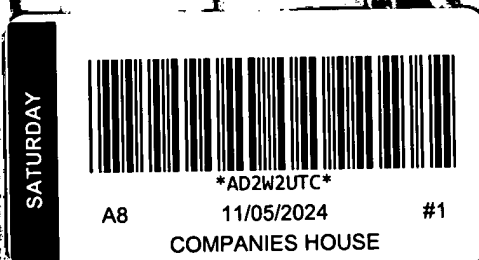


**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS  
FOR THE YEAR END 31 AUGUST 2023**

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



## **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](http://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 extending from the end of the signature.

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 £
<b>Income from:</b>							
<b>Charitable activities</b>							
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
<b>Total income</b>		<b>2,847,363</b>	<b>115,416</b>	<b>2,962,779</b>	<b>2,428,151</b>	<b>214,928</b>	<b>2,643,079</b>
<b>Expenditure on:</b>							
<b>Charitable activities</b>							
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
<b>Total expenditure</b>		<b>2,835,524</b>	<b>115,416</b>	<b>2,950,940</b>	<b>2,273,808</b>	<b>221,076</b>	<b>2,494,884</b>
<b>Net movement in funds</b>		<b>11,839</b>	<b>-</b>	<b>11,839</b>	<b>154,343</b>	<b>(6,148)</b>	<b>148,195</b>
Total funds brought forward		417,359	-	417,359	263,016	6,148	269,164
<b>Total funds carried forward</b>	<b>13</b>	<b>429,198</b>	<b>-</b>	<b>429,198</b>	<b>417,359</b>	<b>-</b>	<b>417,359</b>

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

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

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

	2023	2022
	£	£
<b>Net income per SOFA</b>	<b>11,839</b>	<b>148,195</b>
<b>Adjustments for:</b>		
Depreciation	11,762	8,193
Decrease/(increase) in debtors	89,397	(66,168)
Increase/(decrease) in creditors	310,198	(431,584)
<b>Net cash provided by / (used in) operating activities</b>	<u><b>423,196</b></u>	<u><b>(341,364)</b></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
<b>Total</b>	<u><b>1,341,036</b></u>	<u><b>409,571</b></u>	<u><b>1,750,607</b></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
<b>Total income</b>	<b><u>2,632,685</u></b>	<b><u>218,288</u></b>	<b><u>76,128</u></b>	<b><u>35,678</u></b>	<b><u>2,962,779</u></b>

	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
<b>Total income</b>	<b><u>2,348,358</u></b>	<b><u>193,543</u></b>	<b><u>21,385</u></b>	<b><u>79,793</u></b>	<b><u>2,643,079</u></b>

#### 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
<b>Total charitable activities expenditure</b>	<b><u>2,531,534</u></b>	<b><u>405,406</u></b>	<b><u>14,000</u></b>	<b><u>2,950,940</u></b>

	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
<b>Total charitable activities expenditure</b>	<b><u>2,081,936</u></b>	<b><u>401,398</u></b>	<b><u>11,550</u></b>	<b><u>2,494,884</u></b>



## 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
<b>Total support costs</b>	<b><u>405,406</u></b>	<b><u>401,398</u></b>

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
	<b><u>1,273,364</u></b>	<b><u>1,053,798</u></b>

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 No.	2022 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 No.	2022 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 £
<b>COST</b>	
Opening balance 1 September 2022	-
Additions	10,225
<b>At 31 August 2023</b>	<b><u>10,225</u></b>
<b>DEPRECIATION</b>	
Opening balance 1 September 2022	-
Charge for the year	-
<b>At 31 August 2023</b>	<b><u>-</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31 August 2023</b>	<b><u>10,225</u></b>
<b>At 31 August 2022</b>	<b><u>-</u></b>



# CHALLENGE PARTNERS

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

### 10. TANGIBLE FIXED ASSETS

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

### 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
	<b><u>16,436</u></b>	<b><u>105,833</u></b>





# 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
	<b><u>1,364,288</u></b>	<b><u>1,054,090</u></b>

### 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)	-
<b>Total</b>	<b>-</b>	<b><u>115,416</u></b>	<b><u>(115,416)</u></b>	<b>-</b>

	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)	-
<b>Total</b>	<b><u>6,148</u></b>	<b><u>214,928</u></b>	<b><u>(221,076)</u></b>	<b>-</b>



## 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)
<b>Net assets</b>	<b><u>429,198</u></b>	<b><u>-</u></b>	<b><u>429,198</u></b>

	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)
<b>Net assets</b>	<b><u>417,359</u></b>	<b><u>-</u></b>	<b><u>417,359</u></b>

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.