

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 2018

THE SUTTON TRUST

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THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

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 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ("Charities SORP FRS 102").

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

Governing Instrument	Memorandum and Articles of Association
Founder	Sir Peter Lampl
Trustees (also the statutory directors of the Charitable Company)	Sir Peter Lampl Sir Peter Gershon Oliver Quick Lady Susan Lampl
Executive Chairman	Sir Peter Lampl
Chief Executive	Dr Lee Elliot Major
Director of Research and Communications	Conor Ryan (resigned on 31 May 2018)
Director of Finance	Frank Helsby (left on 12 June 2018)
Director of Development	Doug Thomson
Head of Programmes and Partnerships	Binda Patel (on maternity leave)
Acting Head of Programmes and Partnerships	Laura Bruce
Acting Head of Research	Carl Cullinane (from 17 May 2018)
Acting Head of Communications	Hilary Comwell (from 17 May 2018)
Early Years Lead	Laura Barbour
Personal Assistant to Chairman	Anna Fellows
Finance Manager	Gemma Cook

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

Objects of Charitable Company	The Trustees shall apply the income of the Charitable Company to charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit.
Solicitors	Taylor Wessing LLP 5 New Street Square, London EC4A 3TW
Bankers	Citi Private Bank 25 Canada Square, London E14 5LB Royal Bank of Scotland 71 Bath Street, St Helier, Jersey JE4 8PJ National Westminster Bank 57 Victoria Street, London SW1H 0HN
Auditor	Rawlinson & Hunter Audit LLP Statutory Auditor Chartered Accountants Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ
Charitable Company Address & Registered office	Millbank Tower, 21-24 Millbank London SW1P 4QP
Charity Registration Number	1146244
Company Registration Number	07951541

THE SUTTON TRUST
REPORT OF THE TRUSTEES
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STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

Organisation

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

Appointment of Trustees

The appointment of Trustees is governed by the Articles of Association of the Charitable Company. The authorisation to appoint Trustees, of which there must be at least two, is vested in Sir Peter Lampl during his life.

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 provided with a pack of relevant documentation, including a budget, planned grants expenditure, a current list of research and programmes and copies of recent publications and press releases.

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

Related parties

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

Pay policy for senior staff

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

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

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Grant making policy

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

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

The Charitable Company continued its activities during the year, made possible by the considerable success of the Trust in establishing funding partnerships with a number of organisations. The Trust will carefully examine the need for future programme expansion based on the impact the respective programme is having on young people and whether there is a need for greater provision.

STRATEGIC REPORT

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

Programmes and Partnerships

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

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

Programmes and Partnerships (continued)

The Trust's university access work continued to enjoy significant success. The flagship Sutton Trust UK summer schools had the largest ever reach in the summer of 2017, with over 2,300 students benefiting, drawn from an applicant pool of over 11,000 applicants. Over 1,600 students were offered alternative provision by the university they applied to. As ever the core programme offered students a diverse range of subjects. The Trust partnered with twelve leading UK universities to deliver UK summer schools in 2017 with Oxford University hosting a 20th anniversary residential.

With support from The Wolfson Foundation the Trust has piloted additional mentoring work on its Academic Apprenticeship Scheme. The mentoring initiative supports students to make subject choices and compose personal statements that increase their chances of submitting a successful application to Russell Group universities. It is based on compelling Sutton Trust research published in early 2016, *Making a Statement*, and is run in partnership with Causeway Education. 91 students enrolled on the programme, including nine who identified as living in care. We are awaiting the outcomes of the pilot but will recruit another cohort of students in summer 2018.

The US Programme, based on UK summer schools supporting non-privileged state school students to access leading American universities, ran for the sixth year and gave 150 students the opportunity to explore studying at a US university. This includes a week in the US, staying at Yale or MIT (and next year Princeton), with support before and after in the UK provided by the US-UK Fulbright Commission. Cohort Five students made applications to US universities, with 62 young people accepting an offer. This included four enrolments at Princeton, three at Yale and two at Harvard. Early results from the sixth cohort indicate that the programme's success continues apace with 72 students receiving decision offers of places and financial aid. There are now 23 Sutton Trust students enrolled or enrolling at Princeton, 20 at Yale and 15 at Harvard. The programme continues to be heavily oversubscribed by 10:1.

The student university access programmes were complemented by Sutton Trust work to support teachers with their students' higher education applications. In 2017 the Trust ran teacher summer schools at four universities to support 200 teachers, with Durham, Oxford, University College London and The University of St Andrews working in partnership. Our new pilot work with teachers in partnership with Causeway Education launched in summer 2017. Access Champions is the sustainable approach to this area of the Trust's work and will enable it to train teachers on higher education options, including course and university selection, personal statement writing and academic references. The pilot is running in Essex and the West Midlands to reach over 300 teachers and 1,500 students across 30 schools. The Trust's work with teachers continues to be funded generously by HSBC.

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

Programmes and Partnerships (continued)

The Trust's Pathways initiatives to selective careers have grown. These combine support for young people in accessing leading universities with activities to develop soft skills through mentoring, work placements and other real-world experiences. Pathways to Law continues to recruit hundreds of students every year across a total of 13 university partners who all tendered to run the programme in 2016. The Trust is in the second year of a four-year funding grant of over £1 million by the Legal Education Foundation to support a total of 1,800 students on Pathways to Law. The Trust and the students on the programme benefit from the support of many law firms and in-house legal teams across the country including several of the Magic Circle. Pathways Plus - the natural extension of Pathways to Law - which supports a select number of law students during their undergraduate studies has seen great success in what is a fiercely competitive industry. Pathways to Medicine continues to run at Imperial College London and Hull-York Medical School, supporting 100 students this year supported by funding from Health Education England over four years. Pathways to Science, Technology, Engineering and Maths (STEM) supports 50 students at Nottingham and 50 at York, supported by the Kusuma Trust. Pathways to Banking, supported by Deutsche Bank, launched at Warwick and the London School of Economics in autumn 2017 and has recruited a total of 100 students in its first year. In autumn 2017, the Trust recruited its second cohort of young people from low and middle incomes to access careers in coding, with new funding from Tim Bunting, one of the Trust's Strategic Advisory & Development Board members. The coding pilots follow two programme models: a Sutton Scholars one and a Pathways (Pathways to Coding) one over the next 4 years. Evaluation remains a core part of our Pathways programmes and at the start of 2018 we received our first set of annual reports on the programme from our evaluators the Bridge Group.

Sutton Scholars supports academically able, low-income students in early secondary school (state comprehensives). It aims to widen the pipeline of talent to initiatives designed for later age ranges - including the Trust's sixth form summer school programmes. The Trust partners with the universities of Cambridge, Warwick, Nottingham, University College London and Imperial College (coding only) and recruited over 600 new 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 has engaged the National Foundation of Educational Research (NFER) to evaluate thoroughly the Sutton Scholars work and different delivery models.

The £1 million Parental Engagement Fund (PEF) published its final report in January. In collaboration with the Esmée Fairbairn Foundation, the fund aimed to increase our knowledge of what works to engage parents and improve the home learning environment, as well as to develop the capacity of five voluntary organisations to design, deliver, and evaluate parenting interventions. The fund has reached 1,330 new families and supported three 'feasibility' trials and two small-scale Randomised Control Trials. Three trials identified promising outcomes on parenting skills and one on child outcomes. Two of the interventions have progressed on to large-scale EEF trials and all of them have accessed new funding and delivery opportunities. PEF trialled a new model of support for organisations - connecting evaluation with delivery and developing 'upstream' evaluation which has been identified as a critical stage in developing evidence of impact.

The focus moving forward will be on developing essential life skills in the early years.

The Trust has continued to explore new programme opportunities for 2018/19 and beyond. Expansion of programmes is a considered process taking into account the need of the programme, its fit and feasibility as an area of the Trust's activity, its funding needs, and the collaboration necessary to deliver the work (usually-although not exclusively - involving university partners). It is likely that the Trust will refocus its efforts in innovation - piloting new work and refining existing programmes to ascertain through evaluation what is working in the sector.

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

Programmes and Partnerships (continued)

The Trust's alumni work has been consolidated with the appointment of an Alumni Manager. A new alumni platform has been launched, with over 2,000 alumni subscribing. A package of support is being developed including monthly newsletters, case studies, articles and opportunities. The Trust is exploring ways of working with employers to promote job opportunities and career events to the Trust's network of highly ambitious individuals. In the last year we have seen our alumni attend events such as Pathways to Law networking, the APPG on social mobility and joining our Education Advisory Group.

Our focus on strengthening evaluation has seen the release of interim reports for the Pathways programmes, analysing the socio-economic backgrounds of recent cohorts and giving recommendations for developing the programmes' design and delivery. Areas that have been highlighted for future thought are a focus on standardising evaluation across our university partners and the role of the Trust as a convener.

Moving forward we will continue our partnership with the evaluators for our Pathways programmes the Bridge Group and aim to use robust benchmarking data to allow us to measure our students' success against comparable students who have not attended a Sutton Trust programme.

The next six months will see the continued delivery of programmes, with summer being a height of activity. Alongside this, the focus will be on continuing the review of the 2022 vision to create a sustainable work plan.

Priorities for the strategy will be:

- Consolidating existing programmes and identifying areas of expansion;
- Effective targeting;
- Evidencing impact;
- Access to the workplace;
- Operational effectiveness.

Research and Policy

Over the past year, the Trust has published a series of innovative research reports and has strengthened its in-house research capacity by continuing to produce some of its new reports internally.

The Trust's research addressed a wide range of education and social mobility issues, including private tuition, student finance, apprenticeships, contextual admissions and unpaid internships. This year it published 18 pieces of research.

The year began with polling of teachers, finding that almost a third of teachers are using their pupil premium funding to plug gaps in their school budget. This research was covered by several national newspapers and by BBC Radio 5Live and ITV's Good Morning Britain.

The Sutton Trust's ability to produce relevant and timely research was demonstrated in the analysis of the education backgrounds of MPs, published the day after the General Election in June. The research was covered in print by most of the national newspapers, including the Times, the Guardian, the Daily Telegraph, the Daily Mirror and the Daily Mail, and the findings were cited on Channel 4 News and on ITV's Peston on Sunday. Following the reshuffle in January 2018, the Trust published further analysis on the education backgrounds of Theresa May's new Cabinet, finding that the proportion of privately-educated ministers had slightly increased. This analysis received print coverage in many national newspapers and broadcast current affairs programmes.

THE SUTTON TRUST
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OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Research and Policy (continued)

The Trust published five significant reports on higher education during the year. Particularly well-received was the Trust's report on contextual admissions, *Admissions in Context*, which found that if entry grade requirements for the most selective universities were dropped by two grades, around 750 students previously eligible for free school meals would be able to attend, an increase of 50% on current numbers. This report was covered in both England and Scotland, including coverage in the Times, the Financial Times, the Sun and hundreds of regional papers and online sites through the Press Association. It generated several comment pieces and was featured extensively on BBC Radio 4's Today Programme and on national BBC news bulletins. It has had a significant impact on the debate on the issue, notably in Scotland.

The Trust's reports on university admissions, *Rules of the Game* and on means-tested fees, *Fairer Fees* both received significant coverage. The latter report was referred to in a debate in the House of Commons on tuition fees in November. Two other reports on higher education were published in early 2018, with significant media and parliamentary interest - *Home and Away*, looking at socio-economic differences in who moves away for university, and *The Lost Part-Timers*, explaining the reasons behind the decline of part-time education. All these reports are helping to inform the public debate on university tuition fees.

The Trust's annual reports on private tuition and the performance of academy chains once again were well-received. *Extra Time*, drawing on international PISA data, found that young people from more advantaged households are twice as likely as less well-off households to have ever received private tuition. It received good coverage including from the *Evening Standard*, *Daily Mail* and *Daily Telegraph*. With coverage by the Financial Times and elsewhere, our annual report on academy chains, *Chain Effects* found that 29 of 48 of academies had lower than average attainment for disadvantaged pupils, with ten chains in which both attainment and improvement were below the mainstream averages. In the wake of the childcare and education funding debates in Westminster in October, the Trust's report *Closing Gaps Early* was referenced, with significant media coverage, including on Sky News.

This research work and other activity stimulated 8,300 mentions in the media, with an advertising equivalent value of £23m and almost a billion 'opportunities to see'. We improved our website in 2017 creating a better experience for visitors to the site. There were over one million page views and 594,295 unique page views on the Sutton Trust website, and 488,172 for its associated microsites for our summer school, as well as a strong and growing social media presence. The Trust continues to grow its Twitter following which reached over 30,000 this year, up by 7,500 on last year. Our regular newsletter has extended its reach to over 7,500 subscribers.

Throughout the last year, the Trust's policy work has had four key areas of focus.

- We have been making the case for several years for a **highly able fund** for a national programme to address the lack of support for highly able students following the demise of Gifted and Talented programmes. This fund was announced as the Future Talent Fund in the December 2017 'Unlocking Talent, Fulfilling Potential' social mobility action plan and we look forward to the tendering process.
- The **All Party Parliamentary Group on Social Mobility** for which the Trust acts as secretariat. The inquiry for 2018 focuses on closing the regional attainment gap with a series of sessions examining why a regional attainment gap exists and what is being done to narrow that gap across the country. The final report will be published before the end of 2018.
- Our **Better Apprenticeships** campaign, in which the Trust is calling on the government to focus on widening access to apprenticeships, ensuring that they are of high quality with seamless career progression, as well as creating more higher and degree level apprenticeships.
- Continuing to make the **case for paying interns**. We published further well-received research in January 2018 and have supported legislation to clarify the law. Our research was cited when the government enforced minimum wage legislation more actively to protect interns.

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

Research and Policy (continued)

As part of its advocacy work, the Sutton Trust team met frequently with key people in Westminster during the last year, including Secretary of State for Education Damian Hinds, former Education Secretary Justine Greening, Minister for Children and Families Nadhim Zahawi, senior advisers in Downing Street, MPs and peers from all the main political parties and civil servants.

The Trust's Education Advisory Group held two sessions in 2017/18, chaired by Barry Sheerman MP: one on access to sixth form, and the other on retention rates at universities.

The Trust continued to engage with the access debate in Scotland, with our research director chairing the Framework Development Group which commissioned an access evidence toolkit for Scottish universities' outreach work and developed a Community of Practice for widening participation practitioners. The Trust was represented on the higher education Access Delivery Group, chaired by Shirley-Anne Somerville (higher education minister) to oversee the implementation of the recommendations of the Commission in Widening Access. Scotland-specific research has helped inform the social mobility debate and received good coverage in the Scottish press. The Trust supported work in Wales to improve education for highly able young people from less advantaged backgrounds, meeting those developing key policy initiatives.

In London, the Trust's research director chaired the Life Chances commission in the London Borough of Waltham Forest, designed to improve social mobility in the area, and due to report in summer 2018.

The Trust co-hosted an event in March 2018 with the BBC to mark the beginning of National Apprenticeships Week and the launch of the BBC's new apprenticeship scheme. This event gained coverage in a range of regional and online outlets, as well as receiving mentions on the BBC, Gov.uk, and in a blog in the Huffington Post by Gordon Marsden MP.

To celebrate its 20th anniversary, the Trust held a Social Mobility Summit in July, with speakers including Rt Hon Justine Greening MP, Baroness Claire Tyler and Sir Michael Wilkins. The Trust commissioned three pieces of research on social mobility in the UK with Ipsos MORI, Boston Consulting Group and Oxera. The Financial Times ran a front-page lead story on the BCG report, leading to coverage on Sky News and in many international outlets. The Ipsos MORI polling was covered widely in the national press and discussed extensively on radio programmes. The Trust has been successful in driving further interest in the issues of low social mobility across the UK and educational disadvantage by contacting all MPs to show them the level of social mobility in their constituency and the applicant numbers of students to Sutton Trust programmes. Many have responded to help promote the Trust's work in their local schools.

The Trust sends out regular briefings to MPs ahead of education and social mobility related debates in Parliament and has had over 40 named mentions in both chambers, including a mention by the Prime Minister in PMQs.

As ever the Trust has a strong pipeline of research for the coming year and continues to engage with the country's leading academics on education and social mobility to stay at the forefront of the debate.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
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OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Fundraising

The Sutton Trust's Development team continues to perform well in raising new funds and in managing relationships with existing supporters. The Trust remains attractive to current and prospective donors and closed FYE 2018 in a strong financial position with a confirmed income of £5.7 million, with support from over 120 income streams across all aspects of the Trust's programme, research and core activity. The Trust has continued to see strong growth in unrestricted funds raised, which totalled £2.6 million in FYE 2018; giving the Trust security and flexibility in funding core operating costs and in driving new research and programme investments. To further consolidate the Trust's future sustainability, a long-term expendable endowment fund of £2 million was approved and established after the year end – a healthy foundation for the long-term sustainability of the Trust. The immediate (2018 to 2020) fundraising pipeline is strong, with gift conversations in progress with a number of major prospects. The budgeted cash income for FYE 2019 is £6.1m, which reflects known pledge instalments for the year and a conservative assessment of new gift commitments

The Trust maintains an engaged group of individual donors who give at varying levels, both to specific areas of the Sutton Trust's programme and research work and through unrestricted funding. The Trust continues to recognise these individuals' generosity through the Sutton Trust Development and Advisory Board and the Sutton Trust Fellowship. The Trust is delighted to continue to work with three alumni donors who are all recognised as Sutton Trust Fellows. Both board members and Fellows have annual meetings (including a meeting in the US for donors based in North America) and receive regular updates and reports from the Sutton Trust's senior leadership and Development teams. The Trust has been encouraged by the number of donors who have increased their giving to the Trust over the past year to different areas of the Trust, including but not limited to: the US Programme, the Trust's alumni work and research, policy and communications. In the coming year, the Trust aims to maintain its high-level of engagement with individual supporters by letting donors see first-hand the impact their support is having through visits to see programmes in action and allowing donors to meet with Sutton Trust beneficiaries. The Trust wants to further harness the experience and insights board members and Fellows can provide.

The Sutton Trust has been touched and encouraged by the growth in individuals interested in leaving bequests in their wills, many of which are confirmed and will be supporting specific areas of the Trust's work in future years, further ensuring the Sutton Trust's long-term sustainability. The Trust is now reviewing how it can best engage with its legacy donors in the coming years.

The Sutton Trust works with a diverse portfolio of corporate partners and trusts/foundations, many of which continue to support specific programmes. Valued corporate partners include Bank of America Merrill Lynch on the US Programme and Deutsche Bank on the Pathways to Banking & Finance Programme. The UK Summer School Programme is made possible through the generous support of the Oak Foundation, the Garfield Weston Foundation and the Monday Charitable Trust. The Trust continues to work with the Legal Education Foundation and partner law firms on the Pathways to Law programme whilst the Kusuma Trust supports Pathways to STEM. The Pathways to Medicine programme continues to run at Hull-York Medical School and Imperial College London through a generous grant from Health Education England. Following the publishing of the final report of the Parental Engagement Fund (PEF) and with the ongoing support of the Esmée Fairbairn Foundation and another trust, the Sutton Trust is continuing its research in the early years, through a new pilot, which will explore the importance of self-regulation in the early years.

The Sutton Trust's engagement with its 22,000 alumni around the world continues to grow. Last year an extensive survey was conducted, which more than 1,000 alumni filled in. From the survey it is clear that the Sutton Trust has had a significant impact on its alumni's lives, with 85% of alumni who attended university graduating with a 2:1 or above and 82% of alumni now working in a higher category job than their parents. The Trust makes the option of attending selective universities and leading careers seem open and attainable for young people from disadvantaged backgrounds; with one alumnus saying: "It made such a difference to my aspirations when people around me told me not to even try."

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

Fundraising (continued)

Given the positive engagement with our alumni, the Development Team have been very encouraged by the number of alumni who have expressed interest in giving back to the Trust. The focus of the Trust's alumni work is now on revitalising the online alumni portal (including running a General Data Protection Regulation focused consent campaign alongside its launch), developing ways to provide further support to alumni in their professional lives, and strengthening the ways in which alumni can give back to future generations of students.

As part of the Sutton Trust's new strategy, the Development team have a £60 million fundraising target to meet by 2022. The Development Team has been reviewing its capacity as part of the Sutton Trust's wider organisational capacity review with the NCVO and is looking to develop a future team structure and putting new operational systems in place to successfully meet the Trust's ambitious fundraising goals.

The Development team remains committed to fundraising for the Sutton Trust's existing portfolio of programmes including UK Summer Schools, the US Programme and Sutton Scholars. The team wants to engage donors with the Trust's innovation work, which will develop new trial programmes that can target specific, hard to reach demographics; programmes that can be evaluated and added into the Sutton Trust's broader portfolio if they are shown to be having a clear impact.

The Trustees and key management have considered the nature, approach and scale of the Trust's fundraising activities and reviewed the Trust's fundraising processes. They confirm that they have followed the Code of Fundraising Practice and the Guidance to the Trustees on Charity Fundraising issued by the Charity Commission ("CC20) where relevant. The Trust remains voluntarily signed up to the fundraising levy with the Fundraising Regulator and remains committed to best fundraising practice.

Financial Review

In the financial year under review income receivable, including grants, gifts, pro-bono support and bank interest was £5.7m, a 36% decrease on the previous year (2017- £8.9m), which was largely due to a one-off £2m gift received in the previous financial year. Total expenditure for the year was £5.3m, a 6% decrease on the previous year (2017- £5.6m). Total funds, restricted and unrestricted, increased by £0.4m to £7.9m compared to £7.5m held at the end of the previous year.

The income and expenditure figures include pro-bono services of £0.7m (2017- £1.1m) for research and strategic consulting.

Unrestricted income was £2.6m compared with £5.4m in 2017, a decrease in the year of £2.8m largely due to additional fundraising efforts in 2017, the Trust's 20th anniversary year, which resulted in a single £2m donation from a charitable foundation.

Restricted income at £3.1m was lower than the previous year (2017- £3.5m) which is in line with the phasing of programme activity and expenditure in the year.

Restricted income (including a transfer of £0.5m in the year from unrestricted funds) by programme category is summarised below – see note 17 for further detail and the individual fund breakdown:

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

Financial Review (continued)

Programme Income	2018 Income £k	2017 Income £k	2018 % share	2017 % share
Access to University Programmes	1,645	1,584	46	46
Pathways	647	658	18	19
Parental engagement	25	136	1	4
Sutton scholars	173	193	5	5
Research and policy	992	841	27	24
Other	103	62	3	2
Total	3,585	3,474	100	100

The closing year restricted funds position, net of current year income and expenditure, was £2.54m, broadly unchanged compared to the opening year position of £2.47m.

At the year end, we held a restricted reserve of £825k for the UK Summer School programme, of which £400k will be spent in the first five months of the next financial year as it relates to a cohort that has already been recruited, as the programme delivery costs for one cohort span two financial years. The Trust is looking to expand the UK Summer School programme to two new universities in 2019 and potentially more in time, therefore any remaining surplus will be directed towards the expansion of this programme.

At the year-end only the Pathways to STEM restricted fund was in deficit. The deficit of £11k has arisen because this is a pilot programme and in any pilot phase there will be changes in the programme budget lines as the programme moves from a forecast budget to reporting actual costs. The Trust is currently reviewing the budget for this programme and ensuring that sufficient funding is secured for this programme in the next financial year.

In addition, the Trust has a deferred income balance of £1.1m (2017- £1.1m) arising from multi-year funding commitments received in advance and matched funding contributions not utilised in the year.

Total expenditure was £5.3m in the year compared to £5.6m in 2017 summarised by activity as follows:

Expenditure	2018 £k	2017 £k	2018 %	2017 %
Programmes	2,843	3,167	63	71
Research and policy	826	544	18	12
Fundraising	396	264	9	6
Administration	480	488	10	11
Sub-total	4,545	4,463	100	100
Pro-bono support:				
Programmes	50	60	-	-
Research and policy	177	95	-	-
Governance	495	962	-	-
Total including pro-bono support	5,267	5,580	-	-

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

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

Financial Review (continued)

In the year 81% of the expenditure, excluding pro-bono, services, was spent on programmes and research activities, which is 2% lower than the previous year due to one programme coming to the end of its cycle, while fundraising capacity has been increased to develop and diversify the funding pipeline.

Pro-bono costs at £0.7m include a £495k cost of pro-bono strategy and planning advice received from our partner management consultants charged to the governance cost category in the year. In 2017, the equivalent comprised £962k out of £1.1m.

The Trust had net assets as at the end of the year of £7.9m (2017- £7.5m) and a cash balance of £9.0m (2017- £8.1m). Total funds are summarised below:

Funds	2018 £m	2017 £m
Restricted	2.5	2.5
Unrestricted	5.4	5.0
Total	7.9	7.5

The unrestricted funds balance of £5.4m is £3.4m higher than the Trust policy level due to a mixture of additional income arising from the receipt of a £2m single gift from a charitable foundation in the previous year plus additional gifts received through specific fundraising activity and the cost control of non programme related expenditure compared to the Trust plan for the year. At present £2m of funds in excess of the reserve policy requirements have been designated to be held in a long-term fund.

Policy on Reserves

The Trustees together with the Chief Executive and the Executive Team meet to review the strategy, budgets, operating plans and forecasts for the forthcoming year. They aim to ensure that sufficient reserves are available to undertake the programme activity agreed with funders and to finance the operating costs of the Trust for a minimum time period of 1 year, in the event that the Trust is unable to secure reliable and resilient sources of income through direct fundraising from its supporters.

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

At the year end, the Trust's unrestricted reserves fund of £5.4m is sufficient to finance its operating costs for a period of about 2.7 years, although as explained above, £2m of this fund balance has been designated by the Executive Team and the Trustees as an initial contribution towards a long-term expendable endowment fund. At the year end the Trust was in the advanced stages of discussion with investment fund managers with the aim of setting up the investment fund in the next financial year.

Once this review process is completed, the Trust expects to maintain the £2m balance of the fund to meet its reserve policy requirement of one year operating expenditure.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

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

Principal Risks and Uncertainties

Governance and Risk Management

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

The Trustees have a risk management strategy which comprises:

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

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

- Inadequate staffing capacity to deliver on the Trust's five-year strategy.

The Trust has been reviewing staff capacity in line with the five-year strategy and is looking to build capacity across the organisation to ensure adequate staffing levels are maintained. This includes introducing a new role to oversee Donor Relations in the Development Team and a new role in the Programmes Team focused exclusively on delivering high-quality placements to our Pathways students. The Trust is looking to build capacity in the areas of Finance & Operations. Each team has been meeting individually to look at how to deliver on the Trust's new strategy.

- Lack of stewardship of the growing number of donors to the Trust.

Whilst a welcome sign of the Trust's income diversity and growing appeal of the Trust's mission to donors, there is a risk that the number of donors could outstrip the capacity of the Development Team to provide all donors with an exceptional level of stewardship. The Trust's Development Team will be expanding in the coming months through the appointment of a Head of Donor Relations who will be focused exclusively on donor stewardship and retention. The team will review the need for a dedicated prospect researcher. Doug Thomson joined the team as Director of Development in early 2018 to maintain fundraising momentum.

- Increase in staff turnover.

The Trust is proud of its talented and dedicated staff team and is actively seeking ways to ensure that it can continue to attract and retain the highest calibre of employees. The Trust will be reviewing and implementing a more detailed roles and responsibilities matrix, appraisal system and pay band structure to enable staff to see clear career progression at the Trust. Expanding into new office space will allow for teams to increase in size, which will relieve pressure on existing staff members. The Trust will be reviewing the IT infrastructure to enable staff to work more flexibly and will continue to invest in staff training and development to help keep the Trust an enjoyable and rewarding place to work and reduce the risk of high turnover.

- Potential non-compliance with the Charity Governance Code.

The Trustees are reviewing in detail the Charity Code of Governance and will be considering what steps may be required to meet its requirements.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

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

Risk Management (continued)

- The Trust is unable to raise sufficient funds to continue operating at the current level

Over the last few years, the Trust has been diversifying its income streams and is increasingly securing longer term funding commitments, often over a period of 3-5 years. The Trust undergoes a detailed annual budgeting process, and 5-year forecasting procedure, in order to keep all future income and expenditure projections under review. The planned increased capacity within the Development Team will help to maintain the fundraising momentum that the Trust has experienced in recent years. The Trust is actively developing its new fundraising CRM system, which will help the Development Team to have greater oversight of multi-year pledges and monitor expected income.

In addition, the Trustees have undertaken a comprehensive review of their work using the framework outlined in Good Governance – A Code for the Voluntary and Community Sector. The Trustees have focussed on the main principles underpinning the Code and recognise that good governance plays an essential part in securing the future of the Trust and that this should be appropriate and proportionate, reflecting the nature of the Trust's work, its founding model and developing needs. The Trustees will continue to review their work against the Code and put in place the necessary steps to ensure the Trust is governed effectively.

Plans for Future Periods

In the coming year the team is looking to expand the UK Summer School Programme, the US Programme and Pathways to Medicine to new university partners that can target areas of the country that are currently underrepresented. Following the publishing of the final report of the Parental Engagement Fund in January 2018, the Trust has begun work on a new early years project with the support of two foundations, which will examine the development of essential life skills in the early years. Further programme expansion will be undertaken in close consultation with the Development Team to ensure that donors can be engaged on new funding opportunities available to them and the impact these opportunities could have. The Trust will carefully examine the need for future programme expansion based on the impact the respective programme is having on young people and whether there is a need for greater provision.

The Trust's Development Team will continue to offer a high-quality donor experience to the Trust's existing portfolio of financial supporters and to prospective new supporters. Where possible the team aims to give donors the chance to meet beneficiaries and directly see the impact their support is having. Donor stewardship will be aided by a new role in the Development Team. The Trust is looking forward to continuing to engage with its network of alumni around the world, including the 2,000 now registered on its alumni platform, in order to provide alumni with high-quality opportunities and the chance of giving back to the Trust financially in years to come.

Following the Sutton Trust's successful 20th Anniversary year in 2017, its teams have been meeting individually and evaluating how they can be in the best position to deliver on the goals of the Trust's five-year strategy, which include reaching more beneficiaries and a significantly increased yearly income through fundraising. To improve operational effectiveness, the Trust is carrying out a capacity review with the National Council for Voluntary Organisations (NCVO) to identify capacity gaps that need to be filled to meet its goals and improve the Sutton Trust's working environment. Following the review, new staff will be recruited across the Trust to build capacity in areas where there are gaps, whilst various technological improvements will be put in place to streamline certain areas of the Trust. This includes a new cloud-based IT system and a Trust-wide CRM system that has already been built and is being used by some teams. The Trust will be expanding into new office space in late-2018, giving it more room to expand effectively.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

PUBLIC BENEFIT

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

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 (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and 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 2018

AUDITOR

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

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

Approved by the Trustees and signed on their behalf by

Sir Peter Lampl
Trustee

Date: 15 November 2018



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

Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 March 2018 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2018, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (incorporating the Strategic Report and the Directors' Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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.

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Rawlinson & Hunter Audit LLP

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: 15 November 2018

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

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	TOTAL FUNDS 2018 £	TOTAL FUNDS 2017 £
Income from:					
Donations and legacies	1, 2	2,638,000	3,069,866	5,707,866	8,894,956
Investments	2	3,137	-	3,137	4,533
Total income		<u>2,641,137</u>	<u>3,069,866</u>	<u>5,711,003</u>	<u>8,899,489</u>
Expenditure on:					
Costs of raising funds	5	391,103	-	391,103	258,523
Charitable activities	3, 4 & 5	1,356,941	3,518,835	4,875,776	5,322,465
Total expenditure		<u>1,748,044</u>	<u>3,518,835</u>	<u>5,266,879</u>	<u>5,580,988</u>
Net income/ (expenditure) and net movement in funds before transfers	6	893,093	(448,969)	444,124	3,318,501
Gross transfers between funds	17	(515,052)	515,052	-	-
Net income and net movement in funds after transfers		378,041	66,083	444,124	3,318,501
Reconciliation of funds:					
Total funds brought forward		4,991,354	2,474,762	7,466,116	4,147,615
Total funds carried forward	17 & 18	<u>£5,369,395</u>	<u>£2,540,845</u>	<u>£7,910,240</u>	<u>£7,466,116</u>

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

All income and expenditure derived from continuing activities.

The notes on pages 24 to 41 form part of these financial statements.

THE SUTTON TRUST
BALANCE SHEET
Company Number 07951541
AT 31 MARCH 2018

	Note	2018		2017	
		£	£	£	£
Fixed assets:					
Tangible assets	8		46,454		77,548
Current assets:					
Debtors	9	648,017		945,774	
Cash at bank and in hand	20	9,019,914		8,118,268	
		<u>9,667,931</u>		<u>9,064,042</u>	
Current liabilities:					
Creditors - amounts falling due within one year	10	<u>(1,734,935)</u>		<u>(1,359,104)</u>	
Net current assets			<u>7,932,996</u>		<u>7,704,938</u>
Total assets less current liabilities			<u>7,979,450</u>		<u>7,782,486</u>
Creditors - amounts falling due after more than one year	11		(69,210)		(316,370)
Total net assets			<u>£7,910,240</u>		<u>£ 7,466,116</u>
The funds of the Charitable Company:					
Unrestricted income fund	17 & 18		5,369,395		4,991,354
Restricted income fund	17 & 18		2,540,845		2,474,762
Total Charitable Company funds	17 & 18		<u>£7,910,240</u>		<u>£ 7,466,116</u>

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

Sir Peter Lamp

.....
Trustee

Date: 15 November 2018

The notes on pages 24 to 41 form part of these financial statements.

THE SUTTON TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Net cash inflow from operating activities	14	923,442	4,063,079
Cash outflow from investing activities			
Interest income		3,137	4,533
Purchase of fixed assets	8	(24,933)	(15,319)
Net cash outflow from investing activities		(21,796)	(10,786)
Net increase in cash and cash equivalents		901,646	4,052,293
Cash and cash equivalents brought forward		8,118,268	4,065,975
Cash and cash equivalents carried forward		<u>£9,019,914</u>	<u>£8,118,268</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		9,019,914	8,118,268
Cash and cash equivalents at 31 March 2018		<u>£9,019,914</u>	<u>£8,118,268</u>

The notes on pages 24 to 41 form part of these financial statements.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

General information

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

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

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

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

Basis of preparation

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

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

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

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

Income

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

Income (continued)

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

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

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

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

Investment income

Investment income represents interest receivable from bank deposits.

Expenditure

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

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

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

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES (continued)

Support costs allocation

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

Status of funds

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

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

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

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

Tangible fixed assets and depreciation

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

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

Debtors and creditors receivable / payable within one year

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

Financial instruments

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES (continued)

Provisions

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

Foreign currencies

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

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

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

Employee benefits

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

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

Tax

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

Going concern

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Operating lease

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

Judgements and key sources of estimation uncertainty

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

Estimated useful life of tangible fixed assets

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

Impairment of tangible fixed assets

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

Future grants payable provision

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. INCOME

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	TOTAL FUNDS 2018 £
The income comprised:			
Donations	2,142,287	2,843,323	4,985,610
Donated services	495,713	226,543	722,256
Bank interest	3,137	-	3,137
	<u>£2,641,137</u>	<u>£3,069,866</u>	<u>£5,711,003</u>

The income arose from the following geographical locations:

	2018 £	2018 £	2018 £
US and Canada	302,346	589,170	891,516
Switzerland, Holland and Norway	32,085	267,382	299,467
UK	2,306,706	2,213,314	4,520,020
	<u>£2,641,137</u>	<u>£3,069,866</u>	<u>£5,711,003</u>

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	TOTAL FUNDS 2017 £
The income comprised:			
Donations	4,458,412	3,319,244	7,777,656
Donated services	962,300	155,000	1,117,300
Bank interest	4,533	-	4,533
	<u>£5,425,245</u>	<u>£3,474,244</u>	<u>£ 8,899,489</u>

The income arose from the following geographical locations:

	2017 £	2017 £	2017 £
US and Canada	268,232	594,646	862,878
Switzerland, Holland and Norway	28,021	399,406	427,427
UK	5,128,992	2,480,192	7,609,184
	<u>£5,425,245</u>	<u>£3,474,244</u>	<u>£8,899,489</u>

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

THE SUTTON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2018**Access programmes for university and the professions**

Access Accountancy (2017 & 2018)
 Pathways to Banking (2017 & 2018)
 Pathways to Coding (2017 & 2018)
 Pathways to Law (2017 & 2018)
 Pathways to Medicine (2017 & 2018)
 Pathways Plus (2017 & 2018)
 Pathways to STEM (2017 & 2018)
 Teacher Summer School Programme (2017 & 2018)
 UK Summer School Programme (2017 & 2018)
 US University Programme (2017 & 2018)
 Access Champions (2018)
 Application Support Programme (2018)

Programmes in schools and colleges

Kent Academies Network University Access Programme (2017)
 Sutton Scholars (2017 & 2018)

Early years and primary school programmes

Parental Engagement Fund (2017 & 2018)

Summits and conferences

The Sutton Trust 20th Anniversary Summit (2018)

Research and policy

Aspirations Polling (2017 & 2018)
 Believing in Better (2017)
 Best in Class Research (2018)
 Better Apprenticeships (2018)
 Chain Effects (2017 & 2018)
 Changing the Subject (2017)
 Closing Gaps Early (2018)
 Contextual Admissions (2017)
 Fairer Fees (2018)
 Global Gaps (2017)
 Highly Able (2018)
 Home and Away (2018)
 International Inequalities (2017)
 Life Skills (2017)
 Life Lessons (2018)
 Parliamentary Privilege (2018)
 Private Tuition (2018)
 Pupil Premium Polling (2017)
 Rules of the Game (2018)
 Selective Comprehensives (2017)
 Selective Comprehensives - Scotland and Wales (2018)
 Social Mobility 2017 (Summit research) (2018)
 Stop Start (2018)
 The Lost Part-Timers (2018)
 University Admissions (2018)

The years in brackets above signifies the projects that commenced in either 2017 or 2018 or were carried out in both years.

There were 3 institutions (2017 - 3) to which a material amount (above £175,000) of grants was payable in the year, being total grants of £577,162 payable to HE Access Network Limited, University of Warwick and NFER Trading Limited (2017 - total grants of £630,013 payable to HE Access Network Limited, University of Warwick and University of Nottingham).

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 MARCH 2018 (continued)**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total number 2018
Grants payable to institutions	-	3,003,417	3,003,417	132
Grants payable to individuals	-	-	-	-
Total grants payable (see Note 4)	£ -	£ 3,003,417	£ 3,003,417	132
Total number	-	132		132

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £	Total number 2017
Grants payable to institutions	-	3,058,055	3,058,055	104
Grants payable to individuals	-	-	-	-
Total grants payable (see Note 4)	£ -	£ 3,058,055	£ 3,058,055	104
Total number	-	104		104

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. CHARITABLE ACTIVITIES

Programmes	Access for Universities and the professions 2018	Schools & colleges 2018	Early year settings 2018	Research and policy 2018	Total 2018
	£	£	£	£	£
Grants payable	1,998,795	306,930	170,170	300,979	2,776,874
Donated services	50,000	-	-	176,543	226,543
Governance costs	378,871	58,179	32,256	57,050	526,356
Support costs - programmes	290,476	44,605	24,730	-	359,811
Support costs - research	-	-	-	515,418	515,418
Support costs - administration	338,863	52,035	28,850	51,026	470,774
	<u>£3,057,005</u>	<u>£461,749</u>	<u>£256,006</u>	<u>£1,101,016</u>	<u>£4,875,776</u>
			Unrestricted Funds	Restricted Funds	Total
Charitable activities expenditure above being			<u>£1,356,941</u>	<u>£3,518,835</u>	<u>£4,875,776</u>

Programmes	Access for Universities and the professions 2017	Schools & colleges 2017	Early year settings 2017	Research and policy 2017	Total 2017
	£	£	£	£	£
Grants payable	2,244,987	207,289	294,752	156,027	2,903,055
Donated services	60,000	-	-	95,000	155,000
Governance costs	776,740	71,720	101,981	53,984	1,004,425
Support costs - programmes	335,182	30,949	44,007	-	410,138
Support costs - research	-	-	-	377,423	377,423
Support costs - administration	365,335	33,733	47,966	25,390	472,424
	<u>£ 3,782,244</u>	<u>£ 343,691</u>	<u>£ 488,706</u>	<u>£ 707,824</u>	<u>£ 5,322,465</u>
			Unrestricted Funds	Restricted Funds	Total
Charitable activities expenditure above being			<u>£1,911,206</u>	<u>£3,411,259</u>	<u>£5,322,465</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. ANALYSIS OF GOVERNANCE, SUPPORT AND FUND RAISING COSTS

	Total 2018 £	Governance (Note 4) 2018 £	Charitable Activities 2018 £	Fund raising (unrestricted) 2018 £	Basis of allocation 2018
Wages and salaries (Note 7)	1,135,970	-	949,017	186,953	Time spent
Other staff costs—travel/ recruitment etc.	123,768	-	104,688	19,080	Invoiced
Administration	86,367	-	73,053	13,314	Pro rata to staff time
Strategy and planning (pro – bono)	495,713	495,713	-	-	Time spent
Premises (net of recharges)	132,854	-	112,373	20,481	Invoiced
Audit & other	18,000	18,000	-	-	Invoiced
Accountancy	12,468	-	10,546	1,922	Invoiced
Legal	35,488	12,643	17,374	5,471	Invoiced
Professional fundraising costs	129,492	-	-	129,492	Invoiced
Public relations	37,315	-	31,562	5,753	Invoiced
Depreciation (Note 8)	42,527	-	35,971	6,556	
Loss on disposal of fixed assets	13,500	-	11,419	2,081	
	<u>£2,263,462</u>	<u>£526,356</u>	<u>£1,346,003</u>	<u>£391,103</u>	

	Total 2017 £	Governance (Note 4) 2017 £	Charitable Activities 2017 £	Fund raising (unrestricted) 2017 £	Basis of allocation 2017
Wages and salaries (Note 7)	1,120,160	-	960,428	159,732	Time spent
Other staff costs—travel/ recruitment etc.	53,937	-	47,016	6,921	Invoiced
Administration	57,555	-	50,170	7,385	Pro rata to staff time
Strategy and planning (pro – bono)	962,300	962,300	-	-	Time spent
Premises (net of recharges)	143,512	-	125,098	18,414	Invoiced
Audit & other	28,386	28,386	-	-	Invoiced
Accountancy	16,518	-	14,399	2,119	Invoiced
Legal	40,951	13,739	21,957	5,255	Invoiced
Professional fundraising costs	52,674	-	-	52,674	Invoiced
Public relations	344	-	300	44	Invoiced
Depreciation (Note 8)	46,596	-	40,617	5,979	
	<u>£2,522,933</u>	<u>£1,004,425</u>	<u>£1,259,985</u>	<u>£258,523</u>	

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

This is stated after charging:

	2018 £	2017 £
Operating leases – land and buildings	76,503	89,503
Depreciation	42,527	46,596
Loss on disposal of fixed assets	13,500	-
Auditor's remuneration:		
Audit services (including VAT)	20,400	19,800
	<u>152,930</u>	<u>155,900</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. STAFF COSTS	2018 £	2017 £
(a) Salaries	957,583	935,090
National Insurance	92,470	94,425
Pension contributions	85,917	90,645
	<u>£ 1,135,970</u>	<u>£ 1,120,160</u>

Included in the staff costs are temporary staff costs of £19,014 (2017 - £2,171) and staff costs recharged to the Charitable Company by the Chairman's private office of £62,351 (2017 - £72,101) and pension costs of £26,109 (2017 - £38,475) for the shared use of employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 March 2018 (2017 - *£NIL*). See Note 13 for other Trustees related transactions.

The key management personnel of the Charitable Company, comprise the Trustees, the Chief Executive and the Executive Team. The total employee benefits of the key management personnel of the Trust were £487,930 (2017 - £546,010).

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 £85,917 (2017 - £90,645). Of these contributions, £8,300 (2017 - £170) were due to these plans by the Charitable Company at 31 March 2018.

	2018 No.	2017 No.
(b) Number of staff (full time equivalents)		
Grant making	5	6
Research	7	6
Fund raising	4	4
Administration	3	3
	<u>19</u>	<u>19</u>
(c) Employees' remuneration over £60,000 per year		

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

£60,001 to £70,000	1	2
£80,001 to £90,000	-	1
£130,001 to £140,000	1	1
£140,001 to £150,000	-	1
£160,001 to £170,000	1	-
	<u>1</u>	<u>-</u>

Employers' pension contributions in respect of these 3 (2017 - 5) employees amounted to £44,396 (2017 - £50,226) during the year.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. TANGIBLE FIXED ASSETS	Leasehold improvements £	Furniture and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2017	114,728	118,808	120,549	354,085
Additions	2,042	11,457	11,434	24,933
Disposals	-	(22,772)	(98,539)	(121,311)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	116,770	107,493	33,444	257,707
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2017	84,134	90,079	102,324	276,537
Charge for year	16,738	14,802	10,987	42,527
Disposals	-	(22,772)	(85,039)	(107,811)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	100,872	82,109	28,272	211,253
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2018	£15,898	£25,384	£5,172	£46,454
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	£ 30,594	£ 28,729	£ 18,225	£ 77,548
	<hr/>	<hr/>	<hr/>	<hr/>
9. DEBTORS			2018	2017
			£	£
Debtors – donations and legacies receivable			45,416	572,311
Other debtors			117,474	91,212*
Prepayments and accrued income			485,127	282,251*
			<hr/>	<hr/>
			£648,017	£ 945,774
			<hr/>	<hr/>
*£78,456 was reclassified from "Other debtors" to "Prepayments and accrued income" for 2017.				
10. CREDITORS - Amounts falling due within one year			2018	2017
			£	£
Accruals for grants payable			456,235	214,726
Trade creditors			91,016	144,923
Taxation and social security			35,573	29,887
Other creditors			16,418	143,201
Accruals and deferred income (Note 12)			1,135,693	826,367
			<hr/>	<hr/>
			£1,734,935	£ 1,359,104
			<hr/>	<hr/>
11. CREDITORS - Amounts falling due after more than one year			2018	2017
			£	£
Other creditors			-	14,193
Accruals and deferred income (Note 12)			69,210	302,177
			<hr/>	<hr/>
			£69,210	£ 316,370
			<hr/>	<hr/>

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. DEFERRED INCOME

	2018	2017
	£	£
Balance as at 1 April 2017	1,053,045	752,100
Amount deferred in the year	916,101	983,622
Amount released to income	(900,619)	(682,677)
	<hr/>	<hr/>
Balance as at 31 March 2018	<u>£1,068,527</u>	<u>£ 1,053,045</u>

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

13. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 March 2018 (2017 - £NIL).

Trustees' expenses

During the year, the Charitable Company paid £NIL (2017 - £540) 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 charged the Charitable Company £88,776 (2017 - £119,997) for the shared use of employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £45,910 (2017 - £50,916) for general administrative costs incurred by the Charitable Company on his behalf.

£16,418 (2017 - £143,201) was owed to Sir Peter Lampl at the year end. This amount is repayable on demand and interest free.

Donations from Trustees

During the year, donations totalling £Nil (2017 - £400,000) were received from Sir Peter Lampl under a match funding arrangement which commenced in 2015/2016. Gift aid claim of £100,445 relating to his donations from the two earlier years was received from HMRC during the year. A total of £240,401 (2017 - £302,756) of these donations were not match funded and were deferred (see Note 12) at the year end. £162,800 of these donations were matched funded and released as income in the year.

During the year, donations of £30,000 (2017 - £30,000) were received from Sir Peter Gershon.

Sir Peter Lampl and Sir Peter Gershon are Trustees of the Charitable Company.

Other

Dr Lee Elliot-Major, who is the Chief Executive (a non-statutory director) of The Sutton Trust, is also a trustee of the Education Endowment Foundation ("EEF"). Sir Peter Lampl is the Chairman and also a trustee of the EEF. 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 £157,689 (2017 - £171,196) for office space and related overheads and £70,503 (2017 - £144,857) for staff costs and third party expenses. £117,473 (2017 - £91,212) was owed to The Sutton Trust by the EEF at the year end.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

14. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income and net movement in funds	444,124	3,318,501
Interest receivable	(3,137)	(4,533)
Depreciation of tangible fixed assets less disposals	42,527	46,596
Loss on disposal of fixed assets	13,500	-
Decrease in debtors	297,757	216,225
Increase in creditors	128,671	486,290
	<u>£923,442</u>	<u>£4,063,079</u>

15. OPERATING LEASES

At 31 March 2018, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

	Land and Buildings 2018 £	Land and Buildings 2017 £
Within 1 year	193,500	193,500
Between two and five years	-	193,500
	<u>193,500</u>	<u>387,000</u>

The above operating lease for the premises occupied by the Charitable Company expires on 24 March 2019. A new 3 year lease agreed at an annual rent of £141,848 with a four month rent free period commencing on 25 March 2019 is being finalised.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

17. STATEMENT OF FUNDS

	Fund balances brought forward	Total income	Total expenditure	Transfers	Fund balances carried forward
	£	£	£		£
Unrestricted funds	4,991,354	2,641,137	(1,748,044)	(515,052)	5,369,395
Restricted funds					
Pathways to Law	167,615	325,013	(444,915)	-	47,713
Summer Schools	558,864	736,116	(469,278)	-	825,702
Teachers Summer Schools	392,098	87,725	(72,434)	-	407,389
Sutton Scholars	254,022	172,976	(306,930)	-	120,068
US University Programme	325,273	631,798	(589,014)	-	368,057
Pathways to Medicine	5,339	60,868	(64,528)	-	1,679
Parental Engagement Fund	169,356	25,315	(170,170)	-	24,501
Pathways to STEM	11,250	50,100	(73,101)	-	(11,751)
Pathways to Banking	100,600	102,739	(65,076)	-	138,263
Research and Policy Carnegie	242,565	477,143	(972,573)	515,052	262,187
Access Champions	77,602	-	-	-	77,602
Pathways Plus	118,926	135,000	(120,700)	-	133,226
Pathways to Coding	31,259	40,452	(33,357)	-	38,354
Alumni Network	17,560	67,543	(16,882)	-	68,221
Application Support Programme	2,433	52,578	(55,011)	-	-
20th Anniversary Summit	-	54,500	(44,500)	-	10,000
Early years	-	20,000	(20,000)	-	-
	-	30,000	-	-	30,000
	<u>2,474,762</u>	<u>3,069,866</u>	<u>(3,518,835)</u>	<u>515,052</u>	<u>2,540,845</u>
Total funds	<u>£ 7,466,116</u>	<u>£5,711,003</u>	<u>£(5,266,879)</u>	<u>£ -</u>	<u>£7,910,240</u>

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

Pathways to Law

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

Summer Schools

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

Teachers Summer Schools

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

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 2018

17. STATEMENT OF FUNDS (continued)

Pathways to Medicine

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

Parental Engagement Fund

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

Pathways to STEM

A programme supported by the Kusuma Trust UK to widen access to STEM degrees and related careers. The deficit at the year-end will be eliminated by income received in 2018/2019.

Pathways to Banking

A programme supported by Deutsche Bank to widen access to banking related careers.

Research and Policy

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

Carnegie

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

Access Champions

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

Pathways Plus

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

Pathways to Coding

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

Alumni Network

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

Application Support Programme

A programme providing support with personal statements to support students into leading universities.

20th Anniversary Summit

A fund in partnership with the 88 Foundation to host a social mobility policy summit in 2017.

Early years

A project in partnership with Esmee Fairbairn Foundation and the Headley Trust supporting the development of "essential skills" in the early years.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Tangible fixed assets	46,454	-	46,454
Debtors	256,326	391,691	648,017
Cash at bank and in hand	5,267,431	3,752,483	9,019,914
Current liabilities	(200,816)	(1,534,119)	(1,734,935)
Non - current liabilities	-	(69,210)	(69,210)
	<hr/>	<hr/>	<hr/>
Total net assets	£5,369,395	£2,540,845	£7,910,240
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
Tangible fixed assets	77,548	-	77,548
Debtors	200,470	745,304	945,774
Cash at bank and in hand	5,027,566	3,090,702	8,118,268
Current liabilities	(300,037)	(1,059,067)	(1,359,104)
Non - current liabilities	(14,193)	(302,177)	(316,370)
	<hr/>	<hr/>	<hr/>
Total net assets	£ 4,991,354	£ 2,474,762	£ 7,466,116
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19. LEGAL STATUS

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

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

20. FINANCIAL INSTRUMENTS

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

	2018 £	2017 £
<i>Financial assets</i>		
Measured at fair value through profit and loss	9,019,914	8,118,268
Measured at amortised cost:		
Other debtors (Note 9)	117,474	91,212
	<hr/>	<hr/>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

20. FINANCIAL INSTRUMENTS (continued)

	2018	2017
	£	£
<i>Financial liabilities</i>		
Measured at amortised cost		
Trade creditors (Note 10)	91,016	144,923
Other creditors and accruals (Note 10)	138,601	203,659
	<u> </u>	<u> </u>

Financial assets measured at fair value relate to cash at bank and in hand.

Financial assets measured at amortised cost relate to other debtors.

Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

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