

THE SUTTON TRUST
A COMPANY LIMITED BY GUARANTEE
(Company Registration No. 07951541)
(Charity Registration No. 1146244)

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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THE SUTTON TRUST

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THE SUTTON TRUST
REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

The Trustees, who are also directors for the purposes of company law, are pleased to submit their report together with the audited financial statements of The Sutton Trust ("the Charitable Company" or "the Trust") for the year ended 31 March 2016.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) ("Charities SORP FRS 102").

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS**

Governing Instrument	Memorandum and Articles of Association
Founder	Sir Peter Lampl
Trustees (also the statutory directors of the Charitable Company)	Sir Peter Lampl David Backinsell Sir Peter Gershon (appointed 4 February 2016) Lady Susan Lampl
Executive Chairman	Sir Peter Lampl
Chief Executive	Dr Lee Elliot Major
Director of Programmes and Partnerships	Julie Randles (resigned August 2016)
Director of Research and Communications	Conor Ryan
Director of Finance	Frank Helsby
Head of Development	Dr Ellie Decamp
Early Years Manager	Laura Barbour (until December 2015)
Trust Administrator and PA to Chief Executive	Shona Brown
Assistant to Chairman	Anna Fellows
Policy and Research Manager	Liz Johnston
Research Fellow	Dr Philip Kirby
Policy and Public Affairs Officer	Oliver Cardinali
Media and Communications Officer	Hilary Cornwell
Senior Programmes Manager	Kathryn Davies
Programmes Manager	Ketiwe Anjorin
Programmes Manager	Maisie Monroe

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FOR THE YEAR ENDED 31 MARCH 2016

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS (continued)

Data and Information Manager	David Sandford (since January 2016)
Development Officer	Sophie Maddocks
Projects Manager	Oliver Quick
Finance Officer	Gemma Cook
Objects of Charitable Company	The Trustees shall apply the income of the Charitable Company to charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit.
Solicitors	Taylor Wessing LLP 5 New Street Square, London EC4A 3TW
Bankers	Citi Private Bank 25 Canada Square, London E14 5LB Royal Bank of Scotland 71 Bath Street, St Helier, Jersey JE4 8PJ
Auditor	Rawlinson & Hunter Audit LLP Statutory Auditor Chartered Accountants Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ
Charitable Company Address & Registered office	Millbank Tower, 21-24 Millbank London SW1P 4QP
Charity Registration Number	1146244
Company Registration Number	07951541

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charitable Company is a registered charity (charity number 1146244) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit.

The Trustees' overriding aim is to promote social mobility by improving the educational opportunities available to non-privileged young people in the United Kingdom, through research, policy work and programmes.

The policy of the Charitable Company is to seek sufficient finance to continue to fund its charitable activities.

Organisation

The Trustees of the Charitable Company meet to discuss overall strategy and to determine how best to direct its resources to meet its objectives. The Sutton Trust has a Chief Executive who reports to the Chairman. The Chairman and the Chief Executive oversee an executive team ("the Executive Team") which consists of a Director of Programmes and Partnerships, a Director of Research and Communications, a Head of Development and a Director of Finance. The responsibilities of the Executive Chairman and the Chief Executive have been agreed and documented. The Executive Team have responsibility for managing the staff of the Charitable Company.

Appointment of Trustees

The appointment of Trustees is governed by the Articles of Association of the Charitable Company. The authorisation to appoint Trustees, of which there must be at least two, is vested in Sir Peter Lampl during his life. During the year, following the growth in scale and complexity of the Trust, action was taken to expand the governance of the organisation with the appointment of Sir Peter Gershon as a new trustee in February 2016.

Trustee induction and training

New trustees are made aware of their legal obligations under Charity Law and Company Law, the decision making processes at the Charitable Company, its strategic aims and recent performance. They are also provided with a pack of relevant documentation, including a budget, planned grants expenditure, a current list of research and programmes and copies of recent publications and press releases.

Trustees are involved in specific pieces of work in their areas of interest and expertise, and undertake visits to relevant events and activities organised by the Trust.

Related parties

Transactions with related parties are disclosed in Note 13 to the financial statements.

Pay policy for senior staff

The directors consider the board of statutory directors ("the Board"), who are also the Trustees, the Chief Executive and the Executive Team comprise the key management personnel of the Charitable Company who are in charge of directing and controlling, running and operating the Trust on a day to day basis.

All the Trustees give of their time freely and none received any remuneration in the year. Details of the Trustees' expenses and related party transactions are disclosed in Note 13 to the financial statements. The pay of the Chief Executive and the Executive Team is reviewed annually and normally increased in accordance with average earnings. The remuneration bench-mark is the mid-point of the range paid for similar roles adjusted for a weighting for any additional responsibilities. If recruitment has proven difficult in the recent past a market addition is also paid with the maximum pay being no greater than the highest benchmarked salary for a comparable role.

THE SUTTON TRUST
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FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Grant making policy

The Charitable Company supports research, policy and programme work related to its central aim of promoting social mobility through education. It increasingly works in partnership with other funders, including trusts and foundations, corporates and individuals. Generally support is given for a specific programme or piece of research to be delivered within a one to three year time frame, with regular review points. The Charitable Company takes a strategic and proactive approach to its work, working with other organisations to develop and evaluate its activities, based on the latest research evidence and policy opportunities.

The overall budget for each year is approved by the Chairman and Trustees in consultation with the Chief Executive and other senior staff. This is reviewed regularly and updates provided to the Chairman and Trustees for their meetings and to the Chief Executive and Directors. Within these parameters, approval for individual commitments at all financial levels is discussed at weekly meetings comprising the Chairman, senior staff and others as appropriate. Prior to a recommendation being made, a member of staff will have had detailed conversations with the individuals and organisations behind the programme or research project. The aims and expected outcomes of the partnership will have been clearly defined and a written proposal will have been submitted. The terms and conditions of all partnerships are set out in a Letter of Agreement or equivalent; any variation on the terms and conditions are agreed formally as a term of variance. Regular monitoring is a requirement of all commitments made and, in the case of larger grants and recurrent funding for programmes, the Trust is highly likely to commission an independent academic evaluation and to include the programme in its Common Evaluation Framework. Grants are generally paid in instalments, with each payment dependant on the production of an interim report, event milestones and/or staff and Trustees being satisfied with the progress being made through meetings and conversations.

The Charitable Company's activities continued to grow during the year, made possible by the considerable success of the Trust in establishing funding partnerships with a number of organisations.

The Sutton Trust's programmes directly helped over 3,500 (2015 - 3,000) young people (the highest to date) and 330 (2015 - 200) teachers, and the Trust published more agenda-setting policy and research work, which attracted significant attention from the media and decision-makers. This was underpinned by new staff appointments, including a Policy and Public Affairs Officer and a Data and Information Manager.

STRATEGIC REPORT

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

Programmes and Partnerships

The Trust's programme work continues to be focussed in four main areas: widening access to leading UK and US universities; broadening the pipeline of talent into highly selective careers; support for bright students in secondary schools and parental engagement in pre-school and primary school. Following analysis of the Trust's programme intake, the Trust has updated some of its eligibility criteria to ensure that students meet a range of more stringent socio-economic measures as well as academic requirements, and has incorporated a contextual schools database (SPIRIT) to improve how the Trust targets schools in more disadvantaged communities.

The Trust's university access work continued to enjoy significant success. The flagship Sutton Trust UK summer schools had the largest ever reach in the summer of 2015, with over 2,100 (2015 – 1,900) students benefiting, drawn from an applicant pool of over 10,000 sixth formers. As ever the programme offered students a range of subjects. The Trust partnered with ten leading UK universities on this programme in 2015 and will launch an additional summer school at the University of Warwick in 2016.

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OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Programmes and Partnerships (continued)

The US university programme, based on UK summer schools supporting non-privileged state school students to access leading American universities, ran for the fourth year and gave 150 students a summer school based at Yale or MIT, with support before and after in the UK provided by the US-UK Fulbright Commission. Significantly, the fourth cohort (the one selected at the beginning of 2015) has seen the greatest success to date – building on the already remarkable results of the years before – with 66 (2015 -58) students enrolling at top US universities (including each one of the Ivy Leagues) as a result of the programme, and accessing between them over \$17m of aid. The programme continues to be heavily oversubscribed by 10:1.

The student university access programmes were complemented by teacher summer schools which this year ran at eight universities (Bristol, Cambridge, Durham, St Andrews, University College London and Imperial College London, Kings College and the Royal Veterinary College) working in partnership. 330 teachers were supported this year but it is felt that the programme – in spite of its success – may struggle to reach its target teacher population: mainly because of the geography and timing of the programme. Therefore, the Trust has agreed to develop a programme, Access Champions, to deliver the teacher work directly in schools, enabling teachers to become 'Access Champions' in their own schools and local networks. The programme's sponsor, HSBC, has approved the variation to the funding agreement to deliver this work.

The Trust's Pathways initiatives to selective careers have also grown. These combine support for young people in accessing leading universities with activities to develop soft skills through mentoring, work placements and other real world experiences. Pathways to Law continues to recruit hundreds of students every year across a total of 12 university partners and the Trust is delighted that funding of over £1m by the Legal Education Foundation has been approved to support a further 1,800 students over the next four years. Pathways Plus – the natural extension of Pathways to Law - which supports a select number of law students during their undergraduate studies has seen great success in what is a fiercely competitive industry: of the 60 students graduating this year from the first cohort, 30 have received vacation scheme placement offers and 18 were awarded training contracts. Pathways to Medicine has run at Imperial College and York-Hull University this year, supporting 90 students. Pathways to Science, Technology, Engineering and Maths (STEM) fields was launched in September 2015 for 50 students at Nottingham and 50 at York, supported by the Kusuma Trust. Pathways to Banking supported by Deutsche Bank will launch at Warwick and the London School of Economics in autumn 2016. The Trust is also preparing to launch in the autumn of 2016 new work to support young people from low and middle incomes to access careers in coding, with new funding from Tim Bunting, one of its Strategic Advisory & Development Board members. The coding pilots will follow two programme models: a Sutton Scholars one and a Pathways (Pathways to Coding) one over the next 4 years.

Sutton Scholars is the Trust's flagship programme to support highly able low income students in early secondary school (state comprehensives). It widens the pipeline of talent to initiatives aimed at later age ranges – including the Trust's sixth form summer school programmes. The Trust partners with the universities of Cambridge, Warwick and Nottingham and also University College London, and will reach over 600 students this academic year. The programme represents a crucial link in the social mobility chain, ensuring that bright students are not lost in early secondary school so that there is a wide pool of talented low and middle income students in the running for top universities at age 18.

The Trust continues to work in partnership with the Esmée Fairbairn Foundation – and their £1.25m commitment – on a major piece of work around parental engagement in the early years and primary school phases. It is now supporting six parental engagement projects aimed at improving children's cognitive development. It builds on the research evidence to date, which shows that enhancing parental engagement is associated with positive outcomes for children in terms of aspirations, attainment and educational participation. Each of the six grantees is paired with an expert team from the University of Oxford that is acting as a 'critical friend' to support each organisation's work. To date the projects have recruited over 500 families and have already started delivering their interventions to more than 200 families. This initiative builds on a long history of the Trust supporting innovation in the early years and primary school sectors and, we hope, will provide a sound basis for many of the programmes to find sustainable sources of funding after our support has ended.

THE SUTTON TRUST
REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Programmes and Partnerships (continued)

In 2015 the Trust continued to work with the Higher Education Access Network (HEAN) to explore ways of improving its students' university applications. This proved extremely impactful, with 100% of students who had the intervention as part of their UK summer school provision receiving offers from Russell Group institutions (compared to 74% of the control group); this work will therefore be extended in the years ahead. The results were published by the Trust in *Making a Statement*, which received significant coverage.

The Trust has continued to explore new programme opportunities for 2016/17 and beyond. Expansion of programmes is a considered process taking into account the need of the programme, its fit and feasibility as an area of the Trust's activity, its funding needs, and the collaboration necessary to deliver the work (usually – although not exclusively – involving university partners).

The Trust continues to improve its monitoring and evaluation of programmes by collecting the evidence of impact on its beneficiaries. With the appointment of a Data and Information Manager to the Programmes team, the Trust is reviewing its monitoring and evaluation capabilities to make sure that its data collection and analysis is fit for purpose with a view to being able to realise the value in its programme data.

Research and Policy

Over the past year, the Trust has published a series of innovative research reports and has strengthened its in-house research capacity by continuing to produce some of its new reports internally. The Trust appointed a new Policy Officer to help to focus its policy agenda, in particular building on its strong Mobility Manifesto of the previous year.

The Trust's research addresses a wide range of education and social mobility issues, from pre-school through to access to employment, and from its report on housing to the level of debt of UK graduates. This year it published 19 pieces of research (2015 - 16). Particularly well-received was the Trust's *Leading People* report, which showed the educational backgrounds of the top people across a range of prominent professions. It made the front page of The Times and attracted much media interest. *Missing Talent* showed how bright young people from disadvantaged backgrounds fall behind in secondary school. Two reports were published with the University of Oxford where academics are conducting a four-part longitudinal study in partnership with the Trust on a large data set to look at the attainment equity gap, considering gender, ethnicity and geography. The Trust's report, *Levels of Success*, assessed the strength of higher apprenticeships as an alternative social mobility route to traditional degrees.

This research work and other activity stimulated nearly 8,000 pieces of media coverage during the year (worth £18m in equivalent advertising value), with nearly 1.5 million page views and some 380,000 unique users on the Sutton Trust website and its associated summer schools sites, as well as a strong and growing social media presence. The Trust has significantly grown its Twitter following to over 19,000.

THE SUTTON TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Research and Policy (continued)

The Trust made numerous contributions to the education policy debate, through a range of speaking engagements, press articles, media appearances and contributions to seminars and expert panels. Throughout the year the Trust has had meetings with key policy-makers, including Education Secretary Nicky Morgan MP, Schools Minister Nick Gibb MP, Universities Minister Jo Johnson MP, Skills Minister Nick Boles MP, Education Ministers Lord Nash and Sam Gyimah MP, Shadow Education Secretary Lucy Powell, as well as officials in the Department for Education, Department for Business Innovation and Skills, Cabinet Office and HM Treasury. The Trust's substantial impact on the Government's policy development was highlighted in March, when the Department for Education published the "Educational Excellence Everywhere" White Paper setting out its plans for improving education for the next five years. This included improvements to teacher training and development, encouraging the use of evidence in education and supporting the Education Endowment Foundation (our sister charity), reforming school admissions, as well as developing multi-academy trusts and improving their accountability. All of these were recommendations from the Sutton Trust's Mobility Manifesto.

The Trust has been successful in driving further interest in the issues of low social mobility across the UK and educational disadvantage by contacting all MPs to show them the level of social mobility in their constituency after publishing its Mobility Map. The Trust was represented on the Scottish Government's Commission for Fair Access established by First Minister of Scotland, Nicola Sturgeon MSP, and played an important role influencing its recommendations, which could have far-reaching impact on higher education in Scotland.

In July, the Trust held a summit on the pupil premium in Westminster, which was opened by Education Secretary, Nicky Morgan MP. The Trust also held a highly successful summit in March in partnership with the Carnegie Corporation of New York, which brought together leading policy-makers, academics and leaders from the teaching profession. The summit focused on improving access to the best schools and the best teachers for disadvantaged pupils, and on attracting, retaining and developing teachers in state schools. Nick Gibb MP, the Schools Minister, and Andreas Schleicher, Director of Education at the OECD, gave the keynote addresses, with other speakers including Head of Ofsted, Sir Michael Wilshaw and leading educationists from the UK, US and Singapore. The summit generated considerable debate by highlighting international evidence and methods on how best to support disadvantaged pupils in education, with excellent teacher development agreed on as one of the key ingredients.

This year the Trust began its role acting as Secretariat to a new All Party Parliamentary Group on Social Mobility, including supporting its Inquiry into Access into Leading Professions. The first session of the inquiry on access to Law and Finance was held in March.

Fundraising

Significant progress has also been made in the year to ensure the sustainability and future growth of the Trust through fundraising and partnerships. The Trust has concentrated on diversifying its income and has been successful in moving from a time when one principal funder (Sir Peter Lampl) supported the Trust financially to having over 100 different income streams, all contributing five or six figure amounts annually. The Trust continues to maintain a balance of types of funding sources (individuals, corporates, and trusts and foundations) and is reviewing what a sustainable balance looks like in terms of stewardship and risk. As much as possible the Trust seeks multi-year partnerships and is developing long-term funding strategies.

THE SUTTON TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Fundraising (continued)

Fundraising successes include renewals to the Sutton Trust Strategic Advisory and Development Board: all of those individuals who were due to renew have confirmed their membership and financial contributions for another 2-3 years. Thirty leading figures now sit on the Sutton Trust Strategic Advisory and Development Board, including eight US-based members. Three meetings were held over the year: two in London and one in New York. Sutton Trust Strategic Advisory and Development Board members are invited to a range of other Sutton Trust events and are briefed by senior Sutton Trust staff throughout the year.

Since its launch in January 2014, the Sutton Trust Fellowship, which recognises donors who contribute at least a five figure amount annually to the Trust over at least two years, has recruited thirty two members. Fellows' gifts – like the Sutton Trust Strategic Advisory and Development Board members' – provide the Trust with crucial unrestricted income to support all of its work. The annual Fellows' meeting was held at the end of 2015. Part of the original conception of the Sutton Trust Fellowship was to work with individuals closely before inviting them to join the Sutton Trust Strategic Advisory and Development Board. This has been successful, with four Fellows so far moving to the Sutton Trust Strategic Advisory and Development Board.

The Trust is delighted to have seen individuals on the Sutton Trust Strategic Advisory and Development Board and in the Sutton Trust Fellowship increase their additional contributions to the Trust. Sponsorship from individuals now accounts for over forty per cent of the Trust's income. While a number of individuals give towards the Trust's practical programmes, several have directed their funds to the Trust's research, policy and advocacy programme, for which, for the first time, the Trust has been separately fundraising. In giving to research, individuals (and some trusts) have benefitted from the match funding of Sir Peter Lampl, who has pledged to match up to £1m of gifts towards this area of the Sutton Trust's work.

In addition to the generosity of individuals, the Trust continues to have a number of valued strategic partnerships with corporates and foundations.

Partnerships with HSBC, Barclays and the Wolfson Foundation continue to support our teacher and student university summer schools, while partnerships with Wolfson and Sofronie foundations and the Kusuma Trust have supported Sutton Scholars. We are delighted that the Garfield Weston Foundation has provided sponsorship for UK summer schools for the next three years. Individuals who wish to remain anonymous have also contributed towards these programmes.

The US programme continues to be supported by Bank of America Merrill Lynch (the Founding Corporate Partner of this programme); their contribution is matched by Peter Baldwin and Lisbet Rausing. Jerry del Missier is also a major donor to this programme, and other funding was secured this year from the London Stock Exchange Foundation and Big Change.

The Legal Education Foundation and a number of leading law firms have enabled the Pathways to Law initiatives to continue and grow and we are delighted that the Legal Education Foundation has confirmed its funding for this programme for another four years. A new partnership with the Kusuma Trust has enabled us to launch Pathways to STEM and Tim Bunting has approved a grant to launch new work in access to coding. The NHS has funded the Trust's Pathways to Medicine programme. Deutsche Bank confirmed its support to launch new work: Pathways to Banking will begin in September 2016. In collaboration with the Trust, Esmée Fairbairn continues to support financially significant work (through partner charities across the country) on parental engagement.

The Trust is also delighted to receive core funding support (for all areas of the Trust's activity) from Antin Infrastructure Partners and the Lennox Hannay Foundation; other corporate bodies and trusts/foundations have been interested in making similar gifts.

THE SUTTON TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Fundraising (continued)

For the first time this year the Trust also received a substantial legacy gift and is increasingly hearing from other individuals interested in remembering the Trust in their wills.

The Trust continues to benefit hugely from the pro bono work it has received from partner management consultants – the Boston Consulting Group, Oliver Wyman and Bain & Co – on a number of different projects, covering alumni, apprenticeships, new programme work and strategy.

Administration

During the year action was taken to improve, change and strengthen the management processes, systems and procedures operating within the Trust. New financial reporting, forecasting and budgeting processes were implemented, internal financial controls were reviewed and updated, new and improved staff HR procedures and policies were introduced and a study was undertaken to review the information management, data security and IT procedures in use. Its recommendations are in the process of being implemented over a nine month period scheduled for completion in the last quarter of the following financial year.

Financial Review

During the year the Trust continued to raise funds from an increasing base of donors including private individuals, philanthropists, corporations, trusts, foundations and partnerships who continue to support the different programmes, research and policy work and the associated support, governance, fundraising and management resources employed by the Trust.

In the financial year under review income receivable, including grants, pro-bono support, legacy income and bank interest amounted to £6.5m (2015 - £4.3m) a 50% increase on the previous year. In addition to the income recognised in the year, the Trust secured a £0.5m multi-year funding grant which is reported as deferred income and will be recognised as income over a three year term starting next year.

Total expenditure in the year was £4.7m (2015 - £3.2m) a 47% increase on the previous year. The net income of £1.8m increased the Trust's reserves to £4.1m (2015 - £2.3m).

Direct charitable expenditure comprising grants payable amounted to £3.3m (2015 - £1.9m) a 78% increase on the previous year. The direct expenditure leveraged additional funding to programmes managed by the Trust from university partners, of over £1.4m in the year (2015 - £1.1m).

The total operating cost of the Trust was £1.3m, an increase of 2% above the previous year. The operating costs include the cost of staff directly engaged in programme management and delivery, research and policy as well as fundraising, general management and office administration and support services.

The income growth achieved in the year of £2.2m is attributable to restricted funds raised through a combination of pro-bono consulting services of £0.8m provided to develop future programme initiatives and increased funding of £1.4m to support new and existing programme activities undertaken and planned in the future and the research and policy work. Unrestricted income raised in the year was £2.2m which is comparable to the previous year although it was received from an increasingly widening donor base of individuals, corporates, foundations, trusts and partnerships.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Financial Review (continued)

The Trust has net assets at the end of the year of £4.1m (2015 - £2.3m) and a cash balance of £4.1m (2015 - £2.4m). There are no funds that are in deficit. The reserves detail and movements on the main funds are shown at Note 17. The level of restricted funds at £2.4m is consistent with the funding agreements made with the donors to support the future programme expenditure approved by the Board. The level of unrestricted funds at the year end of £1.7m is higher than anticipated, based on the Trust reserves policy mainly due to the recognition of a legacy of £1m, anticipated and forecast for distribution to the Trust in the following financial year.

Policy on Reserves

The Trustees together with the Chief Executive and the Executive Team meet to review the strategy, budgets, operating plans and forecasts for the forthcoming year. They aim to ensure that sufficient reserves are available to undertake the programme activity agreed with funders and to finance the operating costs of the Trust for a minimum time period of 6 months, in the event that the Trust is unable to secure reliable and resilient sources of income through direct fundraising from its supporters. At the year end the Trust had reserves sufficient to finance its operating costs for a period of about 10 months.

The Chairman, Chief Executive and Executive Team review, on a regular basis, the liquidity of the reserves available together with cashflow forecasts to ensure that funds are available to meet any short-term financing requirements caused by delayed donor payments or other receipts due. In the event that the funding pipeline is forecast to be either lower than budgeted or delayed, all discretionary, unrestricted expenditure is reviewed to ensure that the minimum level of reserves is maintained or increased, if necessary, until a revised operating plan can be approved and implemented by the Trust.

Principal Risks and Uncertainties

Risk Management

The Trustees have established a framework for the identification and control of the major risks to which the Trust is exposed.

The Trustees have a risk management strategy which comprises:

- an annual review of the risks the Trust may face (the risk register);
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Trust should those risks materialise.

Risk management, together with the steps being taken by the Trust to mitigate these risks, are reviewed on a periodic basis by the Trustees and actions taken accordingly. The principal risks and actions taken to mitigate these risks are set out below.

- A shortfall of funding to meet current and planned commitments. During the year the development team has been expanded and strengthened to ensure there is sufficient coverage of both the existing base and the capacity to develop the pipeline of new funding opportunities. Forecasts of income and expenditure are prepared with sufficient detail to be reviewed to ensure that funding shortfalls are identified and corrective action taken.
- A lack of a clear strategy with identifiable outcomes of success. The Trust's vision to improve social mobility through education is clear. Planning is underway to develop the business strategy of the Trust, with measurable outcomes, ready for the 20th anniversary year in 2017.

THE SUTTON TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Risk Management (continued)

- Loss of reputation through insufficient evaluation of programme outcomes. A common evaluation framework is being developed, with an independent review process, clear reporting schedules and key performance indicators for each programme.
- Succession planning to ensure that the key management roles can be replaced in a timely and cost-effective manner. Staff management processes are being revised to ensure there is a greater focus on employee development, training and appraisals in addition to reviewing roles and responsibilities to create opportunities and pathways for management progression and experience.

Plans for Future Periods

Over the last six months the Trust has explored the possibility of launching an alumni network for its 20,000 and growing number of beneficiaries. This network will offer alumni additional opportunities and engage them in a long-term relationship with the Trust (adding to the possibilities of the Trust's advocacy); enable the Trust to measure the impact of its programmes longitudinally; and explore new fundraising possibilities. Two alumni have already joined the Trust's Fellowship so we know there is appetite for beneficiaries to support the Trust financially. The Trust has reached internal agreement and has secured support from stakeholders to put resources towards an alumni network, which will now launch later in 2016. The Trust is grateful to its Strategic Advisory and Development Board member, Justin Bull, for chairing the Alumni Steering Committee and committing funds towards the project.

Looking to the future, the Trust will celebrate its 20th Anniversary in 2017 and for this it is preparing to host a number of events, commission special new research (including a review of the state of social mobility today), and consider launching a campaign to boost further its fundraising. The launch of an alumni network will also be part of this, as will the publication of the Trust's five-year strategy, which will be developed by the senior management over the coming months. Senior management will agree the priorities for research and policy as well as programmes. Programme expansion and evaluation will be reviewed and the Trust will make good use of its substantial data sets to make recommendations about refinements to its work. A second summit with the Carnegie Corporation of New York on access to good schools and retention and development of teachers in poorer performing schools is being planned for early in 2017. And there will be a drive in Development to build on longer-term fundraising strategies, increase levels of stewardship with donors, build-up a more sophisticated database, and develop further a major gifts programme.

PUBLIC BENEFIT

The Sutton Trust works for the public benefit by increasing the educational opportunities available to young people from low and middle income homes and improving and promoting social mobility. Its programme work is particularly targeted at those from socio-economically deprived and non-privileged backgrounds, and its research and policy work is made available to the public via a strong communications agenda, concentrating on broadcast and print journalism, the Trust's website, social media, newsletters and international summits. The Trustees and staff are mindful of the need to work for the public benefit when planning future activities and are confident that the Charitable Company's plans meet these requirements.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Sutton Trust 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 incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the financial and non-financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

A resolution will be proposed at the next Trustees' meeting that Rawlinson & Hunter Audit LLP be re-appointed as auditor to the Charitable Company for the ensuing year.

In approving the Report of the Trustees, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Approved by the Trustees and signed on their behalf by



Sir Peter Lampl
Trustee

Date: 24/11/2016

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE SUTTON TRUST

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 March 2016 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2016, and of its incoming resources and application of resources, including 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.

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
THE SUTTON TRUST (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees (including the Strategic Report), for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rawlinson & Hunter Audit LLP

Kulwarn Nagra (Senior Statutory Auditor)

For and on behalf of
Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date: *24 November 2016*

THE SUTTON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	TOTAL FUNDS 2016 £	TOTAL FUNDS 2015 £
Income from:					
Donations and legacies	1, 2	2,196,182	4,292,411	6,488,593	4,319,596
Investments	2	3,290	-	3,290	1,761
Total income		2,199,472	4,292,411	6,491,883	4,321,357
Expenditure on:					
Costs of raising funds	5	150,710	-	150,710	177,904
Charitable activities	3 & 4	1,226,221	3,283,262	4,509,483	2,993,298
Total expenditure		1,376,931	3,283,262	4,660,193	3,171,202
Net income and net movement in funds	6	822,541	1,009,149	1,831,690	1,150,155
Reconciliation of funds:					
Total funds brought forward		913,297	1,402,628	2,315,925	1,165,770
Total funds carried forward	17 & 18	1,735,838	2,411,777	4,147,615	£2,315,925

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derived from continuing activities.


The notes on pages 18 to 32 form part of these financial statements

THE SUTTON TRUST
BALANCE SHEET
Company Number 07951541
AT 31 MARCH 2016

	Note	2016	2015
		£	£
Fixed assets:			
Tangible assets	8	108,825	127,268
Current assets:			
Debtors	9	1,161,999	140,632
Cash at bank and in hand		4,065,975	2,421,011
		<u>5,227,974</u>	<u>2,561,643</u>
Current liabilities:			
Creditors - amounts falling due within one year	10	(826,615)	(372,986)
Net current assets		<u>4,401,359</u>	<u>2,188,657</u>
Total assets less current liabilities		<u>4,510,184</u>	<u>2,315,925</u>
Creditors - amounts falling due after more than one year	11	(362,569)	-
Total net assets		<u><u>£4,147,615</u></u>	<u><u>£ 2,315,925</u></u>
The funds of the Charitable Company:			
Unrestricted income fund	17 & 18	1,735,838	913,297
Restricted income fund	17 & 18	2,411,777	1,402,628
Total Charitable Company funds	17 & 18	<u><u>£4,147,615</u></u>	<u><u>£ 2,315,925</u></u>

The financial statements were approved by the Trustees and authorised for issue and signed on their behalf by:

Sir Peter Lampl



Trustee

Date: 24/11/2016

THE SUTTON TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Net cash inflow from operating activities	14	1,673,054	1,183,724
Cash inflow / (outflow) from investing activities			
Interest income		3,290	1,761
Purchase of fixed assets	8	(31,380)	(6,777)
Net cash outflow from investing activities		(28,090)	(5,016)
Net increase in cash and cash equivalents		1,644,964	1,178,708
Cash and cash equivalents brought forward		2,421,011	1,242,303
Cash and cash equivalents carried forward		£4,065,975	£2,421,011
Cash and cash equivalents consists of:			
Cash at bank and in hand		4,065,975	2,421,011
Cash and cash equivalents at 31 March 2016		£4,065,975	£2,421,011

The notes on pages 18 to 32 form part of these financial statements

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

General information

The Sutton Trust ("the Trust" or "Charitable Company") is a registered charity (charity number 1146244) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit.

The Trustees' overriding aim is to promote social mobility by improving the educational opportunities available to non-privileged young people in the United Kingdom, through research, policy work and programmes.

The policy of the Charitable Company is to seek sufficient finance to continue to fund its charitable activities.

In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company. The address of the registered office is given on page 2 of these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with 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) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The Trust constitutes a public benefit entity as defined by Charities SORP FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the Charitable Company.

The Charitable Company adopted Charities SORP FRS 102 in the current year and an explanation of how the transition has affected the reported financial position and performance is given in Note 21.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income

Income is recognised once the Charitable Company has entitlement to the funds and it is probable that the funds will be received within the Charitable Company or on behalf of the Charitable Company and the monetary value of incoming resources can be measured with sufficient reliability.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

Income (continued)

Donations from co-sponsors, whether paid through the Charitable Company or directly to the grantees, are also recognised in the financial statements, within donation income, when the Charitable Company acts as "Principal" for these projects. A corresponding donation expense is also recorded in respect of these donations such that there is no net impact on the Statement of Financial Activities (refer to "Expenditure" below for details).

Donated services and facilities are included at the value to the Charitable Company where this can be quantified.

Donation income is deferred when the donations are received in advance and specified by the donor as relating to specific accounting periods; or alternatively which are subject to conditions which are still to be met and which are outside the control of the Charitable Company; or when it is uncertain whether the conditions can or will be met. These are deferred to the year to which they relate and released to incoming resources in that year.

For legacies, entitlement is the earlier of the Charitable Company being notified of an impending distribution or the legacy being received. At this point income is recognised. Where legacies are notified to the Charitable Company and it is not possible to measure with sufficient reliability the amount expected to be distributed, these legacies are not recognised.

Investment income

Investment income represents interest receivable from bank deposits.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

- The Costs of raising funds consists of direct staff costs and other support costs for fundraising;
- Charitable activities include grants payable to third parties in furtherance of the charitable objectives of the Charitable Company and include both the direct costs and support costs relating to these activities. They also include grants paid directly to grantees by co-sponsors where the Charitable Company acts as "Principal" for these projects (refer to "Income" above for details);

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties meet the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grant. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charitable Company.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

Support costs allocation

Support costs relate to those functions that assist the work of the Trust but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's programmes and activities. These costs have been allocated between "Cost of raising funds" and "Charitable activities". The bases on which support costs have been allocated are set out in Note 5.

Status of funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company, and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund, if any, is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The list of grantees is detailed in Note 3 to the financial statements and the purpose of these grants is to provide educational opportunities for young people from non-privileged backgrounds and to fund related research and policy work.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Provision for depreciation of tangible assets is made at rates calculated to write off the cost of the assets, less their estimated residual values, over their expected working lives. The rates of depreciation are as follows:

Leasehold improvements	-	over the lease period of 8 years
Furniture and fittings	-	15% straight line
Computer equipment	-	25% straight line

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially at transaction cost and subsequently at amortised cost.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Charitable Company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Foreign Currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Activities.

Employee benefits

When employees have rendered service to the Charitable Company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Charitable Company contributes to defined contribution plans for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The Charitable Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charitable Company to be able to continue as a going concern.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Operating lease

Rentals under operating leases are charged to the Statement of Financial Activities as they are incurred. Benefits received and receivable as an incentive to sign or continue an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Judgements and key sources of estimation uncertainty

In preparing financial statements, the Trustees have to make judgements on how to apply the Trust's accounting policies and make estimates about the future. The critical judgements that have been made at arriving at the amounts recognised in the financial statements and the key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

Estimated useful life of tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycle and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of tangible fixed assets

Management assesses annually whether there are indicators of impairment of the Charitable Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Future grants payable provision

Future grants payable are only provided for in the financial statements when there is a constructive or legal obligation for the Trust to pay out future grants at the year end, which is dependant on the terms and conditions of the grant agreement between the Trust and the grant beneficiary.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. INCOME

The income comprised:	£	£
Donations	4,693,593	4,319,596
Donated services	795,000	-
Legacies	1,000,000	-
Bank interest	3,290	1,761
	<u>£6,491,883</u>	<u>£4,321,357</u>

The income arose from the following geographical locations:

	£	£
US	451,898	395,673
Switzerland and Norway	81,000	16,000
UK	5,958,985	3,909,684
	<u>£6,491,883</u>	<u>£4,321,357</u>

Donated services above consist of pro-bono charitable activities undertaken by external providers on behalf of the Trust.

**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2016**

**Access programmes for university and
the professions**

Access Accountancy
Pathways to Law
Pathways to Medicine
Pathways Plus
Pathways to STEM

Sutton Scholars
Teacher Summer School Programme
UK Summer School Programme
US University Programme

Programmes in schools and colleges

Sutton Scholars

**Early years and primary school
programmes**

Parental Engagement Fund

Research and policy

A Winning Personality
Background to Success (as part of a series of
reports with the University of Oxford)
Best in Class
Chain Effects 2015
Home Advantage
Missing Talent
Private Pay Progression
Teacher Voice Omnibus Survey
Young People's Omnibus
Pupil Premium Summit, jointly with the
Education Endowment Foundation
International Inequality Conference

There was only one institution to which a material amount of grants is payable in the year, being Durham University for total grants of £193,775.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2016 (continued)**

	2016		2015	
	Total number	£	Total number	£
Grants payable to institutions	144	3,333,496	78	1,844,085
Grants payable to individuals	1	6,610	37	29,113
Total grants payable (see Note 4)	145	£3,340,106	115	£1,873,198

The grants payable above also include other direct charitable programme expenses payable to the grantees. See the grant making policy on page 4 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

4. CHARITABLE ACTIVITIES

Programmes	Access for universities and the professions £	Schools and colleges £	Early year settings £	Research and policy £	Total 2016 £	Total 2015 £
Grants payable	2,062,799	144,479	520,229	612,599	3,340,106	1,873,198
Governance costs (see Note 5)	17,461	1,223	4,404	5,185	28,273	17,236
Support costs (see Note 5)	704,729	49,359	177,729	209,287	1,141,104	1,102,864
	<u>£2,784,989</u>	<u>£195,061</u>	<u>£702,362</u>	<u>£827,071</u>	<u>£4,509,483</u>	<u>£2,993,298</u>

5. ANALYSIS OF GOVERNANCE, SUPPORT AND FUND RAISING COSTS

	Total £	Governance (Note 4) £	Support (Note 4) £	Fund raising £	Basis of allocation
Wages and salaries (Note 7)	973,544	-	851,398	122,146	Time spent
Other staff costs—travel/ recruitment etc.	41,814	-	41,814	-	Invoiced
Administration	73,235	1,131	72,104	-	Pro rata to staff time
Premises (net of recharges)	103,208	-	103,208	-	Invoiced
Audit	17,602	17,602	-	-	Invoiced
Accountancy	12,828	-	12,828	-	Invoiced
Legal	19,074	9,540	7,734	1,800	Invoiced
Professional fundraising costs	26,764	-	-	26,764	Invoiced
Public relations	2,195	-	2,195	-	Invoiced
Depreciation (Note 8)	49,823	-	49,823	-	
	<u>£1,320,087</u>	<u>£28,273</u>	<u>£1,141,104</u>	<u>£150,710</u>	

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

6. NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS FOR THE YEAR

This is stated after charging:	2016	2015
	£	£
Operating leases – land and buildings	96,735	99,563
Depreciation	49,823	44,990
Auditor's remuneration:		
Audit services	17,602	16,200

7. STAFF COSTS

	2016	2015
	£	£
(a) Salaries	810,981	713,081
National Insurance	90,409	70,704
Pension contributions	72,154	75,616
	<u>£973,544</u>	<u>£ 859,401</u>

Included in the staff costs are temporary staff costs of £5,689 (2015 - £47,859) and staff costs recharged to the Charitable Company by the Chairman's private office of £72,878 (2015 - £53,886) for the shared use of employees, totalling £78,567 (2015 - £101,745).

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 March 2016 (2015 - £NIL). See Note 13 for other Trustees related transactions.

The key management personnel of the Charitable Company, comprise the Trustees, the Chief Executive and the Executive Team. The total employee benefits of the key management personnel of the Trust were £434,395 (2015 - £374,030).

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £72,154 (2015 - £75,616). £807 (2015 - £5,039) of these contributions were owed to these plans by the Charitable Company at 31 March 2016.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

7. STAFF COSTS (continued)	2016 No.	2015 No.
(b) Number of staff (full time equivalents)		
Grant making	6	6
Research	6	3
Fund raising	3	4
Administration	3	1
	<u>18</u>	<u>14</u>
(c) Employees' remuneration over £60,000 per year		
The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:		
£70,001 to £80,000	-	1
£100,000 to £110,000	-	1
£110,000 to £120,000	1	-
£120,000 to £130,000		1
£130,000 to £140,000	1	-
	<u>1</u>	<u>-</u>

Employers' pension contributions in respect of these 2 (2015 - 3) employees amounted to £27,475 (2015 - £39,431) during the year.

8. TANGIBLE FIXED ASSETS	Leasehold improvements £	Furniture and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2015	114,728	99,206	93,452	307,386
Additions	-	18,051	13,329	31,380
	<u>114,728</u>	<u>117,257</u>	<u>106,781</u>	<u>338,766</u>
At 31 March 2016	114,728	117,257	106,781	338,766
Depreciation				
At 1 April 2015	53,540	64,132	62,446	180,118
Charge for year	15,297	12,850	21,676	49,823
	<u>68,837</u>	<u>76,982</u>	<u>84,122</u>	<u>229,941</u>
At 31 March 2016	68,837	76,982	84,122	229,941
Net book value				
At 31 March 2016	<u>£45,891</u>	<u>£40,275</u>	<u>£22,659</u>	<u>£108,825</u>
At 31 March 2015	<u>£ 61,188</u>	<u>£ 35,074</u>	<u>£ 31,006</u>	<u>£ 127,268</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9. DEBTORS	2016	2015
	£	£
Debtors – donations and legacies receivable	1,076,011	88,000
Other debtors	31,808	30,775
Prepayments and accrued income	54,180	21,857
	<u>£1,161,999</u>	<u>£ 140,632</u>
10. CREDITORS - Amounts falling due within one year	2016	2015
	£	£
Accruals for grants payable	100,192	118,322
Trade creditors	149,577	104,117
Taxation and social security	30,619	25,445
Other creditors	51,537	26,049
Accruals and deferred income (Note 12)	494,690	99,053
	<u>£826,615</u>	<u>£ 372,986</u>
11. CREDITORS - Amounts falling due after more than one year	2016	2015
	£	£
Other creditors	29,236	-
Accruals and deferred income (Note 12)	333,333	-
	<u>£362,569</u>	<u>£ -</u>

The fair value of the long term creditors is not materially different from the amounts shown above.

12. DEFERRED INCOME	2016	2015
	£	£
Balance as at 1 April 2015	10,000	85,469
Amount deferred in the year	752,100	10,000
Amount released to income	(10,000)	(85,469)
Balance as at 31 March 2016	<u>£752,100</u>	<u>£10,000</u>

Deferred income represents grants, donations and the match funding from Sir Peter Lampl (refer Note 13), received in advance. It is included within Accruals and deferred income in Notes 10 and 11 above.

13. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 March 2016 (2015 - £NIL).

Trustees' expenses

During the year, the Charitable Company paid £1,131 (2015 - £1,036) for telephone expenses in relation to unremunerated work carried out by Sir Peter Lampl on behalf of the Charitable Company.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS (continued)

During the year Sir Peter Lampl charged the Charitable Company £98,130 (2015 - £63,922) for the shared use of employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £46,592 (2015 - £38,068) for general administrative costs incurred by the Charitable Company on his behalf.

£51,537 (2015 - £26,049) was owed to Sir Peter Lampl at the year end. This amount is repayable on demand and interest free.

Donations from Trustees

During the year, the Charitable Company received donations totalling £400,000 (2015 - £700,000) from Sir Peter Lampl. The £400,000 of donations received in the year were received under a match funding arrangement which commenced in 2015/2016. £252,100 of these donations were not match funded and were deferred (see Note 12).

Sir Peter Lampl is a Trustee of the Charitable Company.

Other

Dr Lee Elliot-Major, who is the Chief Executive (a non-statutory director) of The Sutton Trust, is also a trustee of the Education Endowment Foundation ("EEF"). Sir Peter Lampl is the Chairman and also a trustee of the EEF. Julie Randles, Director of Programmes and Partnerships, was also a trustee of the EEF. The EEF shares office premises held by The Sutton Trust under a licence agreement for which it pays a commercial rent for the use of the space and related overhead services. In the year The Sutton Trust charged the EEF £113,265 (2015 - £161,559) for office space and related overheads and £125,068 (2015 - £36,757) for staff costs and third party expenses. £28,808 (2015 - £25,858) was owed to The Sutton Trust by the EEF at the year end.

14. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income and net movement in funds	1,831,690	1,150,155
Interest receivable	(3,290)	(1,761)
Depreciation of tangible fixed assets	49,823	44,990
(Increase) / decrease in debtors	(1,021,367)	81,938
Increase / (decrease) in creditors	816,198	(91,598)
Net cash flow from operating activities	<u>£1,673,054</u>	<u>£1,183,724</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016

15. OPERATING LEASES

At 31 March 2016, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

	Land and Buildings 2016 £	Land and Buildings 2015 £
Within 1 year	193,500	193,500
Between two and five years	387,000	580,500
	<u> </u>	<u> </u>

The operating lease for the premises occupied by the Charitable Company expires on 24 March 2019.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

17. STATEMENT OF FUNDS

	Fund balances brought forward £	Total income £	Total expenditure £	Fund balances carried forward £
Unrestricted funds	913,297	2,199,472	(1,376,931)	1,735,838
Restricted funds				
Pathways to Law	284,281	495,381	(460,591)	319,071
Summer Schools	3,300	838,381	(390,600)	451,081
Teachers Summer Schools	335,181	107,300	(160,575)	281,906
Highly Able fund / Sutton Scholars	170,763	235,200	(137,869)	268,094
US University Programme	157,599	679,736	(487,198)	350,137
Pathways to Medicine	84,991	-	(48,344)	36,647
Parental Engagement Fund	366,513	482,247	(520,229)	328,531
Pathways to STEM	-	101,800	-	101,800
Research and Policy	-	617,900	(576,025)	41,875
Carnegie	-	128,366	(36,574)	91,792
Access Champions	-	123,100	-	123,100
Pathways Plus	-	68,000	(50,257)	17,743
Pathways to Coding	-	175,000	(175,000)	-
Alumni Network	-	240,000	(240,000)	-
	1,402,628	4,292,411	(3,283,262)	2,411,777
Total funds	£ 2,315,925	£6,491,883	£(4,660,193)	£4,147,615

The unrestricted funds represent the general reserves of the Charitable Company which are not restricted for particular purposes.

Pathways to Law

A programme supported by the Legal Education Foundation and law firms to widen access to university and legal careers.

Summer Schools

The Trust's UK student university access summer schools which aim to support low/middle income students to make strong higher education applications.

Teachers Summer Schools

The Teachers Summer Schools aimed at state school teachers to enable them to provide support and up-to-date guidance to students on access to university.

Highly Able fund / Sutton Scholars

The Trust's flagship programme to support highly able state school students pre-16.

US University Programme

A programme to support UK state school students to study at leading US universities.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016

17. STATEMENT OF FUNDS (continued)

Pathways to Medicine

A programme supported by Health Education England to widen access to medical schools.

Parental Engagement Fund

A fund in partnership with the Esmée Fairbairn Foundation to support promising parenting programmes working with children aged 2-6.

Pathways to STEM

A programme supported by the Kusuma Trust UK to widen access to STEM degrees and related careers.

Research and Policy

A programme match funded by Sir Peter Lampl supporting the Trust's research into social mobility, and also supporting the Trust's work with policy-makers.

Carnegie

A fund in partnership with the Carnegie Corporation of New York to host two major international social mobility policy summits.

Access Champions

A pilot programme run by the Higher Education Access Network to work more closely with teachers in their schools.

Pathways Plus

A new undergraduate programme supported by law firms to support non-privileged Law students during their degree.

Pathways to Coding

A new programme designed to widen access to careers in the digital sector.

Alumni Network

A new professional alumni network bringing together and engaging with the beneficiaries of Sutton Trust programmes.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £
Tangible fixed assets	108,825	-	108,825
Debtors	1,106,499	55,500	1,161,999
Cash at bank and in hand	896,068	3,169,907	4,065,975
Current liabilities	(250,652)	(575,963)	(826,615)
Non - current liabilities	(124,902)	(237,667)	(362,569)
Total net assets	£1,735,838	£2,411,777	£4,147,615

THE SUTTON TRUST
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19. LEGAL STATUS

The Sutton Trust is a Charitable Company limited by guarantee with no share capital. In the event of the Charitable Company being wound up, each of the Members (while he or she remains a Member or within one year after he or she ceases to be a Member) have agreed to pay up to £1 each towards:

- payment of those debts and liabilities of the Charitable Company incurred before he or she ceased to be a Member;
- payment of the costs, charges and expenses of winding up, and
- the adjustment of rights of contributors among themselves.

20. FINANCIAL INSTRUMENTS

The carrying amounts of the Charitable Company's financial instruments are as follows:

	2016	2015
	£	£
<i>Financial assets</i>		
Financial assets measured at fair value through profit and loss	4,065,975	2,421,011
Debt instruments measured at amortised cost:		
Other debtors (Note 9)	31,808	30,775
	<hr/>	<hr/>
<i>Financial liabilities</i>		
Measured at amortised cost		
Trade creditors (Note 10)	149,577	104,117
Other creditors and accruals (Note 10)	143,037	137,864
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Financial assets include other debtors.

Financial liabilities include trade creditors, taxation and social security, other creditors and accruals.

There were no income, expenses, net gains and net losses attributable to the Charitable Company's financial instruments.

21. FIRST-TIME ADOPTION OF CHARITIES SORP FRS 102

The Trust has adopted the Charities SORP FRS 102 for the first time in the year ended 31 March 2016.

The policies applied under the entity's previous accounting framework are not materially different to Charities SORP FRS 102 and have not impacted on the funds of the Charitable Company reported in the Balance Sheet or the net income and movement in funds reported in the Statement of Financial Activities.