

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 2015

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THE SUTTON TRUST

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THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015

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 2015.

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 (resigned 12 March 2015) David Backinsell Lady Susan Lampl
Chairman	Sir Peter Lampl
Chief Executive	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 (to November 2014)
Programmes Manager	Kathryn Davies
Programmes Manager	Ketiwe Anjorin
Programmes Officer	Maisie Monroe
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 2015

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 a Chief Executive and three other 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 2015

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. 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. 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 or to include the programme in its Common Evaluation Framework, led by an academic team at Durham University. 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 11. 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 conferences 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.

During the year under review donations receivable amounted to £4,319,596 (2014 - £3,087,314). Direct charitable expenditure comprising grants payable amounted to £1,873,198 (2014 - £1,817,135). This direct expenditure leveraged additional funding to programmes managed by the Trust, from university partners, of over £1.1 million in the year.

Staff and Trustee time donated is not reflected in the Statement of Financial Activities on Page 11.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015

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

The Charitable Company's activities continued to grow during the year, underpinned by considerable success in establishing fundraising partnerships with a number of organisations. The Sutton Trust's programmes directly helped over 3,000 young people (the highest to date) and almost 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 developments in organisational structure, including the appointment of the Trust's first Chief Executive, Lee Elliot Major, and other new staff posts.

The Trust's programme work continues to be focussed in four main areas: parental engagement in pre-school and primary school; support for bright students in secondary schools; widening access to leading UK and US universities; and broadening the pipeline of talent into highly selective careers.

On the first of these strands, thanks to a £1.25 million grant from the Esmée Fairbairn Foundation, the Trust launched in October a Parental Engagement Fund to improve the cognitive outcomes of disadvantaged children aged two to six. The Fund will support a number of the most promising parental engagement interventions for a two to three year period, with a particular focus on improving their evidence base and impact. The Fund 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.

Sutton Scholars – which aims to boost the aspirations of and provide academic support to bright students in comprehensive state schools – has expanded considerably over the last year. From a pilot at UCL in 2013/14, the programme has been adopted by the universities of Cambridge, Warwick and Nottingham, as well as continuing to run at UCL, and will reach over 400 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's university access work continued to enjoy significant success. The US university programme, which supports non-privileged state school students to access leading American universities, ran for the third year and reached over 175 students at summer schools based at Harvard, Yale and MIT, with support before and after in the UK provided by the US-UK Fulbright Commission. Importantly, the success of the initial two years of the programme continued, and 58 students from the 2014 cohort will be studying at US universities as a result of the programme, accessing over \$14 million of aid. The flagship UK summer schools – on which the US programme is based – had the largest ever reach in the summer of 2014, with over 1900 students benefiting, drawn from an applicant pool of some 10,000 sixth formers. The student programme was complemented with teacher summer schools at the universities of Cambridge, Durham and St Andrews, with the aim of supporting teachers to help students to apply to Sutton Trust access programmes and, ultimately, leading universities. The programme will grow significantly over the next three years, eventually reaching over 600 teachers per year.

The Trust's Pathways initiatives have also grown, combining 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 400 students every year across a total of 12 university partners, and has reached in excess of 2,000 young people since its launch. We are delighted to be working with Imperial College on Pathways to Medicine and hope to extend this project to another medical school in the 2015/16 academic year. Pathways to Banking has progressed from a report and analysis, launched in January 2014, to a programme which will work across two leading universities in the next academic year, thanks to the support of a major investment bank. The Trust has also been developing a Pathways approach in the Science, Technology, Engineering and Maths (STEM) fields.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015

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

Over the past year, the Trust has continued to publish a series of innovative research reports and has strengthened its in-house research capacity.

In September, the Trust published a Mobility Manifesto to inform the education debate ahead of the 2015 General Election Campaign. The Manifesto made ten key recommendations to improve social mobility through education, including the increased use of ballots and banding to promote fairer school admissions; a significant increase in good quality apprenticeships; ring-fenced funding to support the most able students in state secondary schools; and better incentives to encourage schools to adopt evidenced-based approaches to narrowing the attainment gap. An event at each of the main party conferences was organised in partnership with the Social Market Foundation think tank to promote key aspects of the Manifesto. At the Conservative Party conference, the Trust promoted wider access to leading independent schools in a session which include Graham Brady MP and Barnaby Lenon of the Independent Schools Council. At the Labour conference, the subject was early years education, in discussion with Lucy Powell MP, while at the Liberal Democrats event in Glasgow, the Trust looked at access to university with the Rt. Hon Vince Cable MP.

The Trust's research continued to address a wide range of education and social mobility issues, from pre-school through to access to employment. Among the 15 studies published during the year, the Trust released findings from Professor Becky Francis at King's College, London, looking at which academies and academy chains have succeeded in raising the attainment of low income students. The analysis revealed stark differences between the best and worst performers and made a series of recommendations to drive up performance across academy chains. The Trust also commissioned work from the University of Oxford which revealed that bright but disadvantaged children are considerably less likely to take the A level subjects most likely to get them into leading universities. An internal analysis on the topic of internships found that 31% of university graduates doing internships were not being paid – and highlighted the potential consequences of this on social mobility. This research work and other activity stimulated over 3,700 pieces of media coverage during the year, over 1.3 million page views on the Sutton Trust website and significant comment on social media.

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. The Trust made significant contributions to the education debate on vocational education and apprenticeships, organising an event in Westminster with the Skills Minister, Matthew Hancock MP and the then Leader of the Opposition, the Rt Hon Ed Miliband MP.

The Trust was also delighted to partner with the Gates Foundation on an international summit, held in Washington DC, which brought together a number of leading head teachers and educators from around the world to discuss the best ways to promote teacher professional learning and development. To accompany the summit, the Trust released a report from Professor Rob Coe at Durham University on what strategies and approaches work best at improving teaching quality. The review became one of the Trust's most widely read pieces of work, with over 70,000 views of the report from our website. The Trust will continue in the next year to carry out more work on teacher development as the core issue in raising the attainment of low and middle income pupils.

Significant progress has also been made in the year to ensure 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-six 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. Since its launch in January 2014, the Sutton Trust Fellowship - to recognise donors who contribute at least £20,000 to the Trust over two years – has recruited 20 members whose gifts provide the Trust with crucial unrestricted income to support all our work. Some individuals from the Board and Fellowship also donate to Sutton Trust programmes.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015

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

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, and the Wolfson and Sofronie foundations have given us significant support to expand Sutton Scholars. The Legal Education Foundation, a number of leading law firms and the NHS have enabled the Pathways initiatives to continue and grow. New partnerships in the year have included Bank of America Merrill Lynch as the Founding Corporate Sponsor of our US programme, matched by Lisbet Rausing and Peter Baldwin, and Esmée Fairbairn's support for the Parental Engagement Fund. We anticipate many more partnerships in the coming year, which will mean all our major programmes are fully funded and can develop and, where appropriate, expand.

Looking to the future, the Trust commissioned a pro bono strategy review from the Boston Consulting Group to look at a five year plan for its expansion. This work helped to map out the potential beneficiary pool of Sutton Trust students, which areas of our work were most fertile for growth, as well as to look at a sustainable funding model for the medium and long term future of the Charitable Company. The Trust is now acting on the results of that review and planning a trajectory for growth which maintains the quality of our activity while recognising the demand for our work has never been greater and the challenge of low social mobility remains as pressing as ever. The Trust is also planning to undertake more advocacy and policy work in the coming years, to ensure the impact of our work is felt well beyond the practical programmes we develop and manage. 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, foundations and corporates, and develop a Core Supporters Offer to enable more links with smaller-to-medium businesses and trusts and foundations.

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.

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 2015 was £913,297 (2014 - £813,825), of which £786,029 (2014 - £648,344) 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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015

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.

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015

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

A handwritten signature in black ink, appearing to read 'Peter Lampl', with a small flourish at the end.

Sir Peter Lampl
Trustee

Date: 22 JUL 2015

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 2015 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 2015, 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)

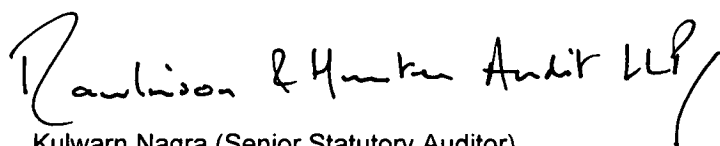
Opinion on other matter prescribed by the Companies Act 2006

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.



Kulwam 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: 22 July 2015

THE SUTTON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	TOTAL FUNDS 2015 £	TOTAL FUNDS 2014 £
Incoming resources	1				
Incoming resources from generated funds:					
Voluntary income - donations		2,304,112	2,015,484	4,319,596	3,087,314
Investment income - bank interest		1,761	-	1,761	1,082
Total incoming resources		<u>2,305,873</u>	<u>2,015,484</u>	<u>4,321,357</u>	<u>3,088,396</u>
Resources expended					
Costs of generating funds	4	177,904	-	177,904	209,553
Charitable activities - cost of grant giving	2 & 3	2,011,261	964,801	2,976,062	2,689,789
Governance	4	17,236	-	17,236	18,368
Total resources expended		<u>2,206,401</u>	<u>964,801</u>	<u>3,171,202</u>	<u>2,917,710</u>
Net incoming resources for the year, being net movement in funds		99,472	1,050,683	1,150,155	170,686
FUNDS BROUGHT FORWARD AT 1 APRIL 2014		<u>813,825</u>	<u>351,945</u>	<u>1,165,770</u>	<u>995,084</u>
FUNDS CARRIED FORWARD AT 31 MARCH 2015	14	<u>£ 913,297</u>	<u>£1,402,628</u>	<u>£2,315,925</u>	<u>£1,165,770</u>

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

All incoming resources and resources expended derived from continuing activities.

THE SUTTON TRUST
BALANCE SHEET
Company Number 07951541

AT 31 MARCH 2015

	Note	2015	2014
			£
FIXED ASSETS	6	127,268	165,481
CURRENT ASSETS			
Debtors	7	140,632	222,570
Cash at bank and in hand		2,421,011	1,242,303
		<u>2,561,643</u>	<u>1,464,873</u>
CREDITORS - amounts falling due within one year	8	<u>(372,986)</u>	<u>(461,901)</u>
NET CURRENT ASSETS		<u>2,188,657</u>	<u>1,002,972</u>
TOTAL ASSETS			
LESS CURRENT LIABILITIES		<u>2,315,925</u>	<u>1,168,453</u>
CREDITORS - amounts falling due after more than one year	9	<u>-</u>	<u>(2,683)</u>
NET ASSETS		<u><u>£ 2,315,925</u></u>	<u><u>£ 1,165,770</u></u>
FUNDS			
Unrestricted Income Fund	14 & 15	913,297	813,825
Restricted Income Fund	14 & 15	<u>1,402,628</u>	<u>351,945</u>
TOTAL FUNDS AT 31 MARCH 2015	14 & 15	<u><u>£ 2,315,925</u></u>	<u><u>£ 1,165,770</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: 22 JUL 2015

THE SUTTON TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

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" issued in March 2005 (SORP 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 2015

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 2015

2. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2015**Access programmes for university and the professions**

Access Accountancy
 Design Triathlon, Southampton University
 Pathways to Law
 Pathways to Medicine
 Pathways Plus
 Pathways to Property
 Sutton Scholars
 Teacher Summer School Programme
 UK Summer School Programme
 US University Programme

Programmes in schools and colleges

Brilliant Club
 Girls' Day School Trust bursary
 Kent Academies Network University
 Access Programme
 King's College School bursary
 Sutton Scholars

Early years and primary school Programmes

Parental Engagement Fund

Research and policy

Academy Chain Research project
 Apprenticeships ONL
 Baby Bonds research
 Career Education & Guidance research
 Chain Effects research
 Economic Mobility project
 General election research, Tim Carr
 Consulting
 Housing Young Londoners - What could work?
 Impact of Socio-economic background on employment prospects research
 Open Access project sponsorship
 Return on Degrees research
 Secondary School Admissions in England
 Teacher Voice Omnibus Survey
 Toolkit for Higher Education Access Project
 University Endowments research
 Young People's Omnibus
 Gates conference on teacher feedback and effectiveness
 Independent-State school partnerships conference
 Vocational education conference

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

**2. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2015 (continued)**

	2015		2014	
	Total number	£	Total number	£
Grants payable to institutions	78	1,844,085	110	1,812,560
Grants payable to individuals	37	29,113	21	4,575
Total grants payable (see Note 3)	115	£1,873,198	131	£1,817,135

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) 2015 £	Support costs (Note 4) 2015 £	TOTAL 2015 £	TOTAL 2014 £
Charitable expenditure:				
Access programmes for university and the professions	1,617,480	952,307	2,569,787	1,721,133
Programmes in schools and colleges	65,855	38,773	104,628	538,467
Programmes in early year settings	11,022	6,490	17,512	2,960
Research and policy	178,841	105,294	284,135	427,229
	£1,873,198	£1,102,864	£2,976,062	£2,689,789

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

	Total £	Charitable activities (Note 3) £	Fund generation £	Governance £
Wages and salaries (Note 5)	859,401	682,480	176,921	-
Other staff costs - travel, recruitment etc.	71,706	71,706	-	-
Administration	107,872	106,836	-	1,036
Premises	146,487	146,487	-	-
Audit	16,200	-	-	16,200
Accountancy	20,539	20,539	-	-
Legal	2,312	2,312	-	-
Professional fundraising costs	983	-	983	-
Public relations	27,514	27,514	-	-
Depreciation (Note 6)	44,990	44,990	-	-
	£1,298,004	£1,102,864	£ 177,904	£ 17,236

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2015

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

	2015 £	2014 £
Cost of generating funds		
Staff costs	176,921	142,121
Professional fundraising costs	983	67,432
	<u>£ 177,904</u>	<u>£ 209,553</u>
Governance costs		
Administration	1,036	968
Auditor's fees	16,200	15,900
Accountancy	-	1,500
	<u>£ 17,236</u>	<u>£ 18,368</u>
Auditor's remuneration	2015 £	2014 £
Audit fee	16,200	15,900
Non audit services	20,539	25,206
	<u>£ 36,739</u>	<u>£ 41,106</u>

5. STAFF COSTS

	2015 £	2014 £
(a) Salaries	713,081	546,286
National Insurance	70,704	58,007
Pension contributions	75,616	48,434
	<u>£ 859,401</u>	<u>£ 652,727</u>

Included in the staff costs are temporary staff costs and staff costs recharged to the Charitable Company by the Chairman's private office for shared use of employees, totalling £101,745 (2014 - £114,301).

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 March 2015 (2014 - £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 £75,616 (2014 - £48,434). £5,039 (2014 - £4,155) of these contributions were owed to these plans by the Charitable Company at 31 March 2015.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2015

5. STAFF COSTS (continued)	2015 No.	2014 No.
(b) Number of staff (full time equivalents)		
Grant making	6	3
Research	3	2
Fund generation	4	1
Administration	1	5
	<u>14</u>	<u>11</u>
(c) Employees' remuneration over £60,000 per year		
£70,000 to £80,000	1	1
£100,000 to £110,000	1	1
£110,000 to £120,000	-	1
£120,000 to £130,000	1	-
	<u>1</u>	<u>-</u>

Employers' pension contributions to these 3 (2014 – 3) employees amounted to £39,431 (2014 - £38,141) during the year.

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2014	114,728	98,318	87,563	300,609
Additions	-	888	5,889	6,777
	<u>114,728</u>	<u>99,206</u>	<u>93,452</u>	<u>307,386</u>
At 31 March 2015	114,728	99,206	93,452	307,386
Depreciation				
At 1 April 2014	38,243	53,990	42,895	135,128
Charge for year	15,297	10,142	19,551	44,990
	<u>53,540</u>	<u>64,132</u>	<u>62,446</u>	<u>180,118</u>
At 31 March 2015	53,540	64,132	62,446	180,118
Net book value				
At 31 March 2015	£ 61,188	£ 35,074	£ 31,006	£ 127,268
At 31 March 2014	<u>£ 76,485</u>	<u>£ 44,328</u>	<u>£ 44,668</u>	<u>£ 165,481</u>

7. DEBTORS

	2015 £	2014 £
Debtors – donations receivable	88,000	182,500
Other debtors	30,775	10,715
Prepayments and accrued income	21,857	29,355
	<u>£ 140,632</u>	<u>£ 222,570</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

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8. CREDITORS - Amounts falling due within one year	2015	2014
	£	£
Other taxes and social security	25,445	22,326
Other creditors	26,049	64,266
Accruals and deferred income (Note 10)	321,492	375,309
	<u>£ 372,986</u>	<u>£ 461,901</u>
9. CREDITORS - Amounts falling due after more than one year	2015	2014
	£	£
Other creditors	£ -	£ 2,683
	<u>£ -</u>	<u>£ 2,683</u>
10. DEFERRED INCOME	2015	2014
	£	£
Amount deferred in the year	£ 10,000	£ 85,469
	<u>£ 10,000</u>	<u>£ 85,469</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 2015 (2014 - £NIL).

Trustees' expenses

During the year, the Charitable Company paid £1,036 (2014 - £968) 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 £63,922 (2014 - £105,821) 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 £38,068 (2014 - £62,665) for general administrative costs incurred by the Charitable Company on his behalf.

£26,049 (2014 - £64,266) was owed to Sir Peter Lampl at the year end.

Donations from Trustees

During the year, the Charitable Company received donations totalling £700,000 (2014 - £1,300,000) from Sir Peter Lampl.

Sir Peter Lampl is a Trustee of the Charitable Company.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2015

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 £NIL (2014 - £240,000). 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 former 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 £161,559 (2014 - £192,643) for office space and related overheads and £36,757 (2014 - £13,822) for staff costs and third party expenses. £25,858 (2014 - £5,061) was owed to The Sutton Trust by the EEF at the year end.

During the year, the Charitable Company donated £26,800 (2014 - £26,800) to The Brilliant Club where James Turner is also a trustee.

12. OPERATING LEASES

At 31 March 2015, the Charitable Company was committed to make the following payments under non-cancellable operating leases:

	Land and Buildings 2015 £	Land and Buildings 2014 £
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 with six months' notice given prior to 11 July 2015, which was not exercised.

13. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

14. STATEMENT OF FUNDS

	Fund balances brought forward	Other Incoming resources	Outgoing resources	Fund balances carried forward
	£	£	£	£
Unrestricted funds	813,825	2,305,873	(2,206,401)	913,297
Restricted funds:				
Pathways to Law	305,776	440,000	(461,495)	284,281
The Brilliant Club	8,200	-	(8,200)	-
Summer Schools	-	297,500	(294,200)	3,300
Teachers Summer Schools	-	412,040	(76,859)	335,181
Highly Able fund / Sutton Scholars	37,969	214,007	(81,213)	170,763
US University Programme	-	157,599	-	157,599
Pathways to Medicine	-	116,804	(31,813)	84,991
Parental Engagement Fund	-	377,534	(11,021)	366,513
	351,945	2,015,484	(964,801)	1,402,628
Total funds	£ 1,165,770	£ 4,321,357	£ (3,171,202)	£ 2,315,925

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.

The Brilliant Club

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

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 2015

14. 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 Esmee Fairbairn Foundation to support promising parenting programmes working with children aged 2-6.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £
Fixed assets	127,268	-	127,268
Debtors	72,632	68,000	140,632
Cash at bank and in hand	930,561	1,490,450	2,421,011
Current liabilities	(217,164)	(155,822)	(372,986)
 Total net assets	 <u>£ 913,297</u>	 <u>£1,402,628</u>	 <u>£2,315,925</u>

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.