

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

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022 Continued

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

	<i>Note</i>	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

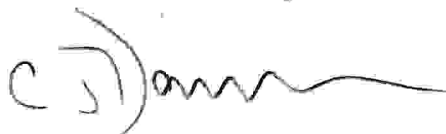
BALANCE SHEET AS AT 31 AUGUST 2022

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



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

	2021	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
	1,053,798	1,058,784

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
	£	£	£	£
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

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
	Unrestricted Funds 2021	Restricted Funds 2021	Total 2021
	£	£	£
<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>
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.