

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 PERIOD ENDED
31 AUGUST 2019

THE SUTTON TRUST

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THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 AUGUST 2019

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", "the Charity" or "the Trust") for the 17 month period ended 31 August 2019. The comparatives in these financial statements cover 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 Tim Bunting (from 11/04/2019) Professor Louise Mary Richardson (from 1/11/2019)
Executive Chairman	Sir Peter Lampl
Chief Executive	James Turner (from 25/02/2019)
Director of Development	Doug Thomson
Director of Programmes	Laura Bruce (from 01/09/2019)
Associate Director of Research & Policy	Carl Cullinane (from 01/09/2019)
Associate Director of Media & Communications	Hilary Cornwell (from 01/09/2019)
Head of Finance & Operations	Stefanie Kha (from 13/08/2019)
Early Years Lead	Laura Barbour
Personal Assistant to Chairman	Anna Fellows

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

Objects of Charitable Company	<p>The Trustees shall hold or apply the capital and income of the Charitable Company for the following objects:</p> <ul style="list-style-type: none"> (i) To advance the education of the public and to improve educational opportunities for young people; and (ii) To undertake such charitable purposes or to make charitable donations in such a manner as the Trustees may in their absolute discretion think fit.
Charitable Company Address & Registered office	Millbank Tower, 21-24 Millbank, London, SW1P 4QP
Website and Social Media	www.suttontrust.com @suttontrust
Charity Registration Number	1146244
Company Registration Number	07951541
Auditor	<p>Rawlinson & Hunter Audit LLP Statutory Auditor Chartered Accountants Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ</p>
Bankers	<p>National Westminster Bank 57 Victoria Street, London, SW1H 0HN</p> <p>CAF Bank Limited 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ</p>
Investment Managers	Rathbone Investment Management 8 Finsbury Circus, London, EC2M 7AZ
Solicitors	Withers LLP 20 Old Bailey, London, EC4M 7AN

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STRATEGIC REPORT

OBJECTIVES & ACTIVITIES

Charitable Aims

The aim of the Trust is to address educational disadvantage and to promote social mobility – the chances of a young person from a lower income home rising up the economic and social ladder in adulthood. High levels of social mobility mean that people from all backgrounds are able to succeed in life. It's crucial for creating a fairer society, fostering social cohesion and boosting economic growth.

At the Trust, we champion social mobility from birth to the workplace so that all young people have a chance to succeed in life. We particularly focus on widening access to high quality education and employment opportunities through a combination of evidence-led programmes, agenda-setting research and policy influence.

Strategy

The Trust is over half-way through a five-year strategy set in 2017. We currently have five focus areas: Early Years, Schools, Apprenticeships, Higher Education, and Access to the Workplace.

In a busy landscape, the Trust is particularly keen to build on and further leverage its unique model of research and policy activity allied with practical, on-the-ground programmes. The Trust's programmes focus on highly able, non-privileged students. We have built considerable expertise in this area over the last 20 plus years and concentrate our support on young people from secondary school age onwards – up to and including those starting their careers – and at key transition points.

The Trust's research and policy work is deliberately wider, recognising a range of access issues at play from early years, through school and college, and into university, apprenticeships and employment. The intention is, though, that a substantial proportion of our research and policy work directly informs our programme work, and vice-versa.

Significant Activities

Programmes – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped 35,000 students since the Trust was founded, and reach 5,000 students every year.

Research & Policy – Our research and policy work aims to shed light on important issues around education inequality and low levels of social mobility. We have published over 200 pieces of research since the Trust was founded in 1997, which have generated significant media and press interest, and have influenced policy on a number of occasions.

Development – The Trust is fortunate to have support from our Founder and Executive Chairman Sir Peter Lampl, a number of individuals on our Strategic Advisory and Development board and in our Fellowship, and from corporate supporters and foundations.

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OBJECTIVES & ACTIVITIES (continued)

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit. Furthermore, the Trustees have considered the guidance when planning for future activities and are confident that the Charity's plans meet these requirements.

The Trust works for the public benefit by increasing the educational opportunities available to young people from low and middle-income homes and by improving and promoting social mobility. Its programme work is particularly targeted at those from socio-economically deprived and non-privileged backgrounds (see pages 4 to 8), and its research and policy work (see pages 8 to 11) 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 grant-making policy is published on page 15.

ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

Programmes

The Trust changed its financial year end in the reporting period, resulting in 17 months of activities covered in this period. Depending on the timing of each programme, multiple cohorts may have started in the reporting period.

In this reporting period, we saw the continuation of our programmes that recruited in the 2017/18 academic year, and saw the delivery of Sutton Trust programmes to c. 4700 new beneficiaries. On average, 92% of beneficiaries across programmes met at least three of our five social mobility eligibility criteria, which look at individual, school and area characteristics.

Across our suite of programmes, we have seen consolidation of activities, expansion of programmes and a continued focus on evaluation and impact. Some key highlights across the period include:

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

UK Summer Schools

A total of 4,108 students attended a UK Summer School within this reporting period. 1,898 in summer 2018 and 2,210 in summer 2019.

The 2019 programme was delivered in collaboration with 13 leading UK universities, with the programme expanding to two new universities. The universities of Glasgow and Cardiff launched their programmes for the first time with great success, reaching 100 and 75 students respectively. This is the first partnership the Trust has established with these universities and the first time the Trust has ever run a programme in Wales, which aligns to our strategic aims of increasing our geographical reach.

We are currently collecting evaluation surveys for the programme and initial data shows that following the 2019 programme:

- 95% of respondents said they would apply to a selective university
- 89% of respondents said the programme improved their confidence
- 94% of respondents said they would recommend the programme to another young person

We received over 11,500 applications for the 2,300 places we had to offer on the 2019 programme.

We have therefore set up partnerships with other third sector organisations and universities to enable more students to receive support in some form. During this period, 6,000 young people from the UK Summer School applicant pool were offered either the Sutton Trust programme (see above) or alternative provision. This is the highest ever number of students being offered support and includes 100% of students who met all of our social mobility criteria.

"Gaining this support network has been so beneficial to me as a student but it has also given me a whole new group of people who believe in me and make me want to achieve great things. Summer School really has changed my life."

UK Summer School attendee, July 2019

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

Pathways to the Professions

Over 800 students were recruited to our suite of Pathways to the Professions programmes in autumn 2018. These students will be on the programme until April 2020. 787 students recruited in the previous year completed their engagement in April 2019. Across all of the programmes, students attended university outreach events, national conferences in Banking and Law and undertook work experience placements at leading employers. During this period, we included speakers at the conference from an apprenticeship background to ensure students had a rounded view of the routes available to them. Some feedback we have had from these interventions includes:

"The insight I've gained into a career being a solicitor, and the ways in which it might be suited to me, have been invaluable"

Pathways to Law work experience attendee

"Before this placement, I didn't think that I was good at researching or particularly analytical but with the tasks that I was involved in, I was able to stimulate these skills and put them to good use."

Pathways to Law work experience attendee

Applications to the next cohort of Pathways to the Professions programmes launched at the end of August 2019. Applications were open across Law, Banking and Finance, and Medicine, with 750 places available across 15 institutions. This cohort will see the launch of our partnership with Newcastle University for programmes in Law and Medicine, and with the University of Nottingham for programmes in Medicine. These partnerships will allow us to double the provision on our Medicine programme and have a presence in the North East of England for Pathways for the first time. Recruitment on Pathways to STEM is pausing for the year ahead, however it is expecting to relaunch with a focus on Engineering in the following year (see below on "New programme development").

US Programme

150 Cohort 7 students spent a week in the US in July 2018. We saw the highest number of our US programme participants enrolling at US universities and colleges from this cohort. From Cohort 7, 75 state educated young people from lower income households took up an offer from leading US universities and colleges and received a combined financial aid package from these establishments of \$21 million.

200 Cohort 8 students spent a week in the US during summer 2019 exploring a variety of universities and colleges. 42 students were hosted by our new partner, Duke University, again with great success. We have been invited by the President of Duke to host the programme at the University again next year. At Year End, 130 students have indicated interest in progressing to Part 2 of the programme, where students are supported to apply to leading US institutions.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

New programme development

The Trust is continuously reviewing its work to ensure it maximises its impact for the participants and is cost effective. During the past period, we have been working to redevelop a number of our programme models to better suit our strategic aims and add more value to the wider sector; these include Sutton Scholars, Pathways to STEM and teacher programmes. We aim to relaunch these programmes in the coming academic years.

In July 2019, we hosted a roundtable for a new project focussed on widening access to technology, which was attended by Channel 4, Bank of America Merrill Lynch, Lexus Nexus and Revolution Games, amongst others. The next phase of the project is for our evaluation partners, The Bridge Group, to conduct research with organisations to further understand the diversity of the profession and the differing barriers to access.

In October 2019, we convened a roundtable hosted by Engineering UK to begin exploring a Pathways to Engineering programme. This was attended by sector bodies, universities and employers such as Dyson, Amazon and National Grid.

In addition to relaunching programmes, we have also begun developing a new digital project. Our new digital portal will support students already on our programmes and those who narrowly miss out on a place. In the next few months, we will begin commissioning this work and building the platform. The project will be funded by Bloomberg Philanthropies for three years.

Programme evaluation

In line with our evaluation strategy, we assess our programmes based on increasing access to leading universities and careers.

This period we received 10 years of data tracking from the Higher Education Access Tracker for students who had taken part in a Sutton Trust programmes between 2006-2016.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

Programme evaluation (continued)

The key highlights from this report showed that:

Area	Statistic	Our cohort	The national average
Progression	Progression to higher education	85%	41%
Progression	Progression to higher education (students from low progression postcodes only)	85%	24%
Retention	Withdraw from university after first year	3.3%	6.1%
Achievement	1 st or 2:1 classification (2018 finishers only)	90%	76%
Destinations	In work or study 6 months post-graduation	92%	89%

In addition, the data showed that 93% of tracked participants who were classified in the lowest NS-SEC (groups 4-8) on entry to higher education (parents in lowest paid occupations), moved into the higher socioeconomic groups 1-3 after leaving higher education, based on their occupation six months after graduation.

We are in the process of commissioning an external consultant to support us with the next steps of our impact evaluation, which we aim to be completed in mid-2020.

For more information on any of our programmes and their respective impact see:
www.suttontrust.com

Research, Policy and Communications

Research reports

During the reporting period the Trust has published a series of innovative research reports, continuing the Trust's record of agenda-setting, policy-relevant research. Our research spans all five of the Trust's focus areas: Early Years, Schools, Apprenticeships, Higher Education and Access to the Workplace. Reports addressed a wide range of education and social mobility issues, including university aspirations, unpaid internships, social segregation in schools, private tuition and teacher recruitment. Overall, 19 new pieces of research were published between April 2018 and September 2019.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Research, Policy and Communications (continued)

‘Elitist Britain 2019’, published jointly with the Social Mobility Commission in June 2019, was a landmark piece of work looking at the state of social mobility in the UK across a range of sectors. The report made the front pages of national broadsheet media, set the news agenda for several days and received some of the best coverage a Sutton Trust report has received to date. It continues to be cited regularly in the media and Parliament as the definitive document of Britain's social divide.

‘Access to Advantage’, published in December 2018 can be seen as a companion to Elitist Britain, analysing the pipeline into the most prestigious universities. The report found that just eight top schools and colleges sent as many pupils to Oxford or Cambridge as three-quarters of all schools and colleges across the UK. In England, the report found that pupils from independent schools were seven times as likely to attend Oxbridge than their peers at comprehensives. The report received significant coverage on the day of publication, with a lead news piece in the BBC, as well as pieces in across print media, news bulletins, and the Today Programme. In the wake of the report, both Oxford and Cambridge announced significant new measures to tackle the issue of fair access.

The Trust also published a variety of reports on inequalities in schools. **‘The Recruitment Gap’** looked at inequalities in access to high quality teaching and the policy solutions that could help incentivise teachers to teach in more deprived schools. The report found that schools serving disadvantaged communities struggle to recruit suitable teachers, and teachers see those schools as being harder to teach in. While the report highlighted a variety of ways to tackle recruiting teachers to the schools who need them the most, we are keen also to address the source of this problem: social segregation across the school system. The Trust has conducted innovative research in this area for over a decade.

In 2019, for the first time the Trust's school admissions analysis was extended, in collaboration with the National Foundation for Education Research, to look at top comprehensive schools in Scotland and Wales to assess how socially selective they are. In all three nations, the proportion of disadvantaged pupils at the top-performing schools was around half of the average in other schools. In England and Wales, about half of the disadvantage gap is due to selectivity within their catchment area. In Scotland, it is almost entirely because top performing schools are located in more affluent neighbourhoods.

Barriers to social mobility do not end after education, and the Trust has continued its campaign to end unpaid internships. **‘Pay As You Go’** in autumn 2018 looked at the state of internships in Britain, using labour market data and surveys of employers and graduates to analyse the accessibility, legality and quality of internships. The report found that over a quarter of graduates have taken on an unpaid internship, many of very low quality, with employers found to have very little understanding of how National Minimum Wage law applies to internships.

At the other end of the lifespan, the Trust has also continued its work looking at Early Years. Gaps emerging before children go to school are key to the inequalities that emerge afterwards. April 2018 saw the publication of a landmark piece of work investigating the closure and downgrading of Sure Start children's centres, and the effect this has had on Early Years provision. The report received strong broadcast coverage across news bulletins and print media, and its political impact has continued to show, being one of our most cited reports in Parliament.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Research, Policy and Communications (continued)

Overall, the Trust's reports have continued to demonstrate high impact across traditional and social media. Between September 2018 and September 2019, the Trust's work stimulated 10,000 mentions in the media with an advertising equivalent value of £27 million and almost a billion 'opportunities to see'.

Our digital presence also continues to grow. In the past period, we have gained over 9,000 new Twitter followers, bringing the total to 42,000. We also launched an Instagram account which now has over 1,200 followers and grew our Facebook reach to almost 4,000 followers. Our regular newsletter has extended its reach to over 7,500 subscribers.

There were over 1,020,000 page views and 367,000 unique users on the Sutton Trust Programme website. There were 149,000 unique users for the UK summer school microsite and 38,300 for the US Summer School microsite. We have also been working on a major redevelopment of our website, which is due to launch in early 2020.

Policy goals and activities

The Trust's research continues to be cited in Parliament by MPs and Peers across parties as well as in Education Select Committee sessions, and we continue to regularly brief MPs and Peers ahead of debates.

The Trust continues to provide the secretariat for the All-Party Parliamentary Group ("APPG") on Social Mobility. The APPG's inquiry into the regional attainment gap culminated in a report published in February 2019 which was cited in Parliament in across both houses. The APPG also held a session on the Social Mobility Commission's State of the Nation 2018-19 report with several members of the Commission, including Chair Dame Martina Milburn, and published a letter to the Chancellor outlining the group's key tasks for improving social mobility for the September 2019 Spending Round.

Access to Higher Education is an ongoing priority for the Trust. We fed into the Review of Post-18 and Education Funding last year and advocated strongly for the reintroduction of maintenance grants. The panel's report was published in May 2019 and the restoration of maintenance grants was a key recommendation of the panel. Within Access to Higher Education, we continue to focus on contextual admissions as a key lever for change, and a working group has been formed to continue our work in this area. Over the last period, members of the team have had several fruitful meetings with external stakeholders (including UCAS and the Office for Students). We have started two new pieces of research work, and we are currently looking at ways in which we can encourage our partner universities to increase and improve how they use contextual offers.

In early 2019, the Trust appointed its first Apprenticeship Campaigns Manager to expand our focus in this area, looking at what needs to be done to ensure apprenticeships are a driver of social mobility through policy, raising awareness, and exploring opportunities for the Trust's programmes. We continue to meet with senior policymakers and employers to ensure that more higher and degree-level apprenticeships are being offered to young people, that apprenticeships are promoted more widely and effectively, and that quality apprenticeships are accessible to those from lower socioeconomic backgrounds.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Research, Policy and Communications (continued)

The Trust has continued to make the case for paying interns. We published further research in November 2018 and our research helped to support a private members' bill banning unpaid internships through the House of Lords.

As part of its advocacy work, the Trust team met frequently with key people in Westminster, including Secretary of State for Education Gavin Williamson, former Education Secretary Damian Hinds and Shadow Education Secretary Angela Rayner. We also met with advisers in Downing Street and the Department for Education, MPs and Peers from all the main political parties and civil servants.

In April 2018, we hosted 'Best in Class 2018' at the Paley Center in New York, showcasing research and practice in closing the attainment gap in schools on both sides of the Atlantic. The event boasted a line-up of global experts in the area, including Dylan Wiliam, Emeritus Professor of Educational Assessment at UCL, and Andreas Schleicher, Director for Education and Skills at the OECD, along with former Secretary of State for Education Justine Greening, and Obama administration education advisor Roberto Rodriguez.

In July 2018 we hosted our 'Better Apprenticeships' Summit at One Great George Street in Westminster as part of our new Better Apprenticeships campaign, which included presentations from academics, policymakers, politicians and apprentices themselves. The event also featured a keynote address by Anne Milton MP, Minister for Skills.

The December 2019 general election was a key focus for the Trust's work in the latter part of 2019. More widely, areas of particular policy focus in the next year will include contextual admissions to university, apprenticeships and school admissions, as the Trust continues to position itself at the forefront of the national debate on social mobility and educational inequality.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Development

Fundraising highlights

2019 has been another healthy period for the Trust's fundraising efforts, with recognised period-end income of £8.4 million for 2018/2019, which reflects the fundraising that took place over the extended 17-month financial period running from April 2018 to August 2019. Our team continues to maintain excellent relations with our committed group of donors as well as bringing on board valuable new supporters.

The Trust's fundraising highlights including income secured for the period as well as long-term support commitments, were as follows:

- £4m pledged from the Jordan Charitable Foundation over five years for both UK Summer Schools and the US Programme.
- We have been working with Bloomberg Philanthropies to develop "Sutton Trust Digital", which will create online provision for students we are not able to serve through face-to-face programmes. We are pleased to report that in August 2019 a grant of £1.6 million was approved by Bloomberg and through 2020 we will launch Sutton Trust Digital. This is a major opportunity for the Trust to extend its reach and of course is a valuable endorsement from one of the largest education funders globally.
- Over £1.4m in unrestricted gifts from Sutton Trust board members and Fellows.
- A £500,000 commitment from an anonymous donor to our programmes portfolio.
- £50,000 from a new Trust towards research, advocacy and communications
- A new £300,000 gift from the Garfield Weston Foundation to UK Summer Schools over three years.
- A new corporate partnership with Capital One on our Sutton Scholars and Pathways to Banking programmes worth nearly £200,000 over three years.
- An extended, final commitment of £250,000 from the Robertson Foundation to the US Programme.
- We continue to benefit from the support of strategic partners, the Oak Foundation and the Monday Charitable Trust, whose support totals more than £500,000 annually. We thank our partners Bank of America Merrill Lynch for the renewal of their support of the US Programme, Deutsche Bank for its support of Pathways to Banking & Finance and our numerous law firm partners on Pathways to Law, many of whom have increased their contributions this past financial period.
- We have piloted an online fundraising campaign for alumni – an initial step towards providing sustained opportunities for alumni to give back.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Development (continued)

Fundraising Priorities

In April 2019 we set out our key objectives for the coming year:

- We continue to emphasise funding for flagship programmes as a priority, in particular to secure multi-year funding from a more diverse group of supporters. We have made great headway on UK Summer Schools thanks to new commitments from the Jordan Charitable Foundation, the Garfield Weston Foundation and others.
- Building long-term partnerships with our supporters and engaging with our community of donors remains a key focus area for the Trust. Our Head of Donor Relations, Laura Solomons, has been in post since November 2018 and has developed a strategy for this area of work.
- Growing the Trust's pipeline of legacy donors remains a priority for the Trust. We have continued to receive steady engagement with new prospective legacy donors over the past period and aim to double the number of legacy pledgers in 2020.

The unrestricted funding provided by Board members and Trust Fellows is extremely valuable. We intend to maintain the level of unrestricted support given by the Trust Board and grow the membership of the Trust Fellowship.

Financial Review

The 2018/19 financial period was a 17-month financial period, which ran from 1 April 2018 to 31 August 2019. The change was made to better align the financial year with the activities of the Trust, which follow the academic year.

In the financial period under review, total income including grants, donations, gifts in kind and bank interest was £8.4 million, a 47% increase compared to the previous year (2018 - £5.7 million). This is due to the extended financial period as well as due to the timing of the extension, which resulted in our largest programme, UK Summer Schools, running twice in the financial period. Pro bono services of £0.7 million (2018 - £0.7 million), for additional programme support and strategic consulting, have been included in the income and expenditure figures.

Unrestricted income was £1.9 million, a decrease of 25% compared to the previous year (2018 - £2.6 million). This is mainly due to an amendment in the treatment of programme management recharges, which are now acknowledged as expenditure rather than a transfer from restricted to unrestricted income. Restricted income was £6.5 million, an increase of 110% compared to the previous year (2018 - £3.1 million). The increase is in line with programme phasing as well as the impact of increased delivery in the financial period.

The Trust has a deferred income balance of £1.0 million (2018 - £1.1 million) arising from commitments received in advance and matched funding contributions not utilised in the period.

Total expenditure for the period was £8.2 million, a 55% increase compared to the previous year (2018 - £5.3 million). Again, this is mainly connected to the phasing of expenditure in the extended financial period. 92% of expenditure was spent on programme and research activities. This is consistent with the previous financial period.

At the end of the period, the Trust had a fund balance of £8.2 million (2018 - £7.9 million) and a cash balance of £7.7 million (2018 - £9.0 million). A breakdown of fund by activity can be found on page 44. At the end of the period, two of the Trust funds are showing a deficit – Application Support Programme and Pathways to Law. Due to the change in the financial period end, income and expenditure on these programmes are no longer aligned. This is exacerbated for Pathways to Law as funding is backloaded in line with the funding agreement. It is expected that the funds will return to a positive/ zero balance within the next financial year.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Financial Review (continued)

Reserves Policy

The purpose of the reserves policy is to mitigate against any risk to the Trust's activities, which may be caused by short-term financing requirements, for example caused by delayed funder payments, unforeseen increases in expenditure or future changes to the fundraising landscape.

The Trustees, Chief Executive and Executive Team meet to review the strategy, budgets, operating plans and forecasts for the forthcoming year. They aim to ensure that appropriate reserves are available to undertake programme activity agreed with funders and to finance the operating costs of the Trust for a minimum period of one year, in the event that the Trust is unable to secure reliable and resilient income through direct fundraising. As many of the Trust's programmes support young people over multiple years, it is important that provision can continue uninterrupted and the projects are completed.

Reserves include restricted and unrestricted funds. Only unrestricted funds can be used at the discretion of the Trustees, i.e. to meet the above-mentioned cash requirements. The restricted funds may only be used for their specified purpose.

At the period end, total funds carried forward are £8.2 million, which breaks down into £2.7 million restricted funds, £2 million of designated fund and £3.5 million of general unrestricted funds.

Restricted funds relate to the different programmes and research projects the Trust runs. A breakdown of the restricted funds by programmes can be found on page 44.

The **Designated fund** was established in order to secure the Trust's long-term financial sustainability. The designated fund may provide the initial investment for an expendable endowment in the future. In the short-to-medium term the strategy is to reinvest returns generated in order to accelerate the growth of the fund. In the long-term the interest generated is expected to provide additional unrestricted income for the Trust.

Unrestricted funds break down into:

- Free Reserves of £2.4 million. This is based on expected operating costs for the next financial year including staff salaries.
- Fixed Asset Fund of £0.1 million. This is equivalent to the assets held by the Trust, as these cannot quickly be realised.
- A general reserve of £1.0 million. This amount is set aside to allow for fluctuations in cashflow, as well as to continue running programmes in the short-term, in the absence of a funder, or to trial new programmes and assess their impact before applying to external funding sources. It is important to note that the majority of Trust programmes run for a multi-year period and any commitments therefore have to be secured for the full term.

The Trustees review the way in which funds are allocated with the aim of maximizing the amount allocated to charitable activity whilst maintaining appropriate reserves. The Trustees consider the level of reserves held at period end to be reasonable.

Cash held at period end was £7.7 million. £4.1 million of this relates to restricted funds and £3.6 million to unrestricted funds.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Financial Review (continued)

Investment Policy

The Trust's investments are managed by Rathbone Investment Management on the Trust's behalf. Investments are held in a range of asset classes including equities, bonds and cash. The funds do not invest in companies whose products are associated with the arms, gambling, pornography or tobacco industries. The investment objectives reflect the medium-to-long nature for the Trust's designated fund, which include:

- Above-average level of capital and income growth and the maintenance of the capital value of the portfolio over the medium-to-long-term
- Investments in marketable securities which are capable of being converted into cash with reasonable notice

The investment fund was established towards the end of the reporting period, on 15th August 2019. At the end of the reporting period, no interest and dividends had been booked and the capital value of the fund had fallen by 0.1%. The performance of the investment managers is monitored on an annual basis.

Grant-making Policy

The Trust 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 Trust 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 Trustees in consultation with the Executive Chairman, Chief Executive and other senior staff. The budget is reviewed regularly and updates provided to the Trustees at each meeting and to the Chief Executive and senior team. Within these parameters, approval for individual commitments is discussed at regular meetings involving the Executive Chairman, senior staff and others as appropriate. An approval matrix is in place to manage expenditure inside and outside the scope of the budget.

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 SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 AUGUST 2019

PLANS FOR FUTURE PERIODS

As mentioned previously, the Trust is in the final period of a five-year strategy. We have set out how we intend to deliver on and adapt this strategy over the next two academic years:

- Focus our efforts on sustaining and strengthening the impact of our suite of programmes, including the expansion of Pathways and UK Summer Schools where there is clear unmet need.
- Concentrate innovation in three areas: the digital summer schools project, apprenticeships, and an 'exemplar project' to encourage policy change in a key area.
- Harness our considerable programme expertise to further develop our position as a sector leader and a go-to resource for those looking for advice on top-end mobility projects.
- Use our alumni network to enhance current Sutton Trust programmes, as well as providing activities which benefit the alumni and which provide evidence of the impact of our work.
- Aim for c.10-12 pieces of policy-relevant and accessible research each year, including light surveys and more substantial studies with a long shelf-life.
- In each of our five focus areas we aim to define a handful of concrete and achievable policy asks related to access issues.
- Develop a diverse pool of supporters in order to ensure sustainable funding for our work

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document & constitution

The Sutton Trust was incorporated on 15 February 2012. The Sutton Trust is a company limited by guarantee (number 07951541) and a registered charity (number 1146244). Its governing instrument is its Memorandum and Articles of Association. It does not have issued share capital and, as such, the ultimate control is vested in its Trustees.

Trustees – Appointment, Induction and Training

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 the Founder, Sir Peter Lampl, during his life. At the end of August 2019, the Trust had five Trustees and was in the process of appointing a sixth. Trustees meet at least four times each year.

New Trustees are made aware of their legal obligations under Charity Law and Company Law, the decision-making processes at the Charitable Company, its strategic aims and recent performance. They are also provided with a pack of relevant documentation, including a budget, strategy overview, a current list of research and programmes, and key policies and procedures, including the Trust's safeguarding policy. The Trustee induction process was reviewed in 2019 as part of a review of practice against the Charity Code of Governance.

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

The Trust's Commitment to Good Governance Code

In Autumn 2018, the Trustees reviewed the voluntary Code of Governance and undertook an internal review of existing processes against the recommendations in the Code. This resulted in the identification of many areas of the Code the Trust currently meets – particularly related to financial reporting and clarity on mission and purpose. The review also led to the Trust implementing several changes, especially in terms of formalising existing practices and introducing key policies and documentation such, as an annual schedule of trustee business, a matrix of delegation, a new definition of roles and responsibilities, a code of conduct, and an updated conflicts of interest policy. Two new Trustees were also appointed in 2019, bringing new skills and expertise to the Board.

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 Executive Chairman. The differing responsibilities of the Executive Chairman and the Chief Executive have been agreed and documented. The Chief Executive oversees a senior team comprising the Director of Development, Director of Programmes, Associate Director of Research and Policy, Associate Director of Media and Communications and Head of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2018/19 stands at 27 staff.

Remuneration Policy

The Trust is committed to making sure that employees are paid fairly and in a way that helps attract and retain high calibre people in order to have the greatest impact in delivering its charitable objectives.

In accordance with the Statement of Recommended Practice (SORP), the Trust:

- Discloses all payments to Trustees (no Trustees receive 'pay', but they are reimbursed expenses)
- Discloses the number of employees paid more than £60,000 pa (in bands of £10,000)
- Discloses pensions and other benefits given to employees

The Trustees have delegated the responsibility for the authorisation of any pay increase (>£5k) to the Executive Chairman, as part of the Sutton Trust approval matrix. This arrangement is reviewed annually.

The pay of the Chief Executive and the Executive Team is set by the Executive Chairman. All other salaries are set by the Chief Executive in consultation with the Senior Management Team using internal pay scales. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting for any additional responsibilities. If recruitment has proven difficult in the recent past a market addition is also paid with the maximum pay being no greater than the highest benchmarked salary for a comparable role.

Pay is reviewed annually, and any increases guided by the Retail Prices Index (RPI) and performance in the annual appraisal process. The Trust is a Living Wage employer and pays all its employees, including interns, at least the London Living Wage. Employee remuneration does not include any share options or long-term incentive schemes.

The period of notice of termination of contracts of employment is 3 months for the Executive Team. The pension provisions for the Chief Executive is set as part of their wider compensation package. The Executive Team are on the same terms as other employees. Auto enrolment takes place in line with pension legislation.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Related Parties

The charity has no trading subsidiary.

The Executive Chairman (and Trustee) of the Trust, Sir Peter Lampl, and the Trustee, Sir Peter Gershon, also act as Trustees of the Education Endowment Foundation (EEF), a sister charity established by The Sutton Trust as lead partner with Impetus Trust in 2011 to break the link between family income and educational achievements. The Sutton Trust and EEF share staff and floor space.

The Private Office of Sir Peter Lampl and The Sutton Trust share staff and floor space.

Transactions with related parties are disclosed in Note 14 to the financial statements.

Internal Controls & Risk Management

The Trustees have responsibility for ensuring that the Charitable Company has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charitable Company is operating effectively and in line with the Charity Commission guidelines.

The systems of financial control were continually reviewed and improved where necessary during the reporting period to provide reasonable assurance against material misstatement or loss.

A full annual planning and budgeting process is in place, and the Trust considers risks as part of all its activities. Within the next financial year, the Trust is going to work on formalising its system further.

Notable risks identified in the period include:

- The failure to raise sufficient unrestricted funds to cover the costs of additional staff and associated costs to support an expanding organisation. During the reporting period head count has increased from 22 to 26 or by 23%. The Trust is looking to maintain and build on its Board and Fellowship scheme to ensure the additional requirements are being met. Furthermore, the Trust is working on its long-term financial projections to review how staffing levels are costed in all funding proposals.
- Failure to track the impact on student outcomes. As our programmes grow, the Trust must ensure that the impact on student outcomes is maintained and our evaluation and tracking systems keep pace with this development. Allied to this, the Trust is keen to ensure the targeting of students remains strong and that we do even more to reach schools and areas with high levels of deprivation. We are working with the Behavioral Insights Team and independent evaluators, as well as others, on both fronts.
- As the number and diversity of our supporters increases, we need to ensure we have sufficient systems for appropriate levels of stewardship and reporting. The Trust has invested in the Development Team over the last 12 months and more systems are being implemented to keep track of contact with supporters and streamline processes. More opportunities for donors to meet the team and engage with its work are also in development.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Going Concern

The Trustees confirm that the accompanying accounts comply with statutory requirements, the requirements of the Articles of Association and the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2015).

The Trustees have considered the financial budget for the next financial year, 2019/20, and its medium-term strategy. The plans show a robust pipeline of pledges and projected fundraising income; plans for effective overhead cost control are also being formalised. The Trust does not have a pension deficit, due to all of its staff having subscribed to defined contribution pension schemes. Free reserves remain healthy and would be able to absorb the impact of some unexpected volatility (see Reserves Policy on page 14).

Considering the above, the Trustees believe that the Trust has adequate resources to continue successfully for the foreseeable future. Therefore, the Trustees' Report and Financial Statements have been prepared on a the going concerns basis.

Fundraising Approach

The Sutton Trust is a member of the Fundraising Regulator and is committed to following the Code of Fundraising Practice.

The Trust raises the majority of its funds through large, multi-year grants and gifts from Trusts and Foundations as well as corporate and individual supporters. The Trust does not undertake any direct fundraising, such as door-to-door collections, direct mailings or cold calling. Funding opportunities are pursued through official channels, such as application form, or via introductions by current supporters. In line with current data protection regulation, we only contact individuals with prior consent.

The Trust ensures that grant and gift agreements are in place with its supporters. In 2018/19, the Trust did not have any Commercial Participators. The Trust completes a due diligence process for all new supporters. Development Team staff are kept up-to-date on fundraising best practice.

The Trust's complaints policy is available on request from contact-us@suttontrust.com. For staff, this is also available in the staff handbook. In 2018/19, we received no complaints. The Trust is not aware of any breaches of fundraising regulations by the Trust or by any person acting on its behalf.

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 period 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 period. In preparing these financial statements, the Trustees are required to:

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 AUGUST 2019

TRUSTEES' RESPONSIBILITIES STATEMENT (CONTINUED)

- 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.

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: 28 FEB 2020

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 period ended 31 August 2019 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 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Financial Reporting Council'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 period 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 pages 19 and 20, 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.



Kulwarn Nagra (Senior Statutory Auditor)
For and on behalf of
Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants

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

28 FEB 2020

Date:

THE SUTTON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted Funds	TOTAL FUNDS	TOTAL FUNDS
	Note	17 months ended 31 August 2019 £	17 months ended 31 August 2019 £	17 months ended 31 August 2019 £	Year ended 31 March 2018 £
Income from:					
Donations and legacies	1, 2	1,871,837	6,530,474	8,402,311	5,707,866
Investments	2	10,647	-	10,647	3,137
Total income		1,882,484	6,530,474	8,412,958	5,711,003
Expenditure on:					
Costs of raising funds	4	383,733	264,180	647,913	391,103
Charitable activities	3, 4 & 5	1,343,134	6,213,501	7,556,635	4,875,776
Total expenditure		1,726,867	6,477,681	8,204,548	5,266,879
Net loss on investments	9	(1,942)	-	(1,942)	-
Net income	6	153,675	52,793	206,468	444,124
Gross transfers between funds	18	(63,392)	63,392	-	-
Other gains	2	70,489	-	70,489	-
Net income and movement in funds		160,772	116,185	276,957	444,124
Reconciliation of funds:					
Total funds brought forward		5,369,395	2,540,845	7,910,240	7,466,116
Total funds carried forward	18 & 19	£5,530,167	£2,657,030	£8,187,197	£7,910,240

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

All income and expenditure derived from continuing activities.

The notes on pages 27 to 47 form part of these financial statements.

THE SUTTON TRUST

BALANCE SHEET

Company Number 07951541

AT 31 AUGUST 2019

	Note	31 August 2019 £	31 March 2018 £
Fixed assets:			
Tangible assets	8	83,782	46,454
Investments	9 & 21	1,998,058	-
		<u>2,081,840</u>	<u>46,454</u>
Current assets:			
Debtors	10	471,823	648,017
Cash at bank and in hand	21	7,724,428	9,019,914
		<u>8,196,251</u>	<u>9,667,931</u>
Current liabilities:			
Creditors - amounts falling due within one year	11	(1,851,016)	(1,734,935)
Net current assets		<u>6,345,235</u>	<u>7,932,996</u>
Total assets less current liabilities		<u>8,427,075</u>	<u>7,979,450</u>
Creditors - amounts falling due after more than one year	12	(239,878)	(69,210)
Total net assets		<u>£8,187,197</u>	<u>£7,910,240</u>
The funds of the Charitable Company:			
Unrestricted - general fund	18 & 19	3,532,109	5,369,395
- designated fund	18 & 19	1,998,058	-
Restricted income fund	18 & 19	2,657,030	2,540,845
Total Charitable Company funds	18 & 19	<u>£8,187,197</u>	<u>£7,910,240</u>

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



Sir Peter Lampi
Trustee

28 FEB 2020

Date:

The notes on pages 27 to 47 form part of these financial statements.

THE SUTTON TRUST
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2019

	Note	17 months ended 31 August 2019 £	Year ended 31 March 2018 £
Net cash inflow from operating activities	15	780,589	923,442
Cash outflow from investing activities			
Interest income		10,647	3,137
Purchase of fixed assets	8	(86,722)	(24,933)
Purchase of investments	9	(2,000,000)	-
Net cash outflow from investing activities		(2,076,075)	(21,796)
Net (decrease)/increase in cash and cash equivalents		(1,295,486)	901,646
Cash and cash equivalents brought forward		9,019,914	8,118,268
Cash and cash equivalents carried forward		<u>£7,724,428</u>	<u>£9,019,914</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		7,724,428	9,019,914
Cash and cash equivalents at 31 August 2019		<u>£7,724,428</u>	<u>£9,019,914</u>

Cash held at period end was £7.7m. £4.1m of this relates to restricted funds and £3.6m to unrestricted funds.

The notes on pages 27 to 47 form part of these financial statements.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

General information

The Sutton Trust ("the Trust", "the Charity" 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, except in respect of its fixed asset investments which are carried at market value.

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 PERIOD ENDED 31 AUGUST 2019

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 consist 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 PERIOD ENDED 31 AUGUST 2019

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".

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 41 months
Furniture and fittings	-	15% straight line
Computer equipment	-	25% straight line

Investments

Investments are recognised initially at cost which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

The fair value of listed investments is determined by reference to the quoted price being the Stock Exchange mid-price.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

Realised and unrealised gains and losses

Realised gains and losses are recognised on disposal of investments. Unrealised gains and losses are recognised on the market value of investments at the balance sheet date.

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.

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

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.

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:

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 period 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 PERIOD ENDED 31 AUGUST 2019

2. INCOME

	Unrestricted Funds 17 months ended 31 August 2019 £	Restricted Funds 17 months ended 31 August 2019 £	TOTAL FUNDS 17 months ended 31 August 2019 £
The income comprised:			
Donations	1,221,837	6,478,361	7,700,198
Donated services	650,000	52,113	702,113
Bank interest	10,647	-	10,647
	<u>£1,882,484</u>	<u>£6,530,474</u>	<u>£8,412,958</u>
Other gains - foreign exchange	<u>£70,489</u>	<u>-</u>	<u>£70,489</u>
The income arose from the following geographical locations:			
	17 months ended 31 August 2019 £	17 months ended 31 August 2019 £	17 months ended 31 August 2019 £
US and Canada	-	1,466,297	1,466,297
Switzerland, Holland and Norway	-	349,553	349,553
UK	1,882,484	4,714,624	6,597,108
	<u>£1,882,484</u>	<u>£6,530,474</u>	<u>£8,412,958</u>
	Unrestricted Funds Year ended 31 March 2018 £	Restricted Funds Year ended 31 March 2018 £	TOTAL FUNDS Year ended 31 March 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:			
	Year ended 31 March 2018 £	Year ended 31 March 2018 £	Year ended 31 March 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>

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 PERIOD ENDED 31 AUGUST 2019

3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE PERIOD ENDED 31 AUGUST 2019**Access programmes for university and the professions**

Access Accountancy (2018)
 Pathways to Banking and Finance (2018 & 2019)
 Pathways to Coding (2018 & 2019)
 Pathways to Law (2018 & 2019)
 Pathways to Medicine (2018 & 2019)
 Pathways Plus (2018 & 2019)
 Pathways to STEM (2018 & 2019)
 Teacher Summer School Programme (2018 & 2019)
 UK Summer School Programme (2018 & 2019)
 US Programme (2018 & 2019)
 Access Champions (2019)
 Application Support Programme (2019)

Programmes in schools and colleges

Sutton Scholars (2018 & 2019)

Early years and primary school programmes

Parental Engagement Fund (2018)
 Developing Essential Skills (DES) in the Early Years (2019)
 Tower Hamlets Pilot (2019)

Research and policy

Aspirations Polling (2018)
 Best in Class Research (2018)
 Better Apprenticeships (2018)
 Chain Effects (2018)
 Closing Gaps Early (2018)
 Fairer Fees (2018)
 Free Schools (2019)
 Highly Able (2018)
 Home and Away (2018)
 Life Lessons (2018)
 Parliamentary Privilege (2018)
 Private Tuition (2018)
 Rules of the Game (2018)
 Selective Comprehensives - Scotland and Wales (2018)
 Social Mobility 2017 (Summit research) (2018)
 Stop Start (2018)
 The Lost Part-Timers (2018)
 University Admissions (2018)

Summits and conferences

The Sutton Trust 20th Anniversary Summit (2018)

The years in brackets above signifies the projects that commenced in either 2018 or 2019 or were carried out in both periods.

There were 4 institutions (2018 - 3) to which a material amount (above £175,000) of grants was payable in the period, being total grants of £1,173,453 payable to Causeway Education, University of Nottingham, University of Warwick and NFER Trading Limited (2018 - total grants of £577,162 payable to HE Access Network Limited, University of Warwick and NFER Trading Limited).

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE PERIOD ENDED 31 AUGUST 2019 (continued)

	Unrestricted Funds 17 months ended 31 August 2019 £	Restricted Funds 17 months ended 31 August 2019 £	Total 17 months ended 31 August 2019 £	Total number 17 months ended 31 August 2019
Grants payable to institutions	-	3,007,752	3,007,752	179
Grants payable to individuals	-	-	-	-
Total grants payable (see Note 4)	£ -	£3,007,752	£3,007,752	179
Total number	-	179		179

	Unrestricted Funds Year ended 31 March 2018 £	Restricted Funds Year ended 31 March 2018 £	Total Year ended 31 March 2018 £	Total number Year ended 31 March 2018
Grants payable to institutions (excluding pro bono work)	-	2,776,874	2,776,874	132
Grants payable to individuals	-	-	-	-
Total grants payable (excluding pro bono work) (see Note 4)	£ -	£ 2,776,874	£ 2,776,874	132
Total number	-	132		132

The grants payable above include other direct charitable programme expenses payable to the grantees. See the grant making policy on page 15 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 PERIOD ENDED 31 AUGUST 2019

4. CHARITABLE ACTIVITIES

	Grants	Direct costs	Staff costs (Note 7)	Support Costs (Note 5)	Pro bono work	Total
	17 months ended 31 August 2019	17 months ended 31 August 2019	17 months ended 31 August 2019	17 months ended 31 August 2019	17 months ended 31 August 2019	17 months ended 31 August 2019
	£	£	£	£	£	£
University outreach	2,294,826	1,442,953	476,783	1,487,523	52,113	5,754,198
Schools/colleges	564,779	743	31,896	210,427	-	807,845
Early years	56,524	1,226	38,200	34,466	-	130,416
Research projects	91,623	277,749	282,590	212,214	-	864,176
	<u>£3,007,752</u>	<u>£1,722,671</u>	<u>£829,469</u>	<u>£1,944,630</u>	<u>£52,113</u>	<u>£7,556,635</u>
Costs of raising funds						
	£ -	£67,044	£414,134	£166,735	£ -	£647,913
	<u>£ -</u>	<u>£67,044</u>	<u>£414,134</u>	<u>£166,735</u>	<u>£ -</u>	<u>£647,913</u>

	Unrestricted Funds	Restricted Funds	Total
Charitable expenditure	<u>£1,343,134</u>	<u>£6,213,501</u>	<u>£7,556,635</u>

	Grants (inclusive of direct costs)	Direct costs	Staff costs (Note 7)	Support Costs (Note 5)	Pro bono work	Total
	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2018
	£	£	£	£	£	£
University outreach	1,998,795	-	208,659	799,551	50,000	3,057,005
Schools/colleges	306,930	-	17,228	137,591	-	461,749
Early years	170,170	-	31,241	54,595	-	256,006
Research projects	300,979	-	368,328	255,166	176,543	1,101,016
	<u>£2,776,874</u>	<u>£-</u>	<u>£625,456</u>	<u>£1,246,903</u>	<u>£226,543</u>	<u>£4,875,776</u>
Costs of raising funds						
	£ -	£129,492	£186,953	£74,658	£ -	£391,103
	<u>£ -</u>	<u>£129,492</u>	<u>£186,953</u>	<u>£74,658</u>	<u>£ -</u>	<u>£391,103</u>

	Unrestricted Funds	Restricted Funds	Total
Charitable expenditure	<u>£1,356,941</u>	<u>£3,518,835</u>	<u>£4,875,776</u>

Note, for 2018, £226,543 have been reclassified from Grants to Pro Bono work. Grants are shown inclusive of direct non-staff costs (of £1,084,100) that have been incurred in furtherance of the programmes, such as evaluation contracts, conference and summit expenditure and travel. From 2019, these are shown separately.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

5. ANALYSIS OF SUPPORT COSTS

	Charitable Activities 17 months ended 31 August 2019 £	Fund raising (unrestricted) 17 months ended 31 August 2019 £	Total 17 months ended 31 August 2019 £
Wages and salaries (Note 7)	603,735	51,765	655,500
Other staff costs—travel / recruitment etc.	156,136	13,387	169,523
Administration	113,193	9,705	122,898
Strategy and planning (pro-bono)	598,669	51,331	650,000
Premises (net of recharges)	255,980	21,948	277,928
Audit & other	29,991	2,571	32,562
Accountancy	41,548	3,562	45,110
Legal	44,015	3,774	47,789
Public relations	55,870	4,791	60,661
Depreciation (Note 8)	45,493	3,901	49,394
Loss on disposal of fixed assets	-	-	-
	£1,944,630	£166,735	£2,111,365

	Charitable Activities Year ended 31 March 2018 £	Fund raising (unrestricted) Year ended 31 March 2018 £	Total Year ended 31 March 2018 £
Wages and salaries (Note 7)	305,282	18,279	323,561
Other staff costs—travel / recruitment etc.	116,776	6,992	123,768
Administration	81,488	4,879	86,367
Strategy and planning (pro-bono)	467,709	28,004	495,713
Premises (net of recharges)	125,349	7,505	132,854
Audit & other	16,983	1,017	18,000
Accountancy	11,764	704	12,468
Legal	33,483	2,005	35,488
Public relations	35,207	2,108	37,315
Depreciation (Note 8)	40,125	2,402	42,527
Loss on disposal of fixed assets	12,737	763	13,500
	£1,246,903	£74,658	£1,321,561

Governance costs of £696,306 (2018 – 12 months - £526,356) which includes £650,000 (2018 – 12 months - £495,713) of pro-bono work on strategy and planning were incurred during the period. These are included in the support costs in both current period and in 2018.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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

This is stated after charging:

	17 months ended 31 August 2019	Year ended 31 March 2018
	£	£
Operating leases – land and buildings	189,939	76,503
Depreciation	49,394	42,527
Loss on disposal of fixed assets	-	13,500
Auditor's remuneration:		
Audit services	21,000	20,400

7. STAFF COSTS

	17 months ended 31 August 2019	Year ended 31 March 2018
	£	£
(a) Salaries	1,641,439	957,583
National Insurance	121,163	92,470
Pension contributions	136,501	85,917
	<u>£1,899,103</u>	<u>£ 1,135,970</u>

Included in the staff costs are consultancy fees of £299,785 (2018 - £51,480) payable to key management personnel and £40,008 (2018 - £NIL) payable to another consultant who are not employees. Also included in the staff costs are temporary staff costs of £Nil (2018 - £19,014) and staff costs recharged to the Charitable Company by the Chairman's private office of £70,968 (2018 - £62,351) and pension costs of £3,724 (2018 - £26,109) for the shared use of employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the period ended 31 August 2019 (2018 - £NIL). See Note 14 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 £707,624 (2018 - £487,930).

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 period was £136,501 (2018 - £85,917). Of these contributions, £11,464 (2018 - £8,300) were due to these plans by the Charitable Company at the period end.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

7. STAFF COSTS (continued)

	17 months ended 31 August 2019 No.	Year ended 31 March 2018 No.
(b) Number of staff (full time equivalents)		
Programmes	10	5
Research	7	7
Fund raising	3	4
Administration	3	3
	<u>23</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 for the 17 month period (2018: 12 month) is as follows:

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

Employers' pension contributions in respect of these 3 (2018 - 3) employees amounted to £26,780 (2018 - £44,396) during the period.

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and fittings £	Computer equipment £	Cycle scheme £	Total £
Cost					
At 1 April 2018	116,770	107,493	33,444	-	257,707
Additions	29,038	12,403	43,510	1,771	86,722
Disposals	(2,042)	-	(3,791)	-	(5,833)
At 31 August 2019	<u>143,766</u>	<u>119,896</u>	<u>73,163</u>	<u>1,771</u>	<u>338,596</u>
Depreciation					
At 1 April 2018	100,872	82,109	28,272	-	211,253
Charge for period	23,700	12,498	12,268	928	49,394
Disposals	(2,042)	-	(3,791)	-	(5,833)
At 31 August 2019	<u>122,530</u>	<u>94,607</u>	<u>36,749</u>	<u>928</u>	<u>254,814</u>
Net book value					
At 31 August 2019	<u>£21,236</u>	<u>£25,289</u>	<u>£36,414</u>	<u>£843</u>	<u>£83,782</u>
At 31 March 2018	<u>£15,898</u>	<u>£25,384</u>	<u>£5,172</u>	<u>£ -</u>	<u>£46,454</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

9. FIXED ASSET INVESTMENTS	31 August 2019 £	31 March 2018 £
Investments comprise:		
United Kingdom	1,936,138	-
Overseas	61,920	-
Total Investments	£1,998,058	£ -
Unrealised loss on investments in the period:		
United Kingdom	1,862	-
Overseas	80	-
Total unrealised loss on investments in the period	£1,942	£ -

Investment assets within the United Kingdom

	Quoted Securities	Cash held by custodian	Total
	31 August 2019 £	31 August 2019 £	31 August 2019 £
Cost/market value			
At 1 April 2018	-	-	-
Additions	572,367	1,365,633	1,938,000
Disposals	-	-	-
Unrealised investment loss	(1,862)	-	(1,862)
At 31 August 2019	570,505	£1,365,633	£1,936,138

Investment assets within the United Kingdom

	Quoted Securities	Cash held by custodian	Total
	31 March 2018 £	31 March 2018 £	31 March 2018 £
Cost/market value			
At 1 April 2017	-	-	-
Additions	-	-	-
Disposals	-	-	-
Unrealised investment loss	-	-	-
At 31 March 2018	£ -	£ -	£ -

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

9. FIXED ASSET INVESTMENTS (continued)

Investment assets outside the United Kingdom

	31 August 2019 Quoted securities Total £	31 March 2018 Total £
Cost/market value		
At 1 April 2018	-	-
Additions	62,000	-
Disposals	-	-
Unrealised investment loss	(80)	-
	<hr/> £61,920	<hr/> £ -
At 31 August 2019	<hr/> <hr/>	<hr/> <hr/>

The following investments represent material investments (more than 5% of the total investment portfolio) of the Charitable Company:

	Market Value	Percentage of total
	31 August 2019 £	31 August 2019 %
UK Investments		
Treasury 1/8% I/L Stock 22/03/2029	£122,327	6.1%
	<hr/> £ -	<hr/> £ -
Overseas Investments	<hr/> <hr/>	<hr/> <hr/>

	Market Value	Percentage of total
	31 March 2018 £	31 March 2018 %
UK Investments		
	£ -	£ -
Overseas Investments	<hr/> £ -	<hr/> £ -
	<hr/> <hr/>	<hr/> <hr/>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

10. DEBTORS	31 August 2019 £	31 March 2018 £
Debtors – donations and legacies receivable	22,250	45,416
Other debtors	23,158	117,474
Prepayments and accrued income	426,415	485,127
	<u>£471,823</u>	<u>£648,017</u>
11. CREDITORS - Amounts falling due within one year	31 August 2019 £	31 March 2018 £
Accruals for grants payable	738,261	456,235
Trade creditors	156,172	91,016
Taxation and social security	33,256	35,573
Other creditors	20,755	16,418
Accruals and deferred income (Note 13)	902,572	1,135,693
	<u>£1,851,016</u>	<u>£1,734,935</u>
12. CREDITORS - Amounts falling due after more than one year	31 August 2019 £	31 March 2018 £
Other creditors	20,467	-
Accruals and deferred income (Note 13)	219,411	69,210
	<u>£239,878</u>	<u>£69,210</u>
13. DEFERRED INCOME	31 August 2019 £	31 March 2018 £
Balance as at 1 April 2018	1,068,527	1,053,045
Amount deferred in the period	977,593	916,101
Amount released to income	(1,088,260)	(900,619)
Balance as at 31 August 2019	<u>£957,861</u>	<u>£1,068,527</u>

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

Deferred income represents grants, donations and the match funding from Sir Peter Lampl (refer Note 14), received in advance. It is included within Accruals and deferred income in Notes 11 and 12 above.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the period ended 31 August 2019 (2018 - £NIL).

Trustees' expenses

During the period Sir Peter Lampl charged the Charitable Company £74,692 (2018 – 12 months - £88,776) for the shared use of employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the period Sir Peter Lampl was charged £46,494 (2018 – 12 months - £45,910) for general administrative costs incurred by the Charitable Company on his behalf.

£20,755 (2018 - £16,418) was owed to Sir Peter Lampl at the period end. This amount is repayable on demand and interest free.

Donations from Trustees

During the period, donations of £90,000 (2018 - £Nil) were received from Sir Peter Lampl. In addition, under a match funding arrangement with Sir Peter Lampl which commenced in 2015/2016, Gift Aid claim of £Nil (2018 - £100,445) relating to his donations from earlier years was received from HMRC during the period. A total of £55,640 (2018 - £240,401) of these donations were not match funded and were deferred (see Note 13) at the period end. £184,762 (2018 – 12 months - £162,800) of previous donations were matched funded and released as income in the period.

During the period, donations of £60,000 (2018 – 12 months - £30,000) were received from Sir Peter Gershon and £79,648 (2018 - £Nil) were received from Timothy Bunting.

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

Other

Sir Peter Gershon, a Trustee of The Sutton Trust, was 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 certain 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 period the Sutton Trust charged the EEF £101,354 (2018 – 12 months - £157,689) for office space, before they moved out of most of the premises, and overheads and £58,165 (2018 – 12 months - £70,503) for staff costs and third party expenses. £22,963 (2018 - £117,473) was owed to The Sutton Trust by the EEF at the period end.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

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

	17 months ended 31 August 2019 £	Year ended 31 March 2018 £
Net income and net movement in funds	276,957	444,124
Interest receivable	(10,647)	(3,137)
Loss on investments	1,942	-
Depreciation of tangible fixed assets less disposals	49,394	42,527
Loss on disposal of fixed assets	-	13,500
Decrease in debtors	176,194	297,757
Increase in creditors	286,749	128,671
Net cash inflow from operating activities	<u>£780,589</u>	<u>£923,442</u>

16. OPERATING LEASES

At 31 August 2019, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

	Land and Buildings 31 August 2019 £	Land and Buildings 31 March 2018 £
Within 1 year	117,281	193,500
Between two and five years	182,420	-

The above operating lease for the premises occupied by the Charitable Company expires on 25 March 2022.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

THE SUTTON TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

18. STATEMENT OF FUNDS

	Funds brought forward	Total income	Total expenditure	Transfers	Funds carried forward
	£	£	£		£
Unrestricted funds					
General funds	5,369,395	1,952,973	(1,726,867)	(2,063,392)	3,532,109
Designated funds	-	-	(1,942)	2,000,000	1,998,058
	<u>5,369,395</u>	<u>1,952,973</u>	<u>(1,728,809)</u>	<u>(63,392)</u>	<u>5,530,167</u>
Restricted funds					
Pathways to Law	47,713	772,332	(931,443)	-	(111,398)
Summer Schools	825,702	1,704,548	(1,398,632)	-	1,131,618
Teacher Summer Schools	407,389	64,123	(53,448)	-	418,064
Sutton Scholars	120,068	597,169	(630,707)	29,441	115,971
US Programme	368,057	1,708,045	(1,397,979)	-	678,123
Pathways to Medicine	1,679	143,995	(122,872)	9,200	32,002
Parental Engagement Fund	24,501	-	(157)	-	24,344
Pathways to STEM	(11,751)	128,462	(116,711)	-	-
Pathways to Banking & Finance	138,263	126,193	(304,999)	54,192	13,649
Research and Policy	261,821	670,173	(655,984)	-	276,010
Carnegie	77,602	-	(77,602)	-	-
Access Champions	133,226	146,407	(279,633)	-	-
Pathways Plus	38,354	90,977	(129,331)	-	-
Pathways to Coding	68,221	15,885	(54,665)	(29,441)	-
Alumni Network	-	105,331	(55,331)	-	50,000
Application Support Programme	10,000	72,143	(93,721)	-	(11,578)
Early years	30,000	85,000	(115,000)	-	-
Digital Innovation	-	30,000	(29,995)	-	5
Apprenticeship Campaigns	-	69,691	(29,471)	-	40,220
	<u>2,540,845</u>	<u>6,530,474</u>	<u>(6,477,681)</u>	<u>63,392</u>	<u>2,657,030</u>
Total funds	<u>£7,910,240</u>	<u>£8,483,447</u>	<u>£(8,206,490)</u>	<u>£ -</u>	<u>£8,187,197</u>

The unrestricted general funds represent the general reserves of the Charitable Company which are not restricted for particular purposes. The unrestricted designated funds are funds invested to generate income for 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. Due to the change in the financial year end, income and expenditure on these programmes are no longer aligned. This is exacerbated for Pathways to Law as funding is backloaded in line with the funding agreement. It is expected that the fund will return to a positive/ zero balance within the next financial year.

UK 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.

THE SUTTON TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

18. STATEMENT OF FUNDS (continued)**Teacher Summer Schools**

The Teacher Summer Schools are 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 Programme

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

Pathways to Medicine

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

Parental Engagement Fund

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

Pathways to STEM

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

Pathways to Banking & Finance

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

Research and Policy

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

Carnegie

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

Access Champions

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

Pathways Plus

A programme supported by law firms to support non-privileged undergraduate students interested in the legal profession.

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. It is expected that the fund will return to a positive/ zero balance within the next financial year.

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NOTES TO THE FINANCIAL STATEMENTS
31 AUGUST 2019

18. STATEMENT OF FUNDS (continued)**Early Years**

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

Digital Innovation

A programme to scope a digital support programme for the Trust's programme participants

Apprenticeship Campaigns

A fund focussing on the Trust's Apprenticeship Campaign across research and programmes.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds	Total
	General	Designated		
	31 August	31 August	31 August	31 August
	2019	2019	2019	2019
	£	£	£	£
Tangible fixed assets	83,782	-	-	83,782
investments	-	1,998,058	-	1,998,058
Debtors	153,038	-	318,785	471,823
Cash at bank and in hand	3,619,692	-	4,104,736	7,724,428
Current liabilities	(273,937)	-	(1,577,079)	(1,851,016)
Non - current liabilities	(50,466)	-	(189,412)	(239,878)
Total net assets	£3,532,109	£1,998,058	£2,657,030	£8,187,197

	Unrestricted funds		Restricted funds	Total
	General	Designated		
	31 March	31 March	31 March	31 March
	2018	2018	2018	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)
Total net assets	£5,369,395	£ -	£2,540,845	£7,910,240

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

20. 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.

21. FINANCIAL INSTRUMENTS

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

	31 August 2019 £	31 March 2018 £
<i>Financial assets</i>		
Measured at fair value through profit and loss	9,722,486	9,019,914
Measured at amortised cost:		
Other debtors (Note 10)	<u>23,158</u>	<u>117,474</u>

	31 August 2019 £	31 March 2018 £
<i>Financial liabilities</i>		
Measured at amortised cost		
Trade creditors (Note 11)	156,172	91,016
Other creditors and accruals (Note 11)	<u>171,951</u>	<u>138,601</u>

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

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 net losses of £1,972 (2018 - £NIL) attributable to the Charitable Company's financial instruments.