



ANNUAL REPORT

2018-2019



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**KEEP
GETTING
BETTER**

WELCOME



“Dixons Academy Trust is delighted to continue to partner with Ambition Institute. We have seen the life-changing impact that Ambition’s high-quality professional development can have on both our educators and the 8,000 pupils we serve.”

- Sir Nick Weller, CEO, Dixons Academies Trust



WELCOME FROM OUR CHAIR OF TRUSTEES, **REBECCA BOOMER-CLARK**



It's a privilege to write the opening to this review of Ambition Institute's first year. I was appointed as Chair of Trustees on 1 September 2019, having been a member of the board for two years, and I am pleased to have played my part in the organisation's growth and evolution.

On 31 August 2018 – the day before the period covered in this report – we merged Ambition School Leadership and the Institute for Teaching. In March 2019, we formally launched our new organisation: Ambition Institute.

“Against a backdrop of near-constant change in the policy landscape and marketplace, our team has looked outward and ahead, thinking hard about how we can improve the quality of educator development in England.”

During this first year we have continued to develop our suite of programmes, to make sure that our work is underpinned by clear academic rigour, allied to a direct connection to the classroom. We're now one of the largest providers of professional development in the education sector – and the only one helping educators at all levels to keep getting better right through their careers, from early career teachers through to CEOs of multiple schools.

So, why the change in our approach? Against a backdrop of near-constant change in the policy landscape and marketplace, our team has looked outward and ahead, thinking hard about how we can improve the quality of educator development in England, particularly for those serving children from the most disadvantaged backgrounds.

All the while, funding remains tight: more choice and financial control is directly in the hands of headteachers and trust leaders, who have a more competitive market of providers and programmes than ever to choose from. These school leaders tell us that, alongside a strong mission to improve education, they also want to see expertise and concrete results when developing their staff.

This year (2018-19) has therefore been one of intense work behind the scenes to improve the quality and scope of our programmes and make them better value for money. To make this possible, our Trustees have – by design and for the second year in a row – invested a proportion of our reserves to fund the change needed to create this vision.

Helping us navigate this is our newly-appointed CEO, Hilary Spencer. Hilary joined us in October 2019, just after this financial year ended. I am delighted to have Hilary on board: her far-reaching knowledge of our sector will help us reach more educators and schools with the highest quality professional development, to drive system-wide improvement.

Much of this work was guided by the previous chair of Ambition Institute, Baroness Sally Morgan, who stepped down from her role in August and who is now a Founding Patron of our organisation. Everyone at Ambition Institute is incredibly grateful to Sally for her commitment, passion and knowledge of the education sector. We hope to continue her excellent work this coming year and beyond.

Finally, on behalf of all of our Trustees, leaders and staff, I want to thank every educator who has joined an Ambition Institute programme this year, and every school or trust leader that has backed them. We know how hard you all work to do the best for your pupils, and we are committed to supporting you to the best of our ability.

WELCOME FROM OUR CEO, **HILARY SPENCER**



I'm delighted to have joined Ambition Institute at this exciting time. I am hugely passionate about creating the conditions where people can achieve their potential, and it is a privilege to lead an organisation so focused on that objective.

It is still the case that children from disadvantaged backgrounds do not do as well at school as their wealthier peers and we, in common with many others, want to play our part in eliminating that gap.

At Ambition Institute, we believe the key to this is providing educators with the best professional development possible throughout their careers. We are committed to listening to the sector and drawing on the best evidence to ensure our programmes can help to achieve that.

I joined Ambition Institute in October 2019, just after the period that this report covers. The report highlights the strong foundations that have already been laid by my predecessors and Ambition's predecessor organisations, and I'm looking forward to building on those successes.

I'm excited to drive Ambition Institute forward into the next phase of our journey and to make sure we focus our attention, expertise and resources in the best way possible – so that we can continue delivering an exceptional quality of development to teachers and leaders serving children from disadvantaged backgrounds.





PURPOSE AND ACTIVITIES

WHO WE ARE

Ambition Institute helps educators serving in the most disadvantaged schools to keep getting better.

We are working for an education system where every child can thrive, no matter what their background.



WHY WE EXIST

CHILDREN FROM DISADVANTAGED BACKGROUNDS DON'T DO AS WELL AT SCHOOL COMPARED TO THEIR MORE AFFLUENT PEERS

Although there are many factors responsible for this attainment gap, too many pupils are being negatively impacted by the circumstances of their birth.

Over the past ten years, England's education system has made great strides in raising standards and improving access to a great education. Thanks to the hard work and skill of many dedicated teachers and schools, in some places the attainment gap between disadvantaged pupils and their wealthier peers has started to close. However, this improvement is not yet evenly distributed across the country.

WE NEED TO MAKE SURE ALL CHILDREN CAN ACCESS GREAT TEACHING

Teachers have the greatest impact on pupil outcomes: their impact is three times that of any other school-based factor (RAND, 2019). As a pupil in our system, if you get access to one of the best teachers in the system you will learn in six months what it takes an average teacher a whole year to teach.

If you get one of the worst teachers, the same learning will take you over two years (William, 2006). For poor pupils, the difference between a good teacher and a bad teacher is equivalent to a whole year's worth of learning.

Our work can therefore play a significant role in improving the quality of teaching, which will have the biggest impact on the most disadvantaged children.



WE NEED TO SUPPORT GOOD TEACHERS AND LEADERS TO STAY IN THE PROFESSION

Approximately 40% of those who train as teachers are no longer working in publicly funded schools five years later (Allen & Sims, 2018).

However, professional development for teachers is proven to support their retention in the sector (Zuccollo & Fletcher-Wood, 2020). This is particularly significant for new teachers: support significantly increases retention over the first five years of teachers' careers (Ronfeldt & McQueen, 2017). Throughout a teacher's career, increased levels of professional development are associated with a reduced desire to move schools (Sims, 2017).

Improving the performance of serving teachers is three times more effective in raising standards than the combined effect of all the attempts to improve teaching through replacement (Sutton Trust, 2011).

Most teachers stop improving after the first five to ten years of their career, but effective professional development can prevent this plateau and enable teachers to continue improving at the same rate (Kraft & Papay, 2014).

Our programmes support teachers to continue developing professionally throughout their careers, and can help improve teacher retention.

HIGH QUALITY LEADERSHIP IS CRITICAL

School leaders create the professional environments where teachers can keep getting better. The quality of teaching is crucial, but leadership is the other key factor which generates school improvement (Bush & Glover, 2014).

The most successful school leaders are those that focus on leading improvements in curriculum and pedagogy (Robinson, Lloyd & Rowe, K. 2008). A large body of evidence also shows that the quality of leadership is directly related to teacher retention (Kraft & Papay, 2014).

Our programmes support leaders to focus on those key issues, and lead improvement in their schools and trusts.

PROFESSIONAL DEVELOPMENT IS A CRUCIAL TOOL FOR DRIVING SCHOOL IMPROVEMENT

Through our suite of programmes for individuals and organisations, we are able to support educators at every stage – from new teachers through to executive leaders of groups of schools. We offer professional development that supports teachers to drive improvements in pedagogy and curriculum, and helps school leaders to create the professional environment in which their teachers keep getting better.

All our programmes are designed to improve the outcomes of pupils from disadvantaged backgrounds, ensuring they have the same opportunities to succeed as their more affluent peers.

OUR ONGOING TRANSFORMATION

CREATING AMBITION INSTITUTE

On 31 August 2018, Ambition School Leadership legally merged with the Institute for Teaching. Both of those organisations believed that educators are the key to closing the gap between disadvantaged pupils and their more affluent peers.

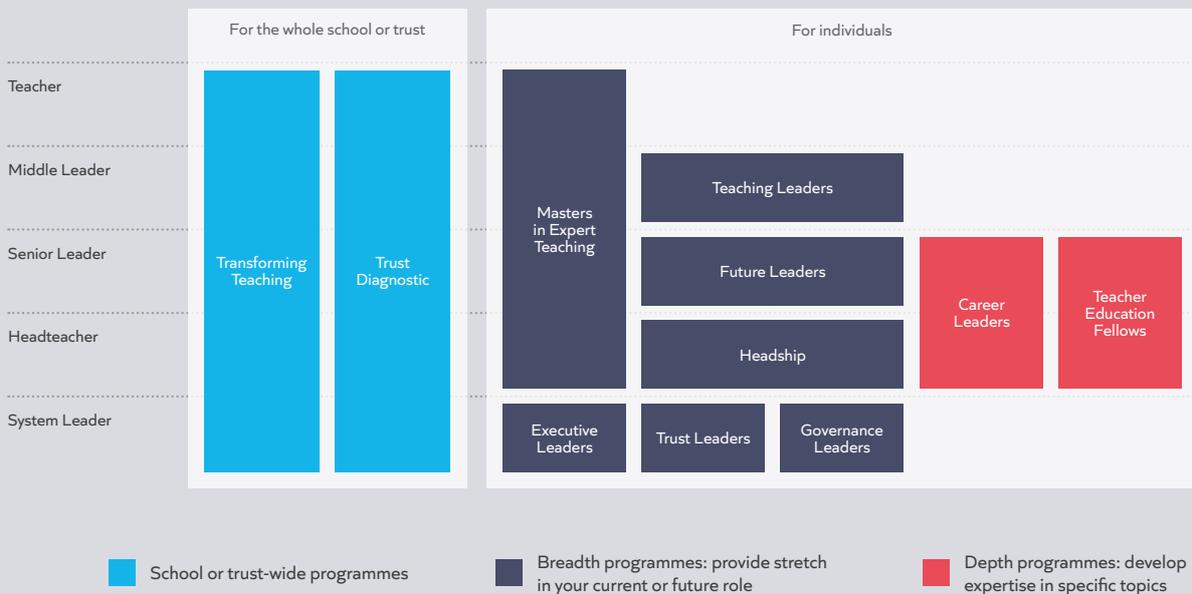
The two organisations had already been working in partnership for over a year but, in order to achieve a bigger impact and a wider reach, worked to merge and become one organisation.

In our first year as Ambition Institute, we've seized the opportunity to re-think our programme offer to meet the needs of the sector.

When redesigning our programme offer, we made sure:

- > Our programmes have the development of **expertise** at their heart.
- > Our curricula are organised around the **persistent problems** that educators face most regularly in their roles.
- > Our approach is aligned to the **active ingredients** of professional development.

OUR PROGRAMME OFFER IN 2018-2019



SPOTLIGHT ON: TRANSFORMING TEACHING

Transforming Teaching is an intensive whole-school programme for improving teaching, retention and career progression. It is targeted at schools that have struggled with entrenched underperformance, giving them the tools, knowledge and support to get on-track for long-term improvement.

It works on three levels. Firstly, we work with teachers who want to develop their practice and keep getting better. The teachers have fortnightly professional development sessions delivered in school, so there's no additional travel time or time out of lessons for teachers.

Secondly, we support teacher educators – teachers who help other teachers to teach better. They receive face-to-face training, one-to-one coaching and the opportunity to plan and deliver their own training, supported by our team.

We know that school leaders create the conditions for this training to flourish. So the final strand of the programme gives training sessions to school leaders to help them implement the changes. This includes twice-yearly conferences to work with peers in similar schools, tackling the big challenges facing them in their day-to-day jobs.

Marie Hamer, Executive Director of Learning Design and Teaching, says, "We're really proud of our work on Transforming Teaching. It shows the impact we can have when we bring evidence-informed teaching into the classroom, and it re-energises teachers, helping them to stay in their school and in the profession for longer."

SPOTLIGHT ON: EXPERT MIDDLE LEADERS

In August 2019 we launched the new curriculum for our long-running programme, Teaching Leaders, along with a new name that reflected its focus: Expert Middle Leaders.

The participants on Expert Middle Leaders work in some of the most disadvantaged communities in England, which is why it's so important that we get their development right.

Our Executive Director for School Leadership, Tom Rees, has been steering a new conversation in the education sector about leadership, arguing that generic management and the dominant concept of 'transformational leadership' require closer scrutiny.

The curriculum for the Expert Middle Leaders programme reflects this, prioritising the most important things that middle leaders need to know and be able to do – and focusing on the substance, rather than style, of leadership.

A central objective of this re-designed programme is for middle leaders to think about improving pupil outcomes through the lens of their subject, rather than to reach for generic approaches to teaching and learning.

Instead of presenting ideas that could be implemented in a prescriptive style, we've shared curriculum principles so that leaders will employ a set of strategies that respect the distinct nature of their subject discipline.

Tom Rees says, "Working with participants on the Expert Middle Leaders programme gives me hope that we can shift the dial in education through focusing on the development of expertise.

"It has shown me that a programme of this scale can be a powerful lever in creating that infrastructure, which will ensure educators in England get the development they deserve – and their pupils get the very best education."

SPOTLIGHT ON: TRUST DIAGNOSTIC

The academies sector has developed from a handful of academies in 2010 to around 1,200 multi-academy trusts today. The challenges facing trusts have also evolved. We saw a gap in the support available to trusts to shape their organisations and to learn from each other.

Our Trust Diagnostic is a pioneering new programme that targets this rapidly growing ecosystem.

Led by our Executive Director for System Leadership and the former National Schools Commissioner, Sir David Carter, it works in three phases:

1. An analysis of the trust's current state, using an online survey and data visualisation.
2. An interview day led by serving CEOs and Chairs of Trustees, resulting in recommendations for the trust on their strengths and areas for improvement.
3. Continued support and review, enabling the trust to track progress against the recommendations.

In early 2019 we piloted the programme with five trusts, helping them to reflect on their strategies and identify areas to take action. Their feedback has helped us to refine our tools and methods, to launch this programme fully in September 2019.

Sir David Carter says: "School trusts are subject to accountability on a scale that few others in the education system face. Our approach is different and is not part of the holding to account process.

"Our model is developmental and formative as opposed to judgemental. We start conversations between trusts, boards, and executive leaders, that helps them to keep getting better."



ACHIEVEMENTS AND PERFORMANCE



"I have been really impressed by the calibre and commitment of the Ambition Institute team. It has been a pleasure to work with them on the School Improvement Commission to advance our shared vision of an education system where every educator and every child can thrive."

- Nick Brook,
Deputy General Secretary, NAHT

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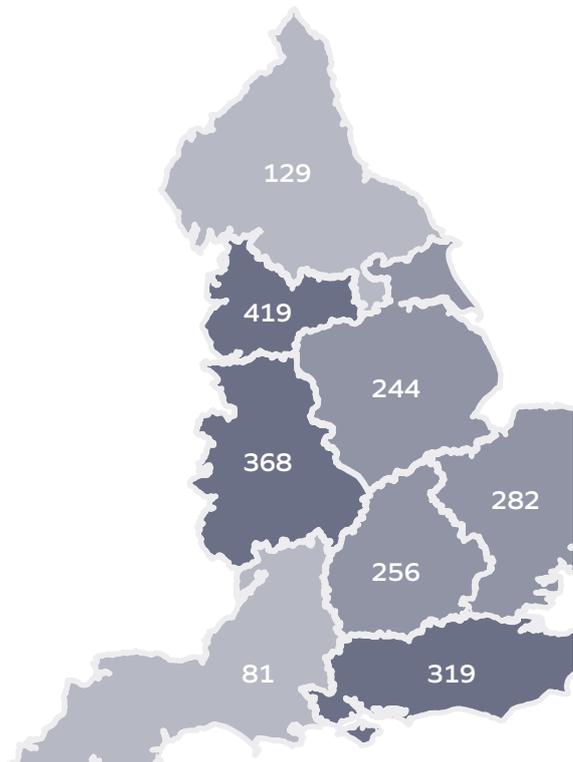
OUR YEAR IN NUMBERS

We worked with 6,351 educators in 2018-19, of which:

- 40%** were in primary schools,
- 53%** were in secondary schools and
- 6%** were in all-through schools

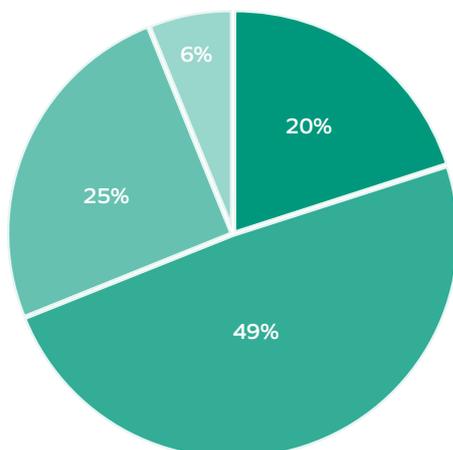


We've worked with schools across the **ENTIRE COUNTRY**, from Lancashire and West Yorkshire to South-West England...

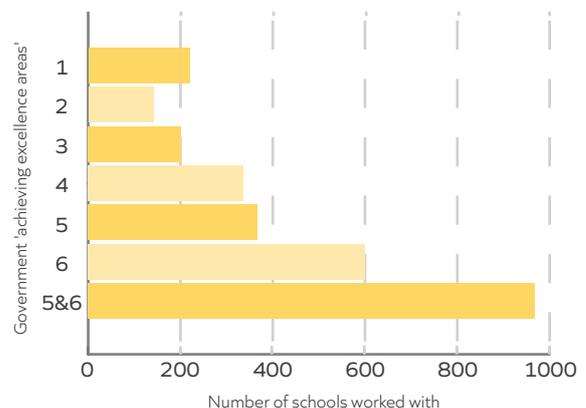


Our participants work at all levels:

- 20%** are teachers,
- 49%** are in middle leadership roles,
- 25%** are senior leaders and
- 6%** are system leaders.



We've continued to focus on tackling educational disadvantage by working in **AREAS WITH GREATER LEVELS OF DEPRIVATION**:



STORIES FROM OUR EDUCATORS

REBECCA JAMES: AN EXPERT MIDDLE LEADERS ALUMNA

When a heartbroken pupil approached her about his struggles with homophobic bullying, Rebecca James knew she had to create school-wide cultural change so that more young people didn't suffer in silence.

Rebecca used her time on Expert Middle Leaders, which gives participants an opportunity to design and implement a school improvement project, to begin this change. She also used the programme's coaching sessions, and connections she had built with teachers in similar contexts, to guide her work.

She created a four strand plan. This included setting up a weekly support group for pupils who identify as LGBT+ pupils and their allies, running regular CPD sessions to pass on knowledge and upskill her colleagues, and carrying out community outreach activities.

For her incredible work on LGBT+ inclusion, and the practices she put in place whilst on Expert Middle Leaders, Rebecca was awarded the 2019 Jayne Bloomfield LGBT Ally of the Year award by the Proud Trust.

Speaking on her approach, Rebecca said: "I decided to focus my Expert Middle Leaders project on changing and improving the educational experience and lives of LGBT+ young people in my school and, dare I say it, my community. I decided that the personal development and lived experience of these young people could be changed significantly by allowing them to be who they are, freely, safely and happily."

"It's my role as an educator to prepare my pupils for the world – ultimately this means supporting them and making them comfortable around people from all walks of life.

- Rebecca James, Expert Middle Leaders alumna

WOMBOURNE HIGH SCHOOL: A TRANSFORMING TEACHING PARTNER SCHOOL

Change in schools is hard – not because teachers don't have any good ideas, but because the implementation isn't right. Transforming Teaching works with teachers at all levels to support, challenge and create the right conditions for change to stick.

At Wombourne High School, we worked with staff to focus on embedding responsive teaching. This meant helping teachers to set clear goals and plan learning carefully, identify what students have understood and where they are struggling, and then adapt their teaching to support students to do better. Teachers at Wombourne received bespoke training in behavioural insights, informed by the best evidence on how students learn, as well as how to check their understanding of lessons.

"Transforming Teaching is like nothing else out there. It is research-based, cutting edge and the training quality is second to none. Our school is heading in the right direction and has truly been transformed."

- Ashley Weatherhogg, Deputy Head, Wombourne High School

WINDSOR ACADEMY TRUST: TRUST DIAGNOSTIC

We started work with Windsor Academy Trust because they wanted a breadth of quantitative and qualitative feedback on how they were performing as a trust. The CEO and Board told us they wanted a process they felt they owned and shared, which is a fundamental principle of our Trust Diagnostic model.

The Trust Diagnostic helped to surface some important areas of improvement. Windsor learned that it needed to improve its internal communications and the flow of information, so all members of staff – especially senior leaders – would have a “whole picture” of the trust, not just a focus on their school.

Communication with pupils and parents was also a takeaway. We helped Windsor to identify that parental engagement was a strength at a school level, but one that could be improved at a trust-wide level. Windsor is now in the process of developing a magazine aimed at students and the wider community to showcase the whole trust and the work it does in the community.

Chief Executive of Windsor Academy Trust, Keith Sorrell, said: “The report will form the basis to move us forward as a MAT.”



FINANCIAL REPORT



OUR FINANCES

We finished the financial year for 2018-19 in a healthy position, reporting a surplus of £1.3m before change costs. In 2017-18, our Board of Trustees took a decision to invest some of our reserves into a three-year change programme to review and modernise our organisation so that we are financially secure for the future. 2018-19 was therefore the second year of that programme, supported by an investment of £1.8m. This change programme will continue into the 2019-20 financial year.

Total income increased by 13% compared to the previous year, with Department for Education (DfE) income increasing by £1.6m (15%).

At the start of this year we were successful in winning a new DfE contract for the continued delivery of Teaching Leaders (now known as Expert Middle Leaders), our flagship programme for middle leaders. Income from the DfE also includes the Transforming Teaching contract, originally administered by the Institute for Teaching, which has now been transferred to Ambition Institute following our merger.

School income is down by £0.5m (17%) on 2017-18, reflecting the continued challenging budget position in the education sector through 2018-19.

We are continuing to develop our voluntary and philanthropic income stream, and donations have increased by £0.5m from last year.

The net movement in funds was a deficit of £0.5m (2018: deficit of £0.8m), with unrestricted reserves reducing from £10.2m to £9.7m.

General reserves are defined as unrestricted reserves less designated reserves. Ambition Institute's reserves policy is to hold general reserves of between 2-3 months of operating expenditure to safeguard the charity against the following financial risks:

1. Provide working capital to finance our day-to-day operations.
2. Recruitment of the right calibre and number of participants onto our programmes.
3. A downturn on activities which could lead to expenditure exceeding income.
4. Loss of key staff.

General reserves as at 31 August 2019 totalled £3.4m (2018: £2.7m), representing just under three months' expenditure – within our policy threshold. Designated reserves were £6.3m (2018: £7.5m).

MANAGING ORGANISATIONAL RISKS

How we manage risk

Ambition Institute's management and Trustees have developed a formal risk management register, with processes in place to regularly identify, review and manage the risks to the charity. Ambition Institute monitors its internal and external risk environment on an ongoing basis and ensures clear ownership is in place alongside mitigations where appropriate. Our corporate risks reflect the financial, legal and regulatory risks associated with our day-to-day operations. Divisions identify risks as part of planning and all identified risks are subject to regular review.

The Finance Committee monitors internal financial controls, procedures and risk management.

These, alongside other risks identified, are being managed through the process set out above.

Our principal corporate risks for 2019-20 are outlined and include management actions taken to mitigate either the likelihood of the risk occurring or its possible impact.

The key risks facing the organisation include:

- > **Income:** failure to secure sufficient funding to fund our activities.
 - **Mitigation:** we continue to work closely with funders and customers to ensure our services meet and respond to their needs. We continually review and develop a coherent programme suite of high-quality, commercially viable, high-impact and scalable products.
- > **Recruitment of participants:** failure to meet recruitment targets for programmes.
 - **Mitigation:** we use effective stakeholder engagement and market insight to inform an effective strategy to achieve recruitment targets.
- > **Workforce and organisational development:** organisation structures, workforce and processes not optimised and aligned to strategy.
 - **Mitigation:** we work on a clear programme of improvement, ensuring an effective and efficient structure. We are investing in technological change and in the skills of our staff, through a new professional development offer.

MANAGING ORGANISATIONAL RISKS

Future risks

At the time of writing, two additional major events presented risks to Ambition Institute and our activity: the UK's withdrawal from the European Union and the global COVID-19 outbreak in spring 2020.

Withdrawal from the European Union

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. However, the terms of the future trade and other relationships with the European Union are not yet clear, and it is therefore not currently possible to evaluate all the potential implications to our activities, customers, suppliers and the wider economy.

We considered the potential impact of leaving the European Union on Ambition Institute as part of our audit procedures, and will keep this under review as part of our risk management process.

COVID-19

In March 2020 the government implemented measures in the UK and Ireland that are intended to limit the harm to individuals from the virus and preserve healthcare capacity for the severely ill. These measures involve a high degree of social disruption and isolation which has an impact on the delivery of and demand for our programmes, the availability of staff for work, and levels of illness across society which will affect our beneficiaries and stakeholders.

It is too early to fully understand the financial impact of COVID-19. Trustees are continually monitoring the situation and measuring impact to the charity's finances as a result of these changes. At this early stage, Trustees are of the opinion that the charity has adequate reserves to cover any financial impact resulting from COVID-19 and that the charity remains a going concern.

GOVERNANCE AND MANAGEMENT

Governance structure

Ambition Institute is a charitable company. Our main governing document is our Memorandum and Articles of Association, which was last amended in November 2016. We are led by our Board of Trustees who serve as Directors under Company Law.

Ambition Institute is governed by its Board of Trustees, which has ultimate responsibility for overseeing performance and providing strategic direction. Day-to-day management is delegated to the Chief Executive in accordance with the Scheme of Delegation. The Chief Executive is responsible for the operational management of the organisation and regularly reports to the Board of Trustees.

The Board has three standing Committees that report on specific issues. Each Committee has agreed terms of reference. Committees regularly provide advice and assurance to the Board of Trustees on specific matters within their areas of responsibility.

- > The Finance Committee provides assurance to the Board of Trustees that it is using its financial resources and assets appropriately. It includes risk and audit.
- > The People Committee oversees and reviews all strategic matters relating to people and remuneration in the organisation and recruitment of Trustees.
- > The Education and Impact Committee assists the Board in its oversight of the integrity and quality of the design, delivery and impact of our programmes.

How we provide public benefit

Our aim is to help educators serving children from disadvantaged backgrounds to keep getting better. Evidence shows that improving the quality of teaching and school leadership is the best way to make sure that every pupil, regardless of their background, gets a great education. Through our programmes we want to ensure there are expert teachers in every classroom being led by exceptional school leaders at all levels.

Our executive team and Board of Trustees have had due regard for the Charity Commission's public benefit guidance when exercising our duties and execute our objectives through the programmes that we offer.

Equality, diversity and inclusion

At Ambition Institute, we are dedicated to working towards our goal of being an organisation where equality, diversity and inclusion are at the heart of everything we do. We want to ensure that staff, participants, and suppliers are treated with dignity and respect in every interaction with us.

We are committed to creating an inclusive working environment, where people are valued and supported to live our values of **own your role, work for the team** and **keep getting better**. Our staff have spearheaded a number of internal networks including BAME, women's and LGBT+ groups, and a group focused on supporting staff facing mental health challenges. All groups are represented on a cross-group network and regularly interact with our leadership.

We are working towards rolling our equality, diversity and inclusion principles out consistently across all our programmes.

GOVERNANCE AND MANAGEMENT

Trustees' statement of responsibilities

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of the affairs of the charity and of the excess of income over expenditure for that period.

In preparing those financial statements, the Trustees are required to:

- > Select suitable accounting policies and apply them consistently.
- > Make judgements and estimates that are reasonable and prudent.
- > State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- > Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Our Trustees are all experts in their respective fields, many specifically in the field of education. The organisation reviews training requirements of the Trustees and provides a formal induction process for any new Trustees who join our Board who are unfamiliar with the work of Ambition Institute and their responsibilities as Trustees.

A subgroup of the People Committee meets as a Remuneration Committee to review and make recommendations to the Board on key management remuneration.

CHARITY INFORMATION

Company registration number	7984030
Registered charity number	1146924
Directors and Trustees	Celia Berenguer Nick Turner Rebecca Boomer-Clark Dame Rachel de Souza (appointed 20 Sep 2018) Ian Hale (appointed 30 Sep 2018) James Fulton (appointed 30 Sep 2018) Richard Jefferson (appointed 1 Jan 2020)
Company Secretary	Stephen Porter (resigned 18 July 2019) Jacqui Penalver (appointed 18 July 2019)
Chief Executive Officer	Hilary Spencer (appointed 14 Oct 2019) Melanie Renowden Interim CEO (appointed 28 Feb 2019, resigned 14 Oct 2019) James Toop (resigned 28 Feb 2019)
Registered office	1 Nicholas Road, London, W11 4AN
Bankers	Lloyds Bank plc, 95 George Street, Croydon, Surrey, CR9 2NS
Solicitors	Stone King LLP, 13 Queen Square, Bath, BA1 2HJ
Independent auditors	Mazars LLP, 2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

CHARITY INFORMATION

The Trustees, who are also Directors of Ambition Institute for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 August 2019.

Structure, governance and management

Under the name Teaching Leaders, the organisation was incorporated on 9 March 2012 and is constituted as a company limited by guarantee, formed for charitable purposes. As a limited company, it is governed by its Memorandum and Articles of Association, which set out how Directors and Trustees are appointed, and how stakeholder and Trustee meetings are conducted.

In August 2018 Ambition School Leadership merged with the Institute for Teaching to form Ambition Institute with the new name formally changed in February 2019.

Details of related party transactions are given in note 15 of these financial statements.

The Board of Trustees

The members, who are also Trustees and Directors of the company, have the right to appoint fellow Trustees, and these appointments are indicated in brackets in the list below. The following Trustees served on the Board of Trustees during the year:

Baroness Sally Morgan (resigned 31 August 2019)
Celia Berenguer
Jonathan Simons (resigned 31 October 2019)
Nick Turner
Rebecca Boomer-Clark
Dame Rachel de Souza (appointed 20 September 2018)
Ian Hale (appointed 30 September 2018)
James Fulton (appointed 30 September 2018)
Jonathan Owen (resigned 12 September 2018)
Sonia Sodha (resigned 31 July 2019)
Sir Nicholas Weller (resigned 30 September 2018)
Richard John Harpham (resigned 30 September 2018)

Rebecca Boomer-Clark, Chair of Trustees



Date: 27/05/2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBITION INSTITUTE

Opinion

We have audited the financial statements of Ambition Institute (the 'charity') for the year ended 31 August 2019 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 2019 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 company 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the charity financial statements, which is not modified, we draw your attention to the Trustees' view on the impact of COVID-19 as disclosed on page 22, and the consideration in the going concern basis of preparation on page 34 and non-adjusting post balance sheet events on page 41.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the charity's activities, customers, suppliers and the wider economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBITION INSTITUTE

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.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- > the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBITION INSTITUTE

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 Trustees' 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, 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 24, 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 AMBITION INSTITUTE

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

(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

Date: 28/05/2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

		Restricted funds	Unrestricted funds	Total funds	Total funds
		2019	2019	2019	2018
	Notes	£	£	£	£
Income					
Income from charitable activities	2	281,789	16,035,532	16,317,321	14,627,879
Investment income		-	55,000	55,000	43,144
Other income		-	311,860	311,860	136,866
Total income		281,789	16,402,392	16,684,181	14,807,889
Expenditure					
Charitable activities					
Ambition Institute programmes	3	281,789	15,088,062	15,369,851	15,618,667
Net income/(expenditure) before change costs and grant from Ark		-	1,314,330	1,314,330	(810,778)
Change costs*		-	(1,798,326)	(1,798,326)	(550,716)
Grant from Ark in relation to Institute for Teaching		-	-	-	591,608
Net movement in funds	12	-	(483,996)	(483,996)	(769,886)
Balance brought forward at 1 September 2018	12	-	10,151,949	10,151,949	10,921,835
Balances carried forward at 31 August 2019		-	9,667,953	9,667,953	10,151,949

*Change costs are primarily technology in nature to modernise our organisation and ensure Ambition is financially sustainable for the future. The change programme is now in its second year where many projects are at the peak of their life cycle compared to the prior year when they started.

The financial year ending 31 August 2019 comprises of Ambition Institute which is a merger of Ambition School Leadership and the Institute for Teaching. In comparison, prior year results are of Ambition School Leadership only.

There are no recognised gains and losses other than those shown above. All of the charity's activities are derived from continuing operations. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	7	766,708	881,571
Investments	8	5,500,000	5,500,000
Current assets			
Debtors	9	2,852,407	3,776,685
Cash at bank and in hand		5,029,886	2,368,156
		7,882,293	6,144,841
Creditors: amounts falling due within one year	10	(4,481,048)	(2,374,463)
Net current assets		3,401,245	3,770,378
Net assets		9,667,953	10,151,949
Unrestricted funds			
General	12	3,401,245	2,670,378
Designated	12	6,266,708	7,481,571
Restricted funds	13	-	-
		9,667,953	10,151,949

The notes on pages 34 to 41 form part of the Financial Statements.

These Financial Statements were approved and authorised for issue by the Board of Trustees on 14/05/2020 and signed on their behalf by:



Rebecca Boomer-Clark, Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2019 £	2018 £	2018 £
Net cash provided from operating activities				
Net (expenditure)/income	(483,996)		(769,886)	
Adjustments for:				
Depreciation	114,863		108,732	
Interest income	(55,000)		(43,144)	
Net decrease/(increase) in debtors	924,278		(1,100,764)	
Net increase/(decrease) in creditors	2,106,585		761,542	
Net cash from operating activities		2,606,730		(1,043,520)
Cash flows from investing activities				
Purchase of office furniture and IT equipment	-		(102,174)	
Interest received	55,000		43,144	
		55,000		(59,030)
Net increase/(decrease) in cash		2,661,730		(1,102,550)
Analysis of cash and cash equivalents				
	At 1 September 2018 £	Cash flows £	At 31 August 2019 £	
Cash at bank	2,368,156	2,661,730	5,029,886	
Net cash	2,368,156	2,661,730	5,029,886	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and Charities Act 2011. The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Accounting and Reporting by Charities: Statement of Recommended Practice ('Charities SORP (FRS 102)').

Ambition Institute meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared on a going concern basis. The Trustees assess whether the use of going concern is appropriate and have identified no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

Since the balance sheet date, there has been a global pandemic of COVID-19 and this will have an impact on the charity. Trustees are monitoring the impact and believe reserves are at a sufficient level for the charity to remain a going concern.

1.2 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 are unrestricted funds earmarked by the Trustees for particular purposes. Restricted funds comprise funds received with restrictions imposed by the funder/donor.

1.3 Income

All income is accounted for as soon as the charity has entitlement to the income and there is certainty of the receipt and the amount is quantifiable.

Grant income is deferred where there are explicit or implied terms that require the funds to be spent in a future period.

1.4 Expenditure

All expenditure is accounted for on an accruals basis.

Costs of charitable activities are all expenditure directly relating to the objects of the charity.

Support costs are expenditure incurred directly in supporting charitable activities and are allocated based on the time spent by staff on each activity.

Governance costs are all costs attributable to the management of the charity's assets, organisation, administration and compliance with constitutional and statutory requirements.

1.5 Donated services

Donated services and facilities are included at the value to the charity to the extent that this can be quantified and recognised when receivable. It has not been possible to quantify and value some donated services received during the year, such as facilities provided free of charge by schools; however, these amounts are not material to the financial statements.

1.6 Operating leases

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

1.7 Pension

The charity has a defined contribution pension scheme for all eligible members of staff. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

1.8 Fixed assets

Assets with a cost in excess of £5,000 intended to be of ongoing use to the charity in carrying out its activities are capitalised as fixed assets, depreciated as follows:

- > Leasehold property: 25 years on a straight-line basis
- > Office furniture: 5 years on a straight-line basis
- > Furniture, fixtures and fittings: 4 years on a straight-line basis
- > IT equipment: 3 years on a straight-line basis

1.9 Tax

The charity is exempt from income and corporation tax on income and gains to the extent that they are applied for its charitable objects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2 Income from charitable activities

	2019	2018
	£	£
Income from charitable activities		
National College for Teaching and Leadership	12,117,924	10,494,377
School fees	3,036,912	3,551,368
Grant from Ark	539,441	454,025
Donations and/or voluntary funds	623,044	128,109
	<u>16,317,321</u>	<u>14,627,879</u>

3 Charitable activities

	2019	2018
	£	£
Programme delivery and development	10,333,733	9,360,243
Participant selection, assessment, recruitment and retention	3,044,106	3,201,369
Systems and programme management	931,414	1,922,236
Sub total	14,309,253	14,483,848
Support costs (note 4)	998,796	1,080,219
Governance costs (note 5)	61,802	54,600
	<u>15,369,851</u>	<u>15,618,667</u>

During 2018-19, Technology staff were redeployed to the change programme resulting in a decrease in expenditure on systems and programme management.

4 Allocation of support costs

	2019	2018
	£	£
Finance and HR	249,965	379,160
General overheads	660,113	627,848
Depreciation	88,718	73,211
	<u>998,796</u>	<u>1,080,219</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

5 Governance

	2019	2018
	£	£
General overheads	18,917	22,280
Audit	17,292	17,580
Payroll	25,593	14,740
	<u>61,802</u>	<u>54,600</u>

6 Employee remuneration

During the financial year Ambition Institute was formed through the merging of Ambition School Leadership and the Institute for Teaching with the former retaining legal control for statutory purposes. 2018 comparison figures include Ambition School Leadership only.

	2019	2018
	£	£
Gross remuneration — staff	8,387,317	6,851,339
Employer's National Insurance contributions	867,671	702,146
Pension costs	857,865	664,542
Other staff costs	789,088	536,209
	<u>10,901,941</u>	<u>8,754,236</u>

The average monthly number of full-time equivalent persons employed by the charity during the year was:

	2019	2018
	No.	No.
Management	5	4
Support	221	193
	<u>226</u>	<u>197</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

The average monthly number employed by the charity during the year was:

	2019	2018
	No.	No.
Full time	204	188
Part time	31	13
	235	201

The average monthly number of employees in 2019 includes staff from the Institute for Teaching.

The number of employees who received remuneration in excess of £60,000 p.a. during the year was:

	2019	2018
	No.	No.
£60,000 - £70,000	9	6
£70,001 - £80,000	4	4
£80,001 - £90,000	-	3
£90,001 - £100,000	3	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
	17	14

Employer's pension contributions in respect of the 17 (2018: 14) employees above amounted to £131,257 (2018: £80,499).

The Trustees did not receive any remuneration during the current year (2018: nil). None of the Trustees (2018: nil) was reimbursed expenses during the year (2018: £173).

The key management personnel of the charity consist of the senior leadership team. The total emoluments paid to the senior leadership team in the year were £519,025 (2018: £458,027).

Staff costs includes £59,791 (2018: £263,766) of redundancy costs in respect of 5 (2018: 13) employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

7 Tangible fixed assets

	Leasehold Property	Office furniture and IT equipment	Total
	£	£	£
Cost			
At 1 September 2018	850,000	480,997	1,330,997
At 31 August 2019	850,000	480,997	1,330,997
Accumulated depreciation			
At 1 September 2018	151,463	297,963	449,426
Charge for the year	34,000	80,863	114,863
At 31 August 2019	185,463	378,826	564,289
Net book value			
At 31 August 2019	664,537	102,171	766,708
At 31 August 2018	698,537	183,034	881,571

8 Fixed asset investments

	2019	2018
	£	£
Long term loan (see note below)	5,500,000	5,500,000

Ambition Institute has provided a long-term loan of £5.5 million to Absolute Return for Kids (Ark) for securing leasehold office space in their Education City new-build development. The terms of the agreement state that Ark agrees to pay interest to Ambition Institute at a rate 0.25% above the Bank of England Base Rate. Ark may repay any portion of the loan at any time. Ambition Institute may recover any part of the loan after providing no less than three months' notice.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

9 Debtors

	2019	2018
	£	£
Debtors	2,488,885	2,644,327
Prepayments	161,690	214,193
Accrued Income	199,447	262,350
Ark Schools — Institute for Teaching	-	616,540
Other	2,385	39,275
	<u>2,852,407</u>	<u>3,776,685</u>

10 Creditors: amounts falling due within one year

In prior years, programmes were invoiced during the autumn whereas during 2018-19 invoicing was completed in the summer resulting in much higher balances or deferred income lines than in the previous year. Other creditors include NPQ refunds which are amounts due to schools under the NPQ programme started in 2018-19.

	2019	2018
	£	£
Creditors	320,534	902,168
Tax and social security	241,190	183,116
Other creditors	1,412,530	348,131
Accruals	980,387	714,906
Deferred income	1,526,407	226,142
	<u>4,481,048</u>	<u>2,374,463</u>

11 Deferred income

	2019	2018
	£	£
Balance brought forward at 1 September	226,142	124,275
Amounts released during the year	(226,142)	(124,275)
Total income received during the year to be deferred	<u>1,526,407</u>	<u>226,142</u>
Balance carried forward at 31 August	<u>1,526,407</u>	<u>226,142</u>

2019 includes deferred income of Ambition Institute. Prior year deferred income is of Ambition School Leadership only.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

12 Unrestricted funds

	General funds	Designated funds	2019	2018
	£	£	£	£
Balance brought forward	2,670,378	7,481,571	10,151,949	10,921,835
Net movement in funds	730,867	(1,214,864)	(483,996)	(769,886)
Balance carried forward	3,401,245	6,266,708	9,667,953	10,151,949

Funds totalling £6,266,708 have been designated by the Trustees. This represents fixed assets as at 31 August 2019 and funds loaned to Ark for securing leasehold office space in their EdCity new-build development (see note 8). In 2017-18, £1.1m was designated for the change programme and this was released during the current year.

13 Restricted funds

	Balance as at 1 September 2018	Income	Expenditure	Balance as at 31 August 2019
	£	£	£	£
Restricted funds	-	281,789	281,789	-
	-	281,789	281,789	-

Thanks to the generosity of our donors, we have been able to invest in the delivery of Masters in Expert Teaching and the capacity of our design team, undertake critical research into 'whole-child development' and support staff costs to recruit and deliver our programmes in the Liverpool City region. Furthermore, our donors have funded research into best practice in high performance for teachers, as well as ongoing support for Expert Middle Leaders, Future Leaders, and 'professional pathways' programmes for educators.

We would like to thank Big Change, Bloomberg, Credit Suisse, one anonymous donor, and funding facilitated by Porticus.

14 Analysis of net assets by funds

	Tangible fixed assets	Investments	Net current assets	2019	2018
	£	£	£	£	£
Unrestricted funds:					
General	-	-	3,401,245	3,401,245	2,670,378
Designated	766,708	5,500,000	-	6,266,708	7,481,571
	766,708	5,500,000	3,401,245	9,667,953	10,151,949

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

15 Related party transactions

Baroness Sally Morgan and Rebecca Boomer-Clark (who served as Trustees in the year), are also employees of Ark. Ambition Institute received income of £785k (2018: £521k) from Ark during the period, whilst expenditure paid to Ark amounted to £559k (2018: £620k).

None of the Trustees were reimbursed for small expenses (2018: Nil).

Certain Trustees are also involved with organisations that are customers of Ambition Institute. All such transactions are at arm's length.

16 Lease commitments

At 31 August 2019, Ambition Institute was committed to making the following payments under non-cancellable operating leases:

	2019	2018
	£	£
Less than 1 year	313,721	172,149
2-5 years	529,467	160,192
	<u>843,188</u>	<u>332,341</u>

In January 2020, Ambition Institute moved premises from Kingsway to Shepherd's Bush for a period of two years which has increased our operating lease commitments.

17 Pension Commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions totalling £98,071 (2018: £62,885) were payable to the fund at the balance sheet date.

18 Post Balance Sheet Event

As explained in the trustees' report on page 22, subsequent to the charity's year end, there has been an outbreak of COVID-19 worldwide. The government implemented measures in the UK and Ireland that are intended to limit the harm to individuals from the virus and preserve healthcare capacity for the severely ill. These measures involve a high degree of social disruption and isolation which has an impact on the delivery of and demand for our programmes, the availability of staff for work and levels of illness across society which will affect our beneficiaries and stakeholders.

It is too early to fully understand the financial impact of COVID-19. Trustees are continually monitoring the situation and measuring impact to the charity's finances as a result of these changes.



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CONTACT

 info@ambition.org.uk

 020 3846 5828



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