

REGISTERED COMPANY NUMBER: 08048330 (England and Wales)
REGISTERED CHARITY NUMBER: 1149266

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2020 FOR
CHALLENGE PARTNERS**

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CHALLENGE PARTNERS

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08048330 (England and Wales)

Registered Charity number
1149266

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

Trustees

Sir J Coles (Chair)
Dame Y Bevan DBE (resigned 11/02/2020)
Dr Kate Chhatwal OBE (ex officio)
Mr C Davison
Mr G Handforth
Mr A Jones
Ms M Lowe (resigned 11/02/2020)
Mr N Pasricha (resigned 03/12/2020)
Dame V Paterson DBE (resigned 18/05/2021)
Ms Alison Beane OBE (appointed 11/02/2020)
Ms Susie Eastham (appointed 19/05/2020)
Ms Janine Harion (appointed 09/02/2021)
Ms Vijita Patel (appointed 18/05/2021)
Ms Louise Wolsey (appointed 18/05/2021)

Independent Auditor

Mazars LLP
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton, Surrey
SM1 4FS

Bankers

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

Summary of the main activities

A: Network of Excellence

In 2019/20 we had more schools in our network than ever before (484) and had been growing every year since 2011. By 2019/20 we had partner schools based in every region of England, with new hubs in areas including Doncaster and Knowsley.

The Challenge Partners network has always focused on sharing leading practice through effective challenge and collaboration across our programmes, networks and immersive school visits. During the more than 300 Quality Assurance Reviews we undertook, pre-lockdown in 2020, we accredited 59 new Areas of Excellence across our partner schools. And in February 2020 we held our biggest National Conference to date, with more than 320 attendees.

Lockdown led us to suspend our normal operations for the spring and summer terms and pivot to provide enhanced opportunities for learning online with and from each other instead. We had already developed plans for more digital exchange of school leaders' expertise, having worked with EY through the Social Business Trust. This enabled us to move quickly and help schools respond by bringing people together for group calls and video meetings to share ideas around online learning, supporting disadvantaged students, and more.

We adapted our popular immersive school visit days to share leading practice into short webinars, holding eight in the summer term. In June 2020 we opened up one of our Senior Partner meetings to headteachers and trust leaders across the network, holding our first virtual National Network Meeting. And leaders also shared a whole range of valuable resources through our website, including return to school and remote learning plans. Leaders were generous with insights and expertise, writing blogs on issues including leading through a crisis and lessons from other countries facing similar issues.

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. In 19/20 we delivered 324 reviews, unfortunately the impact of lockdown during our peak QA Review delivery season meant that 131 schools did not receive their QA Review in 19/20 as we had to stop all review activities with lockdown. The reviews that we were able to deliver prior to lockdown received positive feedback with an average satisfaction rating from host school headteachers of 4.56/5 and from visiting reviewers of 4.61/5. Schools that were unable to benefit from a Quality Assurance Review because of the pandemic were offered a discount on their 20/21 subscription.

C: Growing the Top

The Growing the Top programme provides opportunities for top-performing schools in the Challenge Partners Network of Excellence to work together, push the boundaries and drive their schools - and the education system - to become world-class. In the academic year 2019/20, we expanded the programme for outstanding schools to include special (6 schools) and primary schools (7 schools), alongside secondary schools (8 schools), and alumni from the 18/19 programme year were trained to facilitate the trio visits. The programme was disrupted by the COVID-19 pandemic which meant that each trio needed to cancel their final trio-visit and rearrange for the academic year 20/21 when hopefully face to face visits would be able to resume.

D: Excellence for Everyone

Building on our work to support the most disadvantaged pupils, Challenge Partners launched a new programme to support even more disadvantaged pupils in schools, called Excellence for Everyone: a whole school approach (EfE). It builds on our impactful Challenge the Gap programme and offers training and tools for schools to accelerate the progress of disadvantaged pupils in their school's context through: developing capacity at all levels; being evidence-informed; starting small, scaling fast; school-to-school collaboration.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Lead schools are trained to deliver the programme to a local cluster of schools. In 2019/20 there were five clusters delivering the programme to 31 schools. An advisory board for the programme has been established, chaired by pupil premium expert and author, Marc Rowland and evaluation support is being provided by strategic partner ImpactEd.

E: Getting Ahead London

Getting Ahead London is a programme, substantially funded by the Greater London Authority with a small contribution from participants, that ran for its fourth year in 2019/20. The programme provides aspiring London leaders with the skills, experience, networks and knowledge to take the step up to senior leadership/headship. All participants are matched into trios with two other aspiring leaders and meet with an experienced senior leader/headteacher coach over the course of an academic year.

In 19/20 for the first time we expanded the programme from being just for senior leaders who were aspiring to headship, to also work with a cohort of middle leaders who were aspiring to senior leadership to further develop the talent pipeline of outstanding ethical London leaders. We worked with 48 aspiring headteachers and 25 aspiring senior leaders.

The impact of the COVID-19 lockdown in March meant that coaching sessions had to be run virtually. Although not part of our original plan, many participants felt that this was a positive as it meant that they could continue their involvement and work with a network of professionals experiencing the same challenges throughout the period of school closures and reopening. Although interrupted, programme feedback from the pilot cohort of middle leaders was also positive.

F: EAL in the Mainstream Classroom

EAL in the Mainstream Classroom was an EEF-funded evaluation project delivered to schools in the academic year 2017/18. In 2019 evaluation partners from the EEF and University of York captured summer KS4 data from participating schools to analyse for a final programme report which had been due to be published in 2020. Challenge Partners worked with the EEF and University of York to facilitate the collection of data and manage relationships with participating schools.

G: Jubilee Networks

In September 2019, Challenge Partners completed the acquisition of Jubilee Networks from Integral Change. Challenge Partners acquired all rights to operate Jubilee Networks, comprising six regional headteacher, deputy headteacher and trust CEO networks. One member of staff transferred to Challenge Partners to continue to lead Jubilee Networks and take on other responsibilities as Head of Network Development.

Jubilee Networks are regional headteacher networks that bring together heads across a wide geographical area (although accessible) to share practice, test out ideas and develop their leadership. They were set up in 2012 as a partnership between a NCSL Associate and Integral Change, a leadership and management consultancy. Based on reciprocal school visits, independently facilitated and with leadership input to accelerate intimate, relational networks of heads, these networks have proved enduring. Over the course of 2019/20, each Jubilee Network met twice in person and twice virtually. At the end of the year, the secondary and large primary headteacher networks in the South West, South Central and Midlands regions remained stable with retention of more than 80% and some new schools joining on the recommendation of heads in the group.

New Network of Excellence hubs were formed in 2020/21 from two Jubilee Network partners - Castle Phoenix Trust set up the Coventry and Warks hub and Chipping Campden school set up the Cotswold Cornerstone hub. Another Jubilee Network school joined the Growing the Top programme. The CEO Jubilee Network transitioned from Integral Change to Challenge Partners during this year with three out of nine trust leaders joining our new Trust Leaders Network.

H: Trust Leaders' Network and Trust Peer Review

The acquisition of Jubilee Networks in September 2019 brought Challenge Partners its first network for trust leaders, which ran throughout 19/20. Work with trust leaders from across Challenge Partners in spring 2020 enabled us to

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

develop and recruit for an enhanced Trust Leaders' Network in summer 2020, to bring together trust leaders keen to extend excellence in their trusts and committed to sharing great practice so that the whole system improves.

Our Trust Peer Review programme emulates the successful principles of our school-based Quality Assurance Review programme and offers trusts a three-day, professional-led, independently facilitated peer review. The Trust Peer Review focuses on trust-wide school improvement and enables a process of challenge and collaboration that benefits host trusts and trained reviewers alike. After a successful pilot year in 2018/19, the Trust Peer Review was included in the Challenge Partners offer for Trusts for 2019/20. Training for lead and peer reviewers was completed by November 2019, and reviews were scheduled for the spring and summer terms. Unfortunately, these reviews could not go ahead due to the outbreak of COVID-19, and were postponed until the following year (2020/21).

FUTURE PLANS 2020/21**A: Network of Excellence**

In 2020, we saw the Network of Excellence reduce in size, largely due to the impact of COVID-19 and the immense pressure on schools. We ended August 2020 with 424 schools across 43 hubs (2019/20: 44 hubs). We introduced multi-year discounts for the partnership year 2020/21, resulting in 97 schools committing for two years and a further 76 schools committing for three, as well as reducing the maximum fee to encourage more secondaries to join the network. We continue to welcome all phases and stages of schools: and for 2020/21 have recruited 53% primary, 24% secondary, 20% special and AP with the remaining 3% comprising all-though, middle and 16+ provision.

For the academic year 2020/21 we have partner schools in more than 90 local authorities across England, with schools recruited for new hubs serving the communities of Coventry, Brighton, Oxfordshire and South East London. These include schools from just under 100 school trusts this year, of varying sizes. We plan to develop the local hub offer further, by launching the Hub Buddy Scheme as well as the Hub Manager Network. These schemes will be run by some of our leading Hub Managers and will ensure best hub practice is shared more widely across the network.

We plan to build on the digital knowledge exchange piloted in summer term 2020 to ensure we rapidly share excellent and emerging practice to support leaders as they tackle common challenges and innovate at speed. We will continue to hold webinars showcasing schools with Areas of Excellence in relevant areas including wellbeing and remote learning; bring in experts for Masterclasses and National Network Meetings. This will include speakers from around the world to share lessons on common challenges, for example on how schools built back after Hurricane Katrina in New Orleans; and we will extend our focus so we share practice from across our programmes including our Growing the Top alumni.

B: Quality Assurance Review

In response to the ongoing disruption of the COVID-19 pandemic we will develop a virtual review offer to enable us to continue to support schools across the country should in the event of ongoing lockdown restrictions. This offer will be created in consultation with our practitioners and will be supported in its delivery by our existing lead reviewer pool who will receive training to enable them to deliver the virtual offer.

C: Growing the Top

We will continue to offer Growing the Top to all phases of schools in 20/21 and will include the programme as part of the Network of Excellence package, meaning schools can choose to take part in either a QA Review or Growing the Top, or both programmes for an additional fee. We will train our 18/19 and 19/20 alumni to be facilitators for the 20/21 cohort using our internal facilitation training programme.

D: Excellence for Everyone

When the pandemic hit, a grant from Permira enabled us to quickly convert Excellence for Everyone into a full toolkit of online training including nine webinars and a suite of resources. This means we can offer the programme to all our

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

partner schools, trusts and hubs in Challenge Partners in 2020/21, at no charge. The toolkit was to launch in autumn 2020. We expect pupils benefitting from these programmes to be more engaged in school, better able to manage their learning and wellbeing, and for their attainment to improve as a result. To demonstrate this we plan to work with evaluation specialists ImpactEd and support schools to robustly measure the impact of the interventions schools put in place.

E: Getting Ahead London

In the academic year 20/21 we will deliver the programme to prospective headteachers and senior leaders. We plan to expand the middle leader cohort of the programme to give further opportunities to develop the leadership pipeline. We will also have a further focus on cohort diversity to support the development of a pool of London leaders who look like and have similar life experiences to the students they teach. We will have a particular focus on student and staff mental health and the opportunities and challenges faced by schools during the recovery period. We also plan to secure further funding for future years, so we can continue to deliver the programme, alongside what we know will be reduced financial support from the Greater London Authority.

F: EAL in the mainstream classroom

We will continue to work with the EEF into 2021 as required as the evaluation report is finalised.

G: Trust Peer Review and Trust Leaders Network

During 20/21, the Trust Peer Review will continue to be part of the Trust offer, with Lead Reviewers forming an informal advisory board. We plan a blended programme of face to face and digital events during 2020/21 for our Trust Leaders Network. This comprises trust visits, termly business webinars delivered in partnership with corporate partners supplied via SBT, training in Trust Peer Review and a Trust Leaders Conference. The plan is to build a relational network that offers multiple gains to trust leaders who can connect with each other beyond meetings convened by us. We will continue to extend opportunities to trust leaders to sample wider knowledge exchange and to access expertise from within and beyond our network through invitations to national network of excellence events.

H: Jubilee Networks

During 2020/21 we will continue to run virtual meetings for Jubilee Network headteachers, so that they can benefit from regular peer support and knowledge sharing in relation to 'live issues' and strategic challenges. Training in our Quality Assurance Review will also be delivered to Jubilee schools. We will decide whether this network model has a place in our suite of programmes through co-creating our partnership offer for 21/22 with practitioner input and market research.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

FINANCIAL REVIEW

Financial position

Challenge Partners received £2.7 million of income in the year to 31 August 2020, spending £2.8 million, delivering a deficit of £114,180

The principal sources of funding for the year were:

£1.91 million from the Network of Excellence, primarily annual partnership subscriptions. These funds are used to support schools in improving at a rate above the national average.

£0.007 million from Challenge the Gap through programme subscriptions. These funds are used to support the transition from our impactful Challenge the Gap programme to Excellence for Everyone.

£0.012 million from Excellence for Everyone programme through licence fee subscription. These funds are used to train, support and quality assure licensees running the Excellence for Everyone programme to support the most disadvantaged pupils.

£0.068 million from English as an Additional Language in the mainstream classroom (EAL) through grant funding. These funds are used to cover the cost of working with the Education Endowment Foundation and their appointed evaluator to support programme evaluation.

£0.173 million from Getting Ahead London (GAL) through grant funding. These funds are used to provide aspirant school leaders and headteachers in London with the skills required to take the next step in their leadership career.

£0.35 million from the Social Business Trust, which came in the form of a gift in kind as business consulting.

£0.07 million from pilots and development projects.

£0.108 million from the Coronavirus Job Retention Scheme.

Risk management

Risks are reviewed regularly and managed actively by the Challenge Partners team, with regular oversight from trustees.

The principal risks and uncertainties facing Challenge Partners, and the Trustees' plan for managing those risks in 2019/20 were:

1) Managing the financial impact of the COVID19 pandemic. Trustees met frequently to review and approve management action to minimise costs, maximise revenue, and provide value and impact for schools and trust in our network in facing the challenges of the pandemic.

2) United Kingdom leaving the European Union

No impact on Challenge Partners of UK leaving the European Union.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

Reserves policy

Challenge Partners reserves policy is to maintain three months of operating costs to cover in case of substantial loss in revenue where the company needs to shut down. Challenge Partners also maintains a level of contingency fund for opportunities that foster and promote the mission of the charity. The minimum level of reserves to meet three months of operating costs and cover for contingency is £352,016.

Unrestricted free reserves at 31 August 2020 were £295,560 (2019: £374,539). Although the amount fell slightly below our stated reserves, trustees did not consider this to be of material significance as we retained sufficient reserves for an orderly close-down if required; only our contingency/opportunity fund was impacted.

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;
- 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, Mazars LLP, will be proposed for re-appointment at the forthcoming 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 26 May 2021 and signed on its behalf by:


J.A. Coles (May 27, 2021 18:11 GMT+1)

Sir J Coles, - Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALLENGE PARTNERS

Opinion

We have audited the financial statements of Challenge Partners (the 'charity') for the year ended 31 August 2020 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 FRS 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 charity's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHALLENGE PARTNERS (CONTINUED)

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 Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Trustees.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees 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 charity'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 charity 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.

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 the Audit Report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


Nicola Wakefield (May 28, 2021 11:20 GMT+1)

Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Dated: 28-May-2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Income from:							
Charitable activities							
Challenge the Gap	2	7,706	-	7,706	85,017	-	85,017
Excellence for Everyone	2	12,000	-	12,000	-	-	-
Network of Excellence	2	1,906,754	-	1,906,754	1,829,773	-	1,829,773
EAL in mainstream classroom	2	-	68,117	68,117	-	77,127	77,127
Strategic Business							
Development	2	-	350,000	350,000	-	280,000	280,000
Getting Ahead London	2	23,425	150,000	173,425	-	177,271	177,271
Other income	2	72,965	-	72,965	40,242	-	40,242
Coronavirus Job Retention Scheme	2	108,256	-	108,256	-	-	-
Total income		2,131,106	568,117	2,699,223	1,955,032	534,398	2,489,430
Expenditure on:							
Charitable activities							
Challenge the Gap	3	6,149	-	6,149	111,591	-	111,591
Excellence for Everyone	3	37,880	-	37,880	-	-	-
Network of Excellence	3	1,912,337	-	1,912,337	1,821,689	-	1,821,689
Strategic Business							
Development	3	-	350,000	350,000	-	280,000	280,000
EAL in mainstream classroom	3	-	68,117	68,117	-	96,783	96,783
Getting Ahead London	3	23,444	149,800	173,244	-	171,323	171,323
Other Expenditure	3	265,676	-	265,676	157,672	-	157,672
Total expenditure		2,245,486	567,917	2,813,403	2,090,952	548,106	2,639,058
Net (expenditure)/income for the year		(114,380)	200	(114,180)	(135,920)	(13,708)	(149,628)
Release of restricted funds	12	35,830	(35,830)	-	-	-	-
Net movement in funds		(78,550)	(35,630)	(114,180)	-	-	-
Total funds brought forward		388,416	41,778	430,194	524,336	55,486	579,822
Total funds carried forward	12	309,866	6,148	316,014	388,416	41,778	430,194

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 2020

Registered Company number: 08048330

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible fixed assets	9	14,306	13,877
		14,306	13,877
CURRENT ASSETS			
Debtors	10	929,460	401,831
Cash at bank and in hand		1,198,908	1,300,003
		2,128,368	1,701,834
CREDITORS: amounts falling due within one year	11	(1,826,660)	(1,285,517)
NET CURRENT ASSETS		301,708	416,317
NET ASSETS	13	316,014	430,194
FUNDS:			
Unrestricted funds	13	309,866	388,416
Restricted funds	13	6,148	41,778
		316,014	430,194

The financial statements were approved by the Board of Trustees on 26 May 2021 and were signed on its behalf by:

J.A. Coles
J.A.Coles (May 27, 2021 18:11 GMT+1)

Sir J Coles – Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	<i>Notes</i>	2020	2019
		£	£
Cash flows from operating activities:			
Net cash (used in) operating activities		(98,241)	(150,452)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,854)	(3,735)
Net cash (used in) investing activities		(2,854)	(3,735)
Decrease in cash and cash equivalents in the year		(101,095)	(154,187)
Cash and cash equivalents at beginning of year		1,300,003	1,454,190
Cash and cash equivalents at end of year		1,198,908	1,300,003

RECONCILIATION OF THE NET (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net (expenditure) per SOFA	(114,180)	(149,628)
Adjustments for:		
Depreciation	2,425	2,622
(Increase)/Decrease in debtors	(527,629)	279,655
Increase/(Decrease) in creditors	541,143	(283,101)
Net cash (used in) operating activities	(98,241)	(150,452)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The COVID-19 pandemic had a significant impact on Challenge Partners operations. All programmes involving face to face activity were suspended from March 2020, and the start of the 2020/21 subscription year was delayed from April to September 2020. To mitigate the financial impact, Challenge Partners undertook a series of actions, including voluntary reductions in senior salaries, furloughing staff under the Coronavirus Job Retention Scheme, and a programme of overhead cost reduction. In view of the reserves available to the organisation, and the actions taken to safeguard its future operations, trustees were quickly satisfied that Challenge Partners would remain a going concern for the foreseeable future (as reflected in our 2019/20 accounts). Further cost reductions and income generation through school subscriptions, grants and fundraising in 2020/21 have restored Challenge Partners' financial sustainability and reserves.

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

Fund accounting

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

Restricted funds are to be used in accordance with the specific restrictions imposed by the donors. The aims and use of restricted funds are set out in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

2. INCOME FROM CHARITABLE ACTIVITIES

	Subscription income £	Grant income £	Donated services £	Other income £	2020 Total £
Challenge the Gap	7,706	-	-	-	7,706
Excellence for Everyone	12,000	-	-	-	12,000
Network of Excellence	1,896,126	-	-	10,628	1,906,754
Strategic Business Development	-	-	350,000	-	350,000
EAL in mainstream classroom	-	68,117	-	-	68,117
Getting Ahead London	-	150,000	-	23,425	173,425
Other income	-	-	-	72,965	
Coronavirus Job Retention Scheme	-	-	-	108,256	108,256
Total income	1,915,832	218,117	350,000	215,274	2,699,223

	Subscription income £	Grant income £	Donated services £	Other income £	2019 Total £
Challenge the Gap	85,017	-	-	-	85,017
Network of Excellence	1,784,782	-	-	44,991	1,829,773
Strategic Business Development	-	30,000	250,000	-	280,000
EAL in mainstream classroom	-	77,127	-	-	77,127
Getting Ahead London	-	153,000	-	24,271	177,271
Other income	-	-	-	40,242	40,242
Total income	1,869,799	260,127	250,000	109,504	2,489,430

3. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs £	Governance costs £	2020 Total £
Challenge the Gap	3,069	3,080	-	6,149
Excellence for Everyone	33,414	4,466	-	37,880
Network of Excellence	1,565,065	334,502	12,770	1,912,337
Strategic Business Development	350,000	-	-	350,000
EAL in mainstream classroom	58,901	9,216	-	68,117
Getting Ahead London	149,800	23,444	-	173,244
Other expenditure /(Pilot programmes)	187,803	77,873	-	265,676
Total charitable activities expenditure	2,348,052	452,581	12,770	2,813,403

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

3. CHARITABLE ACTIVITIES COSTS (continued)

	Direct costs £	Support costs £	Governance costs £	Total 2019 £
Challenge the Gap	92,211	19,380	-	111,591
Network of Excellence	1,506,963	306,476	8,250	1,821,689
Strategic Business Development	250,000	30,000	-	280,000
EAL in mainstream classroom	75,151	21,632	-	96,783
Getting Ahead London	137,058	34,265	-	171,323
Other expenditure (Pilot programmes).	118,912	38,760	-	157,672
Total charitable activities expenditure	2,180,295	450,513	8,250	2,639,058

4. SUPPORT COSTS

	2020 £	2019 £
Gross salaries	231,978	228,776
Employer's National Insurance	100,818	85,007
Health insurance	4,647	1,754
Pension	-	12,658
Insurance	2,880	2,680
Telephone	2,697	1,894
Postage, printing and stationery	22,024	16,700
Sundries	4,195	1,459
Legal and professional costs	5,836	2,370
Rent	19,800	24,627
IT costs	31,571	33,130
Accountancy	10,927	14,703
Marketing and design	1,590	6,912
Depreciation	2,425	2,622
Travel costs	11,193	15,221
Total support costs	452,581	450,513

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)**5. GOVERNANCE COSTS**

	2020	2019
	£	£
Auditor's remuneration	12,770	8,250

6. NET EXPENDITURE

	2020	2019
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration	12,770	8,250
Depreciation	2,425	2,622
Operating leases - rent and service charge	19,800	24,627

7. TRUSTEES' REMUNERATION AND BENEFITS

Dr. Kate Chhatwal was paid a salary in respect of her role as Chief Executive and serves as a trustee ex officio. Remuneration £95,000 - £100,000 (2019: £100,000 - £105,000)

Trustees' expenses

One trustee was (2019: three) reimbursed travel expenses of £539 (2019 - £912) during the year.

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	928,777	776,861
Social security costs	100,818	85,007
Other pension costs	44,914	46,561
	<u>1,074,509</u>	<u>908,429</u>

The total remuneration of key management personnel in the year was £381,702 (2019: £337,002).

Key Management Personnel comprise:

Chief Executive;
Executive Director;
Director of Partnership and Programmes;
Head of Finance and Operations;
Head of Network Development;
Head of Communications and Engagement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

8. STAFF COSTS (continued)

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

	2020	2019
	No.	No.
Head count	25	23
Full Time Equivalent employees	<u>23</u>	<u>20</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£90,000 -£100,000	1	-
£100,001-£110,000	<u>-</u>	<u>1</u>

No pension contributions are paid on behalf of any trustee.

9. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
COST	
Opening balance 1 September 2019	22,639
Additions	<u>2,854</u>
At 31 August 2020	<u>25,493</u>
DEPRECIATION	
Opening balance 1 September 2019	8,762
Charge for the year	<u>2,425</u>
At 31 August 2020	<u>11,187</u>
NET BOOK VALUE	
At 31 August 2020	<u>14,306</u>
At 31 August 2019	<u>13,877</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	854,460	295,218
Other debtors	-	14,594
Accrued income	75,000	77,289
Prepayments	<u>-</u>	<u>14,730</u>
	<u>929,460</u>	<u>401,831</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	73,691	47,610
Social security and other taxes	318,800	49,385
Other creditors	14,409	1,170
Deferred income	1,336,509	1,148,675
Accrued expenditure	83,251	38,677
	1,826,660	1,285,517

12. RESTRICTED FUNDS

	1 September 2019 £	Income £	Expenditure £	Release into general reserves £	31 August 2020 £
EAL in the mainstream classroom	35,830	68,117	(68,117)	(35,830)	-
Strategic Business Development	-	350,000	(350,000)	-	-
Getting Ahead London	5,948	150,000	(149,800)	-	6,148
Total	41,778	568,117	(567,917)	(35,830)	6,148

EAL in the mainstream classroom purpose:

Pilot a programme in schools to equip practitioners in the mainstream classroom to better aid students with English as an additional language.

The funder during the financial year approved the release of programme funds brought forward from previous years to cover administrative costs incurred in the running of the programme.

Strategic Improvement purpose:

This fund relates to the development and growth of Challenge Partners and in the year to 31 August 2020 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 £	Restricted funds £	Total £
Tangible fixed assets	14,306	-	14,306
Current assets	2,122,220	6,148	2,128,368
Current liabilities	(1,826,660)	-	(1,826,660)
Net assets	309,866	6,148	316,014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (continued)

14. RELATED PARTY DISCLOSURES

No related party transactions took place during the year.

Dr. Kate Chhatwal 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.