

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 2014

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THE SUTTON TRUST

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THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

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 2014. The comparatives are for the period from incorporation on 15 February 2012 to 31 March 2013.

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 known as directors) | Sir Peter Lampl David Hall David Backinsell Lady Susan Lampl |
| Chairman | Sir Peter Lampl |
| Director of Development & Policy | Lee Elliot Major |
| Director of Programmes | James Turner |
| Director of Research & Communications | Conor Ryan |
| Director of Finance | Frank Helsby |
| Early Years Manager | Laura Barbour |
| Trust Administrator | Camilla Summerskill |
| Assistant to Chairman | Anna Fellows |
| Research and Policy Analyst | Liz Johnston |
| Research Fellow | Rob DeVries |
| Programmes Manager | Kathryn Davies |
| Development Manager | Ellie DeCamp |
| Projects Manager | Oliver Quick |
| Finance Manager | Guy Graham |
| 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. |

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

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

| | |
|------------------------------------|--|
| 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 Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ |
| Charitable Company Address | Millbank Tower, 21-24 Millbank London SW1P 4QP |
| Charity Registration Number | 1146244 |
| Company Registration Number | 07951541 |

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 Charitable Company has three non-statutory directors who report to the Chairman and other trustees and who manage the staff team.

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.

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 encouraged to attend training events where these will assist with their role. Trustees are also 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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties

Transactions with related parties are disclosed in Note 11 to the financial statements.

Grant making policy

The Charitable Company supports research, policy and programme work related to its central aim of promoting social mobility through education. 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, often in conjunction with another partner. 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. It takes a hands on and active role in all the work it supports.

The overall budget guidelines for each year are approved by the Chairman and Trustees in consultation with the senior staff. This is reviewed regularly and updates provided to the Chairman and Trustees for their meetings. 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 any grants or partnering arrangements ("partnerships") 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 – which has been recently reviewed and updated. 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. Grants are generally paid in instalments, with each payment dependant on the production of an interim report and/or staff and Trustees being satisfied with the progress being made through meetings and conversations.

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

The results for the year are set out on page 10. During the year, the Charitable Company has met its objectives by supporting and developing programmes, commissioning and undertaking research, undertaking policy and communications activities, in addition to organising seminars and other events. This is set out in Note 2 to the financial statements. All these activities were aimed at improving educational opportunities for young people from low/middle income backgrounds and boosting social mobility. These grants represent the distribution of a significant proportion of resources available to the Charitable Company and correspond with the objectives of the Charitable Company.

On 2 April 2012, all the assets and liabilities as at 31 March 2012 of the Unincorporated Sutton Trust (charity number 1067197) totalling £383,086 were transferred to the Charitable Company. This is shown in the Statement of Financial Activities as donation income during the previous period.

During the year under review donations receivable amounted to £3,087,314 (2013 - £2,989,243). This included a donation of £383,086 in 2013 from the Unincorporated Sutton Trust. Direct charitable expenditure comprising grants payable amounted to £1,817,135 (2013 - £1,002,635).

Staff and Trustee time donated is not reflected in the Statement of Financial Activities on Page 10.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

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

The Charitable Company's activities grew significantly during the year. Sutton Trust programmes reached more low and middle income students than ever before and the Trust commissioned more agenda-setting policy and research work in the field of education and social mobility. This was underpinned by considerable success in development, with a number of new funding partnerships with individuals, corporate supporters and foundations. Highlights of the year included:

- The publication of a number of pieces of research and policy analysis, which had a substantial influence on the education debate in the UK. This included a series of pieces linked to the intakes of leading state schools. In June, the Trust published its own research showing the social selectivity of the 500 most successful comprehensives. In November, the Trust published research from the Institute of Fiscal Studies and Cambridge University which revealed that there are very few children eligible for free school meals in remaining state grammar schools – and that these schools contained four times as many children from independent prep schools as from low income homes. This was followed in December by a study from King's College and London Metropolitan University which revealed that one in three professional parents had moved to an area with good schools, and almost a fifth had moved to live in the catchment area of a specific school. In February, we published a London School of Economics study on the growing use of ballots and ability banding within academies and free schools to achieve fairer intakes. The Trust proposed a series of measures to open up these high performing schools to a wider range of children - from the increased use of admission banding and ballots in comprehensives, to outreach programmes and 11-plus familiarisation projects in selective areas.
- Successfully hosting an international summit on admissions to elite higher education, which was attended by representatives from a range of the world's highest ranked institutions – including Harvard, Yale, MIT, Oxford, Cambridge and leading European universities. The summit looked at a number of different approaches to widening access to university for low and middle income young people, and was opened by Vince Cable, the Secretary of State for Business, Innovation and Skills. The summit heard evidence from Dr John Jerrim of the Institute of Education that at least a quarter of the access gap to the top universities in England, the United States and Australia cannot be explained by academic achievement. A number of practical and policy considerations were captured in the summit report, published at the end of last year.
- The growth of the Sutton Trust UK University Summer School Programme which reached record numbers in 2013 and will grow to almost 2,000 students in 2014, thanks to partnerships with the Wolfson Foundation, the Garfield Weston Foundation, and a new cornerstone supporter, Barclays. The scheme - which supports low and middle income students to make strong applications to leading universities - is reaching more schools and students than ever before, underpinned by more outreach efforts to target and identify schools and colleges which have not to date accessed the programme.
- The continued success of the Trust's US university programme, which supports non-privileged state school students to access leading US universities, and is inspired by the Trust's UK Summer Schools. The second year of the programme, delivered in partnership with the US-UK Fulbright Commission, resulted in 61 of 150 students taking up places at leading US universities, accessing over \$14 million of financial aid. This exceeded expectations and built on an excellent pilot year in 2012. The third year of the programme will benefit 175 bright state school students and Harvard will join Yale and MIT as host campuses.
- The growth of our Pathways initiatives, with the launch of Pathways to Banking and the continued success of Pathways to Law and Pathways to Property. Thanks to the generous support of the Legal Education Foundation and partner law firms, Pathways to Law has recruited 400 students in the year across a total of 12 university partners. Pathways to Banking launched in January and so far four leading banks have signed up to work with the Trust to widen the pipeline of talent entering the finance and banking sectors, with conversations on-going with many more.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

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

- The successful piloting of two new exciting programme areas: University Access Summer Schools for Teachers and Sutton Scholars, aimed at supporting bright students in comprehensive state schools in key stage three. The Trust's Teacher Summer Schools ran for the first time at Cambridge and St Andrews universities and reached 100 teachers from state schools which traditionally send few students to leading universities. Thanks to a generous grant of £2 million from HSBC, the pilot will be expanded over the next five years to reach over 500 teachers per year. Sutton Scholars ran at UCL thanks to JP Morgan's support, and was well received by schools, students and parents. The pilot will continue and Sutton Scholars will also run at Cambridge University in the coming year targeting East Anglian coastal towns. As with all the Trust's programmes, the initiatives will be evaluated under the Trust's Common Evaluation Framework, led by Durham University's Centre for Evaluation and Monitoring.
- Significant progress in ensuring the sustainability and future growth of the Trust through fundraising and partnerships. This included the growth of the Sutton Trust Board, which brings together a number of supporters of the Trust for strategic and development advice as well substantial financial investment. Twenty-two leading figures have so far joined the Board, which meets twice a year with a range of other events, seminars and briefing sessions in between. This year also saw the launch of a Sutton Trust Fellowship to recognise donors who contribute at least £20,000 to the Trust over two years. New strategic funding partnerships with corporate supporters and foundations, including Barclays, HSBC and JP Morgan have also flourished this year with many others preparing to support the Trust in the coming year.
- The continued success of the Education Endowment Foundation ("EEF"), which was set up by the Trust, with support from Impetus, and underpinned by £125 million of funding from government. The EEF supports and evaluates projects to raise the attainment of the poorest children in the most challenging schools. The Sutton Trust is leading the EEF's work, has appointed a majority of trustees to the EEF's board and Sir Peter Lampl serves as the EEF's chairman. Since its launch the EEF has awarded £37 million to 74 projects working with hundreds of thousands of pupils, the majority of which are being evaluated using Randomised Control Trials.
- As in previous years, numerous contributions to the education policy debate, through a range of speaking engagements, press articles, media appearances and contributions to seminars and expert panels.

The Trust plans further growth in the coming year. The Trust's in-house research capacity has been boosted by the appointment of the first Sutton Trust Research Fellow and a number of projects have been commissioned from external academic teams. A number of pilot programmes will grow over the next year and existing initiatives will also expand or be consolidated. The Trust is particularly pleased to be working with the Esmée Fairbairn Foundation on a new three year initiative to support programmes which boost parental engagement of pre-school and primary-aged children. The development and fundraising programme to accompany this work is well underway, with plans to increase the number of Sutton Trust Fellows, build more partnerships with major Trusts and Foundations, and develop a Corporate Offer to enable more links with business.

The Charitable Company's activities fall under four headings:

- Access Programmes for University and the Professions
- Programmes in schools and colleges
- Programmes in early years settings
- Research and policy

Details of the grant expenditure by category are included at Note 3.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

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 promoting social mobility. Its project 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 its website. 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.

POLICY ON RESERVES

The balance held as unrestricted funds as at 31 March 2014 was £813,825 (2013 - £895,770), of which £648,344 (2013 - £730,410) are regarded as free reserves. The Trustees consider that this level of free reserves is sufficient to continue its current activities until further donations can be secured.

INVESTMENT POWERS

The Trustees' investment powers are unrestricted.

RISK MANAGEMENT

The Trustees have a risk management strategy which comprises:

- an annual review of the risks the Charitable Company 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 Charitable Company should those risks materialise.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014

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 Statement of Recommended Practice (Accounting and Reporting by Charities) issued in 2005;
- 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.

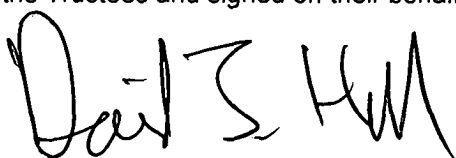
The Trustees are responsible for the maintenance and integrity of the financial and non-financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Approved by the Trustees and signed on their behalf by

David Hall
Trustee



Date:

10/7/14

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 2014 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet 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).

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 7, 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 Auditing Practice Board'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 2014, 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 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; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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: 10 July 2014

THE SUTTON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2014

| | | Unrestricted Funds | Restricted Funds | TOTAL FUNDS | TOTAL FUNDS Period from 15 February 2012 to 31 March 2013 |
|--|------------------|---|---|---|--|
| | Note | Year ended 31 March 2014 £ | Year ended 31 March 2014 £ | Year ended 31 March 2014 £ | £ |
| Incoming resources | 1 | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary income - donations | | 1,996,479 | 1,090,835 | 3,087,314 | 2,606,157 |
| Donations from the Unincorporated Sutton Trust | | - | - | - | 383,086 |
| Investment income - bank interest | | 1,082 | - | 1,082 | 532 |
| Other incoming resources: | | | | | |
| Foreign exchange gains | | - | - | - | 259 |
| Other miscellaneous income | | - | - | - | 1,520 |
| Total incoming resources | | 1,997,561 | 1,090,835 | 3,088,396 | 2,991,554 |
| Resources expended | | | | | |
| Costs of generating funds | 4 | 209,553 | - | 209,553 | 109,743 |
| Charitable activities - cost of grant giving | 2 & 3 | 1,851,585 | 838,204 | 2,689,789 | 1,867,814 |
| Governance | 4 | 18,368 | - | 18,368 | 18,913 |
| Total resources expended | | 2,079,506 | 838,204 | 2,917,710 | 1,996,470 |
| Net (outgoing) / incoming resources for the year, being net movement in funds | | (81,945) | 252,631 | 170,686 | 995,084 |
| FUNDS BROUGHT FORWARD AT 1 APRIL 2013 | | 895,770 | 99,314 | 995,084 | - |
| FUNDS CARRIED FORWARD AT 31 MARCH 2014 | 14 | £ 813,825 | £ 351,945 | £1,165,770 | £ 995,084 |

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

All incoming resources and resources expended derived from continuing activities.

The notes on pages 12 to 21 form part of these financial statements

THE SUTTON TRUST
BALANCE SHEET
Company Number 07951541
AT 31 MARCH 2014

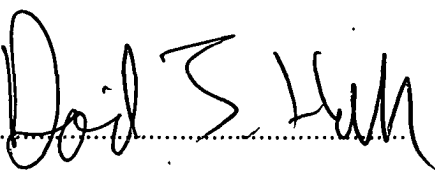
| | Note | 31 March 2014 | 31 March 2013 £ |
|---|---------|--------------------------|-------------------------|
| FIXED ASSETS | 6 | 165,481 | 165,360 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 222,570 | 217,250 |
| Cash at bank and in hand | | 1,242,303 | 876,827 |
| | | <u>1,464,873</u> | <u>1,094,077</u> |
| CREDITORS - amounts falling due within one year | 8 | <u>(461,901)</u> | <u>(250,938)</u> |
| NET CURRENT ASSETS | | <u>1,002,972</u> | <u>843,139</u> |
| TOTAL ASSETS | | | |
| LESS CURRENT LIABILITIES | | <u>1,168,453</u> | <u>1,008,499</u> |
| CREDITORS - amounts falling due after more than one year | 9 | <u>(2,683)</u> | <u>(13,415)</u> |
| NET ASSETS | | <u><u>£1,165,770</u></u> | <u><u>£ 995,084</u></u> |
| FUNDS | | | |
| Unrestricted Income Fund | 14 & 15 | 813,825 | 895,770 |
| Restricted Income Fund | 14 & 15 | 351,945 | 99,314 |
| TOTAL FUNDS AT 31 MARCH 2014 | 14 & 15 | <u><u>£1,165,770</u></u> | <u><u>£ 995,084</u></u> |

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

David Hall

Trustee

Date:


 10/7/14

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

Under Financial Reporting Standard 1 the Charitable Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Incoming resources

All incoming resources are recognised once the Charitable Company has entitlement to the resources and it is certain that the resources 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.

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.

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.

Investment income

Investment income represents interest receivable from bank deposits.

Resources expended

Expenditure is recognised when a liability is incurred, which is when there is a legal or constructive obligation committing the Charitable Company to the expenditure. All expenditure is accounted for on an accruals basis.

- The Cost of Generating 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 "Incoming Resources" above for details);
- Governance Costs comprise external audit, statutory reporting, legal and accounting advice on governance matters and Trustees' expenses;
- Support Costs include central functions and have been allocated to activity cost categories on the basis of grants made to each of those activities in recognition of the cost of awarding, monitoring and assessing the grants.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

Status of funds

Funds are either restricted funds, whereby the income is expendable in accordance with the conditions imposed, or unrestricted funds, whereby the Trustees have complete discretion for the use of the funds in pursuance of the Charitable Company's objectives.

The list of grantees is detailed in Note 2 to the financial statements and the purpose of these funds 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 |

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. All translation differences are taken to the Statement of Financial Activities as they arise.

Pension Costs

The Charitable Company contributes to the personal pension plans of some of its employees. The costs of contributions are written off against the Statement of Financial Activities in the year they become payable.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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 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.

THE SUTTON TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

2. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 MARCH 2014

Access programmes for university and the professions

Academic Apprenticeship Project
Cambridge University Subject Matters
and Masterclasses
Corpus Christi College Schools Focus
Programme
Design Triathlon, Southampton University
Oxford University Pathways
Pathways Plus
Pathways to Banking
Pathways to Law
Pathways to Property
Teacher Conference, Cambridge
University
UCL Sutton Scholars
UK Summer School Programme
US University Programme

Programmes in schools and colleges

Brilliant Club
Education Endowment Foundation
Girls' Day School Trust
Independent State Schools Partnership
Conference
Kent Academies Network
King's College School
My Big Career
Norwich School Access project
Sociality Mathematics

Research and policy

Access to Grammar Schools
Durham University Common Evaluation
Framework
Economic Mobility project
Impact of Higher Education Reforms on
Graduate Incomes
Ipsos MORI Young People survey
NFER Teacher Voice survey
Parent Power report
Personal Statements research
Russell Sage Foundation project
Secondary School Admissions research
Social Mobility Summit
Sound Foundations
Testing Teachers project
The Mathematics Needed for Employment
& Industry Study
The Reading Gap
University fees research
University access summit

Programmes in early year settings

Parents Early Education Partnership
PEEP Transition

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

**2. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2014 (continued)**

| | 2014 | | 2013 | |
|--|-------------------------|-------------------|-------------------------|-------------------|
| | Total number | £ | Total number | £ |
| Grants payable to institutions | 110 | 1,812,560 | 148 | 966,180 |
| Grants payable to individuals | 21 | 4,575 | 4 | 36,455 |
| Total grants payable (see Note 3) | 131 | £1,817,135 | 152 | £1,002,635 |

See the grants making policy on page 3 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

3. CHARITABLE ACTIVITIES

| | Grants payable (Note 2) 2014 £ | Support costs (Note 4) 2014 £ | TOTAL 2014 £ | TOTAL 2013 £ |
|---|---|--|-----------------------------|-----------------------------|
| Charitable expenditure: | | | | |
| Access programmes for university and the professions | 1,162,742 | 558,391 | 1,721,133 | 872,061 |
| Programmes in schools and colleges | 363,771 | 174,696 | 538,467 | 557,258 |
| Programmes in early year settings | 2,000 | 960 | 2,960 | 169,178 |
| Research and policy | 288,622 | 138,607 | 427,229 | 269,317 |
| | £1,817,135 | £ 872,654 | £2,689,789 | £1,867,814 |

**4. ALLOCATION OF SUPPORT COSTS
AND OTHER COSTS**

| | Total £ | Charitable activities (Note 3) £ | Fund generation £ | Governance £ |
|--|--------------------|---|----------------------------------|-------------------------|
| Wages and salaries (Note 5) | 652,727 | 510,606 | 142,121 | - |
| Other staff costs - travel, recruitment etc. | 54,591 | 54,591 | - | - |
| Administration | 98,975 | 98,007 | - | 968 |
| Premises | 106,197 | 106,197 | - | - |
| Audit | 15,900 | - | - | 15,900 |
| Accountancy | 37,388 | 35,888 | - | 1,500 |
| Legal | 9,443 | 9,443 | - | - |
| Professional fundraising costs | 67,432 | - | 67,432 | - |
| Public relations | 13,685 | 13,685 | - | - |
| Depreciation (Note 6) | 44,237 | 44,237 | - | - |
| | £1,100,575 | £ 872,654 | £ 209,553 | £ 18,368 |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014

**4. ALLOCATION OF SUPPORT COSTS
AND OTHER COSTS (continued)**

| | 2014 £ | 2013 £ |
|---------------------------------|-------------------------|-------------------------|
| Cost of generating funds | | |
| Staff costs | 142,121 | 69,161 |
| Professional fundraising costs | 67,432 | 40,582 |
| | <u>£ 209,553</u> | <u>£ 109,743</u> |
| Governance costs | | |
| Administration | 968 | 1,155 |
| Auditor's fees | 15,900 | 15,000 |
| Accountancy | 1,500 | 1,500 |
| Legal | - | 1,258 |
| | <u>£ 18,368</u> | <u>£ 18,913</u> |

Auditor's remuneration

| | 2014 £ | 2013 £ |
|--------------------|-------------------------|-------------------------|
| Audit fee | 15,900 | 15,000 |
| Non audit services | 25,206 | 23,894 |
| | <u>£ 41,106</u> | <u>£38,894</u> |

5. STAFF COSTS

| | 2014 £ | 2013 £ |
|-----------------------|-------------------------|-------------------------|
| (a) Salaries | 546,286 | 424,905 |
| National Insurance | 58,007 | 45,331 |
| Pension contributions | 48,434 | 33,431 |
| | <u>£652,727</u> | <u>£503,667</u> |

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 March 2014 (2013 - £NIL). See Note 11 for other Trustees related transactions.

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 £48,434 (2013 - £33,431). £4,155 (2013 - £4,003) of these contributions were owed to these plans by the Charitable Company at 31 March 2014.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014

| 5. STAFF COSTS (continued) | 2014 No. | 2013 No. |
|---|-------------|-------------|
| (b) Number of staff (full time equivalents) | | |
| Grant making | 3 | 3 |
| Research | 2 | 2 |
| Fund generation | 1 | 1 |
| Administration | 5 | 2 |
| | <u>11</u> | <u>8</u> |
| (c) Employees' remuneration over £60,000 per year | | |
| £60,000 to £70,000 | - | 1 |
| £70,000 to £80,000 | 1 | 1 |
| £100,000 to £110,000 | 1 | 1 |
| £110,000 to £120,000 | 1 | - |
| | <u>1</u> | <u>3</u> |

Employers' pension contributions to these 3 employees amounted to £38,141 (2013 - £28,405) during the year.

| 6. TANGIBLE FIXED ASSETS | Leasehold improvements £ | Furniture and fittings £ | Computer equipment £ | Total £ |
|--------------------------|--------------------------------|-----------------------------------|----------------------------|------------------|
| Cost | | | | |
| At 1 April 2013 | 114,728 | 92,837 | 48,686 | 256,251 |
| Additions | - | 5,481 | 38,877 | 44,358 |
| | <u>114,728</u> | <u>98,318</u> | <u>87,563</u> | <u>300,609</u> |
| At 31 March 2014 | 114,728 | 98,318 | 87,563 | 300,609 |
| Depreciation | | | | |
| At 1 April 2013 | 22,946 | 43,784 | 24,161 | 90,891 |
| Charge for year | 15,297 | 10,206 | 18,734 | 44,237 |
| | <u>38,243</u> | <u>53,990</u> | <u>42,895</u> | <u>135,128</u> |
| At 31 March 2014 | 38,243 | 53,990 | 42,895 | 135,128 |
| Net book value | | | | |
| At 31 March 2014 | £ 76,485 | £ 44,328 | £ 44,668 | £ 165,481 |
| At 31 March 2013 | <u>£ 91,782</u> | <u>£ 49,053</u> | <u>£ 24,525</u> | <u>£ 165,360</u> |

| 7. DEBTORS | 2014 £ | 2013 £ |
|--------------------------------|------------------|------------------|
| Debtors – donations receivable | 182,500 | 147,875 |
| Other debtors | 10,715 | 18,057 |
| Prepayments and accrued income | 29,355 | 51,318 |
| | <u>£ 222,570</u> | <u>£ 217,250</u> |

Accrued income includes gift aid receivable on donations received by the Charitable Company.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
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| | | |
|--|------------------|------------------|
| 8. CREDITORS - Amounts falling due within one year | 2014 | 2013 |
| | £ | £ |
| Other taxes and social security | 22,326 | 18,246 |
| Other creditors | 64,266 | 21,110 |
| Accruals and deferred income (Note 10) | 375,309 | 211,582 |
| | <u>£ 461,901</u> | <u>£ 250,938</u> |
| 9. CREDITORS - Amounts falling due after more than one year | 2014 | 2013 |
| | £ | £ |
| Other creditors | <u>£ 2,683</u> | <u>£ 13,415</u> |
| 10. DEFERRED INCOME | 2014 | 2013 |
| | £ | £ |
| Amount deferred in the year | <u>£ 85,469</u> | <u>£ 86,594</u> |

Deferred income represents grants received in advance and is included within Accruals and deferred income in Note 8.

11. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 March 2014 (2013 - £NIL).

Trustees' expenses

During the year, the Charitable Company paid £968 (2013 - £1,155) for telephone expenses in relation to unremunerated work carried out by Sir Peter Lampl on behalf of the Charitable Company.

During the year Sir Peter Lampl received a total of £105,821 (2013 - £90,469) from the Charitable Company which was for the shared use of employees and benefits paid by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £62,665 (2013 - £69,359) for general administrative costs incurred by the Charitable Company on his behalf.

Donations from Trustees

During the year, the Charitable Company received donations totalling £1,300,000 (2013 - £2,100,000) from Sir Peter Lampl.

Sir Peter Lampl is a Trustee of the Charitable Company.

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NOTES TO THE FINANCIAL STATEMENTS
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11. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS (continued)

Other

During the year the Charitable Company paid a grant to the Education Endowment Foundation ("EEF") of £240,000 (2013 - £255,000). Sir Peter Lampl is the Chairman and a trustee of the EEF. James Turner and Lee Elliot-Major, who are non-statutory directors of The Sutton Trust, and, David Hall, a trustee of The Sutton Trust, are also trustees 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 £192,643 (2013 - £211,117) for office space and related overheads and £13,822 (2013 - £16,110) for staff costs and third party expenses. £5,061 (2013 - £13,890) was owed to The Sutton Trust by the EEF at the year end.

During the year, the Charitable Company donated £26,800 (2013 - £45,000) to The Brilliant Club where James Turner is also a trustee. During the year, the Unincorporated Sutton Trust donated its assets net of its liabilities totalling £NIL (2013 - £383,086) to the Charitable Company. Sir Peter Lampl and David Backinsell are trustees of both The Sutton Trust and the Unincorporated Sutton Trust.

12. OPERATING LEASES

At 31 March 2014, the Charitable Company was committed to make the following payments under non-cancellable operating leases:

| | Land and Buildings 2014 £ | Land and Buildings 2013 £ |
|----------------------------|--|--|
| Leases expiring: | | |
| Between one and two years | £ 193,528 | - |
| Between two and five years | - | £ 193,528 |
| | <hr/> | <hr/> |

The operating lease for the premises occupied by the Charitable Company expires on 24 March 2019, with a break clause exercisable on 11 July 2015, subject to six months' notice.

13. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

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14. STATEMENT OF FUNDS

| | Fund balances brought forward | Other Incoming resources | Outgoing resources | Fund balances carried forward |
|------------------------------|--|---|-------------------------------|--|
| | £ | £ | £ | £ |
| Unrestricted funds | 895,770 | 1,997,561 | (2,079,506) | 813,825 |
| Restricted funds: | | | | |
| Pathways to Law | 84,033 | 441,000 | (219,257) | 305,776 |
| The Brilliant Club | - | 35,000 | (26,800) | 8,200 |
| Summer Schools | - | 553,710 | (553,710) | - |
| JP Morgan – Highly Able fund | 15,281 | 61,125 | (38,437) | 37,969 |
| | 99,314 | 1,090,835 | (838,204) | 351,945 |
| Total funds | £ 995,084 | £3,088,396 | £(2,917,710) | £1,165,770 |

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

The Pathways to Law programme was established to inspire and support academically-able students in year 12 and 13 from non-privileged backgrounds interested in a career in law, and so widen access to the legal profession. It is supported by the Legal Education Foundation and a number of leading law firms.

The Brilliant Club is a charity that exists to widen access to universities for pupils from non-selective schools.

The Summer Schools are designed to give bright students from non-privileged homes a taste of life at a leading university. The aim is to demystify elite universities and to equip students – most of whom will be the first in their families to go on to higher education – with the knowledge and insight to make high quality applications to prestigious universities. This year the project was kindly supported by Guildford Academic Associates and The Wolfson Foundation.

The JP Morgan - Highly Able Fund was created to provide an academic development programme for highly able state school students in key stage three. The programme, run by UCL and supported by The Sutton Trust and JP Morgan, is designed to stretch and challenge students academically across a range of subjects.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2014

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total 2014 £ |
|--------------------------|------------------------------------|----------------------------------|--------------------|
| Fixed assets | 165,481 | - | 165,481 |
| Debtors | 70,070 | 152,500 | 222,570 |
| Cash at bank and in hand | 999,797 | 242,506 | 1,242,303 |
| Current liabilities | (418,840) | (43,061) | (461,901) |
| Other liabilities | (2,683) | - | (2,683) |
| | <hr/> | <hr/> | <hr/> |
| Total net assets | £ 813,825 | £ 351,945 | £ 1,165,770 |
| | <hr/> | <hr/> | <hr/> |

16. 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.