate) and trusts develop greater in-house capacity for delivering their own QA review. Ofsted changes (or changes to its accountability framework) may lead to aspects of our QA Review not being so relevant to schools. 	<ul style="list-style-type: none"> The Trust Advisory Group provides advice on the relevance of our trust programmes and networks and how to adapt as trusts mature. Our Education Advisory Group and individual programme and network advisory groups ensure we are relevant and aligned with changes in the sector. The QA Review advisory groups (strategic and operational) are providing advice on accountability framework changes and ensuring our high QA Review standards are maintained. We have completed a review of our trust programmes and networks in 2024/25, and we are satisfied that we are still relevant to maturing trusts.
<p>Safeguarding, Compliance and Reputation</p> <ul style="list-style-type: none"> There is a reputational and safety risk if safeguarding processes and procedures are not followed by Challenge Partners' employees, contractors (Lead Reviewers) and school leaders representing Challenge Partners (e.g. Facilitators and Senior Partners). 	<ul style="list-style-type: none"> Utilising independent external advice to strengthen internal processes and policies. Compulsory annual training for Challenge Partners employees, Lead Reviewers and Facilitators. Fully trained internal resource to monitor and react to potential safeguarding issues and the Appointment of a Lead trustee for Safeguarding (Alison Beane OBE). Safer recruitment checks for employees, volunteers (e.g. Facilitators) and Lead Reviewers.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Structure, Governance and Management**

Challenge Partners was incorporated as a Company Limited by Guarantee on 27 April 2012. It was registered as a Charity (standard registration) and is governed by its most recent Articles of Association, as amended on 3 December 2020. Challenge Partners is a charity registered in England and Wales (1149266) and is regulated by the Charity Commission.

Challenge Partners has a Board of Trustees committed to manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Acts, our Articles or any Special Resolution. Our Articles state that the number of trustees appointed at any one time, shall not be less than three and (unless otherwise determined by the trustees) there will be no maximum number. The trustees must also ensure that there are always sufficient trustees to adequately govern the Charity. The Chief Executive shall be a Trustee ex officio and any individual who becomes a trustee will automatically be deemed to have been also appointed as a member.

The term of office for all trustees (save for the Chief Executive) is three years. Trustees are eligible for reappointment at the end of their term up to a total maximum of three consecutive terms, following which they will not be eligible for appointment again for one year. In exceptional circumstances and where it is in the interest of the Charity to do so, trustees may agree by Special Resolution to reappoint a trustee for a further specified term of no more than one year, following which they will not be eligible for appointment again for one year.

On 27 January 2025, following a competitive selection process, led by our Nominations Committee, the Board of Trustees approved the appointment of Susanna Eastham to the position of Chair of Challenge Partners' Board of Trustees. She started the role on 16 April 2025, when our previous Chair, Christopher Davison's final term of office with the Charity came to an end.

On 25 June 2025, following a competitive selection process, led by our Nominations Committee, the Board of Trustees approved the appointment of Lucinda Ingram to the new position of Vice Chair of the Challenge Partners' Board of Trustees. She started the role on 24 September 2025.

In 2024/25 the following Board Committees were active:

- The Finance and Audit Committee, which monitors and reviews audit activities, the risk and control framework, along with the Trustee reports and financial statements, with the following trustees being members of this committee:
 - Janine Harion (Chair)
 - Pavandeep Bansal (appointed as a member 19 November 2024)
 - Christopher Davison (resigned as a Trustee and a member of the committee 15 April 2025)
 - Arwel Jones (resigned as a Trustee and a member of the committee 15 April 2025, but continued to serve as an independent advisor to the committee)
 - Gary Lewis (appointed as a member 19 November 2024)
- The Fundraising Oversight Committee, which monitored progress on fundraising activities and reviewed future proposals in this area, with the following trustees being members of this committee:
 - Christopher Davison (Chair)
 - Louise Wolsey
 - The Fundraising Oversight Committee was dissolved on 31 March 2025, with fundraising oversight being continued directly by the Board of Trustees. Christopher Davison continues to act as an independent advisor to our fundraising activities.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Structure, Governance and Management (continued)**

- The Nominations Committee (created on 17 September 2024), which monitors the appointment, onboarding, training and skills mix of all trustees, with the following trustees being members of this committee:
 - Alison Beane OBE (Chair)
 - Candice Lott
 - Vijita Patel (resigned as a member on 24 March 2025)

The Board of Trustees delegate the responsibility for the day-to-day management of Challenge Partners to the Executive team (the Chief Executive, the Executive Director and the Managing Director) and the LT. They prepare policy, strategic and implementation plans for consideration, approval and monitoring by the Board of Trustees.

The Charity has a Scheme of Delegation policy in place which outlines how decisions are made. The policy covers decision making in all areas of Challenge Partners, clarifying which decisions are reserved to the Board and the Chief Executive and which decisions are delegated further. In addition, Challenge Partners has a Procurement policy which sets out authorisation, but with limits and conditions, to the Chief Executive, the Executive team and the LT, to commit the Charity to incur expenditure.

In 2024/25 the Executive and LT were composed of the following members, (who are the Charity's Key Management Personnel):

- Chief Executive
- Executive Director
- Managing Director
- Director of Finance and Operations
- Head of Strategy and Innovation
- Head of Programmes and Networks
- Head of Partnership Reach and Experience (started September 2024)
- Director of Digital Transformation (left July 2025)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**Trustees' Responsibility Statement**

The Trustees (who are also the directors of Challenge Partners for the purposes of company law) are responsible for preparing the Report of the Trustees and 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, HaysMac LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 25 March 2026 and signed on its behalf by:

A handwritten signature in black ink that reads "S Eastham".

Susanna Eastham – Chair of Trustees

Independent auditor's report to the members of Challenge Partners

Opinion

We have audited the financial statements of Challenge Partners for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of the charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Challenge Partners (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 25 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the members of Challenge Partners (continued)

Responsibilities of trustees for the financial statements (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the completeness and cut-off of subscription and grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the recognition of grant and subscription income.

Independent auditor's report to the members of Challenge Partners (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 Auditor's 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.

A handwritten signature in blue ink, appearing to read "Adam Halsey".

Adam Halsey (Senior Statutory Auditor)
10 Queen Street Place, London, EC4R 1AG
For and on behalf of HaysMac LLP, Statutory Auditor
London
Date: **27 March 2026**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Income from:							
Donations and legacies	2	266,003	135,835	401,838	175,000	202,303	377,303
Charitable activities	4	2,845,371	-	2,845,371	2,910,843	-	2,910,843
Investments	5	42,368	-	42,368	31,622	-	31,622
Total income		<u>3,153,742</u>	<u>135,835</u>	<u>3,289,577</u>	<u>3,117,465</u>	<u>202,303</u>	<u>3,319,768</u>
Expenditure on:							
Raising funds	6	21,852	-	21,852	4,296	-	4,296
Charitable activities	7	3,014,562	135,835	3,150,397	3,004,850	202,303	3,207,153
Total expenditure		<u>3,036,414</u>	<u>135,835</u>	<u>3,172,249</u>	<u>3,009,146</u>	<u>202,303</u>	<u>3,211,449</u>
Net movement in funds		117,328	-	117,328	108,319	-	108,319
Total funds brought forward		537,517	-	537,517	429,198	-	429,198
Total funds carried forward	19	<u>654,845</u>	-	<u>654,845</u>	<u>537,517</u>	-	<u>537,517</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure arise from continuing operations.

BALANCE SHEET AS AT 31 AUGUST 2025

Registered Company number: 08048330

	Note	2025	2024
		£	£
FIXED ASSETS			
Intangible assets	14	11,760	21,169
Tangible assets	15	6,677	9,793
		18,437	30,962
CURRENT ASSETS			
Debtors	16	626,107	613,191
Cash at bank and in hand		2,912,066	2,829,330
		3,538,173	3,442,521
CREDITORS: amounts falling due within one year	17	(2,901,765)	(2,935,966)
NET CURRENT ASSETS		636,408	506,555
NET ASSETS	20	<u>654,845</u>	<u>537,517</u>
FUNDS:			
Unrestricted funds	19	654,845	537,517
Restricted funds	19	-	-
		<u>654,845</u>	<u>537,517</u>

The financial statements were approved by the Board of Trustees and were signed on its behalf by:

S Eastham

Susanna Eastham – Chair of Trustees

Date: 25 March 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2025

	2025	2024
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	42,863	1,066,301
Cash flows from investing activities:		
Purchase of fixed assets	(2,495)	(19,280)
Proceeds on disposal of tangible fixed assets	-	80
Interest receivable	42,368	31,622
Net cash from investing activities	39,873	12,422
Increase in cash and cash equivalents in the year	82,736	1,078,723
Cash and cash equivalents at beginning of year	2,829,330	1,750,607
Cash and cash equivalents at end of year	<u>2,912,066</u>	<u>2,829,330</u>

RECONCILIATION OF THE NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income per SOFA	117,328	108,319
Adjustments for:		
Depreciation	5,317	6,372
Amortisation	9,408	7,056
Loss on disposal of fixed assets	295	1,253
Interest receivable	(42,368)	(31,622)
Increase in debtors	(12,915)	(596,755)
(Decrease)/increase in creditors	(34,202)	1,571,678
Net cash provided by operating activities	<u>42,863</u>	<u>1,066,301</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

Analysis of cash flow and net debt

	1 September 2024	Cashflow	31 August 2025
	£	£	£
Cash at bank and at hand	2,829,330	82,736	2,912,066
Total	<u>2,829,330</u>	<u>82,736</u>	<u>2,912,066</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019, as amended; Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

Having reviewed the funding facilities available to the Charity together with the expected demand and proven high renewal rates across the network and the resulting projected cash flows, the Board of Trustees have no material uncertainties with respect to the going concern status of the organisation and have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Income

All income is recognised in the SOFA in the period to which it relates to, and that it is probable that the income will be received and the amount can be measured reliably.

Each year the Charity sends renewal notices and generates new school and trust partner income prior to the year end, (which co-aligns with an English academic year end). The notices and new income are for the following academic year and as such there is no entitlement to the income in the year in which the notices/new income were issued. As a result, this income is treated as deferred income in the year end accounts.

Gifts in kind and donations of services

The Charity recognises gifts in kind, which include donated goods and donations of services, as income when the following conditions are met:

- Entitlement: The Charity is entitled to the donated goods or services.
- Measurement: The gifts can be reliably measured at fair value.
- Economic Benefit: It is probable that the economic benefits associated with the gifts will flow to the Charity.

Valuation of gifts in kind and donations of services

- Goods: Donated goods are valued at the amount the Charity would have had to pay to acquire them in the open market. If this is not readily available, the Charity uses the estimated resale value to determine fair value.
- Services: Donated services are recognised at the value the Charity would have paid for the services if not donated.

Gifts in kind and donations of services are included as both income and corresponding expenditure in the SOFA in the year they are received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)
1. ACCOUNTING POLICIES (continued)
Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds are costs incurred in attracting voluntary income.

Allocation and apportionment of costs

Support costs are expenditure incurred directly in supporting charitable activities and are allocated to activities in proportion to the use of central services. Governance costs comprise costs involving the public accountability of the Charity and its compliance with regulation and good practice.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity. This would normally be on notification of the interest paid or payable by the Bank.

Pensions
Defined contribution pension plan

A defined contribution plan is operated for its employees. A defined contribution plan is a pension plan under which Challenge Partners pays fixed contributions into a separate entity. Once the contributions have been paid, Challenge Partners has no further payment obligations.

The contributions are recognised as an expense in the SOFA when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Challenge Partners in independently administered funds.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangibles assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Website development	- 3 years straight line
---------------------	-------------------------

At each reporting date an assessment is made as to whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The assets residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**1. ACCOUNTING POLICIES (continued)****Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each tangible fixed asset over its estimated useful life.

IT equipment	- 4 years straight line
--------------	-------------------------

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The capitalisation policy is to capitalise all individual assets which cost more than £500.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank

Cash at bank 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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at a best estimate of the amounts required to settle the obligation.

Fund accounting

Unrestricted funds: General funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity. Designated funds represent funds set aside by the Trustees to fund specific projects.

Restricted funds are to be used in accordance with the specific restrictions imposed by the donors. The aims and use of restricted funds are set out in the notes to the financial statements. Income is recognised against related expenditure as it is realised.

Operating leases

Rentals paid under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)**1. ACCOUNTING POLICIES (continued)****Judgments in applying accounting policies and key sources of estimating uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main items within the financial statements where judgements and estimates have been made is in relation to the valuation of gifts in kind and provisions with respect to trade debtors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

2. INCOME FROM DONATIONS AND LEGACIES

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Donations		26,003	-	26,003
Donations of services		-	135,835	135,835
Grants	3	240,000	-	240,000
Total Income		<u>266,003</u>	<u>135,835</u>	<u>401,838</u>

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations of services		-	174,583	174,583
Gifts in kind		-	4,600	4,600
Grants	3	175,000	23,120	198,120
Total Income		<u>175,000</u>	<u>202,303</u>	<u>377,303</u>

3. LIST OF GRANTS

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
The Permira Foundation		240,000	-	240,000
Total Income	2	<u>240,000</u>	<u>-</u>	<u>240,000</u>

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
The Permira Foundation		150,000	-	150,000
Garfield Weston Foundation		25,000	-	25,000
The David and Elaine Potter Foundation		-	20,660	20,660
Social Business Trust – Digital Impact Fund		-	2,460	2,460
Total Income	2	<u>175,000</u>	<u>23,120</u>	<u>198,120</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Network of Excellence programmes	2,828,939	-	2,828,939
Other income	16,432	-	16,432
Total Income	<u>2,845,371</u>	-	<u>2,845,371</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Network of Excellence programmes	2,909,446	-	2,909,446
Other income	1,397	-	1,397
Total Income	<u>2,910,843</u>	-	<u>2,910,843</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Interest received	<u>42,368</u>	-	<u>42,368</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Interest received	<u>31,622</u>	-	<u>31,622</u>

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Costs of raising voluntary income	<u>21,852</u>	-	<u>21,852</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Costs of raising voluntary income	<u>4,296</u>	-	<u>4,296</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Network of Excellence programmes	3,014,562	-	3,014,562
Strategic business development	-	135,835	135,835
Total	<u>3,014,562</u>	<u>135,835</u>	<u>3,150,397</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Network of Excellence programmes	3,004,850	27,720	3,032,570
Strategic business development	-	174,583	174,583
Total	<u>3,004,850</u>	<u>202,303</u>	<u>3,207,153</u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs £	Support costs £	Total 2025 £
Charitable activities	<u>2,674,241</u>	<u>476,156</u>	<u>3,150,397</u>

	Direct costs £	Support costs £	Total 2024 £
Charitable activities	<u>2,747,866</u>	<u>459,287</u>	<u>3,207,153</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

9. SUPPORT COSTS

	Note	2025 £	2024 £
Salary costs		260,734	260,167
Staff related costs		13,240	15,196
Sub-contractor fees		54,158	60,200
Travel costs		6,560	6,013
Recruitment		19,127	17,358
Rent and office costs		36,104	28,829
IT costs		20,784	20,151
Telephone		5,496	3,301
Sundries and subscriptions		2,450	1,674
Depreciation and amortisation		14,725	13,428
Loss on disposal of fixed assets		295	1,253
Insurance		6,014	4,373
Legal and professional		3,311	1,083
Accountancy		11,311	5,381
Charitable and political donations		-	180
Governance costs	10	21,847	20,700
Total support costs		<u>476,156</u>	<u>459,287</u>

10. GOVERNANCE COSTS

	Note	2025 £	2024 £
Auditor's remuneration and other minor expenses	9	<u>21,847</u>	<u>20,700</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

11. NET EXPENDITURE

	2025	2024
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration	21,528	20,700
Fees payable to the auditor in respect of all non-audit services	-	1,800
Depreciation	5,317	6,372
Amortisation	9,409	7,056
Operating leases – rent, service charge and telephony	40,087	22,675

12. TRUSTEES' REMUNERATION AND BENEFITS

Dr Katherine Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Remuneration was in the range £130,001 - £140,000 (2024: £130,001 - £140,000). Additional pension payments amounted to £6,902 (2024: £6,695). Private health cover costs of £329 (2024: £315) were also paid. The payments have been authorised in accordance with the Charity's governing document.

Trustees' expenses

One Trustee was reimbursed travel expenses of £75 (2024 - £61, two Trustees) during the year.

13. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	1,279,747	1,266,270
Social security costs	145,176	136,026
Pension costs	55,874	60,823
	<u>1,480,797</u>	<u>1,463,119</u>

Termination payments of £24,705 were made in the year ending 31 August 2025 (2024 - £27,561).

The total remuneration of Key Management Personnel in the year was £768,848 (2024: £714,431).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

13. STAFF COSTS (continued)

Key Management Personnel comprise:

- Chief Executive
- Executive Director
- Managing Director
- Director of Finance and Operations
- Head of Strategy and Innovation
- Head of Partnerships Reach and Experience (started September 2025)
- Head of Programmes and Networks
- Director of Digital Transformation (left July 2025)

The average monthly number of employees during the year was as follows:

	2025 No.	2024 No.
Head count	26	27
Full time equivalent employees	25	25

The number of employees whose employee benefits (excluding employer pension contributions and employer national insurance contributions) exceeded £60,000 was:

	2025 No.	2024 No.
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£130,001 - £140,000	1	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

14. INTANGIBLE ASSETS

	Website development £
COST	
Opening balance 1 September 2024	28,225
Additions	-
At 31 August 2025	28,225
AMORTISATION	
Opening balance 1 September 2024	7,056
Charge for the year	9,409
At 31 August 2025	<u>16,465</u>
NET BOOK VALUE	
At 31 August 2025	<u>11,760</u>
At 31 August 2024	<u>21,169</u>

15. TANGIBLE FIXED ASSETS

	IT equipment £
COST	
Opening balance 1 September 2024	21,927
Additions	2,495
Disposals	(3,814)
At 31 August 2025	<u>20,608</u>
DEPRECIATION	
Opening balance 1 September 2024	12,134
Charge for the year	5,317
Disposals	(3,520)
At 31 August 2025	<u>13,931</u>
NET BOOK VALUE	
At 31 August 2025	<u>6,677</u>
At 31 August 2024	<u>9,793</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	576,581	589,214
Other debtors	29,684	3,284
Prepayments	19,842	20,693
	<u>626,107</u>	<u>613,191</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	9,760	30,873
Social security and other taxes	197,850	194,165
Other creditors	30,728	16,976
Deferred income	2,565,969	2,619,916
Accrued expenditure	97,458	74,036
	<u>2,901,765</u>	<u>2,935,966</u>

18. DEFERRED INCOME

	2025	2024
	£	£
Opening balance	2,619,916	1,037,132
Amounts released to income in the year	(2,619,916)	(1,037,132)
New funds deferred during the year	2,565,969	2,619,916
Balance carried forward	<u>2,565,969</u>	<u>2,619,916</u>

Deferred income predominantly relates to subscriptions income that has been invoiced in advance of the next financial year. Subscription fees relate to a maximum period of 12 months, i.e. co-aligned with an English academic year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

19. STATEMENT OF FUNDS

CURRENT YEAR
UNRESTRICTED FUNDS

	1 September 2024	Income	Expenditure	31 August 2025
	£	£	£	£
General funds	<u>537,517</u>	<u>3,153,742</u>	<u>(3,036,414)</u>	<u>654,845</u>

RESTRICTED FUNDS

	1 September 2024	Income	Expenditure	31 August 2025
	£	£	£	£
Donations of services	-	135,835	(135,835)	-
Total	-	<u>135,835</u>	<u>(135,835)</u>	-

PRIOR YEAR
UNRESTRICTED FUNDS

	1 September 2023	Income	Expenditure	31 August 2024
	£	£	£	£
General funds	<u>429,198</u>	<u>3,117,465</u>	<u>(3,009,146)</u>	<u>537,517</u>

RESTRICTED FUNDS

	1 September 2023	Income	Expenditure	31 August 2024
	£	£	£	£
The David Potter and Elaine Potter Foundation	-	20,660	(20,660)	-
Social Business Trust – Digital Impact Fund	-	2,460	(2,460)	-
Donations of services	-	174,583	(174,583)	-
Gifts in kind	-	4,600	(4,600)	-
Total	-	<u>202,303</u>	<u>(202,303)</u>	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS (continued)

2024/25

Donations of Services: This fund relates to the development and growth of Challenge Partners via strategic business development and was supported by Social Business Trust.

2023/24

The David and Elaine Potter Foundation provided funds to facilitate school collaboration via digital transformation within Challenge Partners.

Social Business Trust provided funds to further enhance the digital transformation of the Challenge Partners' booking interface with schools and trusts.

Donations of Services: This fund relates to the development and growth of Challenge Partners via strategic business development and was supported by Social Business Trust.

Gifts in Kind: Office furniture was donated by Mastercard and Clifford Chance. The process was facilitated by Clifford Chance. All items of furniture were valued below Challenge Partners' minimum capitalization levels and therefore fully written off to the SOFA in 2024.

20. ANALYSIS OF NET ASSETS

	Unrestricted Funds 2025	Restricted Funds 2025	Total 2025
	£	£	£
Fixed assets	18,437	-	18,437
Current assets	3,538,173	-	3,538,173
Current liabilities	(2,901,765)	-	(2,901,765)
Net assets	<u>654,845</u>	=	<u>654,845</u>
	Unrestricted Funds 2024	Restricted Funds 2024	Total 2024
	£	£	£
Fixed assets	30,962	-	30,962
Current assets	3,442,521	-	3,442,521
Current liabilities	(2,935,966)	-	(2,935,966)
Net assets	<u>537,517</u>	=	<u>537,517</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025 (continued)

21. OPERATING LEASE COMMITMENTS

At 31 August 2025 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings	Equipment	Total 2025	Land and Buildings	Equipment	Total 2024
	£	£	£	£	£	£
No later than one year	45,000	3,890	48,890	12,862	-	12,862
Later than one year and not later than five years	-	4,555	4,555	-	-	-
Total	45,000	8,445	53,445	12,862	-	12,862

At the balance sheet date, Challenge Partners had the option to exercise a break clause on its lease for Oxford House in London on 28 February 2026. Subsequent to the year-end, the Board of Trustees decided not to exercise this break. Consequently, the total future minimum lease payments increased from £45,000 to £100,000.

22. RELATED PARTY DISCLOSURES

During the year, Challenge Partners received funds of £nil (2024: £94) from School Reviewer Limited to advertise their products to the Charity’s schools and trusts. Challenge Partners also received in the year (2024: nil) free of charge services from School Reviewer Limited to speak at two of our events. Dr Katherine Chhatwal OBE is director and shareholder of School Reviewer Limited.

During the year, Challenge Partners received funds of £29,912 (2024 - £nil) from Authentic Education Trust for annual subscriptions and services. Alison Beane OBE is the Chair of the Board of Trustees of Authentic Education Trust.

During the year, Challenge Partners received funds of £21,134 (2024: £14,264) from Lighthouse Schools’ Partnership for annual subscriptions and services. Challenge Partners also paid one school in the Lighthouse Schools’ Partnership £191 in the year (2024: nil) to reimburse travel expenses related to our school improvement programmes. Gary Lewis is the Chief Executive Officer and a trustee of Lighthouse Schools’ Partnership.

During the year, Challenge Partners received funds of £3,585 (2024: £3,585) from Swiss Cottage School - Development & Research Centre (SCS-DRC) for annual subscriptions and services. Challenge Partners also paid SCS-DRC £3,570 (2024: £7,649) for services related to delivering our programmes and networks. Vijita Patel was the principal of SCS-DRC throughout her tenure as a trustee at Challenge Partners. She resigned as trustee on 25 June 2025. All transactions referred to above were incurred during this tenure.

No other related party transactions took place during the year.

Dr Katherine Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Further details can be seen in note 12 of the financial statements

23. CHARITY STATUS

The Charity is a private company limited by guarantee and consequently does not have a share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.

CHALLENGE PARTNERS

England & Wales - Charity number 1149266

Accounts



Challenge Partners

**REPORT OF THE
TRUSTEES AND FINANCIAL STATEMENTS**

For the Year Ended 31 August 2024

Registered company number: 08048330 (England and Wales)

Registered charity number: 1149266

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CHALLENGE PARTNERS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08048330 (England and Wales)

Registered Charity number

1149266

Registered office

Resource for London
356 Holloway Road
London
N7 6PA

Trustees

Christopher Davison
Dr Katherine Chhatwal OBE (ex officio)
Arwel Jones
Alison Beane OBE
Susanna Eastham
Janine Harion
Vijita Patel
Louise Wolsey
Gulcin Sesli (resigned 22 November 2023)
Candice Lott
Gary Lewis
Lucinda Ingram
Pavandeep Bansal

Independent Auditor

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

HSBC UK Ltd
The Helicon
1 South Place
London
EC2M 2UP

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

The purpose of the Charity

The Charity's Objects ('Objects') are the advancement of education for the public benefit, in particular (but without prejudice to the generality) by promoting and supporting the improvement of schools regionally, nationally or internationally.

In reviewing the Charity's aims, and putting them into action, the Trustees have taken account of the Charity Commission's guidance on public benefit.

Mission

Our mission is to reduce educational inequality and improve the life chances of all children. Through collaboration, challenge and leadership development, we are working to ensure every school community can benefit from the combined wisdom of the education system.

Objectives and activities

To work towards our mission, we have collectively adopted three core aims that guide what we do:



Maximise the life chances of all pupils and accelerate the **PROGRESS** of the disadvantaged



SUPPORT leaders at all levels to develop and grow capacity for sustained improvement in schools and trusts



Extend **EXCELLENCE**, shaping a world-class system in which all pupils thrive

In January 2023, we launched an ambitious strategy to enhance our impact and extend our partnership so that by 2027 500,000 pupils benefit each year. Consistent with our focus on disadvantage, the strategy commits us to grow fastest in areas of greatest need.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Objectives and activities (continued)

Rooted in the success of London Challenge in the 2000s, Challenge Partners is a national practitioner-led education charity. In 2023/24 we benefited 385,000 pupils in our partnership of 575 schools and 150 school trusts.

Across England, we provide networks and programmes that facilitate sustainable collaboration and robust challenge between schools to realise improvement that would not be possible for any school to achieve on its own. Our programmes focus on school improvement, leadership development and knowledge exchange, with a focus on educational disadvantage throughout. These are independently evaluated, grounded in evidence of what works.

We are unique in being the only charity to systematically build school improvement capacity at scale across the country. This is delivered through three core activities: -

- **Tailored School Improvement Programmes:** we identify what each school needs to do and provide bespoke support according to their context and point on the school improvement journey.
- **Leadership Development:** we deliver programmes and networks to build leadership capacity across the education system.
- **Systematic Knowledge Exchange:** we share peer-accredited excellent practice so all can benefit.

These activities are underpinned by our flagship Quality Assurance Review (QAR), which is a collaborative and rigorous peer review process, equipping schools with an agreed report and set of tools for development and actionable next steps. The QAR has a sharp focus on how well schools support the outcomes of children from poorer backgrounds and/or with additional needs, captured in a discrete section of the report highlighting strong practice and opportunities for improvement. This operates at scale; cumulatively we have conducted 3,447 QAR and to date more than 6,000 school leaders have been trained as peer reviewers, significantly growing leadership and improvement capacity across the system.

*“When our schools have been out on review, where they have seen some really brilliant practice in terms of SEND, or sometimes subject specific areas such as phonics, writing or reading, they bring that back. They share it across our hub and across our trust and then we’ve adopted some of that practice, and now it’s embedded trust-wide. **Through Challenge Partners, one class teacher in one school, somewhere in the network can share something, and it can then ripple, not just across one other school, but across multiple schools. And that one idea that they had can then shape the lives of hundreds, if not thousands, of children.**”*
- Phil Hedger, CEO, LEO Academy Trust, Sutton

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Objectives and activities (continued)

Our programmes:

Quality Assurance Review

We conduct annual QARs that focus on teaching and learning, curriculum and outcomes, as well as leadership at all levels. The QARs are led by an expert Lead Reviewer and supported by a team of senior leaders and headteachers from other schools within the Challenge Partners network. The QAR programme is a rigorous three-day peer evaluation that also places a strong emphasis on how schools are supporting their most disadvantaged learners and those with additional needs.

SEND Developmental Peer Review

The Special Educational Needs and Disabilities (SEND) Developmental Peer Review is based on our tried-and-tested review and improvement methodologies and was developed with global SEND expert David Bartram OBE. The programme brings schools together to examine their SEND practice, celebrate and share areas of strength, push forward areas for development, and co-create solutions to common challenges. Schools are carefully matched in trios or quads with schools beyond their locality to support, challenge and share expertise. They work through a rigorous self-evaluation, expert facilitated in-school review days, and whole cohort events.

Growing the Top

The Growing the Top (GTT) programme brings together top-performing schools to collaborate and drive their schools – and the education system – to become world class by exploring systemic excellence and challenge and drawing on expertise from other sectors.

Schools are carefully matched in trios or quads with schools beyond their locality for facilitated school visit days, led by Challenge Partners-trained practitioner facilitators. Across the academic year there are three whole cohort events for leaders to hear from expert cross-sector speakers and network with peers.

Extending Leading Practice

Extending Leading Practice (ELP) is designed for schools driven to make the shift from good to excellent practice. Schools focus on a specific in-school improvement initiative linked to their school development plan, while collaborating with two or three other schools over the course of an academic year.

This structured programme of facilitated school visits allows school leaders to observe excellent practice in other schools and co-create solutions to challenges, while accessing insights from beyond the education sector at whole-cohort events.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Objectives and activities (continued)

Trust Peer Review

The Trust Peer Review (TPR) is an expert-led, three-day peer evaluation designed to assess a trust's effectiveness in driving improvement within its schools and enhancing outcomes for the children and young people it serves.

Reviews are led by recently retired CEOs from successful trusts, who are recruited, trained and quality assured by Challenge Partners. They lead a team of trust leaders drawn from different trusts across the national network, collaborating with the host trust to explore its strengths, identify areas for development, and establish actionable next steps for further improvement.

Middle Leader Quality Assurance Review

The Middle Leader Quality Assurance Review (MLQAR) is a newly developed programme to help Middle Leaders within our Hubs to develop their subject or phase provision and leadership. The MLQAR draws on the principles of our acclaimed Quality Assurance Review (QAR), giving subject leaders the chance to gain valuable skills in evaluation and peer review as part of their continuous professional development.

Our networks:

The Network of Excellence

The Network of Excellence (NoE) gives our partner schools and trusts access to a rich network of knowledge, and opportunities to connect with colleagues across the country to share best practice and collaborate on shared challenges. This unique national oversight is enhanced by access to a programme of expert speakers from the education sector and beyond, addressing topical and enduring themes.

Trust Leaders' Network

Our national Trust Leaders' Network (TLN) brings together CEOs and other senior trust leaders from across England to share knowledge and best and developing practice. It is expertly facilitated by recently retired CEOs of successful trusts and provides a supportive space that fosters both individual and trust development, aligned with each trust's priorities and context.

TLN members have access to a range of activities across the academic year, including facilitated trust visit days, interactive business webinars (delivered in partnership with the Social Business Trust), a national Trust Leaders' Conference, and our optional two-day Leadership Residential.

Jubilee Networks

The Jubilee Networks (JN) are relational networks that enable headteachers to build strong connections with peers across a region, where they share knowledge, experience, and school improvement strategies. A leadership focus is embedded into the approach and supported through input from coaches provided by BTS Spark.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Objectives and activities (continued)

Local Hubs of Collaboration

Local collaboration is an essential element of the work Challenge Partners’ schools and trusts do together to improve outcomes. Schools in our Network of Excellence join forces in local hubs to collaborate on collectively agreed school improvement and leadership development initiatives.

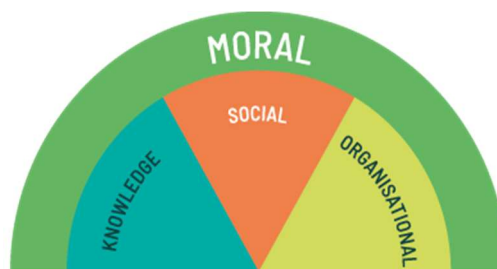
Knowledge Exchange:

Knowledge exchange is embedded into the design of every Challenge Partners’ programme, network and event, facilitating effective practice to be transferred between schools and trusts, both locally and nationally, so ensuring every leader, teacher and pupil can benefit from the combined wisdom of the system.

We identify current and emerging leading practice, and carefully facilitate forums, thereby establishing the moral and social capital for teachers and leaders to exchange lessons from their successes and jointly address sector challenges.

Areas of Excellence are accredited by peer and Lead Reviewers during QARs and programme visits. Once accredited, schools and trusts are expected and enabled to share their expertise with their peers.

Our approach ensures that Four Capitals of effective knowledge exchange are always present:



Moral capital

We create the moral climate for knowledge sharing based on an explicitly articulated, shared moral purpose.

Knowledge capital

We are systematic in identifying excellent practice and those that have the knowledge of leading practice to share. We never recycle mediocrity.

Social capital

We include activities that build relationships of trust at each event and over time so that teachers and leaders are confident to share their knowledge effectively.

Organisational capital

We invest in the organisational systems to enable knowledge exchange to take place and for agreed actions to be followed through. By taking care of this for leaders and teachers we enable them to focus on purposeful knowledge exchange.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Achievements and performance

In 2023/24 we achieved our most significant reach to date, with 384,977 pupils across 575 schools and 150 school trusts in our partnership. Further information on our impact is detailed below and can also be found in our [Impact Report for 2023/24](#):

Comparing our partnership and the sector

Primary (Key Stage 2) results¹

The proportion of 11 year olds meeting the expected standard in reading, writing and maths in our schools is in line with the national average		
Challenge Partners average	National average	Difference
62% <small>(22/23: 62%)</small>	61% <small>(22/23: 60%)</small>	1% <small>(22/23: 2%)</small>

The proportion of disadvantaged 11 year olds meeting the expected standard in reading, writing and maths is 3% higher in our schools		
Challenge Partners average	National average	Difference
49%	46%	3%

¹ All figures referring to state-funded mainstream schools in England. KS2 data using provisional data released in December 2024.

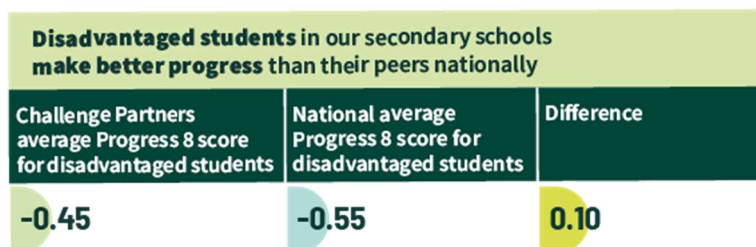
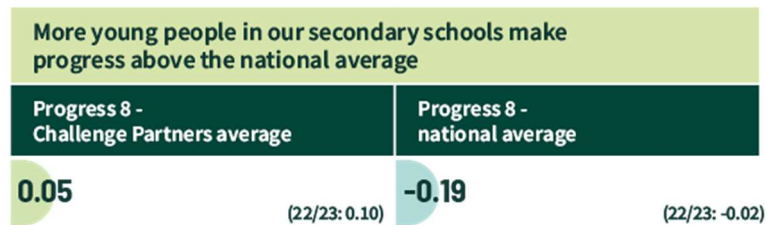
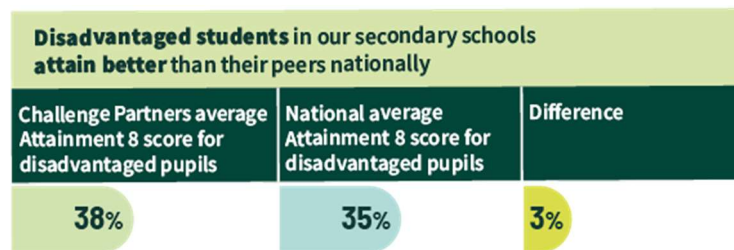
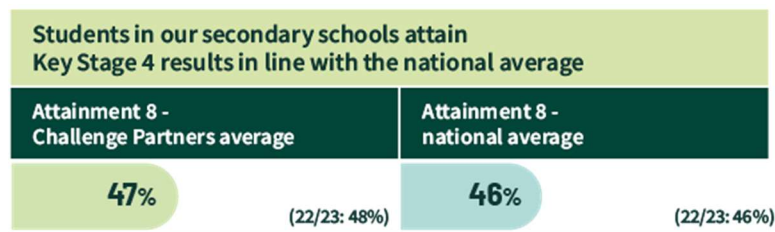
CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Achievements and performance (continued)

Comparing our partnership and the sector (continued)

Secondary (Key Stage 4) results²



28% of Challenge Partners secondary schools achieved “well above average” progress (P8>0.5). This means that 28% of our schools’ pupils achieved over half a grade higher in each qualification on average, compared to similar pupils across the country.

² All figures referring to state-funded mainstream schools in England. KS4 data using provisional data released in December 2024.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Achievements and performance (continued)

Our programmes:

Quality Assurance Review

2023/24 was another record-breaking year for us, as we delivered 425 QARs, up from 413 in 2022/23. We also maintained extremely high satisfaction ratings from both host schools and reviewers, with 95% and 98% being satisfied or highly satisfied respectively.

97% of schools said participating in the QAR had left their school in a better place.

In 2023/24, there were 102 new Areas of Excellence accredited as part of our QAR process, further increasing the excellent practice accessible to schools across the partnership. The new accreditations fall into the follow categories:

Category	Number of schools
Assessment	3
Curriculum	20
Equity and Inclusion	23
Leadership and Ethos	16
Outcomes for pupils	10
Pupil Learning	5
Teaching	5
Subjects	20

Schools receive an overall Peer Evaluation Estimate (an Estimate), which is collectively agreed by the review team. The agreed Estimate can be: Leading, Effective or Working Towards Effective. The Estimate ‘Leading’ mirrors the Challenge Partners’ ethos where schools performing at an exceptional level lead the way by sharing their practice with others.

Since 2020, schools in our partnership have had the option to include or exclude an overall Estimate in their QAR, and for the 2023/24 academic year, this process was made more flexible with new options such as receiving estimates for only the three categories or receiving verbal estimates. Descriptors for these estimates were also updated to use more constructive language and include broader evaluations, recognising the middle leaders' efforts and involvement in school improvement.

Although the proportion of schools electing not to have an Estimate has increased, those schools that chose to have one, have improved or sustained their performance in 2023/24. All schools evaluated as Effective in a QAR in 2022/23 either improved or sustained their performance in 2023/24 and all schools that were evaluated as Leading in a 2022/23 QAR sustained their performance in 2023/24.

These figures indicate a continuation of a historic trend whereby Challenge Partners’ schools have been far more likely than other schools to show improvements in their effectiveness by retaining Ofsted outstanding judgements or improving their performance to good or outstanding.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Achievements and performance (continued)

SEND Developmental Peer Review

Thirty-seven schools – 20 primary and 17 secondary – took part in the SEND pilot this year, which ran from January to July 2024. The pilot cohort spanned from Kent to Merseyside, ranging from small village schools in rural Shropshire to large diverse schools in East London. Each group of schools was matched with an expert SEND Lead Facilitator, who was recruited, trained and quality assured by Challenge Partners.

We received incredibly positive feedback from the pilot and satisfaction levels were high, with both host schools and visiting school leaders rating them 4.8/5.

- 97% of participants had seen, learned or discussed something that will support their own school to improve their SEND provision
- 92% had seen, learned or discussed something that they would share with senior leaders back in their own schools
- 95% said that, following a review day, they had clarity on the next steps of their action plan to enhance SEND provision

Growing the Top

Thirty-four schools took part in 2023/24, seven secondary, 20 primary and seven special schools.

The average satisfaction score was 4.9 out of 5 for host schools and 4.8 out of 5 for visiting school leaders.

90% of GTT participants plan to use something that they had seen/learned/discussed in their own school's improvement journey in the longer term.

Extending Leading Practice

In 2023/24, there were 17 participating schools, (five secondary, six primary and six special schools). The average feedback score was very strong at 4.9 out of 5 for host schools and 4.7 out of 5 for visiting leaders.

The ELP and GTT programmes share whole cohort events, enabling wider networking and a greater sharing of excellence, as well as giving participants insights from beyond the education sector. ELP participants in 2023/24 gave an average satisfaction rating of 4.6 out of 5 across the three events held in the year.

Trust Peer Review

In 2023/24 we delivered four TPRs, using 24 trust leaders as reviewers. Satisfaction with the programme was exceptionally high, with 100% of host trust respondents and visiting reviewers either satisfied or highly satisfied with their experience of TPR. All trusts involved expressed that hosting a TPR would now lead to changes and refinements in their approach to school improvement, with a positive impact on pupils' life chances.

Middle Leader Quality Assurance Review

Eight hubs used their funding to access training and materials to deliver the MLQAR, helping middle leaders develop their subject or phase provision and leadership, increasing their effectiveness as subject leaders.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Achievements and performance (continued)

Our networks:

Network of Excellence

We held three National Network Conferences in 2023/24, which received an average overall satisfaction rating of 4.6/5. Each conference brought in thought-provoking speakers focused on our theme of human flourishing for all.

90% of those who evaluated the National Network Conference saw or learned something they would like to share with senior leaders or others in their school.

Challenge Partners also delivered five Sharing Leader Practice events in the year, both in-person and virtual, with an average satisfaction rating of 96%. Leaders from all phases engaged with specific excellent practice from other schools in the partnership.

Trust Leaders' Network

2023/24 was the fourth year of the TLN and membership grew to 41 trust leaders, five more than in 2022/23. We welcomed more trusts from the Midlands and the North, further enhancing our geographical spread. Across the year there were facilitated trust visits to Olympus Academy Trust, Education for the 21st Century, Lighthouse Partnership, Danes Educational Trust and Preston Hedges Trust. We also hosted three business webinars and partnered with BTS Spark on our highly-rated Leadership Residential. Our seventh annual Trust

Leaders' Conference, Delivering Inclusive Excellence, took place on election day and was designed and delivered in association with the Confederation of School Trusts (CST).

Satisfaction levels were overwhelmingly positive for all aspects of the TLN offer:

- Trust visits received an average overall satisfaction score of 4.9/5. 100% of respondents taking part in a trust visit learned something they would use in their long-term trust development
- Webinars: All participants were satisfied or highly satisfied. 100% of respondents taking part in a business webinar learned something they would be taking back to their own trust in their leadership role

Jubilee Networks

In 2023/24 we launched a new Primary JN of seven schools in the South-Central region. Participant feedback from the JN meetings was overwhelmingly positive, with an average satisfaction rating of 4.9 out of 5 for the practitioner facilitation of each meeting, and an overall satisfaction rating of 4.7 out of 5 for the meetings overall.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Achievements and performance (continued)

Local Hubs of Collaboration

Schools in each hub jointly decided how to allocate their funding, and used it for a wide range of school improvement and professional development activities. For example, Aylesbury Vale Hub hosted a Secondary School Ready conference, opening it out to neighbouring hubs. School staff involved in the transition from primary to secondary got the chance to collaborate, sharing ideas and best practice to support pupils in this area.

Our established Hub Buddy scheme saw seven new hub managers matched with mentors to support their induction and development into the role.

Knowledge Exchange

In September 2023, we ran our highly rated facilitation training for selected school and trust leaders. From those who successfully completed training, 36 joined programmes as practitioner facilitators:

- SEND: 13
- GTT: 10
- ELP: 6
- JN: 5
- TLN: 2

Now in its fourth year, our bespoke training provides excellent preparation for those facilitating collaboration so that best practice is shared throughout our programmes and networks. It also provides powerful CPD, building leadership capacity across the system. Participants rated the training 4.9/5 overall.

Peer and Lead Reviewers accredited 102 new Areas of Excellence in the 2023/24. Once accredited, schools and trusts are expected and enabled to share their expertise with their peers. More details of this can be found in QAR achievements on page 11.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Plans for future periods

Strategic Plan

Our ambitious five-year strategy aims to enhance our impact and expand our partnership to benefit 500,000 pupils per year by 2027. Our strategic initiatives include:

- Increasing the number of schools in our partnership, especially in underserved areas;
- Enhancing and extending opportunities for local and national collaboration and impact through programme innovations and ensuring we are prepared for the future through ongoing practitioner feedback and leadership; and
- Harnessing digital innovation to improve impact, operation at scale, and school experience.

The progression of our strategic initiatives has been mapped out over the five-year strategy period and translated into six annual priorities for 2024/25, which are:

- **Simplification of our offer and pricing** to make it easier for busy school and trust leaders to engage and benefit. Simplification will also support further streamlining of our operations.
- **Reaching and retaining more schools and trusts, focussing on underserved areas and meeting the needs of vulnerable pupils.** We are targeting our growth efforts on the North East of England in 2024/25, having secured substantial growth in the North West in 2023/24, through targeted sales and marketing activities. We piloted a SEND Developmental Peer Review in the first 6 months of 2024 in response to the rapid increase in children with SEND in mainstream schools. Initial indications are that this programme delivers impact and attracts schools to join Challenge Partners, so in 2024/25 we will be delivering it at scale.
- **Continuing to build capacity and capability within our central team** through embedding key policies and processes in the HR and finance functions. Team development is key to our capacity building strategy.
- **Continuous improvement of our employee experience** and delivering the next stage of our DEI strategy to ensure that our culture supports the realisation of our strategic ambition.
- **Digital transformation** to streamline our key business systems and selectively using AI to improve partner experience and central team operations.
- **Growing our fundraising income** to accelerate achievement of our growth and impact ambitions.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Financial Review

Challenge Partners' statement of financial activities (SOFA) is shown on page 27 of this report. We received £3.3 million of income in the year ending 31 August 2024 (2023: £3.0 million), with outgoings totalling £3.2 million (2023: £3.0 million), delivering a surplus of £0.1 million (2023: £0.0 million).

The principal sources of funding for the year were:

- £2.9 million from the NoE, primarily partnership subscriptions. These funds are used to support schools in improving at a rate above the national average. This area produced a ten percent increase in income, year on year. Our school numbers have increased by three percent over this same period and our new SEND pilot programme made a significant contribution to this positive change.
- £0.4 million from grant income, donations of services and gifts, £0.2 million of which came in the form of a donation of services for business consulting. We received a similar level of grants year on year, but donations of services increased by £0.1 million in 2024. We are very grateful to Social Business Trust for facilitating these donated services and to the actual volunteers who donated their time to further our charitable causes.

Total expenditure increased by nine percent year on year, a significant proportion of this increase reflects the costs we incurred delivering our new programmes (MLQAR and SEND) and the increase in QAR activity in 2023/24.

Reserves held as at the end of the year amounted to £0.5 million (2023: £0.4 million). The reserves were split as follows:

- unrestricted reserves £0.5 million (2023: £0.4 million)
- restricted reserves £nil (2023: £nil)

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Fundraising

Challenge Partners actively raises funds from trusts, foundations, corporates and other funding organisations. The Charity does not look to raise funds from the public and therefore is not registered with the Fundraising Regulator.

In 2023/24 we provided webinars to assist trusts to secure access to funding from the Trust Capacity Fund, to enable participation in our activities. We also initiated an external feasibility study to assess our future fundraising potential. The process continued into 2024/25 and is helping us achieve our overall fundraising objective to diversify our sources of funding and support innovation and improvement in our partnership.

There is significant unmet demand from schools and communities wishing to join Challenge Partners, including in economically-deprived areas where our support could make the biggest difference. To address this demand and achieve greater impact we have identified three strategic objectives to focus our fundraising on:

- **Enhanced regional targeting so we reach more of the pupils and communities in greatest need.** Additional funding will enable us to establish new hubs in underserved areas to support the schools most in need. It will support targeted sales and marketing, and investment to get new schools up and running in our partnership, with a view to their participation becoming sustainable over time. We are particularly interested therefore in engaging with funders who have a regional or demographic focus that matches these plans.
- **Taking a leading role in addressing the SEND crisis within England's schools,** focusing on immediate improvements in classroom practice and school strategies by enabling the flow of expertise between special and mainstream schools in our partnership.
- **Digital innovation to improve impact, operation at scale, and school experience.** Upgrading our customer relationship management system and other back office technologies is a crucial first step that will unlock better-targeted sales and marketing; streamlined delivery and operations, and schools-facing digital enhancements, like a new 'partner portal'.

In the coming year, we will also steward our existing relationships with a view to securing further long-term grants, build relationships and develop bids with new trusts, foundations and corporates.

We continue to benefit from the generosity of trusts and foundations, and remain extremely grateful for their support. During the financial year, Challenge Partners' operations were funded by:

- Social Business Trust
- The Permira Foundation
- Garfield Weston Foundation
- The David and Elaine Potter Foundation

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Cash Reserves Policy

The Charity will maintain unrestricted cash reserves of no less than three months of average cash expenditure, with an expectation that reserves will be maintained with at least six months unrestricted cash reserves at any one time. These cash reserves allow Challenge Partners to address and financially manage the consequences of any unforeseen events or to take advantage of fresh opportunities that further Challenge Partners' aims and objectives. Trustees periodically review the cash reserves policy to ensure it meets the requirements of the Charity.

A Red-Amber-Green (RAG) rating has been adopted in this area, to report to the Trustees to ensure that cash reserves remain strong. Unrestricted cash reserves at 31 August 2024 were at RAG status Green with respect to planned outgoings for 2024/25. The forecast for the 12 months ending 31 August 2025 also comes within acceptable RAG ratings. Cash, income and expenditure forecasts are updated on a monthly basis to communicate to Trustees. The Chair of the Finance and Audit Committee (FAC) is also consulted if there is a deviation from agreed budgets and plans.

Unrestricted cash reserves as at 31 August 2024 amounted to £2,829,330 (2023: £1,727,487).

Principal Risks and Uncertainties

Risk management is central to Challenge Partners' ability to deliver its mission and objectives. Challenge Partners applies multiple ways of identifying and managing risks through the Leadership Team (LT), the FAC and the Board.

The organisational risk register is a shared tool through which we record financial, strategic and operational risks and strategies to mitigate these risks. The Board leads on the review and approval of the organisational risk register. This process helps Challenge Partners to identify and assess potential risks and to develop effective mitigation strategies.

Financial risk management is implemented through rigorous budget control and monthly cash flow management, which ensures only secured funds are spent. The LT interacts with the FAC and implements a scheme of delegation on issues that need reporting to the FAC. Monthly management accounts discussions are held at LT level and at the FAC. The management accounts are also presented to the Board. The FAC reviews risks, challenges and key financial management policies and assumptions. The FAC ensures that the annual budget is adequately funded and makes recommendations to the Board for adoption.

Strategic risks are identified by the LT, who lead on managing these risks and notifying the FAC and the Board.

Operational risk is identified and bespoke mitigations are undertaken by the delivery teams, who review programme activities as part of the regular programme monitoring activities.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Principal Risks and Uncertainties (continued)

Challenge Partners identified and mitigated for the following key risks in 2023/24:

Major risk	Mitigations
<p>Income and reserves</p> <ol style="list-style-type: none"> Income - Insufficient income from subscriptions and fundraising to meet our expenditure and replenish fund reserves limits our scope for investment in innovation and deters potential funders. Expenditure - Inflationary pressures on budgets due to national economic conditions lead to expenditure coming in over budget. Reserves/Balance Sheet - lower assets/funds may affect our ability to engage funders, to fund technical efficiencies needed for growth. 	<ol style="list-style-type: none"> Diversification of income with innovations, i.e. the launch of our SEND programme and MLQAR. QAR innovations are currently under review. Plans were agreed to develop new subscription opportunities in the North of England, via an investment of resource located in the region. Additional investment was agreed to strengthen the income pipeline, using focussed digital marketing, relationship management and strategic partnerships. Our investment in a fundraising feasibility study initiated in 2023/24 should enhance the fundraising process and fundraising opportunities for Challenge Partners.
<p>Educational landscape: Our offer loses relevance</p> <ol style="list-style-type: none"> The trust sector matures (i.e. trusts grow in size and consolidate) and trusts develop greater in-house capacity for delivering their own QA review. Ofsted changes (or changes to its accountability framework) and regulatory review may impact how relevant the QA Review aspect of our offer is to schools. 	<ol style="list-style-type: none"> Over 2024/25 we will be reviewing our trust programmes (TPR and TLN) and our QAR to ensure they remain relevant and aligned to the changing policy and accountability framework heralded by the new government. We will use this opportunity to consider what more we can do to ensure enduring relevance to maturing trusts.
<p>Partner Engagement and Experience</p> <ol style="list-style-type: none"> Multiple factors within the current school environment can detrimentally affect partner engagement and experience. Recruitment and retention of staff and funding pressures mean schools may be less open to external collaborative work. They may not have witnessed the benefits of long-term collaboration (such as the London Challenge school improvement programme (2003-2011)). 	<ol style="list-style-type: none"> We implemented new communications focused on impact and benefits, with an increased focus on delivering what is highly valued, whilst monitoring our partner experience. We agreed to deploy digital solutions to accurately monitor commitment in different areas (e.g. reviewer commitment and attendance), to allow us to react and respond appropriately and quickly to potential issues. New messaging has been implemented to highlight the importance of commitment to agreed events and visits.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Challenge Partners was incorporated as a Company Limited by Guarantee on 27 April 2012. It was registered as a Charity (standard registration) and is governed by its most recent Articles of Association, as amended on 3 December 2020. Challenge Partners is a charity registered in England and Wales (1149266) and is regulated by the Charity Commission.

Challenge Partners is a national partnership of schools and trusts who believe the best way to reduce educational inequality and enhance the life chances of children is through collaboration, challenge and leadership development. We work together to ensure every school community can benefit from the combined wisdom of the education system.

Challenge Partners has a Board of Trustees committed to manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any Special Resolution. The number of Trustees shall not be less than three and (unless otherwise determined by the Trustees) there shall be no maximum. The Trustees shall ensure that there are always sufficient Trustees so that the business of the Charity is adequately governed. The Chief Executive shall be a Trustee ex officio. Any individual who becomes a Trustee will automatically be deemed to have been appointed as a member at the same time.

The term of office for all Trustees (save for the Chief Executive) is three years. Trustees are eligible for reappointment at the end of their term up to a total maximum of three consecutive terms, following which they will not be eligible for appointment again for one year. In exceptional circumstances and where it is in the interest of the Charity to do so, Trustees may agree by Special Resolution to reappoint a Trustee for a further specified term of no more than one year, following which they will not be eligible for appointment again for one year.

There were also two Board Committees operating in 2023/24:

- The Finance and Audit Committee, which monitors and reviews audit activities, the risk and control framework, along with the Trustee reports and financial statements
 - In 2023/24, Janine Harion, Christopher Davison and Arwel Jones were members of this Committee
- The Fundraising Oversight Committee, which monitors progress on fundraising activities and reviews future proposals in this area
 - In 2023/24, Christopher Davison and Louise Wolsey were members of this Committee

The Board of Trustees delegate the responsibility for the day-to-day management of Challenge Partners to the LT. Policy, strategic and implementation plans are prepared by senior management for consideration and approval by the Board of Trustees.

The Charity has a Scheme of Delegation policy in place which outlines how decisions are made. The policy covers decision making in all areas of Challenge Partners, clarifying which decisions are reserved to the Board and the Chief Executive and which decisions are delegated further. In addition, Challenge Partners has a Procurement policy which sets out authorisation, but with limits and conditions, to the Chief Executive and the LT to commit the Charity to incur expenditure.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

In 2023/24 the LT was comprised of the following members, (who are the Charity's Key Management Personnel):

- Chief Executive
- Executive Director
- Managing Director
- Director of Finance and Operations
- Director of Partnership and Network Development (left March 2024)
- Head of Strategy and Innovation
- Head of Programmes, Networks and Evaluation (left January 2024)
- Head of Programmes and Networks (from January 2024)
- Director of Digital Transformation

On 27 January 2025, the Board of Trustees approved the appointment of Susanna Eastham to the position of Chair of Challenge Partners' Board of Trustees. She will start the role on 16 April 2025, when our current Chair, Christopher Davison's final term of office with the Charity will come to an end.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also the directors of Challenge Partners for the purposes of company law) are responsible for preparing the Report of the Trustees and 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

On 18 November 2024, the charitable company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP. The auditors, HaysMac LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 31st March 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read "C Davison".

Christopher Davison – Chair of Trustees

CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners

Opinion

We have audited the financial statements of Challenge Partners for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of the charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 22 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners (continued)

Responsibilities of trustees for the financial statements (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the completeness and cut-off of subscription and grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the recognition of grant and subscription income.

CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 Auditor's 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.

A handwritten signature in blue ink, appearing to read "Adam Halsey", with a long horizontal flourish extending to the right.

Adam Halsey (Senior Statutory Auditor)
10 Queen Street Place, London, EC4R 1AG
For and on behalf of HaysMac LLP, Statutory Auditor
London
Date: 3 April 2025

CHALLENGE PARTNERS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Income from:							
Donations and legacies	2	175,000	202,303	377,303	179,000	115,416	294,416
Charitable activities	4	2,910,843	-	2,910,843	2,653,869	-	2,653,869
Investments	5	31,622	-	31,622	14,494	-	14,494
Total income		<u>3,117,465</u>	<u>202,303</u>	<u>3,319,768</u>	<u>2,847,363</u>	<u>115,416</u>	<u>2,962,779</u>
Expenditure on:							
Raising funds	6	4,296	-	4,296	-	-	-
Charitable activities	7	3,004,850	202,303	3,207,153	2,835,524	115,416	2,950,940
Total expenditure		<u>3,009,146</u>	<u>202,303</u>	<u>3,211,449</u>	<u>2,835,524</u>	<u>115,416</u>	<u>2,950,940</u>
Net movement in funds		108,319	-	108,319	11,839	-	11,839
Total funds brought forward		429,198	-	429,198	417,359	-	417,359
Total funds carried forward	19	<u>537,517</u>	-	<u>537,517</u>	<u>429,198</u>	-	<u>429,198</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure arise from continuing operations.

CHALLENGE PARTNERS

BALANCE SHEET AS AT 31 AUGUST 2024

Registered Company number: 08048330

	Note	2024	2023
		£	£
FIXED ASSETS			
Intangible assets	14	21,169	10,225
Tangible assets	15	9,793	16,218
		30,962	26,443
CURRENT ASSETS			
Debtors	16	613,191	16,436
Cash at bank and in hand		2,829,330	1,750,607
		3,442,521	1,767,043
CREDITORS: amounts falling due within one year	17	(2,935,966)	(1,364,288)
NET CURRENT ASSETS		506,555	402,755
NET ASSETS	20	<u>537,517</u>	<u>429,198</u>
FUNDS:			
Unrestricted funds	19	537,517	429,198
Restricted funds	19	-	-
		<u>537,517</u>	<u>429,198</u>

The financial statements were approved by the Board of Trustees and were signed on its behalf by:



Christopher Davison – Chair of Trustees

Date: 31st March 2025



CHALLENGE PARTNERS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024

	2024	2023
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	1,066,301	408,702
Cash flows from investing activities:		
Purchase of fixed assets	(19,280)	(13,625)
Proceeds on disposal of tangible fixed assets	80	-
Interest receivable	31,622	14,494
Net cash from investing activities	12,422	869
Increase in cash and cash equivalents in the year	1,078,723	409,571
Cash and cash equivalents at beginning of year	1,750,607	1,341,036
Cash and cash equivalents at end of year	<u>2,829,330</u>	<u>1,750,607</u>

RECONCILIATION OF THE NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income per SOFA	108,319	11,839
Adjustments for:		
Depreciation	6,372	11,762
Amortization	7,056	-
Loss on disposal of fixed assets	1,253	-
Interest receivable	(31,622)	(14,494)
(Increase)/decrease in debtors	(596,755)	89,397
Increase in creditors	1,571,678	310,198
Net cash provided by operating activities	<u>1,066,301</u>	<u>408,702</u>

CHALLENGE PARTNERS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

Analysis of cash flow and net debt

	1 September 2023	Cashflow	31 August 2024
	£	£	£
Cash at bank and at hand	1,750,607	1,078,723	2,829,330
Total	<u>1,750,607</u>	<u>1,078,723</u>	<u>2,829,330</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

Having reviewed the funding facilities available to the Charity together with the expected demand and proven high renewal rates across the network and the resulting projected cash flows, the Board of Trustees have no material uncertainties with respect to the going concern status of the organisation and have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Income

All income is recognised in the SOFA in the period to which it relates to, and that it is probable that the income will be received and the amount can be measured reliably.

Each year the Charity sends renewal notices prior to the year end. The notices are for the following year and as such there is no entitlement to the income in the year in which the notices were issued. In some cases, cash is received before the year end and this is treated as deferred income. For amounts not received the historical treatment has been to net off the debtor with the deferred income balance. For the current year the trustees have decided that a more appropriate treatment would be to gross up the debtor and the deferred income balances. This is entirely presentational as there is no impact on revenue recognition. Prior year amounts have not been re-presented.

Gifts in kind and donations of services

The Charity recognises gifts in kind, which include donated goods and donations of services, as income when the following conditions are met:

- Entitlement: The Charity is entitled to the donated goods or services.
- Measurement: The gifts can be reliably measured at fair value.
- Economic Benefit: It is probable that the economic benefits associated with the gifts will flow to the Charity.

Valuation of gifts in kind and donations of services

- Goods: Donated goods are valued at the amount the Charity would have had to pay to acquire them in the open market. If this is not readily available, the Charity uses the estimated resale value to determine fair value.
- Services: Donated services are recognised at the value the Charity would have paid for the services if not donated.

Gifts in kind and donations of services are included as both income and corresponding expenditure in the SOFA in the year they are received.

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

1. ACCOUNTING POLICIES (continued)

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on raising funds are costs incurred in attracting voluntary income.

Allocation and apportionment of costs

Support costs are expenditure incurred directly in supporting charitable activities and are allocated to activities in proportion to the use of central services. Governance costs comprise costs involving the public accountability of the Charity and its compliance with regulation and good practice.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity. This would normally be on notification of the interest paid or payable by the Bank.

Pensions

Defined contribution pension plan

A defined contribution plan is operated for its employees. A defined contribution plan is a pension plan under which Challenge Partners pays fixed contributions into a separate entity. Once the contributions have been paid, Challenge Partners has no further payment obligations.

The contributions are recognised as an expense in the SOFA when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Challenge Partners in independently administered funds.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangibles assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Website Development	- 3 years straight line
---------------------	-------------------------

At each reporting date an assessment is made as to whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The assets residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each tangible fixed asset over its estimated useful life.

Fixtures and fittings and equipment - 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The capitalisation policy is to capitalise all individual assets which cost more than £500.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank

Cash at bank 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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at a best estimate of the amounts required to settle the obligation.

Fund accounting

Unrestricted funds: General funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Charity. Designated funds represent funds set aside by the Trustees in order to fund specific projects.

Restricted funds are to be used in accordance with the specific restrictions imposed by the donors. The aims and use of restricted funds are set out in the notes to the financial statements. Income is recognised against related expenditure as it is realised.

Operating leases

Rentals paid under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

1. ACCOUNTING POLICIES (continued)

Judgments in applying accounting policies and key sources of estimating uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main items within the financial statements where judgements and estimates have been made is in relation to the valuation of gifts in kind and provisions with respect to trade debtors.

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

2. INCOME FROM DONATIONS AND LEGACIES

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations of services		-	174,583	174,583
Gifts in kind		-	4,600	4,600
Grants	3	175,000	23,120	198,120
Total Income		<u>175,000</u>	<u>202,303</u>	<u>377,303</u>

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations of services		-	76,128	76,128
Grants	3	179,000	39,288	218,288
Total Income		<u>179,000</u>	<u>115,416</u>	<u>294,416</u>

3. LIST OF GRANTS

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
The Permira Foundation		150,000	-	150,000
Garfield Weston Foundation		25,000	-	25,000
The David and Elaine Potter Foundation		-	20,660	20,660
Social Business Trust – Digital Impact Fund		-	2,460	2,460
Total Income	2	<u>175,000</u>	<u>23,120</u>	<u>198,120</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

3. LIST OF GRANTS (continued)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
The Permira Foundation		150,000	15,750	165,750
Garfield Weston Foundation		25,000	-	25,000
The David and Elaine Potter Foundation		-	15,998	15,998
Social Business Trust – Digital Impact Fund		-	7,540	7,540
Other		4,000	-	4,000
Total Income	2	<u>179,000</u>	<u>39,288</u>	<u>218,288</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Network of Excellence programmes	2,909,446	-	2,909,446
Other income	1,397	-	1,397
Total Income	<u>2,910,843</u>	-	<u>2,910,843</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Network of Excellence programmes	2,632,685	-	2,632,685
Other income	21,184	-	21,184
Total Income	<u>2,653,869</u>	-	<u>2,653,869</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Interest received	<u>31,622</u>	=	<u>31,622</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Interest received	<u>14,494</u>	=	<u>14,494</u>

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Costs of raising voluntary income	<u>4,296</u>	=	<u>4,296</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Costs of raising voluntary income	=	=	=

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Network of Excellence programmes	3,004,850	27,720	3,032,570
Strategic business development	-	174,583	174,583
Total Income	<u>3,004,850</u>	<u>202,303</u>	<u>3,207,153</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Network of Excellence programmes	2,835,524	39,288	2,874,812
Strategic business development	-	76,128	76,128
Total Income	<u>2,835,524</u>	<u>115,416</u>	<u>2,950,940</u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs £	Support costs £	Governance costs £	2024 Total £
Charitable activities	<u>2,747,866</u>	<u>438,587</u>	<u>20,700</u>	<u>3,207,153</u>

	Direct costs £	Support costs £	Governance costs £	2023 Total £
Charitable activities	<u>2,531,534</u>	<u>405,406</u>	<u>14,000</u>	<u>2,950,940</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

9. SUPPORT COSTS

	2024	2023
	£	£
Salary costs	260,167	284,801
Staff related costs	15,196	6,857
Sub-contractor fees	60,200	-
Travel costs	6,013	4,895
Recruitment	17,358	-
Rent and office costs	28,829	26,206
IT costs	20,151	31,270
Telephone	3,301	3,103
Sundries and subscriptions	1,674	17,390
Marketing and design	-	3,748
Depreciation and amortization	13,428	11,762
Loss on disposal of fixed assets	1,253	-
Insurance	4,373	3,836
Legal and professional	1,083	-
Accountancy	5,381	11,538
Charitable and political donations	180	-
Total support costs	<u>438,587</u>	<u>405,406</u>

10. GOVERNANCE COSTS

	2024	2023
	£	£
Auditor's remuneration	<u>20,700</u>	<u>14,000</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

11. NET EXPENDITURE

	2024	2023
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration	20,700	14,000
Fees payable to the auditor in respect of all non-audit services	1,800	-
Depreciation	6,372	11,762
Amortization	7,056	-
Operating leases - rent and service charge	22,675	26,206

12. TRUSTEES' REMUNERATION AND BENEFITS

Dr Katherine Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Remuneration was in the range £130,001 - £140,000 (2023: £120,001 - £130,000). Additional pension payments amounted to £6,695 (2023: £6,341). Private health cover costs of £315 (2023: £280) were also paid. The payments have been authorised in accordance with the Charity's governing document.

Trustees' expenses

Two Trustees were reimbursed travel expenses of £61 (2023 - £249, two Trustees) during the year.

13. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,266,270	1,101,744
Social security costs	136,026	122,442
Pension costs	60,823	49,178
	<u>1,463,119</u>	<u>1,273,364</u>

Termination payments of £27,561 were made in the year ending 31 August 2024 (2023 - £nil). The Charity's accounting policy for termination payments is to recognise 100% of the payment in the month of termination.

The total remuneration of Key Management Personnel in the year was £714,431 (2023: £623,390).

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

13. STAFF COSTS (continued)

Key Management Personnel comprise:

- Chief Executive
- Executive Director
- Managing Director
- Director of Finance and Operations
- Director of Partnership and Network Development (left March 2024)
- Head of Strategy and Innovation
- Head of Programmes, Networks and Evaluation (left January 2024)
- Head of Programmes and Networks (from January 2024)
- Director of Digital Transformation

The average monthly number of employees during the year was as follows:

	2024	2023
	No.	No.
Head count	27	25
Full time equivalent employees	25	24

The number of employees whose employee benefits (excluding employer pension contributions and employer national insurance contributions) exceeded £60,000 was:

	2024	2023
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

14. INTANGIBLE ASSETS

	Website Development £
COST	
Opening balance 1 September 2023	10,225
Additions	18,000
At 31 August 2024	<u>28,225</u>
DEPRECIATION	
Opening balance 1 September 2023	-
Charge for the year	7,056
At 31 August 2024	<u>7,056</u>
NET BOOK VALUE	
At 31 August 2024	<u>21,169</u>
At 31 August 2023	<u>10,225</u>

15. TANGIBLE FIXED ASSETS

	Fixtures fittings and equipment £
COST	
Opening balance 1 September 2023	50,425
Additions	1,280
Disposals	(29,778)
At 31 August 2024	<u>21,927</u>
DEPRECIATION	
Opening balance 1 September 2023	34,207
Charge for the year	6,372
Disposals	(28,445)
At 31 August 2024	<u>12,134</u>
NET BOOK VALUE	
At 31 August 2024	<u>9,793</u>
At 31 August 2023	<u>16,218</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	589,214	1,488
Other debtors	3,284	2,953
Prepayments	20,693	11,995
	<u>613,191</u>	<u>16,436</u>

Trade debtors in 2023 are stated after netting off £761,613 of amounts invoiced before the year end but not received until after the year end (also see note 1, Income and note 17).

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	30,873	34,660
Social security and other taxes	194,165	215,861
Other creditors	16,976	24,390
Deferred income	2,619,916	1,037,132
Accrued expenditure	74,036	52,245
	<u>2,935,966</u>	<u>1,364,288</u>

Deferred income and Social security and other taxes in 2023 are stated after netting off £634,678 and £126,935 respectively of amounts invoiced before the year end but not received until after the year end (also see note 1, Income and note 16).

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

18. DEFERRED INCOME

	2024	2023
	£	£
Opening balance	1,037,132	578,648
Amounts released to income in the year	(1,037,132)	(578,648)
New funds deferred during the year	2,619,916	1,037,132
Balance carried forward	<u>2,619,916</u>	<u>1,037,132</u>

Deferred income predominantly relates to subscriptions income that has been invoiced in advance of the next financial year. Subscription fees relate to a maximum period of 12 months, i.e. co-aligned with an English academic year.

19. STATEMENT OF FUNDS

**CURRENT YEAR
UNRESTRICTED FUNDS**

	1 September 2023	Income	Expenditure	31 August 2024
	£	£	£	£
General funds	<u>429,198</u>	<u>3,117,465</u>	<u>(3,009,146)</u>	<u>537,517</u>

RESTRICTED FUNDS

	1 September 2023	Income	Expenditure	31 August 2024
	£	£	£	£
The David Potter and Elaine Potter Foundation	-	20,660	(20,660)	-
Social Business Trust – Digital Impact Fund	-	2,460	(2,460)	-
Donations of services	-	174,583	(174,583)	-
Gifts in kind	-	4,600	(4,600)	-
Total	-	<u>202,303</u>	<u>(202,303)</u>	-

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

19. STATEMENT OF FUNDS (continued)

PRIOR YEAR

UNRESTRICTED FUNDS

	1 September 2022	Income	Expenditure	31 August 2023
	£	£	£	£
General funds	<u>417,359</u>	<u>2,847,363</u>	<u>(2,835,524)</u>	<u>429,198</u>

RESTRICTED FUNDS

	1 September 2022	Income	Expenditure	31 August 2023
	£	£	£	£
The David Potter and Elaine Potter Foundation	-	15,998	(15,998)	-
The Permira Foundation	-	15,750	(15,750)	-
Social Business Trust – Digital Impact Fund	-	7,540	(7,540)	-
Donations of services	-	76,128	(76,128)	-
Total	-	<u>115,416</u>	<u>(115,416)</u>	-

RESTRICTED FUNDS (continued)

2023/24

The David and Elaine Potter Foundation provided funds to facilitate school collaboration via digital transformation within Challenge Partners.

Social Business Trust provided funds to further enhance the digital transformation of the Challenge Partners' booking interface with schools and trusts.

Donations of Services: This fund relates to the development and growth of Challenge Partners via strategic business development and was supported by Social Business Trust.

Gifts in Kind: Office furniture was donated by Mastercard and Clifford Chance. The process was facilitated by Clifford Chance. All items of furniture were valued below Challenge Partners' minimum capitalization levels and therefore fully written off to the SOFA in 2024.

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS (continued)

2022/23

The David and Elaine Potter Foundation provided funds to facilitate school collaboration via digital transformation within Challenge Partners.

The Permira Foundation provided funding via their 2021/22 Liferaft (tranche two) grant, for expert speakers at our National Network meetings and for initiating an independent evaluation of our Jubilee Networks.

Social Business Trust provided funds to enable the digital transformation of the Challenge Partners booking interface with schools and trusts.

Donations of Services: This fund relates to the development and growth of Challenge Partners via strategic business development and was supported by Social Business Trust.

20. ANALYSIS OF NET ASSETS

	Unrestricted Funds 2024	Restricted Funds 2024	Total 2024
	£	£	£
Fixed assets	30,962	-	30,962
Current assets	3,442,521	-	3,442,521
Current liabilities	(2,935,966)	-	(2,935,966)
Net assets	<u>537,517</u>	-	<u>537,517</u>
	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023
	£	£	£
Fixed assets	26,443	-	26,443
Current assets	1,767,043	-	1,767,043
Current liabilities	(1,364,288)	-	(1,364,288)
Net assets	<u>429,198</u>	-	<u>429,198</u>

Within unrestricted funds there is £nil (2023: £127,829) of designated funds, relating to a grant from the Permira Foundation, where funds had been set aside to directly cover resources allocated to innovation and digital transformation in 2024, so enhancing the value and impact of our offering and ensuring our internal systems can support our future growth.

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024 (continued)

21. OPERATING LEASE COMMITMENTS

At 31 August 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
No later than 1 year	<u>12,862</u>	<u>17,108</u>

22. RELATED PARTY DISCLOSURES

During the year, Challenge Partners received funds of £94 (2023: £nil) from School Reviewer Limited to advertise their products to the Charity’s schools and trusts. Dr Katherine Chhatwal OBE is director and shareholder of School Reviewer Limited.

In the prior year, Challenge Partners received funds of £2,580 from STEP Academy Trust for annual subscriptions. Dr Katherine Chhatwal OBE was a trustee of STEP Academy Trust until July 2023.

During the year, Challenge Partners received funds of £14,264 (2023: £28,589) from Lighthouse Schools’ Partnership for annual subscriptions and services. Mr Gary Lewis is the Chief Executive Officer and a trustee of Lighthouse Schools’ Partnership.

No other related party transactions took place during the year.

Dr Katherine Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Further details can be seen in note 12 of the financial statements

23. CHARITY STATUS

The Charity is a private company limited by guarantee and consequently does not have a share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.

CHALLENGE PARTNERS

England & Wales - Charity number 1149266

Accounts

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR END 31 AUGUST 2023**

CHALLENGE PARTNERS

REGISTERED COMPANY NUMBER: 08048330 (England and Wales)

REGISTERED CHARITY NUMBER: 1149266





CHALLENGE PARTNERS

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CHALLENGE PARTNERS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08048330 (England and Wales)

Registered Charity number

1149266

Registered office

John Keats Primary School
391 Rotherhithe New Road
London,
SE16 3FN

Trustees

Mr Christopher Davison

Dr Katherine Chhatwal OBE (ex officio)

Mr Arwel Jones

Ms Alison Beane OBE

Ms Susanna Eastham

Ms Janine Harion

Ms Vijita Patel

Ms Louise Wolsey

Ms Gulcin Sesli (appointed 7 December 2022 and resigned 22 November 2023)

Ms Candice Lott (appointed 21 September 2022)

Mr Gary Lewis (appointed 21 September 2022)

Ms Lucinda Ingram (appointed 21 September 2022)

Mr Pavandeep Bansal (appointed 21 September 2022)

Mr Gary Handforth (resigned 21 September 2022)

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place,
London
EC4R 1AG

Bankers

HSBC UK Ltd
The Helicon
1 South Place
London
EC2M 2UP



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

The purpose of the Charity

The Charity's Objects ('Objects') are specifically restricted to the advancement of education for the public benefit in particular (but without prejudice to the generality) by promoting and supporting the improvement of schools regionally, nationally or internationally.

In reviewing the Charity's aims, and putting them into action, the Trustees have taken account of the Charity Commission's guidance on public benefit.

Summary of the main activities 2022/23 (September 2022 to August 2023)

In 2022/23 we had 560 schools and 129 trusts in our partnership, with a school renewal rate of 79%, maintaining high retention levels from the prior year. Following strong growth in the previous year (25% increase), we grew further in 2022/23, reaching 369,365 pupils across all schools and trusts in our partnership.

In January 2023, we published a five-year strategy setting out our ambition to enhance and extend our partnership so that by 2027 we benefit 500,000 pupils each year. Our commitment to enhancing our digital strategy was reinforced with the recruitment of a Director of Digital Transformation in July 2023.

A: Network of Excellence

The Challenge Partners' Network of Excellence (NoE) serves as a professional learning community. School improvement, trust programmes and networks (including hubs) are the vehicles by which leaders collaborate, challenge and support each other's development, contributing to upwards convergence of the sector as a whole.

The NoE knowledge-sharing space brings opportunities to hear about leading practice and find peer support for sustainable school improvement. It includes access to a programme of inspiring speakers from the education sector and beyond, addressing topical and enduring themes.

We held three virtual National Network Conferences in 2022/23, which received an average overall satisfaction rating of 4.65 out of 5, focussing on our theme of human flourishing.

Challenge Partners also delivered four Sharing Leader Practice events in 2022/23, providing both in-person and virtual opportunities for leaders from all phases to engage with specific excellent practice from other schools in the network.

The skill of the facilitators we recruit, train and quality assure is crucial to the success of Challenge Partners' programmes, networks and events. We make sure leading knowledge is in the room, so that excellent practice becomes common practice. This is what differentiates Challenge Partners and makes collaboration in our partnership such an impactful experience for all our schools and trusts. Now in its third year, our bespoke training provides excellent preparation for practitioners facilitating collaboration and best practice sharing through our programmes and networks. School leaders gain powerful CPD and it builds leadership capacity across the system. In 2022/23 we ran our highly rated facilitation training for a total of 34 practitioners, training them to join various programmes as practitioner facilitators.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Summary of the main activities 2022/23 (September 2022 to August 2023) (continued)

We have also developed our digital knowledge exchange offering to further facilitate school collaboration, with the help of funds provided by the David and Elaine Potter Foundation.

In 2022/23 we created a Hub Manager Network to support our hubs in collaborating and sharing best practice. This launched with an in-person Senior Partner and Hub Manager Development Day, where all hubs carried out a self-audit against our Hub Gold Standard. We held four further virtual sessions over the year. We also piloted a Hub Manager Accreditation process to support Hub Managers and improve consistency across the hubs. Three Hub Managers achieved accreditation and received a £500 stipend to support their ongoing leadership development in their Hub Manager roles.

B: Quality Assurance Review

Our flagship programme, the Quality Assurance Review (QAR), is a three-day rigorous annual peer evaluation of teaching and learning, curriculum and outcomes, and leadership at all levels. It has a sharp focus on how schools support the most disadvantaged learners.

2022/23 was a record-breaking year for us as we delivered 413 QARs. This exceeded our pre-pandemic record of delivering 388 QARs in a single year. We also maintained extremely high satisfaction ratings from both host schools and reviewers.

Over 95% of host schools reported they were satisfied or highly satisfied with their review experience and 97% of reviewers were either satisfied or highly satisfied with their experience.

C: Growing the Top

The Growing the Top (GTT) programme brings together top-performing schools, for individual and shared school improvement journeys, drawing expertise from education, business and beyond. They collaborate and drive their schools and the education system to become world class, sharing excellent practice and exploring challenges.

Thirty-two schools took part in 2022/23, 10 secondary, 14 primary and eight special schools. Following feedback from previous attendees, this year we limited the time out of school for participating leaders by changing the mid-year event to virtual delivery.

The average feedback score was 4.7 out of 5 for host schools and 4.9 out of 5 for visiting school leaders.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Summary of the main activities 2022/23 (September 2022 to August 2023) (continued)

D: Extending Leading Practice

Extending Leading Practice (ELP) is designed for schools that are keen to make the shift from good to excellent practice, matching them in trios or quads, with other schools that share their ambition. Schools focus on a specific in-school improvement initiative linked to their school development plan. A structured programme of facilitated school visits allows school leaders to observe excellent practice in other schools and create or co-create solutions to challenges.

In 2022/23, there were 12 participating schools, (four secondary, five primary and three special schools) with groups matched with a practitioner facilitator to lead visit days. The average feedback score was 4.7 out of 5 for host schools and 4.8 out of 5 for visiting leaders.

The ELP and GTT programmes share whole cohort events, enabling wider networking and a greater sharing of excellence as well as giving participants insights from beyond the education sector.

E: Jubilee Networks

These regional networks enable headteachers to build strong connections with peers across their area, sharing knowledge, experience and different strategies for school improvement. A leadership focus is embedded into the network approach. Schools in each network take turns to host all-day meetings for eight to twelve headteachers, showcasing areas of strength alongside areas for development. This provides inspiration for visiting headteachers to stimulate improvement in their own schools. The host school benefits from the feedback, helping them to develop their approach further.

In 2022/23 we saw a successful shift to practitioner-led facilitation of Jubilee Networks, with trained practitioners designing visit days and creating social capital, supported by Challenge Partners' Central Team. This change was well received and the average satisfaction rating was 4.9 out of 5.

We also partnered with BTS Spark, a not-for-profit education practice within BTS, a multi-award-winning global leadership consultancy, to pilot the delivery of leadership workshops during visit days. These successful events were tailored to the leadership development needs of the headteachers in each network. The pilot is being assessed by ImpactEd as part of an independent evaluation of Jubilee Networks.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Summary of the main activities 2022/23 (September 2022 to August 2023) (continued)

F: Trust Leaders' Network and Trust Peer Review

Trust Leaders' Network

Our national Trust Leaders' Network (TLN) is an expertly facilitated space where CEOs and other senior trust leaders from across England share knowledge and best practice. It provides a supportive space for individual and trust development aligned with each trust's priorities and context.

Leaders can access a range of activities, including facilitated trust visit days, an interactive business webinar series, (delivered in partnership with the Social Business Trust), a national Trust Leaders conference and an optional leadership residential.

2022/23 was the third year of the TLN and membership grew to 36 trust leaders, seven more than in 2021/22. Survey ratings across all aspects of the TLN saw the residential achieving a 100% satisfaction score, visit days 99% and webinars 95%.

The TLN was highly effective in facilitating knowledge exchange between trusts, allowing those in potentially isolated roles to share best practice and develop their leadership skills, resulting in stronger trusts and schools for the young people they serve.

Trust Peer Review

This expert-led three-day peer review evaluates a school trust's effectiveness in driving improvement in its schools and outcomes for the children and young people it serves. Recently retired CEOs of successful trusts are trained in Challenge Partners methodology and lead a team of peer reviewers drawn from different trusts across our national network. They work alongside the host trust to explore strengths, areas for development and next steps.

In 2022/23 we delivered 10 Trust Peer Reviews (TPRs), using 40 trust leaders from 21 different trusts as reviewers. We invited TLN participants to train as reviewers to join a team as a visiting reviewer. Satisfaction with the programme was high, with 80% of host trust respondents either satisfied or highly satisfied with their experience of TPR. In addition, 84% of TPR reviewers said they were highly satisfied with their experience of the programme.

We piloted a regional model of the TPR for the first time. Four trusts in the South West agreed to review each other in turn, deepening relationships over the course of the programme. Three of the reviews this year were part of this pilot. This model will continue to be developed over the next year as an additional option for trusts.

A TPR participant described their experience as: "A valuable professional development opportunity. It was great to work with other professionals and have the opportunity and time for discussion and reflection."



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Future plans 2023/2024 (September 2023 to August 2024)

We have an ambitious five-year growth ambition to expand in our partnership, so that by 2027 we reach 500,000 pupils a year. The strategic initiatives to enhance our offer and reach and retain more schools, especially in underserved areas, will progress alongside continuous improvement and innovation in delivering our current programmes and networks.

Our five key strategic initiatives are:

- Improving our QAR capacity, systems and processes to build operational resilience as we scale
- Enhancing our offer through ongoing innovation in our programmes, networks and subscription models
- Reaching and retaining more schools and trusts, especially in underserved areas
- Building capacity and capability within our central team
- Preparing for the future

A: Network of Excellence

We aim to continue providing an excellent experience for all partners and to maintain a consistently high retention rate in the years to come.

Retention efforts will also bring improvements in account management, supporting our hubs to achieve our Gold Standard through:

- More systematic and integrated customer care processes, so that we address issues speedily and strategically
- Excellent programme and network delivery, including support, training and development of our practitioner facilitators
- Tailored relationship management for schools and trusts based on their partnership level
- Our Hub Managers Network and promotion of the Accreditation Scheme for Hub Managers

Two of three virtual National Network Conferences have been successfully delivered in 2023/24, with an average overall satisfaction rating of 4.6 out of 5, focussing on our theme of human flourishing for all. We have also delivered two out of a total of three Sharing Leading Practice events with an average satisfaction rating of 4.5 out of 5.

Challenge Partners' continues to empower its facilitators to bring the right level of leading practice and challenge into every discussion, whilst also retaining a collegiate environment which is both safe and supportive. Our knowledge exchange principles remain embedded in the design and delivery of all programmes and networks, and these are evaluated for impact. We have increased our focus on accrediting areas of excellence, using 2023/24 to re-explore how schools and trusts might directly share leading practice beyond the structured network and programme events we offer.

Our digital knowledge exchange strategy was enhanced in 2023/24, with the launch of our new website in November 2023, allowing our partners to access information more quickly and easily.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Future plans 2023/2024 (September 2023 to August 2024) (continued)

B: Quality Assurance Review

We are on track to deliver another record number of reviews, 450 reviews in 2023/24. This is our largest number to date, increasing on the record-breaking number of 413 reviews delivered in 2022/23.

Most schools sign up for the QAR and we are committed to building capacity, systems and processes, so that we can smoothly deliver this programme to our schools and scale it as we grow.

Scheduling has previously been a key challenge to programme delivery. However, the new software rolled out in Spring 2023 has proved to be a great success, enabling schools to sign up and schedule their review when they join or renew as a full partner. As a result, we had an unprecedented number of reviews booked in before the start of the new 2023/24 academic year.

Improving our technology and how schools engage with us is an important part of our future development and digital capital. We plan to develop further functionality to our subscription and scheduling systems in 2023/24, so schools and reviewers can engage in an efficient and productive way, while reducing the need for manual interventions by our Central Team.

Improvements include:

- Iterative improvements to the scheduling process
- Allowing school leaders to book themselves onto QARs as reviewers
- Improving communication around reviewer commitment and making it easier to identify opportunities to engage with the QAR in different ways
- Growing the number, geographic spread and phase expertise of our Lead Reviewers to increase our pool

C: Growing the Top

There are 34 schools participating in GTT for 2023/24 (seven secondary, 20 primary and seven special schools), with practitioner-facilitated visit days hosted by each school. Fifteen of the 34 schools have previously taken part in the programme.

Participating schools will benefit from two in-person and one virtual whole-cohort events, alongside ELP schools, bringing them together for further knowledge sharing and to build social capital. They'll hear from speakers from the world of education and business on topics such as wellbeing, policy, diversity and inclusion and maintain outstanding performance. Following feedback from previous GTT and ELP cohorts, we are trialling merging the mid-year event with the National Network Conference to ensure high-quality input and further reduce the time commitment required for school leaders.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Future plans 2023/2024 (September 2023 to August 2024) (continued)

D: Extending Leading Practice

Now in its third year of delivery, the ELP programme involves 17 schools in 2023/24 (five secondary, six primary and six special schools).

Alongside the GTT cohort, ELP schools will benefit from two in-person and one virtual whole-cohort events.

Looking ahead, our challenge for both GTT and ELP will be to scale both programmes by marketing the programmes to the wider partnership, as well as new leads. We will also be working to embed effective internal systems to support delivery to a larger number of schools.

E: Jubilee Networks

Secondary Jubilee Networks continue in the Midlands and South-Central regions in 2023/24. The Primary Jubilee Network in the Midlands also continues. In addition, we have launched a new Primary Jubilee Network in the South-Central region. This year all Jubilee Networks are facilitated by practitioners, who are taking a more direct role in designing visit days and liaising with their groups, with support from the Central Team.

This year, we are continuing to partner with BTS Spark to deliver leadership workshops during Jubilee Network visit days and are monitoring the value of these inputs. We are working with ImpactEd to evaluate the impact of Jubilee Networks and gain insights to support their growth and developments.

There are opportunities to grow more Jubilee Networks in areas of the country where we are underrepresented, where budgets are constrained and/or schools or sponsors are looking for valuable ways for leaders to benefit from knowledge exchange and leadership development.

F: Trust Peer Review and Trust Leaders' Network

Trust Peer Review

We have innovated our TPR framework for 23/24 by bringing it into line with the Confederation of School Trusts' (CST) Strong Trusts Assurance Framework, which Challenge Partners contributed to. We continue to improve TPR operations and quality by bringing key processes and quality assurance in line with approaches used for our flagship QAR.

We are building on the success and impact of our South-West group TPR by offering this model as an alternative to participation in our national TPR programme.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Future plans 2023/2024 (September 2023 to August 2024) (continued)

F: Trust Peer Review and Trust Leaders' Network (continued)

Trust Leaders' Network

The TLN has grown to 41 members in 2023/24, with 20 of these returning members. This year we have introduced two practitioner facilitators to facilitate trust visits, working closely with host trusts to design the agenda, with support from Challenge Partners.

In 2023/24, we will facilitate five trust visits and three business webinars in partnership with the Social Business Trust. Network members can train as Trust Peer Reviewers and join the two-day Trust Leaders' Residential. They will also have the opportunity to receive executive coaching from BTS Spark. The Trust Leaders' Conference will take place in July 2024 and this year we are partnering with the CST.

G: SEND Developmental Peer Review

In January 2024, we launched our special educational needs and disability (SEND) pilot programme with 37 schools. Schools paid a fee of £2,000 each to take part and two local authorities signed up a number of their schools.

The programme aims to improve provision and outcomes for SEND students attending mainstream schools. Participating schools self-evaluate their SEND provision, then receive honest and insightful feedback from peers in expert-facilitated days. It enables schools to learn from each other's strengths and collaborate on solutions to common challenges, supporting each other to improve and deliver the best for their pupils with SEND.

Our next steps are to evaluate the pilot and prepare to scale the programme for the future by improving our internal systems. We are seeking funding for an external evaluation in 2024/25 and to disseminate findings in the wider education sector.

H: Middle Leaders Quality Assurance Review

This hub-led programme was rolled out to the network in Autumn 2023, following a successful pilot and independent evaluation. Drawing on principles from our QAR programme, the Middle Leaders Quality Assurance Review (MLQAR) is designed to support school improvement at a hub level through developing middle leadership in schools. Challenge Partners ran virtual training for senior leaders to become Lead Facilitators and lead one-day MLQARs. We also provided hubs with a programme pack of resources that support the coordination of reviews and video training for middle leaders.

Eight hubs have signed up to the MLQAR. We will evaluate the roll out through focus groups and case studies, with the aim of expanding the number of hubs participating in 2024/25.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Financial Review

Challenge Partners received £2.96 million of income in the year ending 31 August 2023, with outgoings totalling £2.95 million, delivering a surplus of £0.01 million (2022: £0.15 million). The Trustees and Management had agreed to increase spending in 2023 in order to facilitate future growth. While this did increase costs, the investment was essential to increase skills, knowledge and expertise, to enable our growth ambition of enhancing the outcomes for 500,000 pupils a year by 2027.

The principal sources of funding for the year were:

- £2.63 million from the NoE, primarily partnership subscriptions. These funds are used to support schools in improving at a rate above the national average
- £0.29 million from the grant income, gifts and donations, £0.08 million of which came in the form of a gift in kind as business consulting

Reserves held as at the end of the year amounted to £429,198 (2022 £417,359). The reserves were split as follows:

- unrestricted reserves £429,198 (2022 £417,359)
- restricted reserves £0 (2022 £0)



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Financial Review (continued)

The Trustees adopted a Cash Reserves policy during the year, with a requirement for the charity to retain between three and nine months of expenditure as cash available at bank at any one time. A RAG status has been adopted to report to the Trustees in a timely manner to ensure that cash reserves remain strong to support the charity during this period of growth. Cash reserves at the end of the year were at RAG status Green, with no concerns highlighted for the twelve months forecast from the end of the month. Cash, income and expenditure forecasts are updated on a monthly basis as a matter of course with Trustees. The Chair of the Finance and Audit Committee (FAC) is consulted with if there is a deviation from agreed budgets and plans, none of which have occurred in the months to signing of the accounts.

Fundraising

In order to achieve our ambitious growth strategy, Challenge Partners appointed its first in-house Fundraising Lead during the Summer of 2023. This is a pivotal role enabling Challenge Partners to innovate and grow its support for even more schools to enhance outcomes for their pupils.

Challenge Partners actively raises funds from trusts, foundations, corporates and other funding organisations. We are focussing on raising unrestricted funds to cover core costs, however restricted funds are also being sought to develop and grow our digital infrastructure to enhance the back-office technologies surrounding Finance & Human Resources and implement technology improvements to enable greater efficiency and ease of use for QAR scheduling for all parties. Restricted funds, if granted, will also allow further innovations to enhance our offering in the changing and challenging education environment.

We continue to benefit from the generosity of individual donors, trusts and foundations, and remain extremely grateful for their support. During the financial year, Challenge Partners' operations were funded by:

- Social Business Trust
- Permira Foundation
- Garfield Weston Foundation
- Barratt Foundation
- David and Elaine Potter Foundation
- XTX Markets

Our overall fundraising objective is to diversify our sources of funding and support innovation and improvement in our partnership. Over the coming year, our priorities are: to steward our existing relationships with a view to securing further long-term grants, build relationships and develop bids with new trusts, foundations and corporates, and assist school trusts to access funding from the Trust Capacity Fund to spend with us.



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Cash Reserves Policy

Challenge Partners' cash reserves policy is to maintain a minimum three months staffing costs plus £50,000 to cover for contingency in case of substantial loss of revenue where the company needs to cease trading. We also maintain a level of contingency fund for opportunities that foster and promote the mission of the charity. The unrestricted cash reserves required to meet three months staffing costs and cover for contingency are £305,795 (2022: £285,799).

Unrestricted cash reserves as at 31 August 2023 amounted to £1,727,487 (2022: £1,341,036). These cash reserves allow Challenge Partners to address and financially manage the consequences of any unforeseen events or to take advantage of fresh opportunities that further Challenge Partners' aims and objectives. Trustees periodically review the cash reserves policy to ensure it meets the requirements of the charity.

Principal Risks and Uncertainties

Risk management is central to Challenge Partners' ability to deliver its mission and objectives. Challenge Partners applies multiple ways of identifying and managing risks through the Leadership Team (LT), the FAC and the Board.

The organisational risk register is a shared tool through which we record financial, strategic and operational risks and strategies to mitigate these risks. The Board leads on the review and approval of the organisational risk register. This process helps Challenge Partners to identify and assess potential risks and to develop effective mitigation strategies.

Financial risk management is implemented through rigorous budget control and monthly cash flow management which ensures only secured funds are spent. The LT interacts with the FAC and implements the scheme of delegation on issues that need reporting to the FAC. Monthly management accounts discussions are held at a senior management level and at the FAC. The management accounts are also presented to the Board. The FAC reviews risks, challenges and key financial management policies and assumptions. The FAC ensures that the annual budget is adequately funded and makes recommendations to the Board for adoption.

Strategic risks are identified by the LT, who lead on managing these risks and notifying the FAC and the Board.

Operational risk is identified and bespoke mitigations are undertaken by the delivery teams, who review programme activities as part of the regular programme monitoring activities.

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

Principal Risks and Uncertainties (continued)

Challenge Partners identified and mitigated for the following key risks in 2022-2023:

Major risk	Mitigations
<p>Financial Sustainability and income diversification</p> <ol style="list-style-type: none"> 1. Lack of breadth to our income source and an over reliance on donations 2. Inflationary pressures on budgets 	<ol style="list-style-type: none"> 1. Grant applications, sponsorship and fundraising plans 2. Diversifying income streams through long term partnerships 3. Maintaining clear budgeting and monitoring processes 4. Raising income through growth, fundraising and further price increases
<p>Internal staffing/capacity/systems challenges</p> <ol style="list-style-type: none"> 1. Key personnel leave the organisation 2. Internal infrastructure/processes do not keep up with our increasingly complex offer 3. Insufficient skills/capacity for innovation/other projects 	<ol style="list-style-type: none"> 1. Ongoing development opportunities internally to stretch, develop and grow our own 2. Two months' notice period allows a long lead in time for handover 3. Regular review of staffing ensuring the right people are in the right roles 4. Reflections around what worked/didn't around operationalisation of offer 5. Looking to where we can further automate to support delivery 6. Further staff training to develop skills and drill into where responsibilities lie
<p>Changes to the sector impacting our relevance and perceived value for schools</p> <ol style="list-style-type: none"> 1. Increase in school trust size and capacity making them less likely to look to external organisations for collaboration and support 2. Recruitment/retention/funding pressures mean schools could be less open to outside of school collaborative work 	<ol style="list-style-type: none"> 1. Continue to demonstrate and communicate the benefits of external challenge and support 2. TPR and TLN to increase in profile and significance to support trusts 3. Flexibility of trust package 4. Use of technology to support collaboration virtually



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Challenge Partners was incorporated as a Company Limited by Guarantee on 27 April 2012. It was registered as a Charity (standard registration) governed by its Articles of Association 9 October 2012. Challenge Partners is a charity registered in England and Wales (1149266) and is regulated by the Charity Commission.

We are a nationwide network of schools working together to improve education outcomes for all. Our goal is to reduce educational inequality and improve the life chances of all children. Through collaboration, challenge and leadership development, we are working to ensure every school community can benefit from the combined wisdom of the whole system.

Challenge Partners has a Board of Trustees committed to manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any Special Resolution. The number of Trustees shall not be less than three and (unless otherwise determined by the Trustees) there shall be no maximum. The Trustees shall ensure that there are always sufficient Trustees so that the business of the Charity is adequately governed. The Chief Executive shall be a Trustee ex officio. Any individual who becomes a Trustee will automatically be deemed to have been appointed as a member at the same time.

The term of office for all Trustees (save for the Chief Executive) is three years. Trustees are eligible for reappointment at the end of their term up to a total maximum of three consecutive terms, following which they will not be eligible for appointment again for one year. In exceptional circumstances and where it is in the interest of the Charity to do so, Trustees may agree by Special Resolution to reappoint a Trustee for a further specified term of no more than one year, following which they will not be eligible for appointment again for one year.

The Board of Trustees also has a separate committee:

- Finance, Risk and Audit: to monitor and review audit activities, the risk and control Framework, along with the statutory accounts/annual report

The Board of Trustees delegate the responsibility for the day-to-day management of Challenge Partners to the LT Policy, strategic and implementation plans are prepared by senior management for consideration and approval by the Board of Trustees. In 2022/23 the LT was comprised of the following members:

- Chief Executive
- Executive Director
- Managing Director
- Director of Finance and Operations (joined April 2023)
- Head of Finance and Operations (resigned January 2023)
- Director of Partnership Development
- Head of Strategy and Innovation
- Head of Programmes, Networks and Evaluation
- Director of Digital Transformation (joined July 2023)



CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also the directors of Challenge Partners for the purposes of company law) are responsible for preparing the Report of the Trustees and 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 charitable company and the income and expenditure of the charitable company 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 7 May 2024 and signed on its behalf by:

C J Davison

Christopher Davison – Chair of Trustees



CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners

Opinion

We have audited the financial statements of Challenge Partners for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of the charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners Continued

Other information Continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners Continued

Responsibilities of trustees for the financial statements continued

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the completeness and cut-off of subscription and grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the recognition of grant and subscription income.



CHALLENGE PARTNERS

Independent auditor's report to the members of Challenge Partners Continued

Auditor's responsibilities for the audit of the financial statements continued

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 Auditor's 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.

A handwritten signature in black ink, appearing to read "Vikram Sandhu", with a long horizontal line underneath it.

Vikram Sandhu (Senior Statutory Auditor)
10 Queen Street Place, London, EC4R 1AG
For and on behalf of Haysmacintyre LLP, Statutory Auditor
London
Date: 9 May 2024

CHALLENGE PARTNERS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Income from:							
Charitable activities							
Excellence for Everyone	2	-	-	-	-	16,482	16,482
Network of Excellence	2	2,811,685	39,288	2,850,973	2,348,358	46,850	2,395,208
Strategic Business Development	2	-	76,128	76,128	-	46,591	46,591
Getting Ahead London	2	-	-	-	52,860	80,000	132,860
Other income	2	35,678	-	35,678	26,933	25,005	51,938
Total income		<u>2,847,363</u>	<u>115,416</u>	<u>2,962,779</u>	<u>2,428,151</u>	<u>214,928</u>	<u>2,643,079</u>
Expenditure on:							
Charitable activities							
Excellence for Everyone	3	-	-	-	-	16,482	16,482
Network of Excellence	3	2,835,524	39,288	2,874,812	2,194,015	46,850	2,240,865
Strategic Business Development	3	-	76,128	76,128	-	46,591	46,591
Getting Ahead London	3	-	-	-	52,860	86,148	139,008
Other Expenditure	3	-	-	-	26,933	25,005	51,938
Total expenditure		<u>2,835,524</u>	<u>115,416</u>	<u>2,950,940</u>	<u>2,273,808</u>	<u>221,076</u>	<u>2,494,884</u>
Net movement in funds		11,839	-	11,839	154,343	(6,148)	148,195
Total funds brought forward		417,359	-	417,359	263,016	6,148	269,164
Total funds carried forward	13	<u>429,198</u>	-	<u>429,198</u>	<u>417,359</u>	-	<u>417,359</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure arise from continuing operations.



CHALLENGE PARTNERS

BALANCE SHEET AS AT 31 AUGUST 2023

Registered Company number: 08048330

	Notes	2023	2022
		£	£
FIXED ASSETS			
Intangible assets	9	10,225	-
Tangible assets	10	16,218	24,580
		26,443	24,580
CURRENT ASSETS			
Debtors	11	16,436	105,833
Cash at bank and in hand		1,750,607	1,341,036
		1,767,043	1,446,869
CREDITORS: amounts falling due within one year	12	(1,364,288)	(1,054,090)
NET CURRENT ASSETS		402,755	392,779
NET ASSETS	14	<u>429,198</u>	<u>417,359</u>
FUNDS:			
Unrestricted funds	14	429,198	417,359
Restricted funds	13,14	-	-
		<u>429,198</u>	<u>417,359</u>

The financial statements were approved by the Board of Trustees
on behalf by:

C J Davison

Christopher Davison – Chair of Trustees
7 May 2024

and were signed on its



CHALLENGE PARTNERS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities	423,196	(341,364)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(13,625)	(16,371)
Net cash used in investing activities	(13,625)	(16,371)
Increase/(decrease) in cash and cash equivalents in the year	409,571	(357,735)
Cash and cash equivalents at beginning of year	1,341,036	1,698,771
Cash and cash equivalents at end of year	<u>1,750,607</u>	<u>1,341,036</u>

RECONCILIATION OF THE NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income per SOFA	11,839	148,195
Adjustments for:		
Depreciation	11,762	8,193
Decrease/(increase) in debtors	89,397	(66,168)
Increase/(decrease) in creditors	310,198	(431,584)
Net cash provided by / (used in) operating activities	<u>423,196</u>	<u>(341,364)</u>

Analysis of cash flow and net debt

	1 September 2022	Cashflow	31 August 2023
	£	£	£
Cash at bank and at hand	1,341,036	409,571	1,750,607
Total	<u>1,341,036</u>	<u>409,571</u>	<u>1,750,607</u>



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Having reviewed the funding facilities available to the charity together with the expected demand and proven high renewal rates across the network and the resulting projected cash flows, the Board of Trustees have no material uncertainties with respect to the going concern status of the organisation and have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities (SOFA) in the period to which it relates to, and that it is probable that the income will be received and the amount can be measured reliably. Subscription fees that have been paid in full and specifically relates to the next financial year have been deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are expenditure incurred directly in supporting charitable activities and are allocated to activities in proportion to the use of central services. Governance costs comprise costs involving the public accountability of the charity and its compliance with regulation and good practice.

Pensions

Defined contribution pension plan

A defined contribution plan is operated for its employees. A defined contribution plan is a pension plan under which Challenge Partners pays fixed contributions into a separate entity. Once the contributions have been paid, Challenge Partners has no further payment obligations.

The contributions are recognised as an expense in the SOFA when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Challenge Partners in independently administered funds.



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

1. ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangibles assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Website Development	- 3 years straight line
---------------------	-------------------------

At each reporting date an assessment is made as to whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The assets residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each tangible fixed asset over its estimated useful life.

Fixtures and fittings and equipment	- 4 years straight line
-------------------------------------	-------------------------

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The capitalisation policy is to capitalise all individual assets which cost more than £500.

Fund accounting

Unrestricted funds: General funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity. Designated funds represent funds set aside by the Trustees in order to fund specific projects.

Restricted funds are to be used in accordance with the specific restrictions imposed by the donors. The aims and use of restricted funds are set out in the notes to the financial statements. Income is recognised against related expenditure as it is realised.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

1. ACCOUNTING POLICIES (continued)

Judgments in applying accounting policies and key sources of estimating uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main items within the financial statements where judgements and estimates have been made is in relation to the valuation of gifts in kind and provisions with respect to trade debtors.



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

2. INCOME FROM CHARITABLE ACTIVITIES

	Subscription income £	Grant income £	Donated services £	Other income £	2023 Total £
Network of Excellence	2,632,685	218,288	-	-	2,850,973
Strategic Business Development	-	-	76,128	-	76,128
Other income	-	-	-	35,678	35,678
Total income	<u>2,632,685</u>	<u>218,288</u>	<u>76,128</u>	<u>35,678</u>	<u>2,962,779</u>

	Subscription income £	Grant income £	Donated services £	Other income £	2022 Total £
Excellence for Everyone	-	16,482	-	-	16,482
Network of Excellence	2,348,358	46,850	-	-	2,395,208
Strategic Business Development	-	25,206	21,385	-	46,591
Getting Ahead London	-	80,000	-	52,860	132,860
Other income	-	25,005	-	26,933	51,938
Total income	<u>2,348,358</u>	<u>193,543</u>	<u>21,385</u>	<u>79,793</u>	<u>2,643,079</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs £	Governance costs £	2023 Total £
Network of Excellence	2,439,423	405,406	14,000	2,858,829
Strategic Business Development	76,128	-	-	76,128
Other expenditure/Pilot programmes	15,983	-	-	15,983
Total charitable activities expenditure	<u>2,531,534</u>	<u>405,406</u>	<u>14,000</u>	<u>2,950,940</u>

	Direct costs £	Support costs £	Governance costs £	2022 Total £
Excellence for Everyone	13,186	3,296	-	16,482
Network of Excellence	1,894,461	334,854	11,550	2,240,865
Strategic Business Development	46,591	-	-	46,591
Getting Ahead London	86,148	52,860	-	139,008
Other expenditure/Pilot programmes	41,550	10,388	-	51,938
Total charitable activities expenditure	<u>2,081,936</u>	<u>401,398</u>	<u>11,550</u>	<u>2,494,884</u>



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

4. SUPPORT COSTS

	2023	2022
	£	£
Gross salaries	246,010	233,464
Employer's national insurance	29,375	29,631
Pension	9,416	10,023
Health insurance	6,857	5,483
Insurance	3,836	2,882
Telephone	3,103	3,011
Postage, printing and stationery	3,274	2,358
Sundries	4,711	1,149
Rent	26,206	26,498
IT costs	31,270	34,856
Subscriptions	9,405	5,918
Accountancy	11,538	7,575
Marketing and design	3,748	3,190
Depreciation	11,762	8,193
Travel costs	4,895	5,873
Recruitment	-	21,294
Total support costs	<u>405,406</u>	<u>401,398</u>

Gross salaries, Employers' national insurance and Pension costs have been restated in 2022.

5. GOVERNANCE COSTS

	2023	2022
	£	£
Auditor's remuneration	<u>14,000</u>	<u>11,550</u>

CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

6. NET EXPENDITURE

	2023	2022
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration	14,000	11,550
Depreciation	11,762	8,193
Operating leases - rent and service charge	26,206	26,498

7. TRUSTEES' REMUNERATION AND BENEFITS

Dr Katherine Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Remuneration £120,000 - £130,000 (2022: £110,000 - £120,000). The payments have been authorised in accordance with the charity's governing document.

Trustees' expenses

Two Trustees were reimbursed travel expenses of £249 (2022 - £446, three Trustees) during the year.

8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,101,744	905,585
Social security costs	122,442	106,327
Pension costs	49,178	41,886
	<u>1,273,364</u>	<u>1,053,798</u>

The total remuneration of key management personnel in the year was £623,390 (2022: £623,420).

Key Management Personnel comprise:

- Chief Executive
- Executive Director
- Managing Director
- Director of Finance and Operations (joined April 2023)
- Head of Finance and Operations (resigned January 2023)
- Director of Partnership Development
- Head of Strategy and Innovation
- Head of Programmes, Networks and Evaluation
- Director of Digital Transformation (joined July 2023)



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

8. STAFF COSTS (continued)

The average monthly number of employees during the year was as follows:

	2023	2022
	No.	No.
Head count	25	24
Full time equivalent employees	24	23

The number of employees whose employee benefits exceeded £60,000, with employer national insurance contributions of £46,591 (2022: £45,643):

	2023	2022
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

Dr Katherine Chhatwal OBE was paid pension contributions in respect of her role as Chief Executive and serves as a trustee ex officio.

9. INTANGIBLE ASSETS

	Website Development £
COST	
Opening balance 1 September 2022	-
Additions	10,225
At 31 August 2023	<u>10,225</u>
DEPRECIATION	
Opening balance 1 September 2022	-
Charge for the year	-
At 31 August 2023	<u>-</u>
NET BOOK VALUE	
At 31 August 2023	<u>10,225</u>
At 31 August 2022	<u>-</u>



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

10. TANGIBLE FIXED ASSETS

	Fixtures fittings and equipment £
COST	
Opening balance 1 September 2022	47,025
Additions	3,400
At 31 August 2023	<u>50,425</u>
DEPRECIATION	
Opening balance 1 September 2022	22,445
Charge for the year	11,762
At 31 August 2023	<u>34,207</u>
NET BOOK VALUE	
At 31 August 2023	<u>16,218</u>
At 31 August 2022	<u>24,580</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	1,488	100,072
Other debtors	2,953	-
Prepayments	11,995	5,761
	<u>16,436</u>	<u>105,833</u>



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	34,660	80,707
Social security and other taxes	215,861	289,951
Other creditors	24,390	10,597
Deferred income	1,037,132	578,648
Accrued expenditure	52,245	94,187
	<u>1,364,288</u>	<u>1,054,090</u>

13. RESTRICTED FUNDS

	1 September 2022	Income	Expenditure	31 August 2023
	£	£	£	£
Network of Excellence	-	39,288	(39,288)	-
Strategic Business Development	-	76,128	(76,128)	-
Total	-	<u>115,416</u>	<u>(115,416)</u>	-

	1 September 2021	Income	Expenditure	31 August 2022
	£	£	£	£
Network of Excellence	-	46,850	(46,850)	-
Excellence for Everyone	-	16,482	(16,482)	-
Strategic Business Development	-	46,591	(46,591)	-
Getting Ahead London	6,148	80,000	(86,148)	-
Other	-	25,005	(25,005)	-
Total	<u>6,148</u>	<u>214,928</u>	<u>(221,076)</u>	-



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

13. RESTRICTED FUNDS (continued)

2022/23

Network of Excellence:

The Permira Foundation provided funding via their 2021/22 Liferaft (tranche two) grant, for expert speakers at our National Network meetings and for initiating an independent evaluation of our Jubilee Networks.

The David and Elaine Potter Foundation provided funds to facilitate school collaboration via digital transformation within Challenge Partners.

The Social Business Trust provided funds to enable the digital transformation of the Challenge Partners booking interface with schools and trusts.

Strategic Business Development:

This fund relates to the development and growth of Challenge Partners and was supported by The Social Business Trust.

2021/22

Network of Excellence:

The Dulverton Trust provided resources for Knowledge Exchange as part of our Network of Excellence offer and enabled Challenge Partners to shine a brighter spotlight on disadvantage at a time when this has been needed most.

Excellence for Everyone:

Funding from The Permira Foundation Liferaft fund allowed Excellence for Everyone resources to be repackaged as an online toolkit and made available free of charge for those in our network.

Strategic Business Development:

This fund relates to the development and growth of Challenge Partners and was supported by The Social Business Trust.

Getting Ahead London (London Leadership Pool):

Provided a bespoke programme to aspiring head teachers in London in order to better equip them to become future head teachers.



CHALLENGE PARTNERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

14. ANALYSIS OF NET ASSETS

	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023
	£	£	£
Fixed assets	26,443	-	26,443
Current assets	1,767,043	-	1,767,043
Current liabilities	(1,364,288)	-	(1,364,288)
Net assets	<u>429,198</u>	=	<u>429,198</u>

	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022
	£	£	£
Fixed assets	24,580	-	24,580
Current assets	1,446,869	-	1,446,869
Current liabilities	(1,054,090)	-	(1,054,090)
Net assets	<u>417,359</u>	=	<u>417,359</u>

Within unrestricted funds there is £127,829 (2022: £nil) of designated funds, relating to a grant from the Permira Foundation, where funds have been set aside to directly cover resources allocated to innovation and digital transformation in 2023/24, so enhancing the value and impact of our offering and ensuring our internal systems can support our future growth.

15. RELATED PARTY DISCLOSURES

During the year, Challenge Partners received funds of £2,580 (2022: £4,710) from STEP Academy Trust for annual subscriptions. Dr Katherine Chhatwal OBE was a trustee of STEP Academy Trust until July 2023.

During the year, Challenge Partners received funds of £28,589 (2022: £14,978) from Lighthouse Schools' Partnership for annual subscriptions and services. Mr Gary Lewis is the Chief Executive Officer and a trustee of Lighthouse Schools' Partnership.

No other related party transactions took place during the year.

Dr Katherine Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Further details can be seen in note 7 of the financial statements

16. CHARITY STATUS

The charity is a private company limited by guarantee and consequently does not have a share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

CHALLENGE PARTNERS

England & Wales - Charity number 1149266

Accounts

REGISTERED COMPANY NUMBER: 08048330 (England and Wales)

REGISTERED CHARITY NUMBER: 1149266

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR END 31 AUGUST 2022**

CHALLENGE PARTNERS

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CHALLENGE PARTNERS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08048330 (England and Wales)

Registered Charity number

1149266

Registered office

John Keats Primary School
391 Rotherhithe New Road
London,
SE16 3FN

Trustees

Mr Christopher Davison (Chair from 01/08/2021)
Dr Katherine Chhatwal OBE (ex officio)
Mr Gary Handforth (resigned 21/09/2022)
Mr Arwel Jones
Ms Alison Beane OBE
Ms Susanna Eastham
Ms Janine Harion
Ms Vijita Patel
Ms Louise Wolsey
Ms Candice Lott (appointed 21/09/2022)
Mr Gary Lewis (appointed 21/09/2022)
Ms Lucinda Ingram (appointed 21/09/2022)
Mr Pavandeep Bansal (appointed 21/09/2022)

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place,
London
EC4R 1AG

Bankers

HSBC UK Ltd
The Helicon
1 South Place
London
EC2M 2UP

CHALLENGE PARTNERS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The purpose of the Charity

The Charity's Objects ('Objects') are specifically restricted to the advancement of education for the public benefit in particular (but without prejudice to the generality) by promoting and supporting the improvement of schools regionally, nationally or internationally.

In reviewing the Charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefit.

Summary of the main activities 2021/22 (September 2021 - August 2022)

A: Network of Excellence

In 2021/22 we had 535 schools in our network, with an above average renewal rate of 88% compared to the 74% average over the previous three years. This saw the highest number of rejoiners (7%) but also the lowest proportion of new members (23% of all schools). The number of secondary schools increased to 30% of the total. The overall increase in schools was 26% up on our previous year's total of 424 schools. This strong performance was due to schools being ready to re-engage as we emerged from the pandemic, plus the introduction of our tiered subscription model.

The Challenge Partners' Network of Excellence includes all 535 schools and over 100 trusts and serves as a professional learning community. School improvement and trust programmes and networks (including hubs) are the vehicles by which leaders collaborate, challenge and support each other's development, contributing to upwards convergence of the sector as a whole. Quality Assurance Reviews continued to be the leader programme for 2021/22, with 451 reviews planned. After expanding eligibility to new schools, Growing the Top had its largest cohort yet (38 schools). Our new pilot for 2021/22, Extending Leading Practice, attracted 13 schools, and 43 schools joined the Jubilee Networks (formerly called Regional Headteacher Networks). The performance of new tiers Network and Gateway Partners was modest, but their benefits were not marketed until July in order to maximise sign up by schools as Full Partners. We had a total of 43 hubs across the country, as per 2020/21.

As part of our strategy to strengthen our hubs and improve hub performance against our Hub Gold Standard, we hosted our first Development Day in October and subsequently convened online meetings for our Hub Managers to share best practice. We continued to link newer Hub Managers with a Hub Buddy, and also launched an accreditation scheme for Hub Managers to reward and incentivise outstanding hub leadership and support for schools within hubs.

Learning the lessons from our digital knowledge exchange activities in 2020/21, we continued to offer popular termly National Network meetings with inspirational speakers tackling key strategic topics. These included Mary Myatt, Sam Freedman, David Olusoga, Ndidi Okezie and Professor Lee Elliot Major and covered curriculum and pedagogy, curriculum diversity and educational landscape and social mobility. In partnership with schools, we delivered 10 Sharing Leading Practice webinars to share accredited areas of excellence across the partnership. These received an average rating of 4.5 out of 5.

B: Quality Assurance Review

The Quality Assurance Review (QAR) is an annual peer review for each school and professional development for senior leaders to review other schools.

Summary of the main activities 2021/22 (September 2021 - August 2022) Continued

B: Quality Assurance Review continued

Following the success of the virtual Leadership Quality Assurance Review (vLQAR) the previous year, in 2021/22 we decided to offer partner schools this option alongside the in-person review, despite the fact there were no longer COVID-19 restrictions in place. However, schools were understandably eager to return to in-person review activities so all reviews went ahead in person. While COVID-19 infection rates still impacted on review delivery, we were able to deliver 350 QARs in 2021/22, making it the highest number of reviews we've delivered since 2018/19, before the pandemic.

Satisfaction ratings were very high again, with host schools providing an average score of 4.71 out of 5, while reviewers gave an average score of 4.8 out of 5.

C: Growing the Top

The Growing the Top Programme brings together top-performing schools in the Challenge Partners Network of Excellence to collaborate and drive their schools – and the education system – to become world class by sharing excellent practice and exploring challenges.

In 2021/22, we had 38 participating schools (19 primary, 9 secondary and 10 special schools). Alumni from previous cohorts were trained to become practitioner facilitators and matched with groups to facilitate visit days. Out of 38 visit days, 37 were completed, with the remaining school electing to defer their visit until 2022/23. The average feedback score was 4.75 out of 5.

The programme organised three in-person whole cohort events. Topics covered included *Mental Health Support Strategies for Schools* (Dr Keri Wong), *Creating a Balanced Curriculum* (Jaqui O-Hanlon MBE), *Policy Pieces* (Sam Freedman and Tom Richmond), *School Improvement Strategies* (Dame Kathryn August) and *Regulating Education* (Dr Jo Saxton). Events had positive feedback with an average score of 4.4 out of 5. Suggested improvements for 2022/23 were that delegates would like the mid-year event to be virtual to limit time out of school and for speakers to be more applicable across phases. These changes were made for the next academic year.

D: Extending Leading Practice

Extending Leading Practice started as a pilot programme to support school improvement in good schools within the Challenge Partners' Network of Excellence. Based on the Growing the Top programme, the programme's key components are facilitated visit days, whole cohort events, and in-school impact projects focused on the participating schools' improvement priorities.

In 2021/22, there were 13 participating schools (7 secondary and 6 primary) grouped into trios and quads and matched with a practitioner facilitator to lead visit days. Throughout the pilot phase, we continued to consult participants and our Lead Practitioner advisory group, implementing changes based on feedback where valuable. 100% of visit days were completed with an average feedback of 4.6 out of 5.

The programme organised two in-person whole cohort events. Topics covered during these events included case studies on two schools' journeys to excellence (Gee Kadar and Cassie Buchanan OBE), *Addressing Special Education in Mainstream Provision* (David Bartram), *Developing and implementing a theory of change for in-school projects* (ImpactEd), and *Beyond Ofsted: How do we retain our core focus and continue pushing the boundaries for excellence?* (Rob Carpenter). Events had positive feedback, with an average score of 4.6 out of 5.

Summary of the main activities 2021/22 (September 2021 - August 2022) Continued

E: Excellence for Everyone

The Excellence for Everyone programme supports schools to break the link between poverty and poor outcomes. It helps schools in our network understand and tackle the disadvantage gap and its online training resources are accessible to all schools in our network so thousands of children can benefit.

Thanks to generous funding from the Permira Foundation, we worked with ImpactEd, a non-profit organisation that supports schools and education organisations to evaluate their impact, learn from it, and prioritise what is working best to improve outcomes for disadvantaged young people. ImpactEd independently-evaluated the programme in 2021/22, measuring outcomes at both the pupil- and school-level. The published report, *Key Lessons for Tackling Educational Disadvantage*, captures specific school initiatives and the differences they made to disadvantaged children, as well as highlighting the challenges these schools have continued to face, despite their determined efforts to try and close the gap. Earlier this year we shared the report with the now 550+ schools across the Challenge Partners' network as the key lessons and practitioner prompts throughout could be useful to schools in the face of similar challenges.

We continued to showcase expert speakers on the subject of closing the gap at our National Network meetings. Keynote speakers included David Laws of the Education Policy Institute and Professor Lee Elliot Major OBE, the UK's first Professor of Social Mobility. Feedback from school leaders was very positive and we will continue to showcase expert speakers in this area going forward.

F: Getting Ahead London

The Getting Ahead London programme, substantially funded by the Greater London Authority with a small contribution from participants, ran for its sixth year in 2021/2022. It provided aspiring London leaders with the skills, experience, networks and knowledge to take the step up to senior leadership/headship. All participants were matched into trios with two other aspiring leaders and met with an experienced senior leader/headteacher coach over the course of an academic year. Despite the introduction of funded NPQHs and NPQSLs, we successfully recruited 21 aspiring senior leaders and 31 aspiring headteachers to the programme. Aspiring heads gave the programme an overall satisfaction score of 4.6 out of 5, aspiring senior leaders gave it an overall satisfaction score of 4.63 and coaches gave it an overall satisfaction score of 4.67. Getting Ahead London participants attended five in-person and one virtual event over the course of the year. These focussed on different aspects of leadership and personal development, including interview preparation, imposter syndrome, conflict management and individual leadership journeys.

Programme coaches were also invited to two development sessions and the whole cohort events. Programme alumni, coaches and brokers offered inputs across the year alongside speakers from across the education and corporate sectors.

COVID-19 had some continued impact on delivery resulting in 93% of the 312 coaching sessions being successfully delivered and an average of 78% attendance at in-person events.

G: Jubilee Networks

Jubilee Networks are regional networks of up to 12 headteachers, brought together to share best practice through visit days, explore strategies for school improvement, strengthen leadership capabilities and provide powerful support networks. Previously rebranded as Regional Headteacher Network, Jubilee Networks returned to their original name in 2022.

Summary of the main activities 2021/22 (September 2021 - August 2022) Continued

G: Jubilee Networks continued

We convened three secondary Jubilee Networks in South West England, the Midlands and South Central/South East England, two of which were facilitated by practitioners. While we returned to in-person delivery of the Jubilee Networks following the height of the pandemic, 3 out of 12 meetings were unable to go ahead due to the continued impact of COVID-19 on schools' capacity. We faced challenges in continuing the primary Jubilee Networks as a result of low group sizes and a reduced engagement in what continued to be challenging circumstances for schools. Potential new primary groups were not launched and we identified ways in which we might need to bring schools together earlier to get buy-in. The average satisfaction ratings of those networks which did meet were 4.8 out of 5.

A number of schools opted for Jubilee Networks instead of a hub (showing interest in accessing a different form of support to that offered by the hub) and others added them on, paying a small flat fee. There were fewer network partner subscriptions for Jubilee Networks-only, with the majority being renewing and long-standing Jubilee Network members.

H: Trust Leaders' Network and Trust Peer Review

Trust Leaders' Network

In the second year of the Trust Leaders' Network we grew membership to 29 trusts, bringing together CEOs from across England to share knowledge and best practice, build strong relationships and collaborate to support their professional development and that of their trust. Flexibility in use of the trust leaders' network membership enabled a range of trust leaders to access the benefits while also adding capacity to our Trust Peer Review programme by developing a pool of trained trust peer reviewers.

The Trust Leaders' Network offers a range of activities for trust leaders to come together to share knowledge and collaborate, as well as to develop professionally. Through trust visits, trust leaders learn about another trusts' journey, areas of strength, innovation and development. Through business webinars, trust leaders are exposed to expertise from corporate leaders in their specialist fields. The network offers opportunities to go out as a trained peer reviewer to participate in trust peer reviews. We support trust leaders in their professional development through these opportunities and for those who want to go further, through a two-day leadership residential.

Challenge Partners CEO, Dr Kate Chhatwal, continued to facilitate the Trust Leaders' Network in 2021/22 which saw four in-person and one virtual trust visits hosted throughout the year, including a visit to United Learning. Themes covered included: trust approaches to curriculum development and assessment, funding and governance models, centralisation, CPD, building a one trust culture, and innovations in HR, SEND and digital literacy. Business webinars were delivered by EY, Schroders and Permira who shared insights and best practice on topics such as wellbeing in the workplace, mergers and acquisitions, and skills development through education.

Summary of the main activities 2021/22 (September 2021 - August 2022) Continued

Trust Leaders' Network continued

We hosted our first Trust Leaders' Residential over two days in Hampshire, where 12 trust leaders reflected on their leadership, impact and influence, expertly facilitated by an executive coach from BTS Spark. The year was wrapped up by our Trust Leaders' Conference open to trust leaders across our partnership, held at the Museum of London and centred on the theme of *Developing strong trusts through powerful partnerships*. The conference included a keynote with audience discussion from Baroness Barran, Under Secretary of State for Education, along with speeches from leadership expert Katherine Powell and the Deputy CEO of the Confederation of Schools Trusts. Other highlights included practitioner experiences of growing trusts, lessons from a regional pilot peer review model in the South West, and a workshop sharing perspectives on 'what makes for a strong trust'.

Trust Peer Review

The Trust Peer Review was piloted in 2018/19 under the leadership of Dame Susan Jowett and on the advice of the Multi-Academy Trust Task & Finish Group established for this purpose. The pilot was independently evaluated by the NFER as a sustainable and effective programme. During 2019/20 and 2020/21 the Trust Peer Review programme was significantly interrupted due to COVID-19. The programme recommenced during 2021/22.

Since its inception, our Trust Peer Review has provided valuable CPD. As one peer reviewer said recently: 'It was really beneficial to look in depth at another trust and to see how effective they are and why/how. I learnt a great deal at all levels – overall trust impact on their schools through to the operational aspects and the structures in place to ensure systems were embedded, empowering leaders to focus on school improvement.'

Our collaborative ethos and rigorous process ensures a rich learning experience for all. Reviewers valued 'The privilege of being able to look in detail at a Trust that fully embraced the philosophy of the review and the Challenge Partners' values. The opportunity for high level discussion with experienced leaders who were open, honest, enthusiastic and collaborative. A programme that enabled the review team to work collaboratively with the host team. It was comprehensive and well thought through.'

Our focus on school improvement ensures that trust leaders have the opportunity to focus on what really matters throughout the review, rather than getting bogged down by operational issues. This is of value to the host and the peer reviewers – 'The opportunity to prepare for, discuss and concentrate on school improvement was incredibly valuable. allowed us to really firm up our purpose and next steps.'

Future plans 2022/2023 (September 2022 - August 2023)

A: Network of Excellence

We plan to provide an excellent experience for all partners and to improve our retention rate from an average of 75% to 80% or higher this year. The majority of schools sign up for the Quality Assurance Review and we are committed to building capacity, systems and processes so that we can smoothly deliver the programme to our schools and scale it as we grow. We will bring new functionality to our subscription and scheduling processes by the time schools are invited to renew in Spring 2023.

Future plans 2022/2023 (September 2022 - August 2023) Continued

A: Network of Excellence continued

Other improvements include:

- Exploring the feasibility of allowing school leaders to book themselves onto QARs as reviewers;
- Improving communication around reviewer commitment and increasing the visibility of opportunities to engage with the QAR in different ways; and
- Growing the number, geographic spread and phase expertise of our Lead Reviewers to increase our pool.

Retention efforts will also bring improvements in account management, supporting our hubs to achieve our gold standard. These include:

- More systematic and integrated customer care processes so that we respond speedily and strategically to address issues;
- Excellent programme and network delivery, including support, training and development of our practitioner facilitators;
- Tailored relationship management for schools and trusts based on their partnership level and depth; and
- Our Hub Managers Network and within the Members Area of our website and promoting the Accreditation scheme for hub managers.

We have an ambitious five-year growth strategy to deliver enhancements and expansion in our partnership so that by 2027 we reach half a million pupils a year. The strategic initiatives to enhance our offer and reach and retain more schools, especially in under-served areas, will be progressed in parallel with continuous improvement and innovation in delivering our current programmes and networks for schools and trusts.

With our focus on driving our five key strategic initiatives, we will not be offering a National Conference in 2022/23. We will continue to offer the benefits of knowledge exchange at the national level through existing vehicles and improve the user interface with our School Support Directory and the Members Area of our website.

B: Quality Assurance Review

Over the summer, we amended the Quality Assurance Review ahead of the 2022/23 delivery year. Based on feedback from practitioners, the Leading estimate has been sharpened. We have also moved to three instead of four estimates – Leading, Effective and Working towards effective – to further distance our review from the Ofsted model. Finally, trust leaders' involvement in the QAR has been made clearer by ensuring their role in the process is established during any pre-review discussions.

We have also amended our reviewer training programme for this year. The updated programme fully embraces the virtual platform it's been carried out on since the pandemic through interactive activities. The content provides further clarification for attendees on what happens from the start to the end of a review by taking them through each aspect chronologically, ensuring they feel fully prepared on what to expect when they go out to schools.

Future plans 2022/2023 (September 2022 - August 2023) *Continued*

B: Quality Assurance Review continued

We are again on track to deliver another record number of reviews – 452 this year, not only around 100 more reviews than were delivered in 2021/22 but significantly higher than our pre-pandemic height of 389 in 2018/2019.

Scheduling continues to be a key challenge to programme delivery. However, we are in the process of rolling out a new scheduling system that maximises lead reviewer availability and increases efficiency in the scheduling process, as well as updating our reviewer scheduling processes ahead of delivery in the 23/24 year.

The report was commissioned to capture and share effective practice across Challenge Partners' vibrant and diverse network so that more schools, trusts, pupils and communities can benefit.

It sheds light on how schools are moving forward on curriculum, embedding approaches to strengthen community and parental engagement post-Covid and supporting the well-being of pupils and staff.

C: Growing the Top

There are 34 schools participating in Growing the Top in 2022/23 (10 secondary, 14 primary and 10 special schools), which will involve practitioner-facilitated visit days hosted by each school. Fifteen of the 34 schools have participated in the programme previously.

Participating schools will benefit from two in-person and one virtual whole-cohort events alongside Extending Leading Practice schools, bringing them together to build social capital and facilitate further knowledge sharing. They'll also hear from speakers from the world of education and business on topics such as wellbeing, policy pieces, diversity and inclusion and maintain outstanding performance.

D: Extending Leading Practice

Following a successful pilot year, there are 12 schools participating in the Extending Leading Practice Programme in 2022/23 (four secondary, five primary and three special schools). Unfortunately, this number has fallen from 17 schools as five schools have either withdrawn or deferred their participation. Going forward, we will be updating our messaging to ensure that the marketing of the programme further emphasises the commitment required.

Participating schools will benefit from two in-person and one virtual whole-cohort events alongside Growing the Top schools, bringing them together to build social capital and facilitate further knowledge sharing. They'll also hear from speakers from the world of education and business on topics such as wellbeing, policy pieces, diversity and inclusion.

Looking forward, our challenge for both Growing the Top and Extending Leading Practice will be to scale both programmes by marketing the programme to the wider Network of Excellence, as well as new leads. Alongside this we will be working to embed effective internal systems to support delivery to larger numbers of schools.

Future plans 2022/2023 (September 2022 - August 2023) Continued

E: Excellence for Everyone

Based on the findings of the independent evaluation of the Excellence for Everyone programme *Key Lessons for Tackling Educational Disadvantage*, and the rapid changes in the education landscape over the last few years, we've made the difficult but pragmatic decision to close our Excellence for Everyone programme. Instead, we plan to drive our mission to reduce educational disadvantage through our Quality Assurance Reviews and our knowledge exchange work. Recent surveys conducted by Bain & Company show how our partner schools value the reviews and knowledge exchange, so we want to drive our mission through these core offers. We will continue to showcase expert speakers on the subject of closing the gap at our National Network meetings.

F: Getting Ahead London

Due to the Greater London Authority shifting their funding we were unable to finance the programme for the 2022/23 academic year. We are currently considering how we might be able to take learning from the last six years of Getting Ahead London delivery into our national offer. We know there is demand for this sort of programme and we have, without any marketing of the programme, received expressions of interest from 28 aspiring leaders to date this year.

G: Jubilee Networks

Secondary Jubilee Networks have been continued in the Midlands and South Central regions in 2022/23, alongside the launch of a Primary Midlands network. All Jubilee Networks are facilitated by practitioners this year, with facilitators taking a more direct role in designing visit days and liaising with their groups, with support from the central team.

This year, we are pleased to be partnering with BTS Spark to pilot the delivery of a series of leadership workshops during Jubilee Network visit days. We plan to embed this as a core part of the Jubilee Network offer in future. Moreover, we are working with ImpactEd to evaluate the impact of Jubilee Networks and gain insights to support the growth and development of these networks.

There are opportunities to grow more Jubilee Networks in areas of the country where we are underrepresented, where budgets are constrained and/or schools or sponsors are looking for valuable ways in which leaders can benefit from knowledge exchange and leadership development.

H: Trust Peer Review and Trust Leaders' Network

Trust Peer Review

There are seven Trust Peer Reviews (TPR) scheduled for 2022/23, during which Challenge Partners will seek to continually improve the effectiveness and efficiency of this high-quality programme. This includes increasing the level of challenge for the host trust, decreasing the amount of pre-reading for peer reviewers, and implementing QAR operating processes where relevant.

We will also pilot a regional delivery model for the Trust Peer Review, working with four trusts from the South West. This will help raise our profile in this region and provide a testbed for this regional funding model.

Dame Susan Jowett retired as TPR lead practitioner at the end of 2021/22, and the new TPR Advisory Group is formed by four TPR lead reviewers who have worked with and been trained by her. They are Carolyn Robson, Kieran Osborne, Tim Withers and Mary Davies.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022 Continued

Future plans 2022/2023 (September 2022 - August 2023) Continued

H: Trust Peer Review and Trust Leaders' Network Continued

Trust Peer Review continued

An internal evaluation of the programme will inform further improvements and ensure programme relevance.

Trust Leaders' Network

The Trust Leaders' Network has grown to 36 members in 2022/23, with 20 of these returning members. In 2022/23, we will facilitate six trust visits (two will be virtual) and three business webinars in partnership with the Social Business Trust. Members of the network are also invited to train as Trust Peer Reviewers and to join the two-day Trust Leaders' Residential in March. Furthermore, they will have the opportunity to receive executive coaching from BTS Spark, which is a new addition to our trust offer in 2022/23. The Trust Leaders' Conference will take place in June and we will work closely with our Trust Leaders' Network Advisory Board to shape the agenda and content of the conference.

Looking forward, we will seek to appoint a current or former Trust Leader to act as a practitioner facilitator, to take over from Challenge Partners CEO, Dr Kate Chhatwal, in 2023/24.

Financial Review

Challenge Partners received £2.64million of income in the year to 31 August 2022, against outgoings totalling £2.49 million, delivering a surplus of £148,195.

The principal sources of funding for the year were:

- £2.4 million from the Network of Excellence, primarily partnership subscriptions. These funds are used to support schools in improving at a rate above the national average.
- £0.016 million funding to support Excellence for Everyone.
- £0.133 million from Getting Ahead London (GAL) through grant funding and Permira Foundation. These funds are used to provide aspirant school leaders and headteachers in London with the skills required to take the next step in their leadership career.
- £0.046 million from the Social Business Trust, £0.021 million of which came in the form of a gift in kind as business consulting.

Reserves held as at the end of the year amounted to £417,359 (2021 £269,163), this is a combination of unrestricted reserves £417,359, (2021 £263,015) and restricted reserves £0 (2021 £6,148).

Fundraising

Challenge Partners actively raises funds from the public, trusts and foundations, corporates and other funding organisations.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022 Continued

Fundraising continued

We continue to benefit from the generosity of individual donors, trusts and foundations, and remain extremely grateful for their support. During the financial year, Challenge Partners operations were funded by:

- Social Business Trust
- Permira Foundation
- Garfield Weston
- Dulverton Trust
- Artemis Charitable Foundation

Our overall fundraising objective is to diversify our sources of funding, and support innovation and improvement in our partnership. Over the coming year, we aim to significantly expand our fundraising programme, engage our individual supporters more actively, become more responsive to their giving preferences, and provide new ways in which they can support our work.

Cash Reserves Policy

Challenge Partners cash reserves policy is to maintain a minimum two months staffing costs plus £50,000 to cover for contingency in case of substantial loss of revenue where the company needs to shut down. Challenge Partners also maintains a level of contingency fund for opportunities that foster and promote the mission of the charity. The unrestricted cash reserves required to meet two months staffing costs and cover for contingency is £235,866 (2021: £220,781).

Unrestricted cash reserves at 31 August 2022 were £1,341,036 (2021: £1,698,771) available to enable Challenge Partners to address and financially manage the consequences of any unforeseen events or to take advantage of fresh opportunities that further Challenge Partners' aims and objectives. Trustees periodically review the cash reserves policy to ensure it meets the requirements of the charity and establish what action, if any.

Principal Risks and Uncertainties

Risk management is central to Challenge Partners' ability to deliver its mission and objectives. Challenge Partners applies multiple ways of managing risks through the senior leadership team, the Finance and Audit Committee (FAC), and the Board. Rigorous budget control ensures only secured funds are spent with quarterly cash flow management and control. The delivery teams review programme activities as part of the regular programme monitoring activities. Monthly management accounts discussions are held at the senior management level and FAC, which are then presented to the board. The FAC reviews risks, challenges and key financial management policies and assumptions. The FAC ensures that the annual budget is adequately funded and makes recommendations to the Board for adoption. The senior management team interacts with FAC and implements the scheme of delegation on issues that need reporting to the FAC. The Board leads on the review and approval of the risk register. This process helps Challenge Partners to identify and assess potential risks, and to develop effective mitigation strategies.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022 *Continued***Principal Risks and Uncertainties continued**

Challenge Partners identified and mitigated for the following key risks in 2021-2022

Major risk	Mitigations
Financial Sustainability and income diversification <ol style="list-style-type: none"> 1. Lack of breadth to CP's income source and an over reliance on donations 2. Inflationary pressures on budgets 	<ol style="list-style-type: none"> 1. Grant applications, sponsorship and fundraising plans 2. Diversifying income stream through long term partnerships 3. Clear budgeting and monitoring processes in place 4. Raising income through growth, fundraising and further price increases
Internal staffing/capacity/systems challenges <ol style="list-style-type: none"> 1. Key personnel leave the organisation 2. Internal infrastructure/processes do not keep up with increasingly complex offer 3. Insufficient skills/capacity for innovation/other projects 	<ol style="list-style-type: none"> 1. Ongoing development opportunities internally to stretch, develop and grow our own 2. 2 month notice period allows long lead in time for handover 3. Regular review of staffing ensuring right people are in right roles 4. Reflections around what worked/didn't around operationalisation of offer 5. Looking to where we can further automate to support delivery 6. Further staff training to develop skills and drill into where responsibilities lie
Changes to the sector impacting CP's relevance and perceived value for schools <ol style="list-style-type: none"> 1. Lack of alignment between QAR report and Ofsted 2. Increase in MAT size 3. Recruitment/retention/funding pressures mean school could be less open to outside of school collaborative work 	<ol style="list-style-type: none"> 1. Revise PEEDs during summer 2022 2. Add disclaimers to differentiate QAR and Ofsted 3. TPR and TLN to increase in profile and significance to support MATs 4. Flexibility of trust package 5. Use of technology to support collaboration virtually

STRUCTURE, GOVERNANCE AND MANAGEMENT

Challenge Partners was incorporated as a Company Limited by Guarantee on 27th April 2012. It was registered as a Charity (standard registration) governed by its Articles of Association 09 October 2012. Challenge Partners is a charity registered in England and Wales (1149266) and is regulated by the Charity Commission.

We are a nationwide network of schools working together to improve education outcomes for all. Our goal is to reduce educational inequality and improve the life chances of all children. Through collaboration, challenge and professional development, we are working to ensure every school community can benefit from the combined wisdom of the whole system.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022 Continued

STRUCTURE, GOVERNANCE AND MANAGEMENT continued

Challenge Partners has a Board of Trustees committed to manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any Special Resolution. The number of Trustees shall not be less than three and (unless otherwise determined by the Trustees) there shall be no maximum. The Trustees shall ensure that there are always sufficient Trustees so that the business of the Charity is adequately governed. The Chief Executive Officer shall be a Trustee ex officio. Any individual who becomes a Trustee will automatically be deemed to have been appointed as a member at the same time.

The term of office for all Trustees (save for the chief executive officer) is three years. Trustees are eligible for reappointment at the end of their term up to a total maximum of three consecutive terms, following which they will not be eligible for appointment again for one year. In exceptional circumstances and where it is in the interest of the Charity to do so, Trustees may agree by Special Resolution to reappoint a Trustee for a further specified term of no more than one year, following which they will not be eligible for appointment again for one year.

The Board of Trustees also has separate committees:

- Finance, Risk and Audit: to monitor and review audit activities, the risk and control framework along with the statutory accounts/annual report.

The Board of Trustees delegate the responsibility for the day-to-day management of Challenge Partners to the Leadership Team (LT). Policy, strategic and implementation plans are prepared by senior management for consideration and approval by the Board of Trustees. The Leadership Team comprised of the following functions:

- Chief Executive;
- Executive Director;
- Executive Director (acting)
- Head of Finance and Operations;
- Director of Partnership and Network Development (acting)
- Head of Strategy & Innovation (acting)
- Head of Programmes and Evaluation (acting)

TRUSTEES RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Challenge Partners for the purposes of company law) are responsible for preparing the Report of the Trustees and 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 charitable company and of the income and expenditure of the charitable company 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 charitable company will continue in business.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022 Continued

TRUSTEES RESPONSIBILITY STATEMENT continued

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

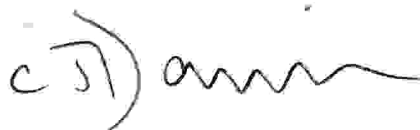
AUDITORS

The auditors, Haysmacintyre LLP, were appointed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 18 May 2023 and signed on its behalf by:

Christopher Davison – Chair of Trustees

A handwritten signature in black ink, appearing to read 'C Davison', with a stylized flourish at the end.

Independent auditor's report to the members of Challenge Partners

Opinion

We have audited the financial statements of Challenge Partners for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of the charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Challenge Partners Continued

Other information Continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Challenge Partners Continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the completeness and cut-off of subscription and grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the recognition of grant and subscription income.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Challenge Partners Continued

Use of our report

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 Auditor's 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.



Vikram Sandhu (Senior Statutory Auditor)
10 Queen Street Place, London, EC4R 1AG
For and on behalf of Haysmacintyre LLP, Statutory Auditor
London
Date: 22 May 2023

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Income from:							
Charitable activities							
Excellence for Everyone	2	-	16,482	16,482	-	28,918	28,918
Network of Excellence	2	2,348,358	46,850	2,395,208	1,596,320	51,675	1,647,995
Strategic Business Development	2	-	46,591	46,591	-	61,799	61,799
Getting Ahead London	2	52,860	80,000	132,860	36,525	75,000	111,525
Other income	2	26,933	25,005	51,938	214,054	12,500	226,554
Total income		2,428,151	214,928	2,643,079	1,886,860	229,892	2,116,752
Expenditure on:							
Charitable activities							
Excellence for Everyone	3	-	16,482	16,482	-	28,918	28,918
Network of Excellence	3	2,194,015	46,850	2,240,865	1,821,156	51,675	1,872,831
Strategic Business Development	3	-	46,591	46,591	-	61,799	61,799
Getting Ahead London	3	52,860	86,148	139,008	36,525	75,000	111,525
Other Expenditure	3	26,933	25,005	51,938	76,029	12,500	88,529
Total expenditure		2,273,808	221,076	2,494,884	1,933,710	229,892	2,163,602
Net movement in funds		154,343	(6,148)	148,195	(46,850)	-	(46,850)
Total funds brought forward		263,016	6,148	269,164	309,866	6,148	316,014
Total funds carried forward	<i>12</i>	417,359	-	417,359	263,016	6,148	269,164

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure arise from continuing operations.

CHALLENGE PARTNERS

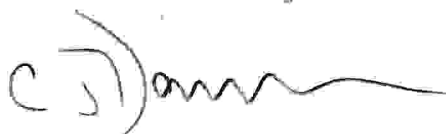
BALANCE SHEET AS AT 31 AUGUST 2022

Registered Company number: 08048330

	<i>Notes</i>	2022	2021
		£	£
FIXED ASSETS			
Tangible fixed assets	9	24,580	16,402
		24,580	16,402
CURRENT ASSETS			
Debtors	10	105,833	39,665
Cash at bank and in hand		1,341,036	1,698,771
		1,446,869	1,738,436
CREDITORS: amounts falling due within one year	11	(1,054,090)	(1,485,675)
NET CURRENT ASSETS		392,779	252,761
NET ASSETS	13	417,359	269,163
FUNDS:			
Unrestricted funds	13	417,359	263,015
Restricted funds	13	-	6,148
		417,359	269,163

The financial statements were approved by the Board of Trustees on 18 May 2023 and were signed on its behalf by:

Christopher Davison – Chair of Trustees



CHALLENGE PARTNERS'

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	<i>Notes</i>	2022	2021
		£	£
Cash flows from operating activities:			
Net cash provided (used in)/by operating activities		(341,364)	505,024
Cash flows from investing activities:			
Purchase of tangible fixed assets		(16,371)	(5,161)
Net cash (used in) investing activities		(16,371)	(5,161)
Increase/decrease in cash and cash equivalents in the year		(357,735)	499,863
Cash and cash equivalents at beginning of year		1,698,771	1,198,908
Cash and cash equivalents at end of year		1,341,036	1,698,771

RECONCILIATION OF THE NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income per SOFA	148,195	(46,850)
Adjustments for:		
Depreciation	8,193	3,065
Decrease/(increase) in debtors	(66,168)	889,795
Decrease in creditors	(431,584)	(340,984)
Net cash provided (used in) / by operating activities	(341,364)	505,024

Analysis of cash flow and net debt

	1 Sept 2021	Cashflow	31 August 2022
	£	£	£
Cash at bank and at hand	1,698,771	(357,735)	1,341,036
Debt: bank loans	-	-	-
Total	1,698,771	(357,735)	1,341,036

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Having reviewed the funding facilities available to the charity together with the expected demand and proven high renewal rates across the network and the resulting projected cash flows, the Board of trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities in the period to which it relates to, and that it is probable that the income will be received and the amount can be measured reliably. Subscription fees that specifically relates to the next financial year have been deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are expenditure incurred directly in supporting charitable activities and are allocated to activities in proportion to the use of central services. Governance costs comprise costs involving the public accountability of the charity and its compliance with regulation and good practice.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
-----------------------	---------------------------

The capitalisation policy is to capitalise all individual assets which cost more than £500.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)**Fund accounting**

Unrestricted funds: General funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity. Designated funds represent funds set aside by the Trustees in order to fund specific projects.

Restricted funds are to be used in accordance with the specific restrictions imposed by the donors. The aims and use of restricted funds are set out in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Judgments in applying accounting policies and key sources of estimating uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main items within the financial statements where judgements and estimates have been made is in relation to the valuation of gifts in kind and provisions with respect to trade debtors.

2. INCOME FROM CHARITABLE ACTIVITIES

	Subscription income	Grant income	Donated services	Other income	2022 Total
	£	£	£	£	£
Excellence for Everyone	-	16,482	-	-	16,482
Network of Excellence	2,348,358	46,850	-	-	2,395,208
Strategic Business Development	-	25,206	21,385	-	46,591
Getting Ahead London	-	80,000	-	52,860	132,860
Other income	-	25,005	-	26,933	51,938
Total income	2,348,358	193,543	21,385	79,793	2,643,079
	Subscription income	Grant income	Donated services	Other income	2021 Total
	£	£	£	£	£
Excellence for Everyone	-	28,918	-	-	28,918
Network of Excellence	1,596,320	51,675	-	-	1,647,995
Strategic Business Development	-	-	61,799	-	61,799
Getting Ahead London	-	75,000	-	36,525	111,525
Other income	-	12,500	-	214,054	226,554
Coronavirus Job Retention Scheme	-	-	-	39,961	39,961
Total income	1,596,320	168,093	61,799	290,540	2,116,752

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

3. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Governance costs	2022 Total
	£	£	£	£
Excellence for Everyone	13,186	3,296	-	16,482
Network of Excellence	1,827,788	401,527	11,550	2,240,865
Strategic Business Development	46,591	-	-	46,591
Getting Ahead London	86,148	52,860	-	139,008
Other expenditure/Pilot programmes	41,550	10,388	-	51,938
Total charitable activities expenditure	2,015,263	468,071	11,550	2,494,884

	Direct costs	Support costs	Governance costs	2021 Total
	£	£	£	£
<i>Excellence for Everyone</i>	<i>26,026</i>	<i>2,892</i>	<i>-</i>	<i>28,918</i>
<i>Network of Excellence</i>	<i>1,486,976</i>	<i>374,855</i>	<i>11,000</i>	<i>1,872,831</i>
<i>Strategic Business Development</i>	<i>61,799</i>	<i>-</i>	<i>-</i>	<i>61,799</i>
<i>Getting Ahead London</i>	<i>75,000</i>	<i>36,525</i>	<i>-</i>	<i>111,525</i>
<i>Other expenditure/Pilot programmes</i>	<i>73,113</i>	<i>15,416</i>	<i>-</i>	<i>88,529</i>
Total charitable activities expenditure	1,722,914	429,688	11,000	2,163,602

4. SUPPORT COSTS

	2022	2021
	£	£
Gross salaries	233,464	237,575
Employer's National Insurance	106,327	93,611
Health insurance	5,483	5,263
Insurance	2,882	2,984
Telephone	3,011	2,792
Postage, printing and stationery	2,358	779
Sundries	7,067	667
Legal and professional costs	-	664
Rent	26,498	22,800
IT costs	34,856	45,025
Accountancy	7,575	9,881
Marketing and design	3,190	-
Depreciation	8,193	3,065
Travel costs	5,873	4,552
Recruitment	21,293	-
Total support costs	468,071	429,688

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

5. GOVERNANCE COSTS

	2022	2021
	£	£
Auditor's remuneration	11,550	11,000

6. NET EXPENDITURE

	2022	2021
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration	11,550	11,000
Depreciation	8,193	3,065
Operating leases - rent and service charge	26,498	22,800

7. TRUSTEES' REMUNERATION AND BENEFITS

Dr. Kate Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Remuneration £110,000 - £120,000 (2021: £100,000-£110,000). The payments have been authorised in accordance with the charity's governing document.

Trustees' expenses

Three trustees were reimbursed travel expenses of £446 (2021 - £934, three trustees) during the year.

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	905,585	923,144
Social security costs	106,327	93,611
Other pension costs	41,886	42,029
	<u>1,053,798</u>	<u>1,058,784</u>

The total remuneration of key management personnel in the year was £623,420 (2021: £474,517).

Key Management Personnel comprise:

Chief Executive;

Executive Director;

Executive Director (acting)

Head of Finance and Operations;

Director of Partnership and Network Development (acting)

Head of Strategy & Innovation (acting)

Head of Programmes and Evaluation (acting)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

8. STAFF COSTS continued

The average monthly number of employees during the year was as follows:

	2022	2021
	No.	No.
Head count	24	26
Full Time Equivalent employees	23	24

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000, with employer national insurance contribution of £45,642.78 (2021: £39,516.65)

	2022	2021
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£90,000 - £100,000	-	1
£110,001 - £120,000	1	

Dr. Kate Chhatwal OBE was paid pension contribution in respect of her role as Chief Executive and serves as a trustee ex officio.

9. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
COST	
Opening balance 1 September 2021	30,654
Additions	16,371
At 31 August 2021	47,025
DEPRECIATION	
Opening balance 1 September 2021	14,252
Charge for the year	8,193
At 31 August 202	22,445
NET BOOK VALUE	
At 31 August 2022	24,580
At 31 August 2021	16,402

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	100,072	39,665
Prepayments	5,761	-
Accrued income	-	-
	105,833	39,665

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	80,707	41,321
Social security and other taxes	289,951	285,101
Other creditors	10,597	66,189
Deferred income	578,648	1,011,285
Accrued expenditure	94,187	81,799
	1,054,090	1,485,675

12. RESTRICTED FUNDS

	1 September 2021	Income	Expenditure	31 August 2022
	£	£	£	£
Network of Excellence	-	46,850	(46,850)	-
Excellence for Everyone	-	16,482	(16,482)	-
Strategic Business Development	-	46,591	(46,591)	-
Getting Ahead London	6,148	80,000	(86,148)	-
Other	-	25,005	(25,005)	-
Total	6,148	214,928	(221,076)	-
	1 September 2020	Income	Expenditure	31 August 2021
	£	£	£	£
<i>Network of Excellence</i>	-	51,675	(51,675)	-
<i>Excellence for Everyone</i>	-	28,918	(28,918)	-
<i>Strategic Business Development</i>	-	61,799	(61,799)	-
<i>Getting Ahead London</i>	6,148	75,000	(75,000)	6,148
<i>Other</i>	-	12,500	(12,500)	-
Total	6,148	229,892	(229,892)	6,148

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (continued)

12. RESTRICTED FUNDS Continued

Network of Excellence:

The Dulverton Trust provided resources for Knowledge Exchange as part of our NOE offer and enabled Challenge Partners to shine a brighter spotlight on disadvantage this year, at a time when this has been needed most.

Excellence for Everyone:

The generous funding from the Permira liferaft fund, Excellence for Everyone resources were repackaged as an online toolkit and made available at no fee for those in our network, making them more accessible (previously schools had to pay) so thousands more children can benefit.

Strategic Business Purpose:

This fund relates to the development and growth of Challenge Partners and in the year to 31 August 2022 was supported by The Social Business Trust.

Getting Ahead London (London Leadership Pool) purpose:

Provide a bespoke programme to aspiring head teachers in London in order to better equip them to become future head teachers.

13. ANALYSIS OF NET ASSETS

	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022
	£	£	£
Tangible fixed assets	24,580	-	24,580
Current assets	1,446,869	-	1,446,869
Current liabilities	(1,054,090)	-	(1,054,090)
Net assets	417,359	-	417,359
	<i>Unrestricted Funds 2021</i>	<i>Restricted Funds 2021</i>	<i>Total 2021</i>
	£	£	£
<i>Tangible fixed assets</i>	<i>16,402</i>	<i>-</i>	<i>16,402</i>
<i>Current assets</i>	<i>1,732,287</i>	<i>6,148</i>	<i>1,738,436</i>
<i>Current liabilities</i>	<i>(1,485,674)</i>	<i>-</i>	<i>(1,485,675)</i>
<i>Net assets</i>	<i>263,015</i>	<i>6,148</i>	<i>269,163</i>

14. RELATED PARTY DISCLOSURES

No related party transactions took place during the year.

Dr. Kate Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Further details can be seen in note 7 of the financial statements

15. CHARITY STATUS

The charity is a private company limited by guarantee and consequently does not have a share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

CHALLENGE PARTNERS

England & Wales - Charity number 1149266

Accounts

REGISTERED COMPANY NUMBER: 08048330 (England and Wales)
REGISTERED CHARITY NUMBER: 1149266

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021 FOR
CHALLENGE PARTNERS

CHALLENGE PARTNERS

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CHALLENGE PARTNERS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08048330 (England and Wales)

Registered Charity number
1149266

Registered office
John Keats Primary School
391 Rotherhithe New Road
London,
SE16 3FN

Trustees

Sir Jonathan Coles (Chair- resigned 01/08/2021)
Dr Katherine Chhatwal OBE (ex officio)
Mr Christopher Davison (Chair from 01/08/2021)
Mr Gary Handforth
Mr Arwel Jones
Mr Nitin Pasricha (resigned 03/12/2020)
Dame Vicky Paterson DBE (resigned 18/05/2021)
Ms Alison Beane OBE (appointed 11/02/2020)
Ms Susanna Eastham (appointed 19/05/2020)
Ms Janine Harion (appointed 09/02/2021)
Ms Vijita Patel (appointed 18/05/2021)
Ms Louise Wolsey (appointed 18/05/2021)

Independent Auditor

Haysmacintyre LLP
10 Queen Street Place,
London
EC4R 1AG

Bankers

HSBC UK Ltd
The Helicon
1 South Place
London
EC2M 2UP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The purpose of the Charity

The Charity's Objects ('Objects') are specifically restricted to the advancement of education for the public benefit in particular (but without prejudice to the generality) by promoting and supporting the improvement of schools regionally, nationally or internationally.

In reviewing the Charity's aims, and putting them into action, the trustees have taken account of the Charity Commission's guidance on public benefits.

Summary of the main activities

A: Network of Excellence

In 2020/21 we had 424 schools in our network, a decline of 12% from our previous year's total of 484 schools. The fall in numbers was due to Covid-19 with the first lockdown being imposed during our peak school recruitment window. The figure nevertheless exceeded the target agreed with trustees of 400 schools and secured our financial sustainability and reputation as a strong network. The renewal rate was 65%. Despite the challenges, we were successful in launching two new hubs in our West Midlands target area for growth - Coventry and Warwickshire, and Cotswold Cornerstone (both founded by former Jubilee Network trust/schools).

The Challenge Partners Network of Excellence has always focused on sharing leading practice through effective challenge and collaboration across our programmes, networks and immersive school visits. Due to the challenges of the pandemic, we were unable to deliver as many Quality Assurance Reviews (QARs) and therefore accredit as many Areas of Excellence across our partner schools. Many schools opted for bespoke consultancies or a virtual Leadership Quality Assurance Review and used the opportunity to involve a wider range of stakeholders to participate in a more in-depth review of leadership. These innovations proved effective in the circumstances as attested by the evaluation scores in the section below.

Similarly, we continued to deliver value for our schools through providing an extensive range of opportunities for digital collaboration including a virtual national conference, Sharing Leading Practice webinars, masterclasses, phase specific leadership cafes and National Network Meetings. We also continued to build our bank of digital resources provided by partner schools and sector experts. Our approach of combining inspirational speakers with skilful convening and facilitation to maximise interactivity and a sense of community was well received. Whilst many schools reported that they highly valued the national networking opportunities and digital knowledge exchange, they lacked capacity to fully take advantage of all we were offering. As a result, we pared back our digital knowledge exchange in the summer term and redoubled efforts on recruitment and renewal.

CHALLENGE PARTNERS

By spring 2021 - after two further lockdowns and disruption to QAR delivery - we faced the potential loss of further schools in our network and therefore started to design a flexible subscription model which would give schools and trusts more choice and new price points which we hoped would help with retention. Our new tiered subscription model offered greater choice of school improvement programme with the addition of a new pilot Extending Leading Practice programme, extended eligibility of Growing the Top to new schools (previously schools were required to have had a QAR to be eligible) and gave schools the option to 'add on' additional programmes and choose between a hub or a Regional Headteachers' Network. In effect this new model also resolved the integration question of Jubilee Networks which were acquired by Challenge Partners in September 2019, putting these on a par with local hubs as vehicles for deep collaboration. We communicated the new full partnership offer to all schools, reserving the Network partners offer for schools that were at risk of leaving.

B: Quality Assurance Review

The Quality Assurance Review (QAR) is an annual expert-led peer audit for each school, which provides rich professional development for senior and middle leaders participating as hosts and reviewers. In 2020/21 we developed a new virtual offer, the virtual Leadership Quality Assurance Review (vLQAR), which offers school leaders the opportunity to engage in peer review in a virtual environment. Due to the ongoing impact of the pandemic, we delayed the start of the delivery for the QA Review until January 2021, which again was impacted by the early 2021 lockdown. In order to ensure that the support we provided to schools was most appropriate for them at a time of great challenge, we offered schools the opportunity to choose between a QAR, a vLQAR, a consultancy with a lead reviewer or a virtual consultancy with a Lead Reviewer. Some schools decided that none of these options were suitable for their current circumstances and they instead decided to engage with our knowledge exchange activities instead.

Over the course of the year we delivered 53 QARs, 88 vLQARs, 119 consultancies (in person and virtual).

Satisfaction ratings were very high (see below table) with 100% of host schools answering yes to the question "has participating in this review/consultancy left the school in a better place?"

Overall satisfaction	Host School	Reviewers
vLQAR	4.71	4.582
Consultancy	4.84	N/A
QAR	4.77	4.800

C: Growing the Top

The Growing the Top programme provides opportunities for top-performing schools in the Challenge Partners Network of Excellence to work together, push the boundaries and drive their schools - and the education system - to become world-class.

In the academic year 2020/21, we had 33 participating schools (9 secondary, 1 Alternative Provision, 13 primary and 10 special schools). Alumni from the 18/19 and 19/20 cohorts were trained to become alumni facilitators and matched to trios to facilitate each of their visits.

All whole cohort events were held virtually due to the ongoing impact of the pandemic. Although some trios were able to complete all of their visits, others were severely impacted by COVID-19 and their visits were delayed until academic year 2021-2022, however our practitioner facilitators arranged online keeping in touch sessions that provided support to trios and helped maintain/develop relationships over long periods of time when visits were not possible. We also arranged for GTT participants to attend special webinars to support their personal and professional development whilst visits were not possible.

D: Getting Ahead London

Getting Ahead London is a programme, substantially funded by the Greater London Authority with a small contribution from participants, that ran for its fifth year in 2020/2021. The programme provides aspiring London leaders with the skills, experience, networks and knowledge to take the step up to senior leadership/headship. All participants are matched into trios with two other aspiring leaders and meet with an experienced senior leader/headteacher coach over the course of an academic year.

Although recruitment for the 20/21 programme year was delayed due to COVID-19 impacting GLA sign off on funding, we were able to recruit 39 aspiring senior leaders and 28 aspiring headteachers to the programme.

COVID-19 continued to impact delivery and we ran all events virtually (although for the launch events participants met at their coaches' schools in order to get to know each other). Some events were highly impactful online and feedback from participants was that not having to travel all the time for every event is something that we will be taking forward into the academic year 2021/22. A face-to-face wrap up event was delayed until September 2021.

E: Excellence for Everyone

Last year we knew that the impact of the pandemic would be felt disproportionately by disadvantaged children and that we needed to support our schools to respond quickly to closing the gap and supporting schools with long-term solutions. Using funding from the Permira liferaft fund, Excellence for Everyone resources were repackaged as an online toolkit and made available at no fee for those in our network, making them more accessible (previously schools had to pay) so thousands more children can benefit. We launched the materials at our first National Network Meeting on the 9th December 2020 with Marc Rowland, a Pupil Premium expert, introducing the toolkit.

The resources have been used by schools and groups of schools to train teachers, leaders and support staff to understand and tackle the specific barriers faced by disadvantaged children in their school (recognising that there is no one-size-fits-all approach).

We are also using Permira funding to work with ImpactEd, a non-profit organisation that supports schools and education organisations to evaluate their impact, learn from it, and prioritise what is working best to improve outcomes for disadvantaged young people. ImpactEd is embedding a light touch evaluation framework to evaluate and disseminate how the resources are used and also to write a report that will capture specific initiatives schools are taking to close the gap - what's worked and what hasn't worked - and the difference they make to disadvantaged children. These key lessons and learnings (both positive and negative) will then be shared with schools across the network facing similar challenges so that schools can adapt effective practices to tackle disadvantage, avoiding wasting time on practice that has proven ineffective elsewhere.

The Challenge Partners/ ImpactEd Excellence for Everyone report will be published in summer 2022 and there will be opportunities throughout the next academic year for schools leading the Excellence for Everyone programme to showcase their learning through our national calendar of events.

F: Jubilee Networks

Jubilee Networks (JN) continued to operate within Challenge Partners during 19/20 as we considered whether we wished to integrate the networks into our portfolio of programmes and networks or terminate them. (They had been acquired in 2019 from Integral Change together with a member of staff who joined Challenge Partners as Head of Network Development to continue to lead them and take on other responsibilities.)

Jubilee Headteacher Networks are regional networks of heads brought together to share effective practice, test out ideas, and develop their leadership. We convened virtual meetings of two secondary and two primary regional headteacher networks throughout the pandemic. (The acquired CEO network had been folded into our Trust Leaders' Network and the Deputy Head network was dissolved.) We provided virtual QAR training for

CHALLENGE PARTNERS

interested JN headteachers as well as access to all knowledge sharing events and resources. Finally, we offered a favourable one-off rate for subscription to Challenge Partners as Network Partners. One JN school subscribed as a Full Partner for 2021/22, one JN school continued in the Growing the Top programme, 6 JN schools continued as Network Partners at the reduced rate, and the new hubs set up by JN members saw growth of 12 schools to their hubs.

G: Trust Leaders' Network and Trust Peer Review

Trust Leaders' Network

In this **first year of our Trust Leaders' Network** we brought together CEOs from over 20 Trusts to share knowledge, deepen relationships and build a powerful network for learning and professional development.

We introduced the Network in recognition of **the value to Trust CEOs** of having a facilitated space to reflect on how they are leading and growing healthy organisations and to share innovations and leading practice in what is a maturing sector, so that individuals and the system as a whole can benefit from shared learning. The combination of **sharing knowledge and learning from industry** has been popular. This year our business **webinars** with expert speakers from EY, Permira, and KekstCNC have shared industry best practice on themes including top team development, communications and PR, and diversity in leadership. We are grateful to the Social Business Trust and their corporate partners for supporting our business seminar programme.

The lead facilitator for the network is our CEO and she brings knowledge of the issues faced by Trusts not only in her capacity as CEO but also as a Trustee of a successful school trust. Skilfully facilitated, our programme of events in 2020-21 have included a series of trust visits and business webinars that enable trusts to explore different approaches, take away inspiration and build a supportive network of peers.

Trust visits allow trust leaders to explore common strategic challenges such as developing a trust-wide culture, governance, balancing autonomy and alignment on curriculum and assessment, and building capacity for growth. Innovative approaches have been shared, for example, on harnessing technology for creativity in learning, educational outreach and wrap-around services in the local community as part of reimagining the role of trusts in regenerating local communities, and developing seamless transition bridges from primary to secondary. The year culminated with our **national Trust Leaders' Conference** with keynotes from industry and government, as well as trust leader voices sharing provocations on important themes for educators as we emerge from the pandemic.

Trust Peer Review

The Trust Peer Review was piloted in 2018/19 and independently evaluated by the NFER to be a sustainable and effective programme. Due to COVID-19, the Trust Peer Review programme was postponed from 2019/20 to 2020/21. During 20/21 COVID-19 continued to disrupt the programme, however we were able to re-imagine the review to deliver one on-line and one as a hybrid model before the end of the summer term. This worked particularly well to ensure a broad-based leadership team were able to participate in the final review meeting where reflections were shared and possible areas for improvement were discussed.

Hosts reflected that the review “has helped to confirm that we are developing our trust along the right lines and to articulate areas for development and consideration. It also gave us feedback from a number of people in the Trust outside the Executive Team” and “The opportunity to prepare for, discuss and concentrate on school improvement was incredibly valuable. (This) allowed us to really firm up our purpose and next steps.” Host and Peer reviewers highly valued the reviewer training, programme handbook and CPD opportunities throughout the review.

FUTURE PLANS 2021/2022

Network of Excellence

Growth - We plan to leverage our new subscription model to continue to grow, offering Network Partnership to schools who are too late to sign up for Full Partnership to benefit from a QAR. We will also explore opening up access to the Trust Leaders Network all year round and pro rata pricing for this and Network Partnership.

Value - We continue to provide excellent customer care for all our schools and trusts, supporting them to get the most from their partnership. At the hub level, we continue to invest in hub development activity and ensure new hub managers are supported by their hub buddy. We plan to explore a hub accreditation scheme to incentivise hub managers to develop leading hubs that effectively facilitate collaboration and knowledge exchange among local schools. We will be starting the year with a Hub Development day bringing Hub Managers together to reflect on our Hub Gold Standard. Our knowledge exchange strategy will be further developed to improve the ease with which best practice can be accessed hub to hub and member to member. Our digital programme of national network meetings and inspirational speakers will be selected to match practitioner interest under the broad themes of curriculum and post-Covid recovery, especially for the most disadvantaged.

Impact - We will be using funding to commission a report capturing the learning from Covid, in particular school digital approaches to learning during lockdown and support for disadvantaged pupils. We will be looking to capture the impact of our programmes and networks using consistent methodologies. We also plan to develop our fundraising strategy to diversify our income stream and enable us to pilot innovative work linked to our mission. A reinvestment case in Challenge Partners will be made to the Social Business Trust to enable us to develop a long term strategy for our growth and success.

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Trust Leaders' Network

We will deliver a programme of trust visit and business webinars with the support of the Social Business Trust over the year. We will also offer trust peer review training early in the year to encourage further take-up of TPR and grow our pool of trained trust peer reviewers. We will be appointing a leadership consultancy to support delivery of our Trust Leaders' Network residential.

We will be working with our Trust Leaders' Network Advisory Board to provide a steer on our trust offer, the network model and input to planning for our summer Conference. This group also provides a useful sounding board for broader consultation on strategy development or offering a sectoral perspective in relation to other influencing work by our CEO.

Trust Peer Review

There are six Trust Peer Reviews scheduled for 2021/22, during which Challenge Partners will seek to continually improve the effectiveness and efficiency of this high-quality peer review programme. This includes increasing the level of challenge for the host trust, decreasing the amount of pre-reading for peer reviewers, and implementing QAR operating processes where relevant. An internal evaluation of the programme will inform further improvements and ensure the programme remains practitioner led.

We will also pilot a regional delivery model for the Trust Peer Review working with 5 trusts from the South West in partnership with Olympus Academy Trust. This will help raise our profile in the South West and provide a test-bed for a regional funding model for TPR.

Jubilee Networks

Jubilee Networks have continued in the same regions rebranded as Regional Headteacher Networks. Schools within the Network of Excellence have been able to join these networks and the majority have done so through choosing to add-on this network to their Full Partner subscription. Our challenge will be to launch new groupings with ongoing disruption from Covid. We plan to establish 6 groups - 3 secondary, 3 primary including in the new region of Yorkshire & the Humber.

We also plan to train practitioners to facilitate Regional Headteacher Networks, with support from the central team to coordinate and communicate with groups. If possible, we will seek funding to externally evaluate the effectiveness of the model in facilitating collaboration among peers from across a region to share knowledge on school improvement strategies and support each other's leadership development.

Financial Review

Challenge Partners received £2.11million of income in the year to 31 August 2021, against outgoings totalling £2.16 million, delivering a deficit of £46,850. £273,140 of these outgoings arise from in-year adjustments to correct historic trade debtors and deferred income balances reflecting findings from our first audit with new auditors. Actual in-year expenditure was less than the income received and would have delivered a surplus were it not for these adjustments.

The principal sources of funding for the year were:

£1.63 million from the Network of Excellence, primarily partnership subscriptions. These funds are used to support schools in improving at a rate above the national average.

£0.029 million funding to support Excellence for Everyone.

£0.111 million from Getting Ahead London (GAL) through grant funding. These funds are used to provide aspirant school leaders and headteachers in London with the skills required to take the next step in their leadership career.

£0.062 million from the Social Business Trust, which came in the form of a gift in kind as business consulting.

£0.23 million from other funding and donations to support Challenge Partners operations during the year.

£0.04 million from the Coronavirus Job Retention Scheme.

Fundraising

Challenge Partners actively raises funds from the public, trusts and foundations, corporates and other funding organisations.

We continue to benefit from the generosity of individual donors, trusts and foundations, and remain extremely grateful for their support. During the financial year, Challenge Partners operations were funded by:

Social Business Trust
Permira Foundation
Garfield Weston
Dulverton Trust
Artemis Charitable Foundation

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Our overall fundraising objective is to diversify our sources of funding, and support innovation and improvement in our partnership. Over the coming year, we aim to significantly expand our fundraising programme, engage our individual supporters more actively, become more responsive to their giving preferences, and provide new ways in which they can support our work.

Reserves Policy

Challenge Partners reserves policy is to maintain three months of operating costs to cover in case of substantial loss in revenue where the company needs to shut down. Challenge Partners also maintains a level of contingency fund for opportunities that foster and promote the mission of the charity. The target level of reserves to meet three months of operating costs and cover for contingency is £380,293.

Unrestricted free reserves at 31 August 2021 were £246,613 (2020: £295,560) available to enable Challenge Partners to address and financially manage the consequences of any unforeseen events or to take advantage of fresh opportunities that further Challenge Partners' aims and objectives. The fall in stated reserve levels arises from the adjustments to historic trade debtors and deferred income balances noted above. Trustees intend to review our reserves policy and establish what action, if any, is needed to boost reserves.

Principal Risks and Uncertainties

Risk management is central to Challenge Partners' ability to deliver its mission and objectives. Challenge Partners applies multiple ways of managing risks through the senior leadership team, the Finance and Audit Committee (FAC), and the Board. Rigorous budget control ensures only secured funds are spent with quarterly cash flow management and control. The Partnership and Programmes Team reviews programme activities as part of quarterly programme monitoring activities. Monthly management accounts discussions are held at the senior management level and FAC, which are then presented to the board. The FAC reviews risks, challenges and key financial management policies and assumptions. The FAC ensures that the annual budget is adequately funded and makes recommendations to the Board for adoption. The senior management team interacts with FAC and implements the scheme of delegation on issues that need reporting to the FAC. The Board leads on the review and approval of the risk register. This process helps Challenge Partners to identify and assess potential risks, and to develop effective mitigation strategies.

Challenge Partners has identified the following key risks:

Major Risk Identified	Mitigation
1. Financial sustainability and income diversification	
<p>a. Inflationary pressures on budgets due to shifts in the economy and labour market post-pandemic and Brexit.</p> <p>b. Lack of breadth to CP's income source and an over-reliance on donations, particularly for overhead costs.</p>	<p>a. Prudent budgeting processes factor in anticipated cost increases and allow us to understand and model the impact of spending decisions before commitments are made. As well as managing cost pressures as best we can, we will raise income through growth, fundraising and proportionate price increases to keep pace with inflation.</p> <p>b. Maintain balance of income sources from subscriptions and fundraising, ensuring programmes and networks are budgeted on full cost-recovery basis and grants/donations are used to support research and innovation, not core activities or costs.</p>
2. People, leadership and culture	
<p>a. Key personnel leave the organisation due to buoyant labour market post-pandemic and Brexit and/or insufficient opportunities for progression/development, impacting on the quality of delivery for partners due to short-term capacity issues.</p> <p>b. Insufficient capacity/skills for innovation/other projects.</p>	<p>a. Regular talent reviews and succession planning inform i) staff deployment which takes account of business need and builds future capacity; and ii) design and implementation of structured role-based opportunities and development programmes for staff at all levels in the organisation. Two month notice period reduces the gap between staff departures and new staff joining.</p>

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	<p>b. Matrix working further supports business delivery, efficient deployment of staff, staff development and capacity building, including for innovation. Fundraising, growth and use of reserves to fund research and innovation.</p>
<p>3. Pandemic disruption</p>	
<p>Ongoing disruption to programme delivery due to Covid-19, leading to:</p> <ul style="list-style-type: none"> a. Uncertainty and schools withdrawing from network/ prioritising other things; and b. Central team focus being diverted from strategic aims due to pandemic pivot. 	<ul style="list-style-type: none"> a. Close collaboration with schools and trusts to ensure Challenge Partners is able to provide opportunities for collaboration and challenge which meet evolving needs and circumstances. Robust digital and hybrid offer to supplement in-person activity, which can be dialled up or down according to Covid-19 impact and restrictions. b. Effective and empowered leaders at all levels of the organisation drive operational delivery aligned to agreed strategic aims, with robust monitoring and governance oversight. CEO freed up to work with board on future strategy, with support secured from Social Business Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Challenge Partners was incorporated as a Company Limited by Guarantee on 27th April 2012.

It was registered as a Charity (standard registration) governed by its Articles of Association 09 October 2012. Challenge Partners is a charity registered in England and Wales (1149266) and is regulated by the Charity Commission.

Challenge Partners has a Board of Trustees committed to manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any Special Resolution. The number of Trustees shall not be less than three and (unless otherwise determined by the Trustees) there shall be no maximum. The Trustees shall ensure that there are always sufficient Trustees so that the business of the Charity is adequately governed. The Chief

CHALLENGE PARTNERS

Executive Officer shall be a Trustee ex officio. Any individual who becomes a Trustee will automatically be deemed to have been appointed as a member at the same time.

The term of office for all Trustees (save for the chief executive officer) is three years. Trustees are eligible for reappointment at the end of their term up to a total maximum of three consecutive terms, following which they will not be eligible for appointment again for one year. In exceptional circumstances and where it is in the interest of the Charity to do so, Trustees may agree by Special Resolution to reappoint a Trustee for a further specified term of no more than one year, following which they will not be eligible for appointment again for one year.

The Board of Trustees also has separate committees:

- Finance, Risk and Audit: to monitor and review audit activities, the risk and control framework, and the statutory accounts/annual report.
- Communications and Marketing.

The Board of Trustees delegate the responsibility for the day-to-day management of Challenge Partners to the Leadership Team (LT). Policy, strategic and implementation plans are prepared by senior management for consideration and approval by the Board of Trustees. The Leadership Team comprised of the following functions:

Chief Executive Officer

Executive Officer

Director of Partnership and Programmes

Head of Knowledge Exchange and Engagement

Head of Network Development

Head of Finance and Operations

TRUSTEES RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Challenge Partners for the purposes of company law) are responsible for preparing the Report of the Trustees and 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 charitable company and of the income and expenditure of the charitable company 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;

CHALLENGE PARTNERS

- state whether applicable UK Accounting Standards have been followed, subject to any 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Haymacintyre LLP, were appointed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 30th May 2022 and signed on its behalf by:



Christopher Davison – Chair of Trustees

Independent auditor's report to the members of Challenge Partners

Opinion

We have audited the financial statements of Challenge Partners for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of the charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the completeness and cut-off of subscription and grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

CHALLENGE PARTNERS

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the recognition of grant and subscription income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 Auditor's 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.



Vikram Sandhu (Senior Statutory Auditor)
10 Queen Street Place, London, EC4R 1AG
For and on behalf of Haysmacintyre LLP, Statutory Auditor London
Date: 31 May 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£
				2021			2020
Income from:							
Charitable activities							
Challenge the Gap	2	-	-	-	7,706	-	7,706
Excellence for Everyone	2	-	28,918	28,918	12,000	-	12,000
Network of Excellence	2	1,596,320	51,675	1,647,995	1,906,754	-	1,906,754
EAL in mainstream classroom	2	-	-	-	-	68,117	68,117
Strategic Business							
Development	2	-	61,799	61,799	-	350,000	350,000
Getting Ahead London	2	36,525	75,000	111,525	23,425	150,000	173,425
Other income	2	214,054	12,500	226,554	72,965	-	72,965
Coronavirus Job Retention Scheme	2	39,961	-	39,961	108,256	-	108,256
Total income		1,886,860	229,892	2,116,752	2,131,106	568,117	2,699,223
Expenditure on:							
Charitable activities							
Challenge the Gap	3	-	-	-	6,149	-	6,149
Excellence for Everyone	3	-	28,918	28,918	37,880	-	37,880
Network of Excellence	3	1,821,156	51,675	1,872,831	1,912,337	-	1,912,337
Strategic Business							
Development	3	-	61,799	61,799	-	350,000	350,000
EAL in mainstream classroom	3	-	-	-	-	68,117	68,117
Getting Ahead London	3	36,525	75,000	111,525	23,444	149,800	173,244
Other Expenditure	3	76,029	12,500	88,529	265,676	-	265,676
Total expenditure		1,933,710	229,892	2,163,602	2,245,486	567,917	2,813,403
Net income/ (expenditure)for the year		(46,850)	-	(46,850)	(114,380)	200	(114,180)
Release of restricted funds	12		-	-	35,830	(35,830)	-

CHALLENGE PARTNERS

		-					
Net movement in funds		(46,850)	-		(78,550)	(35,630)	(114,180)
Total funds brought forward		309,866	6,148	316,014	388,416	41,778	430,194
Total funds carried forward	<i>12</i>	263,016	6,148	269,164	309,866	6,148	316,014

The statement of financial activities includes all gains and losses recognised in the year.
 All income and expenditure arise from continuing operations.

CHALLENGE PARTNERS

BALANCE SHEET AS AT 31 AUGUST 2021

Registered Company number: 08048330

	<i>Notes</i>	2021	2020
		£	£
FIXED ASSETS			
Tangible fixed assets	9	16,402	14,306
		16,402	14,306
CURRENT ASSETS			
Debtors	10	39,665	929,460
Cash at bank and in hand		1,698,771	1,198,908
		1,738,436	2,128,368
CREDITORS: amounts falling due within one year	11	(1,485,675)	(1,826,660)
NET CURRENT ASSETS		252,761	301,708
NET ASSETS	13	269,163	316,014
FUNDS:			
Unrestricted funds	13	263,015	309,866
Restricted funds	13	6,148	6,148
		269,163	316,014

The financial statements were approved by the Board of Trustees on 30th May 2022 and were signed on its behalf by:



Christopher Davison – Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	<i>Notes</i>	2021	2020
		£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities		505,024	(98,241)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,161)	(2,854)
Net cash (used in) investing activities		(5,161)	(2,854)
Increase/decrease in cash and cash equivalents in the year		499,863	(101,095)
Cash and cash equivalents at beginning of year		1,198,908	1,300,003
Cash and cash equivalents at end of year		1,698,771	1,198,908

RECONCILIATION OF THE NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income per SOFA	(46,850)	(114,180)
Adjustments for:		
Depreciation	3,065	2,425
Decrease/(increase) in debtors	889,795	(527,629)
Increase/(Decrease) in creditors	(340,984)	541,143
Net cash provided by/(used in) operating activities	505,024	(98,241)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The COVID-19 pandemic has had a significant impact on Challenge Partners operations. All programmes involving face to face activity were suspended from March 2020, and the start of the 2020/21 saw an increase in virtual events and activities. To mitigate the financial impact, Challenge Partners undertook a series of actions including, furloughing staff under the Coronavirus Job Retention Scheme, and a programme of overhead cost reduction. Further cost reductions and income generation through school subscriptions, grants and fundraising in 2020/21 have restored Challenge Partners' financial sustainability and reserves (as reflected in our 2020/2021 accounts)

Income

All income is recognised in the Statement of Financial Activities in the period to which it relates to, and that it is probable that the income will be received and the amount can be measured reliably. Subscription fees that specifically relates to the next financial year have been deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are expenditure incurred directly in supporting charitable activities and are allocated to activities in proportion to the use of central services. Governance costs comprise costs involving the public accountability of the charity and its compliance with regulation and good practice.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(continued)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
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The capitalisation policy is to capitalise all individual assets which cost more than £500.

Fund accounting

Unrestricted funds: General funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity. Designated funds represent funds set aside by the Trustees in order to fund specific projects.

Restricted funds are to be used in accordance with the specific restrictions imposed by the donors. The aims and use of restricted funds are set out in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Judgments in applying accounting policies and key sources of estimating uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods. The main items within the financial statements where judgements and estimates have been made is in relation to the valuation of gifts in kind and provisions with respect to trade debtors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(continued)

2. INCOME FROM CHARITABLE ACTIVITIES

	Subscriptio n income	Grant income	Donated services	Other income	2021 Total
	£	£	£	£	£
Challenge the Gap	-	-	-	-	-
Excellence for Everyone	-	28,918	-	-	28,918
Network of Excellence	1,596,320	51,675	-	-	1,647,995
Strategic Business Development	-	-	61,799	-	61,799
EAL in mainstream classroom	-	-	-	-	-
Getting Ahead London	-	75,000	-	36,525	111,525
Other Income	-	12,500	-	214,054	226,554
Coronavirus Job Retention Scheme	-	-	-	39,961	39,961
Total income	1,596,320	168,093	61,799	290,540	2,116,752

	Subscriptio n income	Grant income	Donated services	Other income	2020 Total
	£	£	£	£	£
Challenge the Gap	7,706	-	-	-	7,706
Excellence for Everyone	12,000	-	-	-	12,000
Network of Excellence	1,896,126	-	-	10,628	1,906,754
Strategic Business Development	-	-	350,000	-	350,000
EAL in mainstream classroom	-	68,117	-	-	68,117
Getting Ahead London	-	150,000	-	23,425	173,425
Other income	-	-	-	72,965	72,965
Coronavirus Job Retention Scheme	-	-	-	108,274	108,274
Total income	1,915,832	218,117	350,000	215,274	2,699,223

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

3. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Governance costs	2021 Total
	£	£	£	£
Excellence for Everyone	26,026	2,892	-	28,918
Network of Excellence	1,486,976	374,855	11,000	1,872,831
Strategic Business Development	61,799	-	-	61,799
Getting Ahead London	75,000	36,525	-	111,525
Other expenditure /(Pilot programmes)	73,113	15,416	-	88,529
Total charitable activities expenditure	1,722,914	429,688	11,000	2,163,602

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

3. CHARITABLE ACTIVITIES COSTS (continued)

	Direct costs	Support costs	Governance costs	Total 2020
	£	£	£	£
Challenge the Gap	3,069	3,080		6,149
Excellence for Everyone	33,414	4,466	-	37,880
Network of Excellence	1,565,065	334,502	12,770	1,912,337
Strategic Business Development	350,000	-	-	350,000
EAL in mainstream classroom	58,901	9,216	-	68,117
Getting Ahead London	149,800	23,444	-	173,244
Other expenditure (Pilot programmes).	187,803	77,873		-265,676
Total charitable activities expenditure	2,348,052	452,581	12,770	2,813,403

4. SUPPORT COSTS

	2021	2020
	£	£
Gross salaries	237,575	231,978
Employer's National Insurance	93,611	100,818
Health insurance	5,263	4,647
Insurance	2,984	2,880
Telephone	2,792	2,697
Postage, printing and stationery	779	22,024
Sundries	697	4,195
Legal and professional costs	664	5,836
Rent	22,800	19,800
IT costs	45,025	31,571
Accountancy	9,881	10,927
Marketing and design	-	1,590
Depreciation	3,065	2,425
Travel costs	4,552	11,193
Total support costs	429,688	452,581

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(continued)

5. GOVERNANCE COSTS

	2021	2020
	£	£
Auditor's remuneration	11,000	12,770

6. NET EXPENDITURE

	2021	2020
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration	11,000	12,770
Depreciation	3,065	2,425
Operating leases - rent and service charge	22,800	19,800

7. TRUSTEES' REMUNERATION AND BENEFITS

Dr. Kate Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Remuneration £100,000 - £110,000 (2020: £90,000 - £100,000; 2019: £100,000-£110,000). The payments have been authorised in accordance with the charity's governing document.

Trustees' expenses

Three trustees were reimbursed travel expenses of £934 (2020 - £539) during the year.

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	923,144	928,777
Social security costs	93,611	100,818
Other pension costs	42,029	44,914
	1,058,784	1,074,509

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(continued)**

The total remuneration of key management personnel in the year was £408,986 (2020: £381,702).

Key Management Personnel comprise:

- Chief Executive;
- Executive Director;
- Director of Partnership and Programmes;
- Head of Finance and Operations;
- Head of Network Development;
- Head of Knowledge Exchange and Engagement.

8. STAFF COSTS (continued)

The average monthly number of employees during the year was as follows:

	2021	2020
	No.	No.
Head count	26	25
Full Time Equivalent employees	24	23

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	1
£90,000 - £100,000	-	1
£100,001 - £110,000	1	-

No pension contributions are paid on behalf of any trustee.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(continued)**

9.	TANGIBLE FIXED ASSETS	
		Fixtures and Fittings
		£
	COST	
	Opening balance 1 September 2020	25,493
	Additions	5,161
	At 31 August 2021	30,654
	DEPRECIATION	
	Opening balance 1 September 2020	11,187
	Charge for the year	3,065
	At 31 August 2021	14,252
	NET BOOK VALUE	
	At 31 August 2021	16,402
	At 31 August 2020	14,306

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	39,665	854,460
Accrued income	-	75,000
	39,665	929,460

During the year an adjustment has been made to correct historic trade debtors to reflect the expected recoverability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	41,321	73,691
Social security and other taxes	285,101	318,800
Other creditors	66,189	14,409
Deferred income	1,011,285	1,336,509
Accrued expenditure	81,779	83,251
	1,485,675	1,826,660

During the year an adjustment has been made to correct historic deferred income balances largely relating to Network of Excellence and associated consultancy expenditure

12. RESTRICTED FUNDS

	1 September 2020	Income	Expenditure	31 August 2021
	£	£	£	£
Network of Excellence	-	51,675	(51,675)	-
Excellence for Everyone	-	28,918	(28,918)	-
Strategic Business Development	-	61,799	(61,799)	-
Getting Ahead London	6,148	75,000	(75,000)	6,148
Other	-	12,500	12,500	-
Total	6,148	229,892	(229,892)	6,148

Network of Excellence:

The Dulverton Trust provided resources for Knowledge Exchange as part of our NOE offer and enabled Challenge Partners to shine a brighter spotlight on disadvantage this year, at a time when this has been needed most.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(continued)**

Excellence for Everyone:

The generous funding from the Permira liferaft fund, Excellence for Everyone resources were repackaged as an online toolkit and made available at no fee for those in our network, making them more accessible (previously schools had to pay) so thousands more children can benefit.

Strategic Improvement purpose:

This fund relates to the development and growth of Challenge Partners and in the year to 31 August 2021 was supported by The Social Business Trust.

Getting Ahead London (London Leadership Pool) purpose:

Provide a bespoke programme to aspiring head teachers in London in order to better equip them to become future head teachers.

13. ANALYSIS OF NET ASSETS

	Unrestricted	Restricted	Total
	funds	funds	
	£	£	£
Tangible fixed assets	16,402	-	16,402
Current assets	1,732,287	6,148	1,738,435
Current liabilities	(1,485,674)	-	(1,485,674)
Net assets	263,015	6,148	269,163

14. RELATED PARTY DISCLOSURES

No related party transactions took place during the year.

Dr. Kate Chhatwal OBE was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Further details can be seen in note 7 of the financial statements

15. CHARITY STATUS

The charity is a private company limited by guarantee and consequently does not have a share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.