# THE SUTTON TRUST

England & Wales · Charity number 1146244

## Details

| | |
|---|---|
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 07951541 |
| **Registered** | 2012-03-05 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | The Sutton Trust<br>Millbank Tower<br>21-24 Millbank<br>London<br>SW1P 4QP |
| **Phone** | 020 7802 1660 |
| **Email** | contact-us@suttontrust.com |
| **Website** | http://www.suttontrust.com |

## Activities

**Objects:** (A)TO ADVANCE THE EDUCATION OF THE PUBLIC AND TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR YOUNG PEOPLE; AND (B)TO UNDERTAKE SUCH CHARITABLE PURPOSES OR TO MAKE DONATIONS TO SUCH A CHARITABLE INSTITUTION OR INSTITUTIONS AT SUCH A TIME OR TIMES AND IN SUCH MANNER AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION THINK FIT.

**Activities:** The Sutton Trust aims to improve educational opportunities for young people from non-privileged backgrounds and increase social mobility, in particular by supporting projects, policy advocacy and undertaking and commissioning research.

## Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Downloaded from opencharities.uk/ew/1146244

## Geography

- Scotland
- Throughout England And Wales

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-08-31 | £7,059,592 | £7,409,305 | £9,389,802 | 49 |
| 2024-08-31 | £7,463,664 | £8,253,431 | £9,728,545 | 47 |
| 2023-08-31 | £7,123,285 | £7,627,677 | £10,340,864 | 44 |
| 2022-08-31 | £5,829,676 | £6,343,200 | £10,953,173 | 33 |
| 2021-08-31 | £6,133,807 | £4,495,334 | £11,800,357 | 31 |
| 2020-08-31 | £6,698,890 | £5,217,472 | £9,744,521 | 28 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Ian Walsh** | Chair | 2024-11-04 |
| Erica Lyn Wax | | 2025-01-05 |
| Fiona Forbes | | 2024-10-16 |
| Jardelle Mia Johnson | | 2025-12-10 |
| Martin John Sullivan | | 2024-08-19 |
| Stephen Mark Julius | | 2024-07-20 |

Downloaded from opencharities.uk/ew/1146244

**THE SUTTON TRUST**

England & Wales - Charity number 1146244

# Accounts

# THE SUTTON TRUST

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

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2025

THE SUTTON TRUST

FOR THE YEAR ENDED 31 AUGUST 2025

## CONTENTS


| | Page |
|---|---|
| REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT) | 1 - 23 |
| INDEPENDENT AUDITOR'S REPORT | 24 - 27 |
| STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT) | 28 |
| BALANCE SHEET | 29 |
| STATEMENT OF CASH FLOWS | 30 |
| NOTES TO THE FINANCIAL STATEMENTS | 31 - 53 |

# THE SUTTON TRUST

## REPORT OF THE TRUSTEES

## FOR THE YEAR ENDED 31 AUGUST 2025

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 year ended 31 August 2025. The Report of the Trustees incorporates the Strategic Report and the Directors' Report.

The financial statements comply with the Charities Act 2011, and where relevant, the Charities Act 2022, 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) (published in October 2019) ("Charities SORP FRS 102").

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

| | |
|---|---|
| **Governing Instrument** | Memorandum and Articles of Association |
| **Trustees (also the statutory directors of the Charitable Company)** | Ian Walsh (from 04/11/2024)<br>Rt Hon Lord Brady of Altrincham (until 09/12/2025)<br>Fiona Forbes (from 16/10/2024)<br>Sir Peter Gershon (until 03/10/2024)<br>Jardelle Johnson (from 10/12/2025)<br>Stephen Julius<br>Sir Peter Lampl (until 03/08/2025)<br>Oliver Quick (until 01/07/2025)<br>Martin Sullivan<br>Erica Wax (from 05/01/2025) |
| **Chair of Trustees** | Ian Walsh (from 04/11/2024) |
| **Chief Executive** | Dr Nick Harrison |
| **Director of Development** | Jenny Suggitt |
| **Director of Programmes** | Katy Hampshire |
| **Director of Research & Policy** | Carl Cullinane |
| **Director of Communications and Advocacy** | Tracey Tynan |
| **Director of Finance & Operations** | Stefanie Kha |
| **Objects of Charitable Company** | The Trustees shall hold or apply the capital and income of the Charity for the following objects:<br>**(i)** To advance the education of the public and to improve educational opportunities for young people; and<br>**(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** | Part 9th Floor, 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** | Rawlinson & Hunter Audit LLP<br>Statutory Auditor<br>Chartered Accountants<br>Eighth Floor, 6 New Street Square,<br>New Fetter Lane, London<br>EC4A 3AQ |
| **Bankers** | National Westminster Bank<br>57 Victoria Street, London,<br>SW1H 0HN<br><br>CAF Bank Limited<br>25 Kings Hill Avenue, Kings Hill,<br>West Malling, Kent<br>ME19 4JQ<br><br>Nationwide Building Society<br>Kings Park Road<br>Moulton Park, Northampton<br>NN3 6NW |
| **Investment Managers** | J.P. Morgan Bank<br>60 Victoria Embankment, London<br>EC4Y 0JP |
| **Solicitors** | Bates Wells<br>10 Queen Street Place, London<br>EC4R 1BE |

## OBJECTIVES & ACTIVITIES

### Charitable Aims

The aim of the Sutton Trust (the Trust) is to address educational disadvantage and to promote social mobility – the opportunities open to young people from a lower income homes. High levels of social mobility mean that people from all backgrounds can succeed in life and make the most of their talents and aspirations. It is 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 has five focus areas: Early Years, Schools, Apprenticeships, Higher Education and Access to the Workplace.

The Trust has a unique 'do tank' model of research and policy activity allied with practical, on-the-ground programmes. The Trust's programmes focus on academically able, disadvantaged students. We have built considerable expertise in this area over the last 25 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, particularly from school into university and from university into careers.

The Trust's research and policy work is deliberately wider, recognising that there are 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.

During the year, the Trust finished the refresh of its 2030 strategy (originally implemented in 2020) for the period from 2025-2030. It is our ambition to deliver material improvements in UK social mobility through our three strategy pillars around:

- Transforming lives with our Programmes – by growing the number of young people supported to approximately 20,000 annually: particularly through expanding our online offering on Sutton Trust Online and growing our Pathways and Apprenticeship programmes in existing and 1-2 additional sectors while maintaining our activities across UK Summer Schools and the US Programme.
- Changing the System for all – by increasing public pressure for change with high profile research, communications and advocacy, driving at least four significant policy changes as per our manifesto priorities (published in 2024) as well as through focussed practice change in schools, universities and employers.
- Building the alumni movement – by empowering our alumni as change makers, volunteers and advocates as well as improving our support to succeed at university and with expanded employment access.

Our success will be enabled by refreshed brand messaging with strengthened youth voice and a clear social mobility narrative, a well supported high-preforming team empowered by process and technology, selected partnerships increasing leverage in advocacy and delivery as well as innovation across all strands of our work. We recognise that in order to deliver our strategy we need to substantially and sustainably grow our fundraising income over the strategy period in a challenging external environment. As we move through the strategy period, we regularly review our performance against our strategy principles ensuring we balance ambition with sustainability to maximise impact towards achieving our vision of breaking the link between socio-economic background and opportunity, so all young people have a fair chance in life.

## OBJECTIVES & ACTIVITIES (continued)

### Significant Activities

*Programmes* – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped over 70,000 students since the Trust was founded, and reached over 14,000 young people in this 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 300 pieces of research since the Trust was founded in 1997, which have generated significant media and press interest, and have influenced policy on many occasions.

*Development* – As a registered charity that receives no government funding, our activity is only made possible by donations from our generous supporters including the Board (the Strategic Advisory and Development Board), trusts and foundations, businesses, individuals and our alumni.

### 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 11), and its research and policy work (see pages 11 to 13) 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 events.

In support of its work, the Trust works in partnership with other organisations and may also provide grants to its partners. The grant-making policy is published on page 18.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

### Programmes

Each year there are c.50,000 young people in the UK who are from disadvantaged backgrounds and with the academic potential to access highly competitive universities and professional careers. Our programmes are designed to support talented young people from low socio-economic backgrounds to make informed choices about their future, maximise their talents, and realise their aspirations.

In academic year 2024/25, we again received a record number of applications for our programmes, and were able to support record numbers of beneficiaries:

- Over 29,000 applications to our guided programmes
- 14,590 young people engaged across our full suite of programmes
- 4,730 alumni engaged with our alumni offer
- Over 40,000 contactable alumni in our alumni network
- 976 teachers engaged with our Teacher Champions offer

Our delivery model brings together Sutton Trust expertise, leading universities, and employer partners to create an ecosystem that tackles the barriers faced by talented young people from lower socio-economic backgrounds. We work with over 2,000 schools, 19 leading universities, 130+ national employers and 200+ industry volunteers each year.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

Our suite of programmes includes seven guided programmes and our award-winning online platform Sutton Trust Online. Our programmes are all designed to meet our overarching Theory of Change, building skills, knowledge and confidence to make informed decisions and successfully apply and transition to higher education and highly competitive careers.

***Programme Eligibility***
In every cohort, we apply five needs-based and one talent-based eligibility criteria, to ensure our programmes are reaching the young people who will benefit most:

- Free School Meals eligibility
- First generation of their family to attend university
- Live in a neighbourhood of socio-economic deprivation
- Attend a low performing school
- Care-experienced
- Predicted to attain at least five GCSEs grade 9-6 (equivalent to A* to B) or at least five A or B grades at National 5 in Scotland.

The students we support have often grown up in areas with high rates of poverty and economic deprivation, with 65% of our 2024/25 guided programmes cohorts eligible for Free School Meals, compared to 25.7% of pupils in England, and 75% are the first in their family to attend university.

Our programmes are open to students from across the UK, encouraging applications from regional social mobility cold spots such as those in the North of England and the West Midlands. 90% of our students live in neighbourhoods that are recognised as those of socio-economic deprivation, using Acorn from CACI Ltd and the Indices of Multiple Deprivation for England and Scotland.

Despite facing challenges, young people on our programmes are talented, ambitious, and driven. They have high potential to excel in university or degree apprenticeships and their careers, and we know from our alumni that taking part in our programmes is a formative part of their development.

***Programme Impact and Evaluation***
Robust evaluation of the impact of our programmes is crucial for the Trust, and we employ mixed-methods evaluation of our programmes to track short, medium, and long-term outcomes.

During 2024/25 we started to build our internal impact evaluation function with a new role, to complement our existing approach of externally commissioned evaluations. This enables us to develop in-house regular tracking and analytics capability, and strategically commission external evaluators for in-depth and longitudinal work. Bolstering the existing expertise within our programme delivery leadership team with dedicated impact evaluation resource improves the timeliness and quality of our evaluation work, including reflecting the findings in our practice.

During 2024/25 we have focused on analysis of the short and medium term outcomes data, as well as further building relationships with the Higher Education Access Tracker (HEAT) and UCAS Outreach Evaluator to try and improve data provision from these organisations as there have been significant delays in recent years. Delayed data on graduate destinations and university applications from both organisations is due during 2025/26 and we are planning for robust analysis to complement the evaluation already undertaken on short and medium term outcomes for the relevant previous programme cohorts.

Although there have been delays in receiving UCAS Outreach Evaluator and HEAT data in recent years, we have still been able to analyse the most recently available UCAS data, which shows that Sutton Trust participants are significantly more likely to accept a place at a high-tariff university compared to students of a similar background.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

| % accepting a place at a high-tariff university, 2024 | UK Summer Schools | Pathways to Law | Pathways to Medicine | Pathways to Banking & Finance | Pathways to Engineering |
|---|---|---|---|---|---|
| Sutton Trust participants | 50% | 53% | 47% | 39% | 52% |
| UCAS comparator | 26% | 24% | 28% | 24% | 26% |

***Highlights for the year:***
Short and medium term outcomes from our Theories of Change are tracked with surveys aligned (where relevant) with validated sector standards, such as the Access and Success Questionnaire from TASO (Transforming Access and Student Outcomes in Higher Education).

Headlines from our 2024/25 analysis include:

- 90% of students intend to apply to a competitive university after attending our UK Summer Schools, and the same percentage said attending programme left them feeling more motivated for their final year of school.
- 93% of Pathways to the Professions students intend to apply to university or for a degree apprenticeship after taking part in the programme, and 94% felt more motivated to achieve their career goals after taking part in their work experience placement as part of the programme.
- Students overwhelmingly positively rate their experience of our guided programmes – 97% of students on Pathways to the Professions and 94% of UK Summer Schools students said they enjoyed their time on the programme.

During 2024/25 we also commissioned external evaluations from industry experts for a number of programmes that were at key points in their pilot and delivery cycles.

Both our alumni Bursary programmes completed three cohorts of delivery during 2024/25, and as such we commissioned external evaluations of both programmes to understand their impact. We also received the evaluation of the first five years of delivery of Sutton Trust Online (STO), and findings from all three evaluations fed into continued improvement of the programmes, as well as renewal of partnerships with key funders.
Headlines from these evaluations include:

- Students using STO were 1.7x more likely to secure a place at a high-tariff university than a control group of peers with similar grades and backgrounds.
- The more students engaged with STO, the more likely they were to apply and secure a place at competitive universities – 53% of students who were highly engaged with STO were accepted to a high-tariff university, compared to 28% of the control group.
- 98% of Careers Skills Bursary recipients felt they understood what a job in FinTech entails by the end of the programme, up from 40% from the start of programme, and 100% of the recipients felt confident writing CVs and applying for jobs.
- The Opportunity Bursary was overwhelmingly successful at supporting alumni to fund activities, internships, qualifications, courses and experiences that improved their skills and employment opportunities, and students became significantly more confident in their ability to perform well in job interviews.

***UK Summer Schools***
In 2024/25 we gave 2,343 talented students aged 16-17 the chance to experience what student life is really like at leading universities across the UK through our UK Summer Schools.

We deliver our Summer Schools in partnership with 12 leading universities across the UK. In 2024/25, we offered 196 different combinations of subjects that ranged from STEM essentials – such as engineering, mathematics, biosciences, medicine, and computer science – through to arts and humanities courses, and social science staples like politics and sustainable development.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

| | 2024/25 | 2023/24 |
|---|---|---|
| Number of applications | 19,575 | 15,655 |
| Number of participants | 2,343 | 2,651 |
| **Of the participating students** | | |
| First in their family to attend university | 75% | 70% |
| Eligible for Free School Meals | 65% | 54% |
| From a disadvantaged neighbourhood/ Low performing school | 93%<br>58% | 89%<br>75% |

Our 2024/25 UK Summer School evaluation showed that we are meeting our Theory of Change outcomes, with participants leaving the programme feeling far more confident in their knowledge of university life, ready to apply to university, and with an increased sense of belonging at selective universities.

Highlights include:

- 89% of students left the programme with a clear idea of which university they will apply to, with those strongly agreeing increasing from 44% at the start to 62% at the end of the programme.
- 79% of students left the programme knowing what universities look for in a personal statement, compared to 39% at the start of the programme.
- 88% of students finished the programme feeling they will fit in academically at university, and 81% felt they will fit in socially.

***Sutton Trust Fulbright US Programme***

Since its launch in 2012, the Sutton Trust Fulbright US Programme has supported over 1,900 talented students from low socio-economic backgrounds to explore and access world-leading US universities. To date, 707 alumni have enrolled at US institutions, unlocking over $200 million in financial aid.

In 2024/25, 132 students took part in the programme following a rigorous application process. During the programme, students benefit from intensive residentials, expert-led virtual sessions, personalised mentoring and feedback, dedicated financial aid guidance, and an alumni network that continues to grow in strength and reach. The result is not only impressive university destinations, but also students who are more confident, ambitious, and resilient - better prepared to make informed decisions about their futures, whether in the US or the UK.

| | 2024/25 Part 1 | 2023/24 Part 1 |
|---|---|---|
| Number of applications | 1,857 | 1,303 |
| Number of participants | 132 | 150 |
| **Of the participating students** | | |
| First in their family to attend university | 69% | 67% |
| Eligible for Free School Meals | 62% | 47% |
| From a disadvantaged neighbourhood/ Low performing school | 90%<br>37% | 78%<br>49% |

Our previous evaluation of ten years of the Sutton Trust Fulbright US Programme showed that we are meeting our Theory of Change, with participants making informed decisions about studying in the US, applying to and attending US and UK institutions, and being supported to access transformative financial aid to study in the US.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

Highlights include:

- 55% of programme participants applying to US colleges, with 67% of these then enrolling to study in the US, and collectively accessing over $200m in financial aid.
- Students who didn't apply to US colleges after the programme said preferring to apply and study in the UK was a key reason, and 63% of all participants went on to study in the UK.
- 88% of students said the programme improved their understanding of US culture, politics, and society.

***Sutton Trust Online***

Sutton Trust Online (STO) was launched in 2020, with support from Bloomberg, as an innovative platform to expand our reach and offer a digital solution for talented young people from low socio-economic backgrounds who struggled to access our guided programmes or missed out on securing a place.

Since launch, STO has supported over 57,000 young people to access digital advice, information, and support. Demand for our programmes remains high, receiving more than seven applications for each guided programme place in 2024/25. With this scale of demand, the need to continue to offer and develop STO is critical. Over 18,000 of the students who applied to our programmes and met the criteria to be offered STO were invited to activate their accounts, with 74% doing so.

Activation rates are improving each year, showing appetite from students for the unique ecosystem that STO offers, and that despite perceptions of digital fatigue, platforms that understand and adapt with their audience can still succeed in creating impact.

STO is structured around four phases – Explore, Apply, Prepare, and Succeed – to support our theory of change and help our talented students to apply and transition to their next stage of education. We have integrated content from our university partners and key information sources, including UCAS, Skills Builder, the OSCAR personal statement builder from Causeway Education, and Aspiring Medics, an AI-enhanced tool providing interview support for applications to study medicine. STO now supports 20 subjects, including STEM, arts, humanities, and social sciences, and an apprenticeships pathway, supporting informed choice for our students.

In 2024/25, we received the results of our external evaluation of cohorts 1-5 of STO from The Brilliant Club (UK charity that increases access to competitive universities for students from under-represented backgrounds). Evaluation highlights include:

- Students using STO were 1.7x more likely to secure a place at a high-tariff university than a control group of peers with similar grades and backgrounds.
- 86% of STO students applied to Russell Group universities, and 44% went on to study there – compared to 51% and 26% of the control group.
- 87% applied to high UCAS tariff universities, and 48% went on to study there – compared to 50% and 27% of the control group.
- 27% applied to Oxbridge, with 5% securing places – compared to 3% and 1% of the control group.

***Pathways to the Professions***

In 2024/25, our Pathways to the Professions programme supported 1,122 talented students aged 16-18 to understand more about specific subjects and career sectors, levelling the playing field with their more socio-economically advantaged peers when it comes to accessing networks, information, and critical work experience placements.

Our Pathways programmes run for 18 months and focus on a specific profession or industry, including: law, engineering, medicine, and banking & finance. Delivery in 2024/25 was in collaboration with over 100 employer partners and 12 leading universities across the UK.

Across the programme, activities for our students included university-led conferences, skills sessions, admissions support, insight days, and work experience placements. Our unique model of working with both university and employer partners provides Pathways students with exposure to and experience in both academic and workplace settings that they would otherwise struggle to access and envision themselves in.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

| | 2024/25 | 2023/24 |
|---|---|---|
| Number of applications | 7,289 | 6,234 |
| Number of participants | 1,122 | 1,552 |
| **Of the participating students** | | |
| First in their family to attend university | 76% | 75% |
| Eligible for Free School Meals | 57% | 46% |
| From a disadvantaged neighbourhood/ Low performing school | 90%<br>63% | 90%<br>62% |

Our 2024/25 evaluations for Pathways to the Professions showed that we are meeting our Theory of Change outcomes, with participants leaving the programme feeling far more confident about taking steps to access a career in their chosen sector, more knowledgeable about their chosen sector, and with an increased sense of belonging in higher education (HE) and their chosen sector.

Highlights include:

- 93% of Pathways students intend to apply to university or for a degree apprenticeship after taking part in the programme.
- 94% of Pathways students felt more motivated to achieve their career goals after taking part in their work experience placement as part of the programme.
- A significant majority of Pathways students said taking part in the programme had given them sector skills – across the sector strands this was 89% in Law, 87% in Banking & Finance, 82% in Medicine, 81% in Engineering, and 79% in Consulting.
- 91% of Pathways students said taking part in their work experience placement had improved their ability to communicate, and 82% said it had improved their ability to work in a team.

***Access Apprenticeships***

Our Access Apprenticeships programme supports students to gain knowledge and access high-quality apprenticeships. Previously our Apprenticeships Summer School, in 2023/24 we re-launched with a longer delivery model that is parallel to our Pathways delivery. It offers students aged 16-17 a year-long comprehensive programme of tailored support with a focus on accessing higher and degree level apprenticeships.

Students choose the sector strand of the programme in which they have a key interest from law, banking and finance, or engineering. They then take part in a range of core activities to get a unique insight into what apprenticeships and career in that sector is really like.

Our 2024/25 cohort consisted of 153 students, with 71 on the banking and finance strand, 48 on law, and 32 focused on engineering. For this year's delivery we adjusted the location of the engineering strand from Birmingham to Manchester, based on the availability of employer partners and a review of student demand.

| | 2024/25 | 2023/24 |
|---|---|---|
| Number of applications | 836 | 477 |
| Number of participants | 153 | 146 |
| **Of the participating students** | | |
| First in their family to attend university | 89% | 75% |
| Eligible for Free School Meals | 73% | 57% |
| From a disadvantaged neighbourhood/ Low performing school | 97%<br>69% | 92%<br>87% |

During 2024/25 we commissioned The Brilliant Club to undertake an interim evaluation of the new delivery model, due at the end of the 2025 calendar year.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

Highlights from surveys of recent participants and our external evaluation focus groups include:

- 74% of students felt confident they knew when and where to find apprenticeship opportunities after the programme, up from 28% at the start.
- 80% of students agreed that as a result of the programme they felt confident balancing academic study with work.
- 50% of students from the focus groups were intending on pursuing an apprenticeship, immediately or after a gap year, and 41% were applying to university immediately or after a gap year.

***Careers Plus***

We recognise that access to university is not the end of barriers for our alumni, so we also offer a career readiness post-18 programme, design to provide additional support during their time as an undergraduate and help break down barriers to entering a competitive career.

Careers Plus is designed to help level the playing field and give high-attaining young people the opportunity to further develop their employability skills, gain critical work experience, and access mentoring with some of the UK's leading employers in selected professional sectors.

Delivered between April and October, Careers Plus: Law began in 2013/14, and in 2024/25 we expanded our offer to also run Careers Plus: Consulting and Careers Plus: Tech & Digital. Across the three sectors we supported 149 undergraduate alumni of our programmes to explore their chosen sector, with 63 opting for Tech & Digital, 48 for Law, and 38 for Consulting.

| | 2024/25 | 2023/24 |
|---|---|---|
| Number of applications | 560 | 149 |
| Number of participants | 149 | 55 |
| **Of the participating students** | | |
| First in their family to attend university | 78% | 93% |
| Eligible for Free School Meals | 89% | 87% |
| From a disadvantaged neighbourhood/ Low performing school | 95% 80% | 93% 89% |

Programme delivery for Careers Plus runs on an April-October schedule to best suit the availability of undergraduates to take part in programme activities, so at time of writing we have gathered end of programme survey results but not fully evaluated the 2024/25 delivery. During 2024/25 we also commissioned an interim evaluation from The Brilliant Club for Careers Plus: Tech & Digital, due in early 2026.

***Alumni Engagement***

Our alumni are a powerful force for change; there are now nearly 70,000 Sutton Trust alumni at university and in the workplace, with over 40,000 contactable through our alumni network. We support and work with our alumni through a range of activities and initiatives, from programmes and bursaries for undergraduates, to 'Early Careers' newsletters, a dedicated online platform, and opportunities to give back to the Sutton Trust and champion social mobility in their workplaces and society.

Our thriving and diverse Alumni Leadership Board (ALB) supports the Sutton Trust by sharing their views, opinions, and advice on a range of issues – from our programme development to research and advocacy – and champion social mobility and the Sutton Trust in their workplaces, networks, and beyond. During 2024/25, 17 alumni volunteered on the ALB, having taken part in programmes from 2006 to 2020.

Our alumni engagement team have two regular newsletters that boast significant engagement – one for 'Early Careers alumni', reaching c.26,000 alumni who are in the first four years after their Sutton Trust programme, that focuses on early careers advice and opportunities, and one for all our contactable alumni that keeps them informed and up to date with our work and social mobility in the UK.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

Both our newsletters have well above average open and engagement rates compared to industry benchmarks, a testament to how much our alumni community still feel connected to us. Compared to the 28.5% open rate in the education sector, our open rates are 63% for our Early Careers newsletter, 57% for our all-alumni network newsletter, and 65% for our targeted alumni emails.

Our alumni can also apply for two transformational bursaries, designed to support them to break down barriers during their undergraduate study and level the playing field with more affluent peers.

The *Career Skills Bursary*, supported by Bloomberg, comprises of a £3k bursary, FinTech insight week with Bloomberg in London, skills workshops, and mentoring from Bloomberg colleagues. 30 students access this bursary programme each year, with 90 students taking part across three pilot years since 2021/22.

The *Opportunity Bursary*, supported by J.P. Morgan Chase, offers undergraduate alumni a bursary of up to £5k for a project or opportunity that will help them progress in their chosen professional career. Alumni can also access mentoring, encouraging them to develop their career and soft skills.

In 2024/25 the Opportunity Bursary was awarded to 58 students, who took part in a wide range of activities thanks to the financial support. Projects undertaken from the most recent cohort include participating in mentoring and volunteering programmes that fostered personal growth and professional development, obtaining qualifications that led to presenting at professional conferences, enabling skills-based volunteering that benefitted local community non-profits, and travelling overseas for internships and work experience placements.

### Research, Policy and Communications

Our programmes help thousands of young people fulfil their potential, but to see a true step change in social mobility in this country, much larger changes are needed in policymaking and wider society.

As the leading UK social mobility 'do-tank', we pair our transformative programmes with our agenda-setting research, practical policy recommendations, and advocacy engaging all political parties. Our research and advocacy work identifies the root causes of low social mobility and promotes effective solutions through evidence-led policy change – from the early years through to schools, apprenticeships, university, and into the workplace. Since 1997 we have published over 300 evidence-rich reports, many of which have gone on to influence national policy.

In 2024/25 we published 11 pieces of thought-provoking research with the highlight being The Opportunity Index – our report on social mobility by constituency, released in May. This was a significant and foundational piece of work, incorporating data from 10 million people over two decades. It is our most viewed piece of research in over a decade, and a piece which will continue to be referenced by us and many others in the months and years to come.

Our reports into the Creative Industries *(A Class Act)*, Access to Medicine *(Unequal Treatment?)*, and *Unpaid and Underpaid Internships* also garnered significant coverage, provoking vital thought and discussions on equality of access to these sectors and opportunities. Major publication highlights this year have included:

- Artificial Advantage? (July 2025): State schools are falling behind in the new AI digital divide, with teachers in private schools more than twice as likely to have received formal training in AI, and inequalities also existing within the state school system.
- A World of Difference (June 2025): England's apprenticeship system is lagging behind international competitors, with dropout rates of c.40% and a similar percentage receiving less than their training entitlement. What lessons can we learn from other countries with similar economies but more successful apprenticeship systems?

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

- The Opportunity Index (May 2025): Using data on over 10 million young people across two decades, we took the most detailed look ever at the geography of opportunity and social mobility in England, and it is clear that where you grow up still determines your ability to get on in life.
- What is Social Mobility? (May 2025): Laying out a modern, relevant definition for social mobility today – including social mobility at all levels, and providing an entry point for those new to tackling social mobility.
- School Funding and Pupil Premium (April 2025): Polling revealed a big spike in schools using funding for disadvantaged pupils to plug budget holes, cutting staff, and cutting spending on extracurricular activities that support student skills and development.
- Unequal Treatment? (Feb 2025): Only a fraction of medical students are from working-class backgrounds despite efforts to widen access to the profession - only 5% of 2021 entrants were from the lowest socio-economic backgrounds.
- Unpaid and underpaid internships (Jan 2025): 61% of internships undertaken by recent graduates were unpaid or underpaid, creating a major barrier to social mobility and access to competitive professions for many young people from lower income backgrounds.
- A Class Act (Nov 2024): There are stark class inequalities in access to the creative industries, with younger adults from working-class backgrounds four-times less likely to work in the creative industries than their middle-class peers.
- Lessons Learnt? (Oct 2024): Reflecting on 20 years of school reform in England, with three major challenges facing the sector today – closing the attainment gap between disadvantaged pupils and better off peers; the decimation of post-16 education, and reduction in pastoral support for young people.
- Life Lessons (Sept 2024): Exploring the delivery of oracy and other life skills in schools today, and what educators would like to see develop further to improve life skills for students in more deprived areas.
- Social Selection on the map (Sept 2024): There is still socio-economic segregation in the comprehensive school system, with the attainment gap 27% higher in areas with the highest segregation.

***Communications and Advocacy***

Our research outputs, and reactive comment generated a total of 4,007 media mentions with several reports achieving widespread national media coverage. This is a 25% increase on the previous year and includes 102 broadcast mentions and 274 mentions in our priority media outlets. We had 43 parliamentary mentions – averaging more than one for every week parliament sits.

As well as publishing our evidence-rich research, we engage in vital advocacy to promote our findings and practical recommendations to key stakeholders. As founding member of the Social Mobility Alliance, launched in June 2025, we believe in the power of bringing together the public, private, and third sectors to effect real change to social mobility in this country. Our convening power and strong reputation allows us to open doors and advocate for changes with all political parties, influence and partner with a wide range of businesses and employers, and work together with other charities and social enterprise organisations.

In 2024/25 we held numerous meetings with Ministers, MPs and officials. We gave evidence at 14 consultations and inquiries, including the Covid Inquiry, the Curriculum and Assessment Review, and the Education Committee inquiry into Further Education and Skills; and we also re-started the All Party Parliamentary Group for Social Mobility.

We ran some high-profile events across the year, including:

- Launch of the OECD Education report "*Education at a Glance*' in September, including a keynote speech from Secretary of State Bridget Phillipson.
- Party Conference events at Labour and Conservative conferences.
- Parliamentary Reception in January with over 100 attendees. Speakers included Peter Swallow MP, Shadow Secretary of State for Education Laura Trott MP, Sarah Smith MP and previous co-chair of the alumni leadership board Mary Osofisan.
- Launch of the Tech Future Taskforce at Google London HQ in spring, including a fireside chat with Secretary of State Peter Kyle.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

- Launch of our apprenticeship research '*A World of Difference*' at Deutsche Bank London offices in June, with a panel including Andrew Pakes MP, chair of the All Party Group on Apprenticeships and Sutton Trust alumni.
- Well attended webinars on our *A Class Act* and *Unequal Treatment?* Reports.

Our research and advocacy work contributed to significant policy progress in a number of key areas this year. These included the rollout of family hubs; the increase in the Early Years Pupil Premium; the extension of free school meals; the access to medicine commitments; and the consultation on banning unpaid internships.

***Policy progress in the year***

Early years

- Family Hubs (July 2025): Rollout of 1,000 new family hubs targeted at the most disadvantaged areas (recommendation to open new children's centres was part of our 2024 manifesto).
- Early Years Pupil Premium (EYPP) (Dec 2024): 45% increase in the EYPP to £570 per year, alongside early years investment (increasing EYPP is a longstanding ST policy).

Schools

- Free School Meals (FSM) (June 2025): FSM expanded to all on Universal Credit (a manifesto recommendation). It is estimated this will lift 100k children out of poverty.
- School uniform limits (April 2025): Children's Wellbeing and Schools Bill introduced a clause limiting (expensive) branded items (an issue we highlighted in our previous Selective Comprehensives report).
- Fair school admissions (Dec 2024): Children's Wellbeing and Schools Bill included a clause requiring local authorities and schools to co-operate on admissions (recommendation of our fair school admissions work).
- Pupil premium priority (2024): Brighton and Hove council cited the Sutton Trust extensively as their inspiration for introducing pupil premium priority at oversubscribed schools (local win).

University admissions

- Access to medicine (July 2025): Sutton Trust *Unequal Treatment?* report directly influenced the 10-year Health Plan for England which includes an explicit named commitment to work with us to expand access.

Apprenticeships

- Dropping GCSE Maths and English requirements for apprentices (Feb 2025): One of our manifesto recommendations, to introduce alternative course of study to avoid locking some young people out of apprenticeships.
- Apprenticeship applications via UCAS (Oct 2024): Our research recommended this change in application process to increase parity with university.

Access to work

- Banning unpaid internships (July 2025): Department for Business and Trade (DBT) issued a call for evidence on how to protect younger workers from illegal unpaid internships. The official announcement included Sutton Trust evidence and a quote from the Trust's CEO.

We are maintaining strong momentum into 2025/26, with the publication of Elitist Britain in September 2025, further policy wins, and a seat at the table in ongoing work with government on the White Working-Class Inquiry, consultation on the Schools Bill, and a formal role in a group convened by the Minister to make recommendations on University Access.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Development

***Performance in the Year***

The Trust closed the year with good fundraising performance, despite a challenging external environment, thanks for to the generous support of our community of donors and partners.

We have evolved our monitoring and evaluation of fundraising performance during the year, and have identified the key success metrics that inform understanding of our fundraising position and performance.

| | **2024/25** | **2023/24** |
|---|---|---|
| Funds raised | £6.8m | £7.3m |
| Number of funders | 114 | 112 |
| Donors giving over £10k | 96% of total income | 97% of total income |
| Donors giving over £100k | 76% of total income | 72% of total income |
| Average donation | £60k | £65k |
| New funders | 24 | 17 |

*Breakdown of Income Blend*

| | **2024/25** | **2023/24** |
|---|---|---|
| Corporate Partnerships | 46% | 43% |
| Trusts & Foundations | 38% | 36% |
| Individuals | 16% | 20% |
| | | |
| Unrestricted | 28% | 30% |
| Restricted | 72% | 70% |

*Note: for funds raised, we do not include income generated through investments, donated services, or any accounting adjustments. The Development metric is a cash-based measure used to track and monitor income year-on-year and primarily driven by relationship fundraising.*

Our focus remains on building a diversified and stable foundation of sustainable income to underpin our vital work, with success in securing significant renewals with high-profile supporters, who we are delighted to remain committed to the Trust and advancing social mobility.

This included renewals of multi-year agreements with Bloomberg, Antin Infrastructure Partners, Eversheds Sutherland, Mishcon de Reya, and various funders who prefer to remain anonymous. These renewals are of key importance for the Development team as our multi-year partners are the bedrock of sustainable funding.

We have also welcomed new funders, and returning funders after a break in funding, to our community of donors. This included Garfield Weston Foundation, The Inflexion Foundation, Goldman Sachs, Slaughter and May, and City of London Corporation. Building new, sustainable, multi-year funding partnerships is also a key priority of the team, to achieve our ambitious income targets that will enable the Trust to continue our vital work.

We recognise that there are significant external environment challenges facing the third sector currently, with the Charities Commission 2025 Risk Assessment highlighting that financial resilience is a continued challenge in the face of rising costs, reductions in public funding, and increasing demand for services.

Despite these challenges, our strong relationships with supporters and high impact activities mean we have a strong relationship retention rate and many supporters have increased their donations during the year, recognising the need for increased funding to keep delivering our work.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Development (continued)

During the year we have continued to proactively grow the Development leadership team with experienced fundraising specialists, to drive the future-focused build of a sustainable funding pipeline. Securing major gifts is a key part of building this sustainable pipeline to deliver the 2030 strategy; we have recruited senior fundraisers to drive forward our three income streams – corporate partnerships, trusts & foundations, and individual philanthropy.

***Planning for the future***
With ambitious plans for the Trust to 2030, it is a key time for the Development team to best position the charity for sustainable income growth across the strategy period.

To achieve sustainable income growth across the coming years, the Development team continue to deliver successful in-year fundraising whilst also increasingly focusing on the future pipeline. We will continue to strategically partner with corporates, build strong relationships with aligned trusts & foundations, and encourage individuals passionate about social mobility to join our giving circles.

As an independent charity, our work is entirely reliant on the generous support of our community of donors. The need to support our work to tackle the UK's low social mobility has never been greater, and our ambition is to grow our diverse, sustainable, active community of funders to build an army of supporters and ambassadors to unlock action and champion social mobility.

### Financial Review

In the financial year under review, income receivable, including grants, gifts, pro-bono support, interest and investment income was £7.1m, a 5% decrease on the previous year (2024: £7.5m) and expenditure, also including pro-bono support, was £7.4m, a 10% decrease on the previous year (2024: £8.3m). The total funds of the trust decreased to £9.4m, a decrease of 3% during the year (2024: £9.7m). The decrease in funds is a planned deficit, agreed to reduce the Trust's reserves in line with the Reserves Policy, following accumulation during the pandemic and immediate following years. It is the Trust's aim to operate in a measured and sustainable way, and to support this Trustees have agreed to strategically use reserves over this strategy period through operating planned deficits.

For the year, income fell short of expenditure by £0.3m (2024: £0.6m). This includes a shortfall of £0.6m in restricted funds and a surplus of £0.3m in unrestricted funds (inclusive of designated funds).

***Income***
While total income decreased by £0.4m (5%) to £7.1m, this was mainly driven by extraordinary pro bono income in the prior year. Excluding pro bono, income increased by £0.2m (3%) to £7m due to additional income from fundraised income, legacies, and interest generated.

Pro-bono of £0.04m was received in the year, fully included within restricted income (2024: £0.7m - £0.4m restricted, £0.3m unrestricted).

Restricted income received in the year was £4.9m, 69% of total income received (2024: 68%) from over 100 different organisations and individual donors providing funding to our programmes, research and advocacy work. Unrestricted Income received in the year was £2.2m, 31% of total income received (2024: 32%).

***Expenditure***
Total expenditure on charitable activities was £6.8m, a 12% decrease compared to the prior year. The majority of the decrease is linked to extraordinary pro bono services relating to strategy work and policy support received in the prior year and not repeated in the current year. In addition, it is a result of cost saving measures taken to ensure expenditure aligned with future income projections in a transitional period for the Trust, with the Trust's founder Sir Peter Lampl having retired as Executive Chair in November 2024 and the Trust embarking on a strategy refresh for the 2025-2030 period.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

Total expenditure on generating funds of £0.7m, a 12% increase compared to the prior year, reflecting the continued investment in the development team to ensure ongoing success in building long-term relationships with funders and other activities as set out in the Development section on pages 14 - 15.

***Charitable Funds & Cash***
Restricted income funds at the year-end fell by £0.6m, or 29%, to £1.5m. This is due to a planned reduction in accumulated funds during the pandemic. The details of the restricted fund balances by programme are shown in note 18.

Unrestricted income funds increased by 3%, to £5.5m, in the period. Factors contributing to the surplus include: successful conversion of restricted to unrestricted funding; timing with some funds received in the days prior to year end; reduced expenditure relating to vacancies during the year.

The designated fund, created in 2019 and fully invested at the start of the year in accordance with the investment policy of the Trust, generated a positive annual return of £0.05m, or 2%, with a market value of £2.4m at the year-end.

Cash held at period end was £6.5m of which £3m relates to restricted funds and £3.5m to unrestricted funds. The Trust continues to work on reducing the level of cash held in relation to its funds in line with the Trust's strategy and reserves policy. During the year, the Trust opened a liquidity portfolio with J.P. Morgan to more effectively manage unrestricted cash. See note 9.

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

The Trustees, Chief Executive and Executive Team meet to review the strategy, budgets, operating plans and forecasts for the forthcoming year. During the year, the Trust signed off its new strategy to 2030 and alongside this reviewed its reserves requirements over the strategy period.

Trustees have considered the financial impact of a wide range of income and expenditure risks as well as the likelihood of these materialising in the context of the Trust's activities and wider external trends. Most significantly, around continuing to secure reliable and resilient income through direct fundraising in a challenging external environment. As many of the Trust's programmes support young people over multiple years, it is important that services can continue uninterrupted through to completion. The Trustees have therefore set the target reserves level of free reserves of approx. 60% of annual spend (as a minimum; excluding extraordinary projects). Please note, as the Trust's strategy anticipates significant growth over a five-year period, the numerical reserves level is set to rise year-on-year.

Reserves include restricted and unrestricted funds. Unrestricted funds can be used at the discretion of the Trustees. The restricted funds may only be used for the purpose specified by the donor.

At the year end, total funds carried forward are £9.4m (2024: £9.7m), which breaks down into £1.5m (2024: £2.1m) restricted funds, £2.4m (2024: £2.3m) of designated funds and £5.5m (2024: £5.3m) of general unrestricted funds.

**Restricted funds** are specified and allocated for the different programme activities and research projects undertaken by the Trust. The level of restricted funds had risen significantly during the pandemic due to the continued cost savings caused by reduced face-to-face activities. The Trust is working closely with its funders to ensure funds accumulated are spent responsibly over an extended period. A breakdown of the restricted funds by programmes can be found in note 18.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

The **Designated fund** was established to secure the Trust's long-term financial sustainability. The Trust is due to review its aims around this designated fund providing an initial investment for an expendable endowment in the future. In the short-to-medium term the strategy is to accumulate the returns generated to sustain the growth of the fund. In the long-term the income generated is expected to provide an additional source of unrestricted income for the Trust.

**Unrestricted funds** consist of:

- Free Reserves of £5m. This amount is equivalent to approx. 60% of ongoing annual running costs, enabling the Trust to meet its multi-year commitments to existing programme participants in the event of a sustained downturn in fundraised income.
- Fixed Asset Fund of £0.05m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- General Reserves of £0.4m. This is amount is held, above the minimum level of the free reserve as outlined above. This may be due to extra ordinary income received in year or timing differences. The aim is to keep this general reserve to a minimum while ensuring impactful, sustainable spend over the strategy period. These funds during the budgeting cycle and in determining ongoing fundraising targets.

The Trustees review the way in which unrestricted funds are allocated with the aim of maximising the amount available for charitable activities whilst ensuring that an appropriate level of reserves is maintained for the purposes set out above.

Overall, and following a thorough reserves review as part of the 2025 strategy process, the Trustees recognise that the current level of reserves, particularly unrestricted reserves, exceeds their target level and they are committed to reducing these to meet the reserves target over the strategy period to 2030/31. Trustees review reserves targets and progress to align actual levels with the target levels at least annually alongside strategic and financial considerations.

***Investment Policy & Performance***

The Trust relies on professional fund managers for the day-to-day running of its investment portfolio. The appointed fund managers manage the portfolio on a discretionary basis, with the fund managers taking all investment decisions in line with the investment objectives and risk profile agreed by the Trustees.

The Trust holds two separate investment funds – the designated investment fund for long-term sustainability and the (restricted) opportunity bursary fund – both managed by J.P. Morgan Bank, on behalf of the Trust.

Each investment portfolio is allocated to the following asset classes: equities, fixed income and cash, and alternatives, with target allocations varying in line with the purpose of the specific investment (see below). The investment objectives of each investment reflect their medium-to-long term nature and 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

***Designated Investment Fund for long-term sustainability***

The fund was designated in 2019 with an initial cash investment of £2m. At the end of the year, the fund value was £2.4m with an asset allocation of 56.7% equities, 39.0% fixed income, 2.9% alternatives and 1.4% cash holdings.

Due to ongoing performance concerns, the Trust transferred the fund in April 2025 in its entirety to J.P. Morgan Bank. The value on transfer was £2.2m. Since the transfer, the fund has shown good performance, generating a return of 12.2% net of fees and charges, which is well ahead of the Trust's investment objectives for the fund. Fund performance is aligned to the relevant benchmarking data for Q1 (4.8%) and Q2 (5.7%) of the fund's operation with J.P. Morgan.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

***Opportunity Bursary Fund (Restricted)***
The fund was established in 2021 with an initial cash grant of £4.8m and additional donations of £0.4m. At the end of the year the fund value was £5.4m with an asset allocation of 56.0% equities, 39.7% fixed income, 2.7% alternatives and 1.6% cash holdings.

The fund has had good performance during the year, generating a return of 10.3% net of fees and charges, which is well ahead of the Trust's investment objectives for the fund. The fund performance is broadly in line with J.P. Morgan's composite benchmarks (10.9%) corresponding to the Trust's investment strategy. During the year, £350k was withdrawn from the fund in line with revised grant conditions. The principal of the grant and the associated investment income is shown within deferred income in Note 13.

***Liquidity Fund (Unrestricted)***
In addition to the two investment portfolios detailed above, the Trust has also set up a liquidity fund (initial fund value: £2m) with J.P. Morgan on a self-managed basis in April 2025. At the end of the year (after 5 months), the fund value was £2.03m, which compares favorably to previous returns.

***Grant-making Policy***
The Trust undertakes research, policy and programme work related to its central aim of promoting social mobility through education. It increasingly works in partnership with funders, including trusts and foundations, corporates and individuals, and delivery partners, who are commissioned to deliver specific activities within the Trust's operating plan. Generally, delivery of activities is 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 operating budget for each year is approved by the Trustees in consultation with the Chair of Trustees, 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 senior staff and others as appropriate. An approval matrix is in place to manage expenditure inside and outside the scope of the budget.

Any grants made to other organisations or individuals are based on commissioning or contracting to undertake activities aligned to the Trust's operating plan. When contracting these activities through or in partnership with an external organisation or individual, the appropriate member(s) of staff will have had detailed conversations with the individuals and organisations considered for 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 Trust does not make grants to individuals or organisations for work not within our operating plan, and does not accept unsolicited applications for delivery of planned activities.

## PLANS FOR FUTURE PERIODS

Our future plans for the next few years are now clearly in place with our 2030 strategy.

As mentioned earlier in the document, our three strategic pillars are:

- Programme growth, with an aspiration to reach 20,000 students.
- Increasing pressure for policy and practice change, with high profile research and advocacy.
- Empowering, and working more closely with our growing alumni community.

Within this strategy, our central approach to change remains the same: with a focus on directly supporting high ability, low/middle income young people through our programmes, and our research and advocacy work taking a wider look at the causes and potential solutions to low social mobility and educational inequality, from early years through to access to the workplace.

We will monitor our progress towards these strategic goals as we progress – and adjust course year-to-year if required.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document & constitution

The Sutton Trust was incorporated on 15th 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. With the retirement of Sir Peter Lampl from the position of Executive Chair in November 2024, the Charity's Articles have been revised and Trustees, of which there must be at least two, are appointed by resolution of the Board of Trustees. Trustees, with the exception of the Founder (who fully retired from the Board of Trustees in August 2025), are typically appointed for a four-year term and may be appointed for an additional four-year term. At the end of the year, the Trust had six Trustees. Trustees aim to 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. In addition, new Trustees meet with the Senior team, are given the opportunity to visit programmes and research events, and are also offered formal training as needed. The Trustee induction process was last reviewed in 2024.

### The Trust's Commitment to Good Governance Code

Following the retirement of the Trust's Founder as Executive Chairman (November 2024) and Trustee (August 2025), as well as with the appointment of a new non-executive Chair of Trustees (November 2024) and the appointment of four new Trustees between July and October 2024 (following a number of retirements), a review of the Charity Governance Code was planned for the first half of 2025 and took place in the autumn of 2025. As a result, the Trustees have formalised their refreshed ways of working and introduced a variety of additional good practice documentation. The Trustees are committed to the principles of the Code and are proactively considering further improvements in line the refreshed Charity Governance Code (November 2025).

### 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 Chair of Trustees. The Chief Executive oversees a senior team comprising the Director of Development, Director of Programmes, Director of Research and Policy, Director of Communications and Advocacy, and Director of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2024/25 stands at 49 staff.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

**Remuneration Policy**
The Sutton 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 Sutton 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

Pay increases are authorised in line with the Trust's Schedule of Delegation (last updated in December 2025). The Trustee Board sign off the overall staffing envelope. The approval of new and/ or replacement Executive Team roles (including for the Chief Executive) is delegated to the Chair of Trustees. The approval of all other roles is delegated to the Chief Executive.

During the year, the pay of the Chief Executive was set by the Chair of Trustees. 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 may also be paid.

Pay is reviewed annually, and any increases guided by the Retail Prices Index (RPI) and performance in the annual appraisal process. The Charity 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.

**Related Parties**
The charity has no trading subsidiary.

Sir Peter Lampl, Executive Chairman (until November 2024) and Trustee of the Trust (until August 2025), also acted as the Chairman of the Education Endowment Foundation (EEF) until December 2023, when he became the Chair Emeritus of the EEF. Sir Peter Gershon, Trustee of the Trust (until October 2024) also acts as a Trustee of the EEF. The EEF is 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.

In the year, the Private Office of Sir Peter Lampl and the Sutton Trust shared some staff and floor space. This arrangement came to an end following his retirement from the Trust.

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 charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the charity 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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Internal Controls & Risk Management (continued)

A full annual planning and budgeting process is in place, and the charity considers risks as part of all its activities. Notable risks identified in the period and actions to mitigate the impact include:

- Safeguarding programme participants, alumni, employees and others who come into contact with the Trust is a critical priority for the Trust. The Trust has a strong safeguarding culture with annual review of policies and procedures, codes of conduct and annual training for staff and volunteers. In the year, Trust overhauled its Young Person Safeguarding policy as well as ancillary processes based on expert advice, sector best practice and user feedback to keep up with issues affecting young people and making it more user friendly. Alongside welfare consideration, data protection is of significant importance and we continuously review and improve processes in this area, with the help of our external Data Protection Officer and IT specialists. During the year, the Trust formalised its disaster recovery plan and crisis comms strategy.

- With an increasingly challenging external fundraising environment, raising sufficient and sustainable funding for the Trust to achieve its strategy ambitions remains a critical priority. In line with the Trust's fundraising strategy and the transition to a more dynamic fundraising approach, the Trust seeks to diversify its funding sources, attract new funders to the Trust and continue to grow unrestricted and other more flexible funding.

- The Trust has been on a significant growth trajectory in its activities through the expansion of its face-to-face activities and addition of digital activities, driven by the increased demand for its services as well as through an expansion of its research and advocacy activities. From a financial perspective, the Trust needs to continue to align its strategic priorities with its funding trajectory to ensure expenditure doesn't significantly outgrow its income, particularly considering the recent cost-of-living crisis and its impact on direct and staff costs. Alongside, we are monitoring the impact of the external environment on our growing network of partners, particularly the financial challenges experienced by the university sector, and it's potential effects on our programming.

**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 2019 FRS 102).

The Trustees have considered the financial budget for the next financial year, 2025/26, and its medium-term strategy. The pipeline for 2025/26 is strong with a good level of projected fundraising income; a number of significant renewals for the period have been successful. The development team are therefore looking ahead to the 2026/27 pipeline, aiming to engage funders in advance to ensure the most favourable outcome and enable sufficient planning.

The Trust continues to invest into its fundraising activities to ensure additional demands on budgets, through expansion as well as inflation are being met. Cost budgets are reviewed regularly and thoroughly for programmes and other activities, including administrative costs to ensure the continued sustainability of the Trust. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the political and economic landscape, and its potential implications on fundraising and programme delivery and support (see Reserves Policy on page 16).

Considering the above, the Trustees believe that the Trust has adequate resources to continue successfully for the foreseeable future. Therefore, the annual report and financial statements have been prepared on a the going concerns basis.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

**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, corporates, and individual supporters. The charity 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 charity ensures that grant and gift agreements are in place with its supporters. In 2024/25, the charity did not have any Commercial Participators. The charity completes a due diligence process for all new supporters. Development Team staff are kept up-to-date on fundraising best practice.

The charity's complaints procedure is available on the Trust's website. For staff, this is also available in the staff handbook. In 2024/25, we received no complaints relating to fundraising. The charity is not aware of any breaches of fundraising regulations by the charity 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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

Ian Walsh - Trustee
Date:
2nd March 2026

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

## THE SUTTON TRUST

### Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2025 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 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

### Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### 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.

**Other information (continued)**

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

- the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) has 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 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.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 23, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- the analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charitable Company for previously unreported related party transactions;
- reviewing correspondence and agreements between the Charitable Company and its grantees, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- reviewing correspondence and agreements between the Charitable Company and its donors, and discussion with the management in relation to compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

**Use of our report**

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

Rawlinson & Hunter Audit LLP

William Watson (Senior Statutory Auditor)
For and on behalf of
**Rawlinson & Hunter Audit LLP**
Statutory Auditor
Chartered Accountants

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

Date: 2 March 2026

## THE SUTTON TRUST

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

## FOR THE YEAR ENDED 31 AUGUST 2025

| | Note | Unrestricted Funds General Funds Year ended 31 August 2025 £ | Unrestricted Funds Designated Funds Year ended 31 August 2025 £ | Restricted Funds Year ended 31 August 2025 £ | TOTAL FUNDS Year ended 31 August 2025 £ | TOTAL FUNDS Year ended 31 August 2024 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and legacies | 2 | 1,931,097 | - | 4,874,838 | 6,805,935 | 7,261,155 |
| Investments | 2 | 189,083 | 55,168 | 9,406 | 253,657 | 202,509 |
| **Total income** | | 2,120,180 | 55,168 | 4,884,244 | 7,059,592 | 7,463,664 |
| **Expenditure on:** | | | | | | |
| Costs of raising funds | 4 | 388,922 | 12,224 | 251,945 | 653,091 | 580,541 |
| Charitable activities | 3, 4 & 5 | 1,562,789 | - | 5,193,425 | 6,756,214 | 7,672,890 |
| **Total expenditure** | | 1,951,711 | 12,224 | 5,445,370 | 7,409,305 | 8,253,431 |
| **Net gains on investments** | 9 | - | 11,707 | - | 11,707 | 178,645 |
| **Transfer between funds** | 18 | - | - | - | - | - |
| **Net income/(loss)** | 6 | 168,469 | 54,651 | (561,126) | (338,006) | (611,122) |
| **Other gains/(losses)** | 2 | 424 | (1,148) | (13) | (737) | (1,197) |
| **Net income and movement in funds** | | 168,893 | 53,503 | (561,139) | (338,743) | (612,319) |
| **Reconciliation of funds:** | | | | | | |
| **Total funds brought forward** | | 5,284,196 | 2,337,116 | 2,107,233 | 9,728,545 | 10,340,864 |
| **Total funds carried forward** | 18 & 19 | 5,453,089 | 2,390,619 | 1,546,094 | 9,389,802 | 9,728,545 |

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derived from continuing activities.

The notes on pages 31 to 53 form part of these financial statements

## THE SUTTON TRUST

## BALANCE SHEET

## FOR THE YEAR ENDED 31 AUGUST 2025

| | Note | 31 August 2025 £ | £ | 31 August 2024 £ | £ |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Tangible assets | 8 | 42,267 | | 51,315 | |
| Investments | 9 & 21 | 10,397,715 | | 7,771,692 | |
| | | | 10,439,982 | | 7,823,007 |
| **Current assets:** | | | | | |
| Debtors | 10 | 540,117 | | 910,328 | |
| Cash at bank and in hand | 21 | 6,457,873 | | 8,612,746 | |
| | | 6,997,990 | | 9,523,074 | |
| **Current liabilities:** | | | | | |
| Creditors - amounts falling due within one year | 11 | (2,422,503) | | (2,544,031) | |
| **Net current assets** | | | 4,575,487 | | 6,979,043 |
| **Total assets less current liabilities** | | | 15,015,469 | | 14,802,050 |
| Creditors - amounts falling due after more than one year | 12 | | (5,625,667) | | (5,073,505) |
| **Total net assets** | | | 9,389,802 | | 9,728,545 |
| **The funds of the Charitable Company:** | | | | | |
| Unrestricted - general fund | 18 & 19 | | 5,453,089 | | 5,284,196 |
| - designated fund | 18 & 19 | | 2,390,619 | | 2,337,116 |
| Restricted income fund | 18 & 19 | | 1,546,094 | | 2,107,233 |
| **Total Charitable Company funds** | 18 & 19 | | 9,389,802 | | 9,728,545 |

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

Ian Walsh
Trustee

Date: 2nd March 2026

The notes on pages 31 to 53 form part of these financial statements

## THE SUTTON TRUST

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2025

| | Note | Year ended 31 August 2025 £ | Year ended 31 August 2024 £ |
|---|---|---|---|
| **Net cash outflow from operating activities** | 15 | (122,533) | (1,176,814) |
| **Cash inflow/(outflow) from investing activities** | | | |
| Interest income | 2 | 201,369 | 156,047 |
| Dividend income | 2 | 52,288 | 46,462 |
| Purchase of fixed assets | 8 | (14,069) | (12,948) |
| Purchase of investments | 9 | (7,028,827) | (1,612,409) |
| Proceeds from disposal of investments | 9 | 4,756,899 | 1,667,062 |
| **Net cash inflow from investing activities** | | (2,032,340) | 244,214 |
| **Net decrease in cash and cash equivalents** | | (2,154,873) | (932,600) |
| **Cash and cash equivalents brought forward** | | 8,612,746 | 9,545,346 |
| **Cash and cash equivalents carried forward** | | 6,457,873 | 8,612,746 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | 6,457,873 | 8,612,746 |
| **Cash and cash equivalents at 31 August** | | 6,457,873 | 8,612,746 |

Cash held at year end was £6.5m (*2024 - £8.6m*). £3m of this relates to restricted funds (*2024 - £3.6m*) and £3.5m to unrestricted funds (*2024 - £5.0m*).

The notes on pages 31 to 53 form part of these financial statements

## 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 1 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) (issued in October 2019) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and where relevant, the Charities Act 2022, the Companies Act 2006 and UK Generally Accepted Practice. 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.

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.

## 1. ACCOUNTING POLICIES (continued)

### Income (continued)

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, dividends, interest and fixed income receivable from listed investments.

### 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 are to third parties in furtherance of the charitable objectives. Where unconditional grants are offered, the value of the grants 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 recognised to the extent that the recipient of the grant has provided the specified service.

### Support costs allocation

Support costs relate to those functions that assist the work of the Charitable Company 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.

## 1. ACCOUNTING POLICIES (continued)

### Status of funds (continued)

The list of grants 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.

### 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

## 1. ACCOUNTING POLICIES (continued)

### Foreign currencies (continued)

and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

### Employee benefits

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

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

### Tax

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

### Going concern

The Trustees have considered the relevant financial risks and the ability of the Charitable Company to continue in operational existence for the foreseeable future. Having considered the level of funds held and reviewed a robust pipeline of pledges and projected fundraising income together with the detailed cost budgets for each programme and activity including administrative costs for the 12 months from authorising these financial statements, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

### 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 Charitable Company'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 Charitable Company to pay out future grants at the period end, which is dependent on the terms and conditions of the grant agreement between the Charitable Company and the grant beneficiary.

## 2. INCOME

| The income comprised: | General Funds Year ended 31 August 2025 £ | Designated Funds Year ended 31 August 2025 £ | Restricted Funds Year ended 31 August 2025 £ | TOTAL FUNDS Year ended 31 August 2025 £ |
|---|---|---|---|---|
| Donations | 1,821,097 | - | 4,838,136 | 6,659,233 |
| Donated services * | - | - | 36,702 | 36,702 |
| Legacies | 110,000 | - | - | 110,000 |
| Dividends | 6,444 | 45,844 | - | 52,288 |
| Bank interest | 182,639 | 9,324 | 9,406 | 201,369 |
| | 2,120,180 | 55,168 | 4,884,244 | 7,059,592 |
| Other gains/(losses) | | | | |
| – foreign exchange | (83) | (1,148) | (13) | (1,244) |
| – disposal of fixed asset | 507 | - | - | 507 |
| | 424 | (1,148) | (13) | (737) |

| The income arose from the following geographical locations: | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ |
|---|---|---|---|---|
| US and Canada | 309,553 | - | 1,507,010 | 1,816,563 |
| UK including the Channel Islands | 1,810,627 | 55,168 | 3,377,234 | 5,243,029 |
| | 2,120,180 | 55,168 | 4,884,244 | 7,059,592 |

*Donated services above consists of pro bono charitable activities undertaken by external providers on behalf of the Charitable Company, and also strategy and planning expenses included within support costs.

## 2. INCOME (continued)

| The income comprised: | General Funds Year ended 31 August 2024 £ | Designated Funds Year ended 31 August 2024 £ | Restricted Funds Year ended 31 August 2024 £ | TOTAL FUNDS Year ended 31 August 2024 £ |
|---|---|---|---|---|
| Donations | 1,901,796 | - | 4,700,008 | 6,601,804 |
| Donated services * | 300,000 | - | 358,351 | 658,351 |
| Legacies | 1,000 | - | - | 1,000 |
| Dividends | - | 41,561 | 4,901 | 46,462 |
| Bank interest | 137,086 | 9,626 | 9,335 | 156,047 |
| | 2,339,882 | 51,187 | 5,072,595 | 7,463,664 |
| Other losses | | | | |
| – foreign exchange | (453) | - | (337) | (790) |
| – disposal of fixed asset | (407) | - | - | (407) |
| | (860) | - | (337) | (1,197) |

| The income arose from the following geographical locations: | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ |
|---|---|---|---|---|
| US and Canada | 413,347 | - | 1,358,808 | 1,772,155 |
| UK including the Channel Islands | 1,916,535 | 51,187 | 3,713,787 | 5,681,509 |
| Monaco | 10,000 | - | - | 10,000 |
| | 2,339,882 | 51,187 | 5,072,595 | 7,463,664 |

*Donated services above consists of pro bono charitable activities undertaken by external providers on behalf of the Charitable Company, and also strategy and planning expenses included within support costs.

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2025

**Access programmes for university and the professions**

Alumni Engagement Programme
Access Apprenticeships (previously Apprenticeship Summer School)
Pathways to Banking and Finance
Pathways to Engineering
Pathways to Law
Pathways to Medicine
Pathways to Banking and Finance (Online)
Pathways to Consulting (Online)
Pathways to Law (Online)
Opportunity Bursary
Careers Skills Bursary
Sutton Trust Careers Plus (Consulting)
Sutton Trust Careers Plus (Law)
Sutton Trust Careers Plus (Tech)
Sutton Trust Online
Teacher Champions
UK Summer Schools
US Programme

**System Change**

Tech Taskforce

**Research and policy**

Artificial Advantage?
A World of Difference
The Opportunity Index
What is Social Mobility?
School Funding and Pupil Premium
Unequal Treatment?
Unpaid and underpaid internship
A Class Act
Lessons Learnt?
Life Lessons
Social Selection on the map

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2025 (continued)

| | General Funds Year ended 31 August 2025 £ | Designated Funds Year ended 31 August 2025 £ | Restricted Funds Year ended 31 August 2025 £ | Total Year ended 31 August 2025 £ | Total number Year ended 31 August 2025 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,310,553 | 1,310,553 | 63 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | - | - | 1,310,553 | 1,310,553 | 63 |
| Total number | - | - | 63 | - | 63 |

| | General Funds Year ended 31 August 2024 £ | Designated Funds Year ended 31 August 2024 £ | Restricted Funds Year ended 31 August 2024 £ | Total Year ended 31 August 2024 £ | Total number Year ended 31 August 2024 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,539,288 | 1,539,288 | 104 |
| Grants payable to individuals | - | - | 7,500 | 7,500 | 3 |
| Total grants payable (see Note 4) | - | - | 1,546,788 | 1,546,788 | 107 |
| Total number | - | - | 107 | - | 107 |

The grants payable above exclude other direct charitable programme expenses payable to the grantees. See the grant-making policy on page 18 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

## 4. CHARITABLE ACTIVITIES

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ | Year ended 31 August 2025 £ |
| University Access Programmes | 903,375 | 1,230,694 | 404,840 | 637,428 | - | 3,176,337 |
| Employability Programmes | 407,178 | 365,719 | 629,946 | 371,488 | 24,468 | 1,798,799 |
| Alumni Programmes | - | 214,933 | 258,665 | 61,046 | 12,234 | 546,878 |
| Research and Advisory | - | 292,659 | 685,189 | 256,352 | - | 1,234,200 |
| | 1,310,553 | 2,104,005 | 1,978,640 | 1,326,314 | 36,702 | 6,756,214 |
| **Costs of raising funds** | - | 23,654 | 501,229 | 128,208 | - | 653,091 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 1,562,789 | 5,193,425 | 6,756,214 |

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ |
| University outreach | 831,966 | 1,602,660 | 884,720 | 1,184,514 | 12,234 | 4,516,094 |
| Schools/colleges | 690,589 | 283,747 | 184,919 | 449,532 | 6,117 | 1,614,904 |
| Innovation | - | 4,029 | 187,861 | 74,410 | - | 266,300 |
| Early years | 24,233 | 3,025 | 16,164 | 16,838 | - | 60,260 |
| Research projects | - | 219,394 | 411,350 | 244,588 | 340,000 | 1,215,332 |
| | 1,546,788 | 2,112,855 | 1,685,014 | 1,969,882 | 358,351 | 7,672,890 |
| **Costs of raising funds** | - | 21,018 | 410,479 | 149,044 | - | 580,541 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 1,660,789 | 6,012,101 | 7,672,890 |

## 5. ANALYSIS OF SUPPORT COSTS

| | Charitable Activities Year ended 31 August 2025 £ | Fund raising (unrestricted) Year ended 31 August 2025 £ | Total Year ended 31 August 2025 £ |
|---|---|---|---|
| Wages and salaries (Note 7) | 670,892 | 64,852 | 735,744 |
| Other staff costs–travel / recruitment etc. | 131,518 | 12,714 | 144,232 |
| Administration | 160,486 | 15,513 | 175,999 |
| Premises (net of recharges) | 184,102 | 17,796 | 201,898 |
| Audit & other | 41,344 | 3,996 | 45,340 |
| Accountancy | 15,152 | 1,465 | 16,617 |
| Legal | 51,490 | 4,977 | 56,467 |
| Public relations | 50,405 | 4,872 | 55,277 |
| Depreciation (Note 8) | 20,925 | 2,023 | 22,948 |
| | 1,326,314 | 128,208 | 1,454,522 |

| | Charitable Activities Year ended 31 August 2024 £ | Fund raising (unrestricted) Year ended 31 August 2024 £ | Total Year ended 31 August 2024 £ |
|---|---|---|---|
| Wages and salaries (Note 7) | 847,512 | 64,124 | 911,636 |
| Other staff costs–travel / recruitment etc. | 112,795 | 8,534 | 121,329 |
| Administration | 157,673 | 11,930 | 169,603 |
| Strategy and Planning | 278,898 | 21,102 | 300,000 |
| Premises (net of recharges) | 190,524 | 14,415 | 204,939 |
| Audit & other | 38,674 | 2,926 | 41,600 |
| Accountancy | 64,570 | 4,886 | 69,456 |
| Legal | 58,966 | 4,461 | 63,427 |
| Public relations | 194,289 | 14,700 | 208,989 |
| Depreciation (Note 8) | 25,981 | 1,966 | 27,947 |
| | 1,969,882 | 149,044 | 2,118,926 |

Governance costs include costs incurred on strategy and planning, the annual audit and any relevant legal fees.

## 6. NET INCOME AND NET MOVEMENT IN FUNDS FOR THE PERIOD

| This is stated after charging: | Year ended 31 August 2025 £ | Year ended 31 August 2024 £ |
|---|---|---|
| Operating leases – land and buildings | 135,346 | 131,162 |
| Depreciation | 22,948 | 27,947 |
| (Gain)/loss on disposal of fixed assets | (507) | 407 |
| Auditor's remuneration: | | |
| Audit services | 42,000 | 38,000 |

## 7. STAFF COSTS

| | | Year ended 31 August 2025 £ | Year ended 31 August 2024 £ |
|---|---|---|---|
| (a) | Salaries | 2,656,383 | 2,482,986 |
| | National Insurance | 298,603 | 272,825 |
| | Pension contributions | 260,627 | 251,319 |
| | | 3,215,613 | 3,007,130 |

Included in the staff costs are staff costs (inclusive of NI and pension contributions) recharged to the Charitable Company by the former Chairman's private office of £48,518 (*2024 - £75,933*). £2,178 (*2024 - £2,086*) was due on pension plans for those shared employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2025 *(2024 - £Nil)*. See Note 14 for other Trustee 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 £832,095 *(2024 - £858,332)*.

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £260,627 *(2024 - £251,319)*. Of these contributions, £23,961 *(2024 - £20,717)* were due to these plans by the Charitable Company at the year end.

## 7. STAFF COSTS (continued)

| | Year ended 31 August 2025 No. | Year ended 31 August 2024 No. |
|---|---|---|
| (b) Number of staff | | |
| Programmes | 23 | 21 |
| Innovation | - | 3 |
| Research | 12 | 11 |
| Fundraising | 7 | 6 |
| Administration | 7 | 6 |
| | 49 | 47 |

(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 year is as follows:

| | | |
|---|---|---|
| £60,001 to £70,000 | 5 | - |
| £70,001 to £80,000 | 1 | 1 |
| £80,001 to £90,000 | - | 2 |
| £90,001 to £100,000 | 2 | 1 |
| £100,001 to £110,000 | 1 | - |
| £110,001 to £120,000 | - | 2 |
| £120,001 to £130,000 | 1 | - |
| £240,001 to £250,000 | 1 | 1 |

Employers' pension contributions in respect of these 11 *(2024 - 7)* employees amounted to £55,163 (*2024 - £38,136*) during the period.

## 8. TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Furniture and fittings £ | Computer equipment £ | Cycle scheme £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 September 2024 | 143,766 | 98,350 | 160,578 | 1,042 | 403,736 |
| Additions | - | 3,569 | 10,400 | 100 | 14,069 |
| Disposals | - | - | (4,559) | (1,042) | (5,601) |
| At 31 August 2025 | 143,766 | 101,919 | 166,419 | 100 | 412,204 |
| **Depreciation** | | | | | |
| At 1 September 2024 | 143,766 | 86,399 | 121,500 | 756 | 352,421 |
| Charge for period | - | 3,812 | 18,808 | 328 | 22,948 |
| Disposals | - | - | (4,390) | (1,042) | (5,432) |
| At 31 August 2025 | 143,766 | 90,211 | 135,918 | 42 | 369,937 |
| **Net book value** | | | | | |
| At 31 August 2025 | - | 11,708 | 30,501 | 58 | 42,267 |
| At 31 August 2024 | - | 11,951 | 39,078 | 286 | 51,315 |

## 9. FIXED ASSET INVESTMENTS

| | 31 August 2025 £ | 31 August 2024 £ |
|---|---|---|
| Investments comprise: | | |
| Rathbones | - | 2,250,280 |
| JP Morgan | 10,397,715 | 5,345,661 |
| Total equity, bond and other investments | 10,298,420 | 7,595,941 |
| Cash held as part of portfolio | 99,295 | 175,751 |
| **Total Investments and cash under management** | 10,397,715 | 7,771,692 |
| Gain on investments in the period: | | |
| Realised gain | 123,730 | 3,821 |
| Unrealised gains | 229,689 | 720,445 |
| **Total gain on investments in the period** | 353,419 | 724,266 |
| Included in: | | |
| Deferred income | 341,712 | 545,621 |
| Statement of Financial Activities | 11,707 | 178,645 |
| | 353,419 | 724,266 |

## 9. FIXED ASSET INVESTMENTS (continued)

| | 31 August 2025 Total £ | 31 August 2024 Total £ |
|---|---|---|
| **Market value** | | |
| At 1 September | 7,771,692 | 7,102,079 |
| Additions | 7,028,827 | 1,612,409 |
| Disposals | (4,756,223) | (1,667,062) |
| Net realised investment gains | 123,730 | 3,821 |
| Unrealised investment gains | 229,689 | 720,445 |
| At 31 August | 10,397,715 | 7,771,692 |

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

| | Market Value 31 August 2025 £ | Percentage of total 31 August 2025 % |
|---|---|---|
| Vanguard S&P 500 ETF | 3,347,842 | 32.2 |
| HSBC Global Fund ICAV | 526,658 | 5.1 |

| | Market Value 31 August 2024 £ | Percentage of total 31 August 2024 % |
|---|---|---|
| Vanguard S&P 500 ETF | 1,848,242 | 23.8 |
| HSBC Global Fund ICAV | 416,147 | 5.4 |

## 10. DEBTORS

| | 31 August 2025 £ | 31 August 2024 £ |
|---|---|---|
| Debtors – donations and legacies receivable | 46,960 | 269,833 |
| Other debtors | 4,356 | 687 |
| Prepayments and accrued income | 488,801 | 639,808 |
| | 540,117 | 910,328 |

## 11. CREDITORS - Amounts falling due within one year

| | 31 August 2025 £ | 31 August 2024 £ |
|---|---|---|
| Accruals for grants payable | 1,293,862 | 1,359,636 |
| Trade creditors | 224,755 | 417,203 |
| Taxation and social security | 80,422 | 67,478 |
| Other creditors | 7,051 | 11,767 |
| Accruals and deferred income (Note 13) | 816,413 | 687,947 |
| | 2,422,503 | 2,544,031 |

## 12. CREDITORS - Amounts falling due after more than one year

| | 31 August 2025 £ | 31 August 2024 £ |
|---|---|---|
| Other creditors | 393 | 5,115 |
| Accruals and deferred income (Note 13) | 5,625,274 | 5,068,390 |
| | 5,625,667 | 5,073,505 |

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

## 13. DEFERRED INCOME

| | 31 August 2025 £ | 31 August 2024 £ |
|---|---|---|
| Balance as at 1 September | 5,611,797 | 5,232,650 |
| Amount deferred in the period | 1,774,321 | 1,300,930 |
| Amount released to income | (1,076,741) | (921,783) |
| Balance as at 31 August | 6,309,377 | 5,611,797 |

Deferred income represents grants, donations received in advance and is included within accruals and deferred income in Notes 11 and 12 above.

## 14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 August 2025 *(2024 - £Nil)*.

**Trustees' expenses**

During the year Sir Peter Lampl charged the Charitable Company £48,518 *(2024 - £75,933)* for the shared use of some employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £34,279 *(2024 - £38,332)* for general administrative costs incurred by the Charitable Company on his behalf.

£4,355 *(2024 - £8,238)* was owed from Sir Peter Lampl at the year end. This amount was settled promptly after the year end.

**Donations from Trustees**

During the year, donations of £262,475 (*2024 - £138,061*) were received from Trustees.

**Other**

Sir Peter Gershon, a former Trustee of The Sutton Trust, was also a Trustee of the Education Endowment Foundation (EEF). Sir Peter Lampl was the Chairman (until his resignation 3 August 2025) and also a Trustee of the EEF. In the year the Sutton Trust charged the EEF £Nil *(2024 - £4,088)* for office space and overheads and £2,059 *(2024 - £7,456)* for some staff costs and third-party expenses. £Nil *(2024 - £686)* was owed to The Sutton Trust by the EEF at the year end.

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

| | Year ended 31 August 2025 £ | Year ended 31 August 2024 £ |
|---|---|---|
| Net income and net movement in funds | (338,743) | (612,319) |
| Interest receivable | (201,369) | (156,047) |
| Dividends receivable | (52,288) | (46,462) |
| Unrealised gain on investments (Note 9) | (229,689) | (720,446) |
| Realised gain on investments (Note 9) | (123,730) | (3,821) |
| Depreciation of tangible fixed assets | 22,948 | 27,947 |
| (Gain)/loss on disposal of fixed assets | (507) | 407 |
| Decrease/(increase) in debtors | 370,211 | (261,414) |
| Increase in creditors | 430,634 | 595,341 |
| Net cash outflow from operating activities | (122,533) | (1,176,814) |

## 16. OPERATING LEASES

At 31 August 2025, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

| | Land and Buildings 31 August 2025 £ | Land and Buildings 31 August 2024 £ |
|---|---|---|
| Within 1 year | 120,210 | 140,069 |
| Between two and five years | 50,088 | 151,741 |

The above operating lease for the premises occupied by the Charitable Company expires on 31 January 2027.

## 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

## 18. STATEMENT OF FUNDS

| | Funds brought forward | Total Income | Total expenditure (including gains/(losses) | Transfers | Funds carried forward |
|---|---|---|---|---|---|
| **Unrestricted funds** | £ | £ | £ | £ | £ |
| General funds | 5,284,196 | 2,120,180 | (1,951,287) | - | 5,453,089 |
| Designated funds | 2,337,116 | 55,168 | (1,665) | - | 2,390,619 |
| | **7,621,312** | **2,175,348** | **(1,952,952)** | **-** | **7,843,708** |
| **Restricted funds** | | | | | |
| Alumni Engagement Programme | 479 | 12,234 | (12,713) | - | - |
| Access Apprenticeships | 9,350 | 172,234 | (146,839) | 7,106 | 41,851 |
| Pathways to Banking & Finance | 40,000 | 324,581 | (364,581) | - | - |
| Pathways to Engineering | 51,329 | 220,000 | (220,679) | - | 50,650 |
| Pathways to Law | 143,213 | 339,346 | (417,672) | 13,456 | 78,343 |
| Pathways to Medicine | 22,957 | 139,668 | (162,625) | - | - |
| Pathways to Veterinary Sciences | - | - | (7,116) | 7,116 | - |
| Pathways to Consulting (Online) | 27,358 | 73,000 | (75,459) | - | 24,899 |
| Pathways to Banking & Finance (Online) | - | 53,982 | (53,982) | - | - |
| Pathways to Law (Online) | - | 34,112 | (54,400) | 20,288 | - |
| Pathways General | 20,563 | - | - | (20,563) | - |
| Opportunity Bursary | 281,237 | 98,280 | (351,877) | - | 27,640 |
| Sutton Trust Skills Bursary | 136,365 | 20,000 | (152,355) | - | 4,010 |
| Careers Plus (Consulting) | - | 42,000 | (31,662) | - | 10,338 |
| Careers Plus (Law) | 7,682 | 31,135 | (38,817) | - | - |
| Careers Plus (Tech) | - | 86,000 | (41,917) | - | 44,083 |
| Sutton Trust Online | 44,981 | 1,009,399 | (921,328) | 60,178 | 193,230 |
| Employability & Post 18 General Fund | 87,581 | 29,865 | - | (87,581) | 29,865 |
| UK Summer Schools | 626,863 | 1,087,826 | (1,161,512) | - | 553,177 |
| US Programme | 478,658 | 756,849 | (915,778) | - | 319,729 |
| Tech Taskforce | 18,453 | 62,000 | (80,453) | - | - |
| Apprenticeship Research | 6,250 | - | - | - | 6,250 |
| COSMO: Cohort Study | 2,705 | - | (1,153) | - | 1,552 |
| Data Analysis & Insights | 6,623 | - | (6,623) | - | - |
| Early Years Campaign | 38,161 | - | (247) | - | 37,914 |
| Employability Research | 56,425 | - | (56,425) | - | - |
| Housing Research | - | 19,032 | - | - | 19,032 |
| Research and Policy | - | 105,748 | (105,748) | - | - |
| Research Summit | - | 166,953 | (63,422) | - | 103,531 |
| | **2,107,233** | **4,884,244** | **(5,445,383)** | **-** | **1,546,094** |
| **Total funds** | **9,728,545** | **7,059,592** | **(7,398,335)** | **-** | **9,389,802** |

## 18. STATEMENT OF FUNDS (continued)

**Unrestricted General Funds**

The unrestricted general fund represents the general reserves of the Trust which are not designated for particular purposes.

**Unrestricted Designated Funds**

This represents the investment fund that has been set up to ensure the long-term sustainability of the Trust.

**Restricted Funds**

***Alumni Engagement Programme***

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

***Access Apprenticeships (previously Apprenticeship Summer School)***

A new employability programme to widen access to apprenticeships.

***Pathways to Banking & Finance***

A programme to widen access to university and banking related careers.

***Pathways to Banking & Finance (Online)***

An online programme to widen access to university and banking related careers.

***Pathways to Consulting (Online)***

An online programme to widen access to university and consulting careers.

***Pathways to Engineering***

A programme to widen access to the engineering sector.

***Pathways to Law***

A programme to widen access to university and legal careers.

***Pathways to Law (Online)***

An online programme to widen access to university and legal careers.

***Pathways to Medicine***

A programme to widen access to medical schools.

***Pathways to Veterinary Sciences***

A (trial) programme to widen access to the veterinary profession.

## 18. STATEMENT OF FUNDS (continued)

**Restricted funds (continued)**

***Pathways General***

Funding received from a number of partners to support the Trust's access to the workplace programmes.

***Opportunity Bursary***

Bursary fund to support Sutton Trust alumni with their career development.

***Sutton Careers Skills Bursary***

Bursary programme for Sutton Trust alumni taking part in Sutton Trust career programmes.

***Sutton Trust Careers Plus (Consulting)***

An new undergraduate programme to support non-privileged students during their degree with a focus on access to consulting careers.

***Sutton Trust Careers Plus (Law)***

An undergraduate programme to support non-privileged students during their degree, with a focus on access to law careers.

***Sutton Trust Careers Plus (Tech)***

An new undergraduate programme to support non-privileged students during their degree, with a focus on access to tech careers.

***Sutton Trust Online***

A digital programme to expand the reach of traditional Sutton Trust programmes.

***Employability & Post 18 General Fund***

Funding received from a number of partners to support the Trust's wider employability programmes.

***UK Summer Schools***

The Trust's flagship programme supporting students to access the UK's leading universities.

***US Programme***

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

***Tech Taskforce***

A pilot project to improve social mobility within the tech sector.

## 18. STATEMENT OF FUNDS (continued)

**Restricted funds (continued)**

***Research and Policy***

A fund supporting the Trust's research into social mobility, and also supporting the Trust's work with policy-makers.

***Apprenticeship Research***

A fund focussing on the Trust's Apprenticeship Research.

***COSMO: Cohort Study***

A major new national longitudinal cohort study which will examine the short, medium and long term impacts of the COVID-19 pandemic on educational inequality and social mobility.

***Data Analysis and Insights***

A fund focussing on building capacity within the Trust's data and impact function.

***Early Years Campaign***

A fund focussing on the Trust's Early Years Research.

***Employability research***

A fund focussing on the Trust's Employability Research.

***Housing Research***

A fund supporting a particular housing research project.

***Research Summit***

A fund supporting the Trust's research summit in November 2025.

## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2025 £ | Designated 31 August 2025 £ | 31 August 2025 £ | 31 August 2025 £ |
| Tangible fixed assets | 42,267 | - | - | 42,267 |
| Investments | 2,031,980 | 2,390,621 | 5,975,114 | 10,397,715 |
| Debtors | 250,281 | - | 289,836 | 540,117 |
| Cash at bank and in hand | 3,518,229 | - | 2,939,644 | 6,457,873 |
| Current liabilities | (389,274) | - | (2,033,229) | (2,422,503) |
| Non - current liabilities | (394) | - | (5,625,273) | (5,625,667) |
| Total net assets | 5,453,089 | 2,390,621 | 1,546,092 | 9,389,802 |

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2024 £ | Designated 31 August 2024 £ | 31 August 2024 £ | 31 August 2024 £ |
| Tangible fixed assets | 51,315 | - | - | 51,315 |
| Investments | - | 2,337,116 | 5,434,576 | 7,771,692 |
| Debtors | 437,978 | - | 472,350 | 910,328 |
| Cash at bank and in hand | 5,033,003 | - | 3,579,743 | 8,612,746 |
| Current liabilities | (232,985) | - | (2,311,046) | (2,544,031) |
| Non - current liabilities | (5,115) | - | (5,068,390) | (5,073,505) |
| Total net assets | 5,284,196 | 2,337,116 | 2,107,233 | 9,728,545 |

## 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 2025 £ | 31 August 2024 £ |
|---|---|---|
| *Financial assets* | | |
| Measured at fair value through profit and loss | 16,855,588 | 16,384,438 |
| Measured at amortised cost: | | |
| Other debtors (Note 10) | 4,356 | 687 |
| Accrued income | 208,335 | 406,787 |

| | 31 August 2025 £ | 31 August 2024 £ |
|---|---|---|
| *Financial liabilities* | | |
| Measured at amortised cost | | |
| Trade creditors (Note 11) | 224,755 | 417,203 |
| Other creditors and accruals (Note 11) | 239,670 | 126,987 |
| Accrued expenses – grant accruals | 1,273,974 | 1,351,749 |

Financial assets measured at fair value relate to cash at bank and in hand of £6,457,873 (*2024 - £8,612,746*) and investments of £10,397,715 (*2024 - £7,771,692*).

Financial assets measured at amortised cost relate to other debtors and accrued income.

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

There were net gains of £353,419 *(2024 - net gains £724,266)* attributable to the Charitable Company's financial instruments.

**THE SUTTON TRUST**

England & Wales - Charity number 1146244

# Accounts

# THE SUTTON TRUST

**A COMPANY LIMITED BY GUARANTEE**
**(Company Registration No. 07951541)**
**(Charity Registration No. 1146244)**

## REPORT OF THE TRUSTEES AND

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## 31 AUGUST 2024

THE SUTTON TRUST

FOR THE YEAR ENDED 31 AUGUST 2024

## CONTENTS


| | Page |
|---|---|
| REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT AND DIRECTORS' REPORT) | 1 - 23 |
| INDEPENDENT AUDITOR'S REPORT | 24 - 27 |
| STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT) | 28 |
| BALANCE SHEET | 29 |
| STATEMENT OF CASH FLOWS | 30 |
| NOTES TO THE FINANCIAL STATEMENTS | 31 - 53 |

# THE SUTTON TRUST

## REPORT OF THE TRUSTEES

## FOR THE YEAR ENDED 31 AUGUST 2024

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 year ended 31 August 2024. The Report of the Trustees incorporates the Strategic Report and the Directors' Report.

The financial statements comply with the Charities Act 2011, and where relevant, the Charities Act 2022, 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) (published in October 2019) ("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<br>Oliver Anthony Carruthers Quick<br>Sir Peter Oliver Gershon (until 03/10/2024)<br>Sir Graham Stuart Brady (from 17/07/2024)<br>Stephen Mark Julius (from 20/07/2024)<br>Martin John Sullivan (from 19/08/2024)<br>Timothy Brian Bunting (until 22/05/2024)<br>Lady Susan Lampl (until 18/11/2023)<br>Professor Louise Richardson (until 03/07/2024)<br>Fiona Jane Forbes (from 16/10/2024)<br>Ian Laurence Walsh (from 04/11/2024)<br>Erica Wax (from 05/01/2025) |
| **Executive Chairman** | Sir Peter Lampl (until 04/11/2024) |
| **Chair of Trustees** | Ian Walsh (from 04/11/2024) |
| **Chief Executive** | Nick Harrison |
| **Director of Development** | Jenny Suggitt (from 11/09/2023) |
| **Director of Programmes** | Katy Hampshire |
| **Director of Innovation** | Binda Patel (until 04/07/2024) |
| **Director of Research and Policy** | Carl Cullinane |
| **Director of Communications and Public Affairs** | Sam Fletcher |
| **Director of Finance and Operations** | Stefanie Kha |

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

| | |
|---|---|
| **Objects of Charitable Company** | The Trustees shall hold or apply the capital and income of the Charity for the following objects:<br>**(i)** To advance the education of the public and to improve educational opportunities for young people; and<br>**(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** | Part 9th Floor,<br>Millbank Tower, 21-24 Millbank,<br>London, SW1P 4QP |
| **Website and Social Media** | www.suttontrust.com<br>@suttontrust |
| **Charity Registration Number** | 1146244 |
| **Company Registration Number** | 07951541 |
| **Auditor** | Rawlinson & Hunter Audit LLP<br>Statutory Auditor<br>Chartered Accountants<br>Eighth Floor, 6 New Street Square,<br>New Fetter Lane, London<br>EC4A 3AQ |
| **Bankers** | National Westminster Bank<br>57 Victoria Street, London,<br>SW1H 0HN<br><br>CAF Bank Limited<br>25 Kings Hill Avenue, Kings Hill,<br>West Malling, Kent<br>ME19 4JQ<br><br>Nationwide Building Society<br>Kings Park Road<br>Moulton Park, Northampton<br>NN3 6NW |
| **Investment Managers** | Rathbones Group Plc<br>8 Finsbury Circus, London,<br>EC2M 7AZ<br><br>J.P. Morgan Bank<br>60 Victoria Embankment, London<br>EC4Y 0JP |
| **Solicitors** | Bates Wells<br>10 Queen Street Place, London<br>EC4R 1BE |

## CHAIR'S LETTER

I write this a few months into my tenure as Chairperson of the Sutton Trust. It has been an honour to take on the role at such a prestigious organisation.

First, I want to formally recognise the huge role Sir Peter Lampl has played over the past 27 years as Executive Chair: founding The Sutton Trust, transforming the lives of tens of thousands of talented students, re-imagining research on this topic, incubating and chairing the EEF, and building national consensus around the social mobility imperative. A remarkable contribution to the UK's prosperity and fairness. Thankfully, Sir Peter has agreed to continue as a Trustee, so we will continue to benefit from his experience and insight.

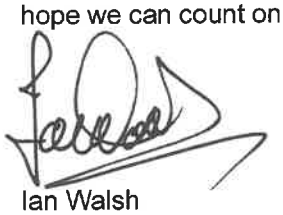
I would also like to thank our longstanding Trustees Tim Bunting, Sir Peter Gershon and Dame Louise Richardson who have stepped down in the last year, as well as welcoming Fiona Forbes, Erica Wax, Martin Sullivan, Stephen Julius and Rt Hon Lord Brady of Altrincham to the board.

I've spent much of my time so far meeting supporters and other stakeholders. I appreciate the time many of you have taken. It has been a pleasure to hear your passion for the cause, warmth for the Trust, ambition for the future and willingness to support.

Indeed, the need for our work has never been greater. The UK remains one of the most challenging countries in the developed world for social mobility. If anything, the outlook for young people from low-income families has worsened through the pandemic and cost of living crisis.

That said, I am energised by the difference we can make at the Sutton Trust, and I'm excited to be taking the organisation forward into its next chapter. Moreover, I look forward to working collaboratively with Government, business and the education sector to take our agenda forward. Social mobility is recognised by an increasing number of stakeholders as one of the most pressing problems holding our country back, both socially and economically – and the coming years represent a crucial moment to make a difference.

Let me end by thanking all our donors, supporters and partners. We could not do our work without you, and I hope we can count on your support in the years to come.



Ian Walsh
Chairperson of the Sutton Trust

## OBJECTIVES AND ACTIVITIES

### Charitable Aims

The aim of the Sutton Trust is to address educational disadvantage and to promote social mobility – the opportunities open to young people from a lower income homes. High levels of social mobility mean that people from all backgrounds can succeed in life and make the most of their talents and aspirations. It is 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 has five focus areas: Early Years, Schools, Apprenticeships, Higher Education and Access to the Workplace.

The Trust has a unique 'do tank' model of research and policy activity allied with practical, on-the-ground programmes. The Trust's programmes focus on academically able, disadvantaged students. We have built considerable expertise in this area over the last 25 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, particularly from school into university and from university into careers.

The Trust's research and policy work is deliberately wider, recognising that there are 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.

The Trust completed its last strategy review in 2020. We are currently refreshing our strategy for the period from 2025-2030. This strategy refresh had paused during 2023/24 as we transitioned Chair from Sir Peter Lampl to Ian Walsh, and had some further changes to the Board of Trustees. This strategy refresh will be complete in the first half of 2025, and we expect that key pillars of our strategy will include growing programme participants (with a mix of physical and digital delivery), strengthening our research and advocacy, and further growing and empowering our alumni community.

### Significant Activities

*Programmes* – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped over 60,000 students since the Trust was founded, and reached almost 12,000 young people in this year.

*Innovation* – Building on the success of Sutton Trust Online, the Trust is currently focussing its innovation activities on access to the Tech and Creative industries.

*Research and 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 290 pieces of research since the Trust was founded in 1997, which have generated significant media and press interest, and have influenced policy on many occasions.

*Development* – As a registered charity that receives no government funding, our activity is only made possible by donations from our generous supporters including the Advisory board, trusts and foundations, businesses, individuals and our alumni.

## OBJECTIVES AND 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 5 to 10), and its research and policy work (see pages 11 to 13) 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 events.

In support of its work, the Trust works in partnership with other organisations and may also provide grants to its partners. The grant-making policy is published on page 16.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

### Programmes

Each year we support over 10,000 high-attaining young people from disadvantaged backgrounds to make informed choices about their future, maximise their talents, and realise their aspirations.

*Academic Year 2023/24*
Once again, the Trust has supported record numbers of beneficiaries in the last academic year, with highlights including:

- 23,000+ applications to our programmes
- 15,500+ individuals supported - including c.11,900 young people (pre-18), c.2,600 alumni and c.1,000 teachers
- Students participating in over 1,000 work experience placements and c.400 students attending one of our Pathways conferences
- Continued growth in our alumni and post-18 offering with excellent engagement across leading employers, offering opportunities and mentoring

*Programme Eligibility and Outcomes*
In every cohort, we apply five needs-based and one talent-based eligibility criteria to ensure we are reaching the young people that will benefit most:

- Free School Meals eligibility
- First generation of their family to attend university
- Live in a neighbourhood of socio-economic deprivation
- Attend a low performing school
- Been in local authority care
- Predicted to attain at least five GCSEs grade 9-6 (equivalent to A* to B), or at least five A or B grades at National 5 in Scotland.

The students we support have often grown up in areas with high rates of poverty and economic deprivation; nearly half have been eligible for free school meals. They attend state-funded schools and more than 75% are the first in their family to attend university. Our programmes are open to students from across the UK, encouraging applications from regional social mobility cold spots such as those in the North-East, North-West, and the West Midlands.

Despite the challenges they have faced, young people on our programmes are often outstanding students with high potential to excel in university and their careers, and our cohorts reflect greater ethnic and gender diversity than found in comparative courses at Russell Group institutions. In 2023/24 we received more than five

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

applications for each place on our programmes, demonstrating the critical need for our programmes to support disadvantaged young people and help them unlock their considerable talents.

As a result of taking part in our programmes, students will increase their confidence, develop skills for the future and make an informed choice about next steps.

*Impact Update*
In our last annual report we were able to report on the destinations of participants through our analysis of HEAT (Higher Education Access Tracker) which provides individual level destinations in respect to Higher Education and graduate outcomes. This was based on the 2019/20 programme participants. Unfortunately, due to delays at HEAT we have not yet had the next round of data and have been informed that this is delayed again until February 2025.

In the meantime, we have been able to analyse the outcomes for 2021/22 participants who completed A-Levels in 2023 through the UCAS Outreach Tracker – this does not give us individual level data but does provide a useful litmus test for how our programmes are performing. Analysis compares results for programme participants against the UCAS comparator group which are matched to participants based on demographic characteristics (for university applications, offers and acceptances) and prior attainment (for offer/acceptance measures only).

Headlines include:

- Across the Sutton Trust's programmes, typically around nine in ten students (90%) apply to university for study immediately after A-Levels (or equivalent in other UK nations), with between 74-80% of the total cohort accepting a place. In both cases this is around ten percentage points higher than the UCAS Comparator Group.
- Almost all programme participants who apply to university choose to apply to at least one high tariff university (typically around four in five, 80%, of the total cohort). For UK Summer Schools, around half (47%) of students end up accepting a place at a high tariff university, while for Pathways programmes it tends to be around two in five (40%). One of the reasons for the percentage of participants accepting places at high tariff universities may be slightly lower for Pathways than for UK Summer Schools is that some institutions outside the high tariff group may potentially be subject specialists.
- Participant rates of accepting offers to high tariff universities is significantly higher than the UCAS Comparator Group and in general twice as many participants compared with the UCAS comparator group accepted a place at a high tariff university.
- There is a clear gradient in favour of increased engagement with Sutton Trust Online being associated with positive university access outcomes. UK Summer School students who engaged with Sutton Trust Online were significantly more likely to accept an offer at a high tariff university than those who did not activate their account (a 21-percentage point difference).
- Participants on both Pathways to Law and Pathways to Medicine are also significantly more likely than their respective Sutton Trust comparator groups to apply for and accept places on Law and Medicine/Dentistry degree programmes respectively.

*UK Summer Schools*
Each year we give over 2,600 talented students aged 16-17 the chance to experience what student life is really like at leading universities across the UK. With our 13 university partners, students explore academic life in over 40 subject areas by attending lectures, workshops, seminars, and hands-on sessions, and take part in social activities that introduce them to the local area and university culture. They are also supported to develop their skills for applying to university, including navigating student finance and living independently.

In 2023/24, the Trust received 15,655 applications for UK Summer School places (2022/23: 13,790) and offered 2,651 places (2022/23: 2,401). This is equivalent to 5.9 applications per place. 2023/24 was an exceptional year, and we were able to increase places available, but moving forward we need to think strategically about

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

how we can apply resources sustainably (incl. digital tools) to support talented young people to unlock their potential.

Our targeting of young people ensures programme cohorts are comprised of young people from non-privileged backgrounds. The average Sutton Trust eligibility criteria met by those offered a place in 2023/24 was 3.8 (out of 5), in addition:

- 70% were the first in their family to attend university
- 54% have been eligible for Free School Meals (FSM)
- 89% come from disadvantaged neighbourhoods
- 75% come from a Sutton Trust target school (i.e. low performing schools)

Our latest UK Summer School impact data, externally evaluated by the Bridge Group, is from the academic year 2022/23. Collating information from baseline, mid-point, and end-point student surveys, headline findings are:

- 93% of participants enjoyed taking part.
- 88% of respondents agreed or strongly agreed that the summer school had helped them make more informed decisions about their post-school options.
- At the end of the summer school, 90% of respondents felt confident about applying to university, up from 68% at baseline. Additionally, there was a 37-percentage point increase in respondents' feeling confident about making a university application for their summer school subject between baseline and exit.
- 84% of respondents agreed or strongly agreed that the summer school had given them the skills needed to navigate the higher education system.
- Attending the summer school made participants feel substantially more comfortable about the transition to university and fitting in socially. Student ambassadors had a highly positive role in this process.
- Attending the summer school also positively changed students' perceptions of universities as accessible and inclusive places.

*"Taking part in the programme has impacted me hugely; I know I can live away from home, knowing I am safe and comfortable with the university. Before attending this programme, I was unsure of applying to university and the course I was interested in doing but after attending, gaining experience, and learning about new opportunities, I am excited."* Programme Participant, UK Summer School.

*US Programme*

Each year we support 150 students to take part in this programme. This includes a week-long trip to the States, where students get a taste of US higher education and culture at leading institutions such as Yale, MIT, and Princeton, and a UK-based residential to experience UK universities and receive comprehensive US admissions advice from experts, including understanding financial aid at American universities.

The impact of the US Programme is profound and can leverage huge financial returns for participants, as they leave their university experience free of the significant debt that their peers in the UK system are saddled with. Since its inception, over 600 US Programme participants have studied in the US, accessing over $170m in financial aid, and attending some of the most prestigious universities in the world (such as Harvard, MIT, and Yale).

44 students from Cohort 12 students (starting the programme in 2022/23) have secured places at US colleges this year – an acceptance rate of 48% (and representing 29% of the total cohort in line with Cohort 11). Students have been awarded places across 28 institutions including 4 at both Harvard and Emory and 3 Princeton, 3 at Northwestern and 3 at Dartmouth. The 44 students have been awarded at total of $14.8m in financial aid across their 4 years of study.

"More than just an academic endeavour, the programme fosters enduring friendships with like- minded individuals. This experience has been so instrumental in my confidence growth during Year 12, greatly

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

contributing to my overall development and achievements" Programme participant accepted to Dartmouth University.

*Sutton Trust Online (or "STO")*
Sutton Trust Online launched in 2020 to meet the challenges of the pandemic, supporting our swift pivot to virtual delivery during a time of acute need. Sutton Trust Online is now embedded in the way we deliver our programmes, with all participants having access to the virtual platform that covers four phases of content:

- Explore: supports students in their exploration of post-18 options, whether that be university, apprenticeships, or careers.
- Apply: supports students in creating a competitive and powerful university and/or apprenticeship application.
- Prepare: supports students in their preparation for university or an apprenticeship.
- Succeed: supports students in transitioning to studying and living in a post-18 environment.

Alongside students participating in our university-access and sector-focused programmes, since its creation Sutton Trust Online has also been offered to students who applied for these programmes but were not successful in securing a place, as long as they met our programme eligibility criteria.

In 2023/24 we also opened direct applications for Sutton Trust Online for the first time, growing our offering to ensure that we can reach more talented young people. We received 782 direct applications, of which 558 met our eligibility criteria and accepted a place. We are pleased with this for our pilot year of offering this and look forward to further developing our marketing and offer in this space.

As a result of direct applications and growth in applications to our other programmes, we reached a total of 11,400 Year 12 students who activated an account on the platform, an increase of circa 2,000 compared to the previous year. In total over 43,000 students have now received support since STO launched.

This year we have worked hard to analyse and improve engagement with the platform and its resources. As a result:

- 23,986 messages have been sent on STO Chat in 2023-24, connecting students and alumni.
- Over 6,500 students have watched our STO onboarding webinar, with over 2,600 attending live and high levels of engagement - with hundreds of questions asked via the chat box functionality and several Sutton Trust staff on hand to ensure prompt answers.
- We have made recordings available for over 130 webinars for STO users to access. Topics include student experience at specific universities, taster lectures for subjects, university funding, apprenticeships Q&As, making the most of open days, choosing a course, and student experience for diverse demographics of students.
- 4,280 students have used OSCAR, the personal statement builder,

In 2023/24, we conducted an external evaluation of the programme. This focused both on the university outcomes for users as well as evaluation of their experience of the platform and recommendations for improvements using the evaluators expert digital team.

We were particularly pleased to note that students engaging with STO are significantly more likely to apply to and gain acceptance at competitive institutions. Critically, the level of engagement with STO correlates with success. Students who engage deeply with the platform are statistically more likely to receive offers and acceptances than their less-engaged peers. This tells us that STO is not just helping students apply to these universities-it's equipping them with the skills and knowledge to succeed in the highly competitive application process and, thereafter, to transition successfully on course, an important area of focus going forwards.

Other recommendations are being taken forwards by the team in partnership with our platform developers.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*"What I liked most about STO is how it provided me with a wealth of resources and clear, detailed information about my future options and pathways. The guidance and tools boosted my confidence in making informed decisions regarding my education and career" STO Participant from the External Evaluation.*

**Pathways**
Each year our Pathways to the Professions programme supports over 1,500 talented students aged 16-18 to understand more about specific subjects and career sectors, levelling the playing field with their more socio-economically advantaged peers when it comes to accessing networks, information, and critical work experience placements.

Pathways programmes run for 18 months and focus on a specific profession or industry, such as law, engineering, medicine, consulting, or banking & finance. Delivery is in collaboration with 15 leading universities and over 100 employer partners, and includes university-led conferences, skills sessions, admissions support, and work placements.

We support students across the country, with university partners including Exeter, Imperial College London, LSE, Leicester, Nottingham, Warwick, Liverpool, Leeds, Manchester, Newcastle, and Cardiff. We also offer online-only options for Banking & Finance and Law programme streams, and our Pathways to Consulting programme is entirely online with four leading consultancy firms.

In 2023/24, the Trust received 6,234 applications for our Pathways programmes (2022/23: 4,186) and offered 1,552 places (2022/23: 1,335). This is equivalent to 4 applications for each place, demonstrating the critical need for this programme. The average Sutton Trust eligibility criteria met by those offered a place in 2023/24 was 3.7 (out of 5), in addition:

- 75% were the first in their family to attend university
- 46% have been eligible for Free School Meals (FSM)
- 90% come from disadvantaged neighbourhoods
- 62% come from a Sutton Trust target school (i.e. low performing schools)

Programmatic highlights in 2023/24 included:

- We held our Pathways to Engineering conference at Warwick in April for 83 students from Cardiff, Liverpool and Warwick university programmes and have also partnered with Mercedes for 45 students to attend a careers day at their offices.
- For Pathways to Medicine, we hosted 120 students for an online week of work experience with our partner universities (Imperial, Nottingham, Newcastle & HYMS).
- We hosted our "Economic Principles" lecture for our Banking and Finance & Consulting Online students, led by the University of Exeter, and have had 400+ work experience placements across all of our industry sectors over the Easter break and May half-term.
- We held both our Pathways to Banking & Finance and Pathways to Law conferences supporting 341 students with a range of activities including excellent employer led sessions from organisations such as Citi Group, DLA Piper, Irwin Mitchel, PwC and Orbis Investment. Student feedback demonstrated 75% felt the conferences had helped them make an informed choice about whether to enter the sector, and over 70% agreed they had developed key employability skills

Our latest Pathways impact data analysed during 2023/24 from the cohorts that completed their A-Levels in 2023 shows:

- Confidence in applying to university increased, especially in writing personal statements, rising from 52% at baseline to 85% at midpoint.
- At exit, 84% agreed or strongly agreed that Pathways had given them the skills needed to navigate the university system.
- Four in five respondents (81%) said that their perceptions of the sector had positively changed, with the same proportion (81%) agreeing or agreeing strongly that attending the Pathways programme has given them the skills to navigate their chosen sector.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*The programme exposed me to the entire spectrum of careers in the banking and finance sector, through networking events, information sessions, and work experience at notable industry names. Most importantly, however, the programme gave me courage and belief. It allowed me to envision myself in a high-flying finance career, something that seemed all too distant from what I was exposed to growing up. Visibility is super important!" Pathways to Banking & Finance Participant.*

*Access Apprenticeships*
Initially trialled as a short intensive summer school, we've learnt from our pilot delivery and have adapted the model to better suit young people's needs. Despite positive outcomes from the initial summer school pilot, specifically in increasing students' knowledge and interest in apprenticeships, only 36% were confident about actually applying to an apprenticeship, with many expressing a need for additional support in their application journey.

Informed by this learning, our new Access Apprenticeships programme, launched in early 2024, supports students in accessing high-quality apprenticeships. Taking place over a year, the programme is providing 146 students aged 16-17 with opportunities to network with professionals in the industry, attend information sessions on apprenticeship programmes, and receive guidance with the application process itself.

Every student has chosen a sector strand which interests them from Banking & Finance, Law, and Engineering. They then take part in a range of core activities to get a unique insight into what apprenticeships and career in that sector is really like. Activities include work experience, sector insight days, skills sessions, mock assessment centres, and workshops, with in-person and online interaction and opportunities to meet current apprentices within the company.

Students are now receiving dedicated application mentoring to support applications to higher and degree apprenticeships, and we look forward to receiving evaluation data and metrics next year.

*Alumni and Post-18 Programming*
We recognise that our alumni are a powerful force for change; there are now over 60,000 thousand of Sutton Trust alumni at university and in the workplace, of which around 36,000 are contactable.

Our Sutton Trust Alumni platform (STA) offers exclusive access to job opportunities from companies dedicated to improving social mobility, webinars, and resources. Our alumni e-newsletter connects our thousands of alumni with opportunities and keeps them in touch with our work.

Because we recognise that access to university is not the end of the barriers for our alumni, we also offer a career readiness post-18 programme, designed to provide additional support during their time as an undergraduate. The Careers Plus programme is designed to help level the playing field and give high-attaining young people the opportunity to further develop their employability skills, gain critical work experience, and access mentoring with some of the UK's leading employers in selected professional sectors.

In 2023/24, 55 alumni participated in our Careers Plus to Law programme with work experience opportunities through Hogan Lovells, Mishcon de Reya and RBG Legal Services Limited, a variety of skills-based sessions and mentoring opportunities from employers. Following our 2023/24 Careers Plus (Law) programme, 89% of students surveyed agreed that the work experience made them more likely to enter the profession, and 100% would recommend the programme to their fellow alumni.

For 2024-25, we will continue to run Careers Plus: Law and will be expanding our delivery to run two additional programmes – Careers Plus: Consulting and Careers Plus: Tech. We are excited to be bringing these two new programmes to life, working with existing delivery partners from Pathways to Consulting to support our expansion into post-18 programmes in consulting, and exploring new partnerships to deliver our tech programme.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

We have now also completed year three of both the Careers Skills Bursary (supported by Bloomberg), and the Opportunity Bursary (supported by J.P. Morgan). The bursary programmes include both financial support to students as well as mentoring and, for the Careers Skills Bursary, a week-long work experience at Bloomberg LP in London. In 2023/24, we awarded a total of 72 bursaries (2022/23: 88).

Alumni are also a vital part of both our programming and Trust's wider work, with alumni giving over 1,200 hours of their time, providing in-kind support such as employer spaces to host events, and introductions to employers and contacts who then work in partnership with us. Alumni volunteer in several ways, including speaking in webinars and in person events, acting as mentors, and supporting our fundraising efforts.

We are also proud to have a thriving and diverse Alumni Leadership Board who often act as spokespeople with the media, provide feedback on programme improvements and develop ways for the Trust to support its alumni body after students complete their programme.

### Innovation

Innovation has always been in the DNA of the Sutton Trust. In 2023/24, we have significantly progressed two project areas in the tech and creative sectors – both of which have particular issues with social mobility and particularly low levels of socio-economic diversity.

Separately in each of these sectors, we are working to convene a taskforce of industry plays who will agree to a set of social mobility commitments and work together to share best practice, and test and implement industry solutions to access and retention issues.

The tech taskforce is furthest advanced, and we expect it to launch in Q1 2025. In creative, we are still in the process of building the coalition of industry players.

Last year we were also working on innovation in fairer school admissions. This work was successful and has now moved to business-as-usual management – as we work with school leaders on admissions and continue to advocate for policy change in this area.

Our Director of Innovation left the Trust in July 2024. We have paused recruiting into this post until we review the role and structure of our innovation activities as part of our strategy refresh.

### Research, Policy and Communications

Our programmes help thousands of young people fulfil their potential, but to see a true step change in social mobility in this country, much larger changes are needed in policymaking and wider society.

Our agenda-setting research identifies the root causes of low social mobility and promotes effective solutions through evidence-led policy change, from the early years, through to schools, apprenticeships, university and into employment. Since 1997 we have published over 290 evidence-rich reports, many of which have gone on to influence national policy.

Over the course of 2023/24 we have published 15 pieces of research, across each of our key research pillars. Both our research reports as well as our reactive analysis (such as around the General Election or the Paris Olympics) have continued to cement our position as a 'go-to' source of evidence and insight on social mobility and education. Some major publication highlights this year have included:

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

Parliamentary Privilege (July 2024)

- Since 2010, we have been looking at the educational backgrounds of the 650 Members of Parliament elected to the House of Commons. Following the 2024 General Election, our detailed analysis of the new crop of MPs finds a significant change in their school and university backgrounds compared to those who were elected in 2019.
- It shows a historic sea change, with a record proportion of MPs educated at state comprehensive schools (63%), and moving our elected representatives closer to reflecting the British populace, especially compared to 54% of MPs elected in 2019. However, the majority of the House of Commons continue to attend a narrow range of universities, with 55% attending Oxbridge or Russell Group institutions.

Social Mobility and Opportunity (May 2024)

- What are the British public's views on equality of opportunity and social mobility? Do today's voters want to see greater action to level the playing field, and should we be investing to equalise opportunities?
- National polling, completed with More in Common, looked at public attitudes to social mobility across the political spectrum. The results show the public perceives British society as both unequal and unfair, with clear social inequalities identified, particularly in relation to jobs and education, but also strong public support for the idea that all young people should have equal opportunities regardless of background.

School Admissions: Selective Comprehensives (January 2024)

- This series of reports took a deep look at school admissions, uncovering evidence that England's top comprehensive schools are, in practice, often highly socially selective. The top 500 show a significant gap between the rates of Free School Meal eligibility in the local area they draw their students from and the FSM rates of their actual intakes. This means that even if disadvantaged pupils have a top school in their local area, they are less likely to get into one. The interactive dashboard can be found here, offering rich insights into the socio-economic makeup of individual school intakes across England, with further analysis published by our research team in September 2024 here.

Higher Education Maintenance Funding (December 2023)

- Earlier in 2023, Sutton Trust research revealed the extent to which students across the country were struggling to manage financially due to the cost-of-living crisis, following a period of record high levels of inflation. Building on these findings, this analysis took a closer look at the financial support students receive through student finance. It found a wide gap between the amount of maintenance support students receive, and the amount they need to spend on essentials. Median loans both in London (£8,500) and the rest of England (£7,000) came nowhere near to covering median costs on essential spending (£17,287 and £11,400 respectively). This gap impacts students from low-socio economic backgrounds the most, who don't have the familial financial support that their more affluent peers are able to rely on.

COSMO Wave 2 Briefings – Post 18 Opportunities and Aspirations; Mental and Physical Health (November 2023)

- COSMO is a major national longitudinal cohort study examining the impact of the Covid-19 pandemic on educational inequality and social mobility. The study is a collaboration between the Sutton Trust, the UCL Centre for Education Policy and Equalising Opportunities, and the Centre for Longitudinal Studies.
- A representative sample of young people in England who were in Year 11 in the 2020/2021 academic year were invited to take part in the survey, with the aim of following them as they progress through the final stages of education and into the labour market. A sample of more than 13,000 young people was recruited in Wave 1. All young people who took part in Wave 1 were invited to Wave 2 when they were in Year 13, and over 11,000 took part. The first two briefings on Wave 2 were published this year. The first examined the long-term trend of worsening mental health and wellbeing among young people, whilst the second examined the post-18 opportunities and aspirations of this cohort, the full analysis of which can be accessed in Sutton Trust's website.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

25 Years of University Access (October 2023)

- Our major study of higher education trends over the past 25 years reveals persistent access gaps for disadvantaged students, particularly at the most selective universities.
- The report shows that while we have more young people accessing higher education than ever, there are persistent access gaps for poorer students, particularly at the most selective universities, and major regional disparities in applying to and attending university.

We also published three 'general election briefings' centred around our three policy priorities ahead of the general election:

- Reforming Student Maintenance (March 2024) highlighted the increasingly insufficient financial support for students from less well-off backgrounds, and used economic modelling to propose an overhaul to student finance, increasing the amount of money in student pockets as well as bringing back maintenance grants, on a cost neutral basis.
- Closing the Attainment Gap (February 2024) highlighted that the disadvantage attainment gap at all stages of schooling is at decade long highs, and set out the basics of a national strategy to reduce that gap.
- Inequality in Early Years Education (January 2024), mapped out the state of play in Early Years policy, and set out a series of policies to give children a fair start in life, tackling access to early education, improving quality provision for those who need it most, and overhauling support for families through children's centres and family hubs.

*Policy and Advocacy*

A vital complement to our research work is our advocacy – influencing government, political parties, educational institutions, employers, and other third sector organisations to make tangible changes to improve social mobility in the UK.

Since 1997, we have worked with every government and across all political parties to make sure that social mobility stays at the top of the agenda. Prior to the 2024 General Election, our advocacy efforts focused on engagement across political parties to influence future policy. This centred around our manifesto, Fair Opportunity For All. It outlines our policy roadmap that will enable the government to break the link between background and success and make the most of our country's talent, by enacting each of our costed policy recommendations. This document will underpin our advocacy work over the coming parliamentary term.

This year also saw an expanded events programme. In September 2023 we hosted the launch event for the OECD's "Education at a Glance" report, featuring Abel Schulman from the OECD, Secretary of State Gillian Keegan, and a panel of experts. We also held a series of webinars on our election priorities during the first half of the year, with a range of panellists across policy and practice, that were extremely well attended.

We have continued to receive high profile national coverage for our work and have seen increased digital reach and parliamentary mentions over the course of the 2023/24 year, in line with a steady upward trend in the salience of social mobility in the parliamentary agenda. Social mobility mentions in Hansard continue to grow: between September 2023 and August 2024 there were 102 references to social mobility. In comparison, 20 years earlier between September 2003 and September 2004 there was just 11 references, only one of which related to education and young people.

We also recently refreshed our brand and redesigned our website and are pleased to report that that engagement across all our online platforms has remained on an upward trajectory over this period.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Development

The Sutton Trust closed its financial year 2023/24 in a strong position, thanks to the generous support of our family of donors and partners.

The Trust typically tracks two key metrics in monitoring fundraising performance; cash received during the year and new pledges secured. The latter being a measure of new business, some of which is in the form of multi-year commitments that are realised as cash over time.

The figures for the past two full years are:

| 2023/24 | 2022/23 |
|---|---|
| New pledges secured: £3.8m | New pledges secured: £12.8m |
| Cash received: £6.2m | Cash received: £6.8m |

(Note: The cash figures may differ from the accounts, which have been prepared on an accruals basis)

2023/24 has been a strong year for fundraising with the Trust. The Director of Development, working in partnership with the CEO, built a new and comprehensive funding strategy to capitalise on our successful track record while building a diversified and stable foundation of sustainable income to underpin the organisation's important work. As part of this, the Development Department has been restructured into specialist teams, and two senior fundraisers have been appointed to work closely with the Director of Development on building our major gifts programme. Sir Peter Lampl remains involved in fundraising activity after his retirement from the Executive Chair position, particularly with our funding board and other longstanding relationships.

Across the year, the Development team focused on both proactively growing our pool of donors as well as developing multi-layered relationships across our current partnerships. This has enabled us to successfully onboard a suite of new supporters as well as increase our funding levels and partnership terms with current funders.

Highlights of the year included:

- Three-year support from the Garfield Weston Foundation for Pathways to the Professions
- Three-year unrestricted support from Citadel and Citadel Securities
- Onboarding a number of new supporters including: Slaughter & May, Nuveen, Northern Trust, Wells Fargo, HG Foundation
- Our highest level of funder visits to our summer programmes

Due to programme underspend accumulated during 2020 and 2021, the Trust delayed a number of fundraising asks until 2022/23, which contributed to the sharp increase of pledges secured during that period and a subsequent drop in 2023/24. With a number of significant renewals being planned in 2024/25 we expect the forward pledges figure to increase in the next year as we enter into the next partnership renewal cycle.

### Financial Review

In the financial year under review, income receivable, including grants, gifts, pro-bono support, interest and investment income was £7.5m, a 5% increase on the previous year (2023: £7.1m) and expenditure, also including pro-bono support, was £8.3m, a 8% increase on the previous year (2023: £7.6m). The total funds of the Trust decreased to £9.7m, a decrease of 6% during the year (2023: £10.3m). The decrease in funds is in line with expectations. It has been the Trust's aim to reduce its reserves, particularly those accumulated during the pandemic and restricted to particular programmes, in a measured and sustainable way.

For the year, income fell short of expenditure by £0.8m (2023: £0.5m) of which £1.1m is within restricted or designated funds.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*Income*
Restricted income received in the year was £5.1m, 68% of total income received (2023: 64%) from over 100 different organisations and individual donors providing funding to programmes and research. Unrestricted Income received in the year was £2.3m, 32% of total income received (2023: 35%).

Pro-bono services of £0.7m were received in the year, of which £0.4m were included within restricted income and £0.3m within unrestricted income (2023: £0.2m, restricted).

*Expenditure*
Total expenditure on charitable activities was £7.7m, a 10% increase compared to the prior year. This increase reflects the cost impact of inflation as well as some initial capacity building investments, such as staffing, website design and branding, and advisory.

Total expenditure on generating funds of £0.6m has stayed consistent compared to the previous year, reflecting the continued investment in the development team to ensure ongoing success in building long-term relationships with funders and other activities as set out in the Development section on page 14.

*Charitable Funds and Cash*
Restricted income funds at the year-end fell by £1.1m, or 34%, to £2.1m. This is due to a planned reduction in accumulated funds during the pandemic. The details of the restricted fund balances by programme are shown in note 18.

Unrestricted income funds increased by 6%, to £5.3m, in the period. Factors contributing to the surplus include: successful conversion of restricted to unrestricted funding enabling funds to be applied in areas with the greatest need; timing with some funds received in the days prior to year end; reduced expenditure relating to vacancies during the year. The reserves policy of the Trust is explained on page 14-15.

The designated fund, created in 2019 and fully invested at the start of the year in accordance with the investment policy of the Trust, generated a positive annual return of £187k, or 9%, with a market value of £2.3m at the year-end.

Cash held at period end was £8.6m of which £3.6m relates to restricted funds and £5m to unrestricted funds. The Trust continues to work on reducing the level of cash held in relation to its restricted funds. At the year end, the Trust was in the process of opening a liquidity portfolio with J.P. Morgan to more effectively manage unrestricted cash.

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

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 services can continue uninterrupted through to completion.

Reserves include restricted and unrestricted funds. Unrestricted funds can be used at the discretion of the Trustees. The restricted funds may only be used for the purpose specified by the donor.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

At the year end, total funds carried forward are £9.7m, which breaks down into £2.1m restricted funds, £2.3m of designated funds and £5.3m of general unrestricted funds.

Restricted funds are specified and allocated for the different programmes and research projects undertaken by the Trust. The level of restricted funds had risen significantly during the pandemic due to the continued cost savings caused by reduced face-to-face activities. The Trust is working closely with its funders to ensure funds accumulated are spent responsibly over an extended period. A breakdown of the restricted funds by programmes can be found in note 18.

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

Unrestricted funds consist of:

- Free Reserves of £3.4m. This amount is expected to cover the budgeted operating costs for the next financial year, including staff salaries.
- Fixed Asset Fund of £0.1m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- General Reserves of £1.8m. This amount is set aside to finance fluctuations in cashflow, to continue running programmes in the short-term, in the absence of a funder or to trial new programmes prior to seeking external funding. It is important to note that many of the programmes are planned for a multi-year period and this level of funding is a source of finance.

The Trustees review the way in which unrestricted funds are allocated with the aim of maximising the amount available for charitable activities whilst ensuring that an appropriate level of reserves is maintained for the purposes set out above.

Overall, the Trustees consider the level of reserves held at year end to be reasonable in light of a planned leadership transition as Sir Peter Lampl was preparing to step down from his position as Executive Chairman and the Trust's strategy work was paused to allow the new Trustees to settle in. In anticipation of this period of organisational change, the Trust has been more conservative in its approach to spending to allow for a swift implementation, including – where appropriate – investing reserves into new activities, once the new organisational strategy is finalised. The Trustees remain committed to reviewing the level of unrestricted reserves held alongside the Trust's strategy work into 2025.

*Investment Policy & Performance*
The Charity relies on professional fund managers for the day-to-day running of its investment portfolio. The appointed fund managers manage the portfolio on a discretionary basis, with the fund managers taking all investment decisions in line with the investment objectives and risk profile agreed by the Trustees.

The Trust holds two separate investment funds – the designated investment fund for long-term sustainability and the (restricted) opportunity bursary fund – managed by Rathbones Group PLC and J.P. Morgan Bank, respectively, on behalf of the Trust.

Each investment portfolio is allocated to the following asset classes: equities, fixed income and cash, and alternatives, with target allocations varying in line with the purpose of the specific investment (see below). The investment objectives of each investment reflect their medium-to-long term nature and 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

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*Designated Investment Fund for long-term sustainability*
The fund was designated in 2019 with an initial cash investment of £2m. At the end of the year, the fund value was £2.3m with an asset allocation of 60.3% equities, 26.1% fixed income, 9.9% alternatives and 3.7% cash holdings.

The portfolio has had satisfactory performance during the year, generating a return of 9.5% net of fees and charges, ahead of the investment objectives for the fund. However, the fund performance compares unfavourably to with Rathbones' composite benchmark (12.6%) corresponding to the Trust's investment strategy. The portfolio overall has benefited from the easing of the economic situation in the UK, with reduced inflation and a stable labour market; however, it performed behind the benchmark due to a number of historic asset allocations, which are being corrected over time. All income and gains are reinvested into the fund. At the end of the year, the Trust was in the process of transitioning investment manager.

*Opportunity Bursary (Restricted) Fund*
The fund was established in 2021 with an initial cash grant of £4.8m and additional donations of £0.4m. At the end of the year the fund value was £5.4m with an asset allocation of 56.1% equities, 39.7% fixed income, 2.6% alternatives and 1.6% cash holdings.

The fund has had good performance during the year, generating a return of 16% net of fees and charges, which is well ahead of the Trust's investment objectives for the fund. The fund performance compares favourably with J.P. Morgan's composite benchmarks (15.4%) corresponding to the Trust's investment strategy. The portfolio has much larger overseas exposure than the Trust's Designated Investment Fund, and the positive growth was largely driven by slowing inflation, falling interest rates and strong performance of tech companies in the US Stock Market. During the year, £200k was withdrawn from the fund in line with revised grant conditions; an additional £73k was withdrawn from the fund relating to additional donations received. The principal of the grant and the associated investment income is shown within deferred income in Note 13.

*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 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 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.

## PLANS FOR FUTURE PERIODS

This year has marked a significant transition at the Trust. Sir Peter Lampl announced his decision to retire as Executive Chair in July. The transition was planned over the summer, and as of the time of writing this report, Ian Walsh has joined as non-executive chair, with Sir Peter Lampl remaining as a trustee.

As mentioned earlier, we are currently refreshing our strategy for the period from 2025-2030. This strategy refresh paused this year as we went through the Chair transition, but we now expect it to complete in the first half of 2025.

Looking forward, we expect that our central approach will remain broadly the same, with a focus on directly supporting high ability, low/middle income young people through our programmes, and our research and advocacy work taking a wider look at the causes and potential solutions to low social mobility and educational inequality, from early years through to access to the workplace.

Moreover, we expect that key pillars of our forward strategy will include growing programme participants (with a mix of physical and digital delivery), strengthening our research and advocacy, and further growing and empowering our alumni community.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document and 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. With the retirement of Sir Peter Lampl from the position of Executive Chair in November 2024, the Charity's Articles have been revised and Trustees, of which there must be at least two, are appointed by resolution of the Board of Trustees. Trustees, with the exception of the Founder, are typically appointed for a four-year term and may be appointed for an additional four-year term. At the end of the year, the Trust had six Trustees. Trustees aim to 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. In addition, new Trustees meet with the Senior team (refer to "Organisation" paragraph below), are given the opportunity to visit programmes and research events, and are also offered formal training as needed. The Trustee induction process was last reviewed in 2024.

### The Trust's Commitment to Good Governance Code

The Trustees reviewed the voluntary Code of Governance and undertook an internal audit of existing processes against the recommendations in the Code in 2018. A further review was planned for the 2024 calendar year. However, as the Trust's Executive Chairman announced his intention to step down from his role in July 2024 (with the new non-executive Chair of Trustees appointed in November 2024) and four Trustees being appointed between July and October 2024 (following a number of retirements), the review has been delayed to the first half of 2025. In the meantime, the Trustees are committed to principles of the Code and are proactively considering refreshed ways of working.

### 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 Chair of Trustees. The Chief Executive oversees the Senior team comprising the Director of Development, Director of

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Organisation (continued)

Programmes, Director of Research and Policy, Director of Communications and Public Affairs, and Director of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2023/24 stands at 45 staff.

**Remuneration Policy**
The Sutton 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 Sutton 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

During the year, the Trustee Board had delegated the responsibility for the authorisation of any pay increase (>£10k) to the Executive Chairman, as part of the Sutton Trust approval matrix. The revised approval matrix is due to be signed off, following the retirement of the Executive Chairman, in early 2025.

During the year, the pay of the Chief Executive was 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 may also be paid.

Pay is reviewed annually, and any increases guided by the Retail Prices Index (RPI) and performance in the annual appraisal process. The Charity 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 are 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.

**Related Parties**
The Charity has no trading subsidiary.

Sir Peter Lampl, Executive Chairman (until November 2024) and Trustee of the Trust, also acted as the Chairman of the Education Endowment Foundation (EEF) until December 2023, when he became the Chair Emeritus of the EEF. Sir Peter Gershon, Trustee of the Trust (until October 2024) also acts as a Trustee of the EEF. The EEF is 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 Private Office of Sir Peter Lampl and the Sutton Trust share some staff and floor space.

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

**Internal Controls and Risk Management**
The Trustees have responsibility for ensuring that the Charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charity 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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Internal Controls and Risk Management (continued)

A full annual planning and budgeting process is in place, and the Charity considers risks as part of all its activities. Notable risks identified in the period and actions to mitigate the impact include:

- Throughout the pandemic and beyond, the Trust has experienced significant growth in its activities both through the expansion of its face-to-face activities and addition of digital activities, driven by the increased demand for its services. The Trust needs to continue to align its strategic priorities with its funding trajectory to ensure expenditure does not significantly outgrow its income, particularly considering the recent cost-of-living crisis and its impact on direct and staff costs. Sustainability considerations are key as we finalise the Trust's 2025-30 strategy.
- With an increasingly challenging external fundraising environment, raising sufficient funding for all the Trust's core activities remains a critical priority. In line with the Trust's new fundraising strategy and the transition to a more dynamic fundraising approach, the Trust seeks to diversify its funding sources, attract new funders to the Trust and continue to grow unrestricted and other more flexible funding.
- Safeguarding programme participants, alumni, employees and others who come into contact with the Trust is a critical priority for the Trust. The Trust has a strong safeguarding culture with annual review of policies and procedures, codes of conduct and annual training for staff and volunteers. In the year, we improved our crisis comms response plans, and are looking forward to an external review of our safeguarding procedures in the next year. Alongside welfare consideration, data protection is of significant importance and we continuously review and improve processes in this area, with the help of our external Data Protection Officer and IT specialists.
- Following the recent general election, building relationships with the new government and influencing policy change through realistic, tailored asks is particularly important to further the Trust's social mobility mission. Furthermore, the Trust needs to ensure it remains a distinct and respected voice in a busier educational landscape. Actions to mitigate the impact include clarity in terms of focus and policy objectives, working with partners with a strong track record, speed of turnaround to ensure relevance and leveraging the link with the ongoing programme work being undertaken.

### 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 2019) (FRS 102).

The Trustees have considered the financial budget for the next financial year, 2024/25, and its medium-term strategy. The Trustees also recently signed off the Trust's new fundraising strategy, which will set the foundations for future income diversification and growth. The pipeline for 2024/25 is strong with a good level of projected fundraising income. The Trust is also looking ahead to a number of significant renewals for 2025/26, engaging funders in advance to ensure the most favourable outcome and enable sufficient planning.

The Trust continues to invest into its fundraising activities to ensure additional demands on budgets, through expansion as well as inflation are being met. Cost budgets are reviewed regularly and thoroughly for programmes and other activities, including administrative costs to ensure the continued sustainability of the Trust. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the political and economic landscape, and its potential implications on fundraising and programme delivery and support (see Reserve Policy on pages 15-16).

Considering the above, the Trustees believe that the Trust has adequate resources to continue successfully for the foreseeable future. Therefore, the annual report and financial statements have been prepared on a going concern basis.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### 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 Charity 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 Charity ensures that grant and gift agreements are in place with its supporters. In 2023/24, the Charity did not have any Commercial Participators. The Charity completes a due diligence process for all new supporters. Development Team staff are kept up-to-date on fundraising best practice.

The Charity's complaints procedure is available on the Trust's website. For staff, this is also available in the staff handbook. In 2023/24, we received no complaints relating to fundraising. The Charity is not aware of any breaches of fundraising regulations by the Charity 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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

Ian Walsh - Trustee
Date: 10/04/2025

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

## THE SUTTON TRUST

### Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2024 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 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

### Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### 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.

**Other information (continued)**

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

- the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) has 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 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.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 21, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- the analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charitable Company for previously unreported related party transactions;
- reviewing correspondence and agreements between the Charitable Company and its grantees, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- reviewing correspondence and agreements between the Charitable Company and its donors, and discussion with the management in relation to compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

**Use of our report**

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

Rawlinson & Hunter Audit LLP

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

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

Date: 10 April 2025

## THE SUTTON TRUST

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

## FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | Unrestricted Funds: General Funds Year ended 31 August 2024 £ | Unrestricted Funds: Designated Funds Year ended 31 August 2024 £ | Restricted Funds Year ended 31 August 2024 £ | TOTAL FUNDS Year ended 31 August 2024 £ | TOTAL FUNDS Year ended 31 August 2023 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and legacies | 2 | 2,202,796 | - | 5,058,359 | 7,261,155 | 6,948,006 |
| Investments | 2 | 137,086 | 51,187 | 14,236 | 202,509 | 175,279 |
| **Total income** | | 2,339,882 | 51,187 | 5,072,595 | 7,463,664 | 7,123,285 |
| **Expenditure on:** | | | | | | |
| Costs of raising funds | 4 | 382,805 | 15,861 | 181,875 | 580,541 | 628,624 |
| Charitable activities | 3, 4 & 5 | 1,660,789 | - | 6,012,101 | 7,672,890 | 6,999,053 |
| **Total expenditure** | | 2,043,594 | 15,861 | 6,193,976 | 8,253,431 | 7,627,677 |
| **Net gains/(losses) on investments** | 9 | - | 151,182 | 27,463 | 178,645 | (108,611) |
| **Transfer between funds** | 18 | - | - | - | - | - |
| **Net income/(loss)** | 6 | 296,288 | 186,508 | (1,093,918) | (611,122) | (613,003) |
| **Other (losses)/gains** | 2 | (860) | - | (337) | (1,197) | 694 |
| **Net income and movement in funds** | | 295,428 | 186,508 | (1,094,255) | (612,319) | (612,309) |
| **Reconciliation of funds:** | | | | | | |
| **Total funds brought forward** | | 4,988,768 | 2,150,608 | 3,201,488 | 10,340,864 | 10,953,173 |
| **Total funds carried forward** | 18 & 19 | 5,284,196 | 2,337,116 | 2,107,233 | 9,728,545 | 10,340,864 |

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derived from continuing activities.

The notes on pages 31 to 53 form part of these financial statements

## THE SUTTON TRUST

## BALANCE SHEET

## FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | 31 August 2024 | | 31 August 2023 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets:** | | | | | |
| Tangible assets | 8 | 51,315 | | 66,720 | |
| Investments | 9 & 21 | 7,771,692 | | 7,102,079 | |
| | | | 7,823,007 | | 7,168,799 |
| **Current assets:** | | | | | |
| Debtors | 10 | 910,328 | | 648,914 | |
| Cash at bank and in hand | 21 | 8,612,746 | | 9,545,346 | |
| | | 9,523,074 | | 10,194,260 | |
| **Current liabilities:** | | | | | |
| Creditors - amounts falling due within one year | 11 | (2,544,031) | | (2,451,489) | |
| **Net current assets** | | | 6,979,043 | | 7,742,771 |
| **Total assets less current liabilities** | | | 14,802,050 | | 14,911,570 |
| Creditors - amounts falling due after more than one year | 12 | | (5,073,505) | | (4,570,706) |
| **Total net assets** | | | 9,728,545 | | 10,340,864 |
| **The funds of the Charitable Company:** | | | | | |
| Unrestricted - general fund | 18 & 19 | | 5,284,196 | | 4,988,768 |
| - designated fund | 18 & 19 | | 2,337,116 | | 2,150,608 |
| Restricted income fund | 18 & 19 | | 2,107,233 | | 3,201,488 |
| **Total Charitable Company funds** | 18 & 19 | | 9,728,545 | | 10,340,864 |

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

Ian Walsh
Trustee

Date: 10/04/2025

The notes on pages 31 to 53 form part of these financial statements

## THE SUTTON TRUST

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | Year ended 31 August 2024 £ | Year ended 31 August 2023 £ |
|---|---|---|---|
| **Net cash outflow from operating activities** | 15 | (1,176,814) | (474,919) |
| **Cash inflow/(outflow) from investing activities** | | | |
| Interest income | | 156,047 | 129,503 |
| Dividend income | | 46,462 | 45,776 |
| Purchase of fixed assets | 8 | (12,948) | (35,563) |
| Purchase of investments | 9 | (1,612,409) | (1,724,559) |
| Proceeds from disposal of investments | 9 | 1,667,062 | 1,859,492 |
| **Net cash inflow from investing activities** | | 244,214 | 274,649 |
| **Net decrease in cash and cash equivalents** | | (932,600) | (200,270) |
| **Cash and cash equivalents brought forward** | | 9,545,346 | 9,745,616 |
| **Cash and cash equivalents carried forward** | | 8,612,746 | 9,545,346 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | 8,612,746 | 9,545,346 |
| **Cash and cash equivalents at 31 August** | | 8,612,746 | 9,545,346 |

Cash held at year end was £8.6m (*2023 - £9.5m*). £3.6m of this relates to restricted funds (*2023 - £4.6m*) and £5.0m to unrestricted funds (*2023 - £4.9m*).

The notes on pages 31 to 53 form part of these financial statements

## 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) (issued in October 2019) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and where relevant, the Charities Act 2022, the Companies Act 2006 and UK Generally Accepted Practice. 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.

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.

## 1. ACCOUNTING POLICIES (continued)

### Income (continued)

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, dividends, interest and fixed income receivable from listed investments.

### 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 are to third parties in furtherance of the charitable objectives. Where unconditional grants are offered, the value of the grants 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 recognised to the extent that the recipient of the grant has provided the specified service.

### Support costs allocation

Support costs relate to those functions that assist the work of the Charitable Company 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.

## 1. ACCOUNTING POLICIES (continued)

### Status of funds (continued)

The list of grants 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.

### 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

## 1. ACCOUNTING POLICIES (continued)

### Foreign currencies (continued)

and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

### Employee benefits

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

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

### Tax

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

### Going concern

The Trustees have considered the relevant financial risks and the ability of the Charitable Company to continue in operational existence for the foreseeable future. Having considered the level of funds held and reviewed a robust pipeline of pledges and projected fundraising income together with the detailed cost budgets for each programme and activity including administrative costs for the 12 months from authorising these financial statements, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

### 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 Charitable Company'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 Charitable Company to pay out future grants at the period end, which is dependent on the terms and conditions of the grant agreement between the Charitable Company and the grant beneficiary.

## 2. INCOME

| The income comprised: | Unrestricted Funds Year ended 31 August 2024 £ | Designated Funds Year ended 31 August 2024 £ | Restricted Funds Year ended 31 August 2024 £ | TOTAL FUNDS Year ended 31 August 2024 £ |
|---|---|---|---|---|
| Donations | 1,901,796 | - | 4,700,008 | 6,601,804 |
| Donated services * | 300,000 | - | 358,351 | 658,351 |
| Legacies | 1,000 | - | - | 1,000 |
| Dividends | - | 41,561 | 4,901 | 46,462 |
| Bank interest | 137,086 | 9,626 | 9,335 | 156,047 |
| | 2,339,882 | 51,187 | 5,072,595 | 7,463,664 |
| Other losses | | | | |
| – foreign exchange | (453) | - | (337) | (790) |
| – disposal of fixed asset | (407) | - | - | (407) |
| | (860) | - | (337) | (1,197) |

| The income arose from the following geographical locations: | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ | Year ended 31 August 2024 £ |
|---|---|---|---|---|
| US and Canada | 413,347 | - | 1,358,808 | 1,772,155 |
| UK including the Channel Islands | 1,916,535 | 51,187 | 3,713,787 | 5,681,509 |
| Monaco | 10,000 | - | - | 10,000 |
| | 2,339,882 | 51,187 | 5,072,595 | 7,463,664 |

* Donated services above consists of pro bono charitable activities undertaken by external providers on behalf of the Charitable Company, and also strategy and planning expenses included within support costs.

## 2. INCOME (continued)

| The income comprised: | Unrestricted Funds Year ended 31 August 2023 £ | Designated Funds Year ended 31 August 2023 £ | Restricted Funds Year ended 31 August 2023 £ | TOTAL FUNDS Year ended 31 August 2023 £ |
|---|---|---|---|---|
| Donations | 1,898,261 | - | 4,317,603 | 6,215,864 |
| Donated services * | - | - | 220,000 | 220,000 |
| Legacies | 512,142 | - | - | 512,142 |
| Dividends | - | 41,139 | 4,637 | 45,776 |
| Bank interest | 116,614 | 5,788 | 7,101 | 129,503 |
| | 2,527,017 | 46,927 | 4,549,341 | 7,123,285 |
| Other gains/(losses) | | | | |
| – foreign exchange | (274) | - | (35) | (309) |
| – disposal of fixed asset | 1,003 | - | - | 1,003 |
| | 729 | - | (35) | 694 |

| The income arose from the following geographical locations: | Year ended 31 August 2023 £ | Year ended 31 August 2023 £ | Year ended 31 August 2023 £ | Year ended 31 August 2023 £ |
|---|---|---|---|---|
| US and Canada | 246,849 | - | 1,550,157 | 1,797,006 |
| UK including the Channel Islands | 2,270,168 | 46,927 | 2,999,184 | 5,316,279 |
| Monaco | 10,000 | - | - | 10,000 |
| | 2,527,017 | 46,927 | 4,549,341 | 7,123,285 |

*Donated services above consists of pro bono charitable activities undertaken by external providers on behalf of the Charitable Company, and also strategy and planning expenses included within support costs.

## 3. LIST OF GRANTS MADE AND OTHER ACTIVITIES FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2024

**Access programmes for university and the professions**
Alumni Engagement Programme
Access Apprenticeships (previously Apprenticeship Summer School)
Pathways to Banking and Finance
Pathways to Engineering
Pathways to Law
Pathways to Medicine
Pathways to Banking and Finance (Online)
Pathways to Consulting (Online)
Pathways to Law (Online)
Opportunity Bursary
Careers Skills Bursary/ Sutton Trust Careers Launch Pad
Sutton Trust Careers Plus (Law)
Sutton Trust Online
Teacher Champions
UK Summer Schools
US Programme

**Early years and primary school programmes**
Communication and Language Project

**Innovation**
Access to the Creative Industries
School Admissions
Tech Taskforce

**Research and policy**

Paris Olympics - Educational Backgrounds
Parliamentary Privilege
Fair Opportunity for All
Social mobility and opportunity
School Funding and Pupil Premium
Reforming student maintenance - Election Briefing
Closing the attainment gap - Election Briefing
Inequality in Early Years Education - Election Briefing
Selective Comprehensives
Student Maintenance Analysis
COSMO Wave 2 - Post 18 Opportunities
Cabinet analysis
COSMO Wave 2 - Mental and Physical Health
25 Years of University Access

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2024 (continued)

| | Unrestricted Funds Year ended 31 August 2024 £ | Designated Funds Year ended 31 August 2024 £ | Restricted Funds Year ended 31 August 2024 £ | Total Year ended 31 August 2024 £ | Total number Year ended 31 August 2024 |
|---|---|---|---|---|---|
| Grants payable to institutions | | | 1,539,288 | 1,539,288 | 104 |
| Grants payable to individuals | - | - | 7,500 | 7,500 | 3 |
| Total grants payable (see Note 4) | - | - | 1,546,788 | 1,546,788 | 107 |
| Total number | - | - | 107 | - | 107 |

| | Unrestricted Funds Year ended 31 August 2023 £ | Designated Funds Year ended 31 August 2023 £ | Restricted Funds Year ended 31 August 2023 £ | Total Year ended 31 August 2023 £ | Total number Year ended 31 August 2023 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,579,094 | 1,579,094 | 159 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | - | - | 1,579,094 | 1,579,094 | 159 |
| Total number | - | - | 159 | - | 159 |

The grants payable above exclude other direct charitable programme expenses payable to the grantees. See the grant-making policy on page 16 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

## 4. CHARITABLE ACTIVITIES

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2024 | Year ended 31 August 2024 | Year ended 31 August 2024 | Year ended 31 August 2024 | Year ended 31 August 2024 | Year ended 31 August 2024 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 831,966 | 1,602,660 | 884,720 | 1,184,514 | 12,234 | 4,516,094 |
| Schools/colleges | 690,589 | 283,747 | 184,919 | 449,532 | 6,117 | 1,614,904 |
| Innovation | - | 4,029 | 187,861 | 74,410 | - | 266,300 |
| Early years | 24,233 | 3,025 | 16,164 | 16,838 | - | 60,260 |
| Research projects | - | 219,394 | 411,350 | 244,588 | 340,000 | 1,215,332 |
| | 1,546,788 | 2,112,855 | 1,685,014 | 1,969,882 | 358,351 | 7,672,890 |
| **Costs of raising funds** | - | 21,018 | 410,479 | 149,044 | - | 580,541 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 1,660,789 | 6,012,101 | 7,672,890 |

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 765,201 | 1,967,883 | 992,365 | 867,129 | - | 4,592,578 |
| Schools/colleges | 700,850 | 211,628 | 109,330 | 294,917 | - | 1,316,725 |
| Innovation | - | 667 | 65,944 | 26,492 | - | 93,103 |
| Early years | 113,043 | 71,698 | 29,320 | 64,020 | - | 278,081 |
| Research projects | - | 324,047 | 218,481 | 176,038 | - | 718,566 |
| | 1,579,094 | 2,575,923 | 1,415,440 | 1,428,596 | - | 6,999,053 |
| **Costs of raising funds** | - | 49,055 | 451,259 | 128,310 | - | 628,624 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 1,274,785 | 5,724,268 | 6,999,053 |

## 5. ANALYSIS OF SUPPORT COSTS

| | Charitable Activities Year ended 31 August 2024 | Fund raising (unrestricted) Year ended 31 August 2024 | Total Year ended 31 August 2024 |
|---|---|---|---|
| | £ | £ | £ |
| Wages and salaries (Note 7) | 847,512 | 64,124 | 911,636 |
| Other staff costs–travel / recruitment etc. | 112,795 | 8,534 | 121,329 |
| Administration | 157,673 | 11,930 | 169,603 |
| Strategy and Planning | 278,898 | 21,102 | 300,000 |
| Premises (net of recharges) | 190,524 | 14,415 | 204,939 |
| Audit & other | 38,674 | 2,926 | 41,600 |
| Accountancy | 64,570 | 4,886 | 69,456 |
| Legal | 58,966 | 4,461 | 63,427 |
| Public relations | 194,289 | 14,700 | 208,989 |
| Depreciation (Note 8) | 25,981 | 1,966 | 27,947 |
| | 1,969,882 | 149,044 | 2,118,926 |

| | Charitable Activities Year ended 31 August 2023 | Fund raising (unrestricted) Year ended 31 August 2023 | Total Year ended 31 August 2023 |
|---|---|---|---|
| | £ | £ | £ |
| Wages and salaries (Note 7) | 550,861 | 49,476 | 600,337 |
| Other staff costs–travel / recruitment etc. | 167,879 | 15,078 | 182,957 |
| Administration | 158,766 | 14,262 | 173,028 |
| Strategy and Planning | 201,869 | 18,131 | 220,000 |
| Premises (net of recharges) | 165,719 | 14,884 | 180,603 |
| Audit & other | 30,280 | 2,720 | 33,000 |
| Accountancy | 11,389 | 1,023 | 12,412 |
| Legal | 31,557 | 2,834 | 34,391 |
| Public relations | 82,447 | 7,405 | 89,852 |
| Depreciation (Note 8) | 27,829 | 2,497 | 30,326 |
| | 1,428,596 | 128,310 | 1,556,906 |

Governance costs include costs incurred on strategy and planning, the annual audit and any relevant legal fees.

## 6. NET INCOME AND NET MOVEMENT IN FUNDS FOR THE PERIOD

| This is stated after charging: | Year ended 31 August 2024 £ | Year ended 31 August 2023 £ |
|---|---|---|
| Operating leases – land and buildings | 131,162 | 122,796 |
| Depreciation | 27,947 | 30,326 |
| Loss on disposal of fixed assets | 407 | 1,832 |
| Auditor's remuneration: | | |
| Audit services | 38,000 | 33,000 |

## 7. STAFF COSTS

| | | Year ended 31 August 2024 £ | Year ended 31 August 2023 £ |
|---|---|---|---|
| (a) | Salaries | 2,482,986 | 2,093,847 |
| | National Insurance | 272,825 | 163,201 |
| | Pension contributions | 251,319 | 209,988 |
| | | 3,007,130 | 2,467,036 |

Included in the staff costs are consultancy fees of £Nil *(2023 - £236,553)* payable to key management personnel who is not an employee. Also included in the staff costs are staff costs (inclusive of NI and pension contributions) recharged to the Charitable Company by the Chairman's private office of £75,933 (*2023 - £63,577*). £2,086 (*2023 - £1,573*) was due on pension plans for those shared employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2024 *(2023 - £Nil)*. See Note 14 for other Trustee 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 £858,332 *(2023 - £751,512)*.

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £251,319 *(2023 - £209,988)*. Of these contributions, £20,717 *(2023 - £17,933)* were due to these plans by the Charitable Company at the year end

## 7. STAFF COSTS (continued)

| | Year ended 31 August 2024 No. | Year ended 31 August 2023 No. |
|---|---|---|
| (b) Number of staff | | |
| Programmes | 21 | 20 |
| Innovation | 3 | 2 |
| Research | 11 | 10 |
| Fundraising | 6 | 7 |
| Administration | 6 | 5 |
| | 47 | 44 |

(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 year is as follows:

| | | |
|---|---|---|
| £60,001 to £70,000 | - | 1 |
| £70,001 to £80,000 | 1 | 3 |
| £80,001 to £90,000 | 2 | 1 |
| £90,001 to £100,000 | 1 | - |
| £110,001 to £120,000 | 2 | 1 |
| £240,001 to £250,000 | 1 | - |

Employers' pension contributions in respect of these 7 *(2023 - 6)* employees amounted to £38,136 (*2023 - £27,416*) during the period.

## 8. TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Furniture and fittings £ | Computer equipment £ | Cycle scheme £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 September 2023 | 143,766 | 120,762 | 158,264 | - | 422,792 |
| Additions | - | 3,630 | 8,276 | 1,042 | 12,948 |
| Disposals | - | (26,042) | (5,962) | - | (32,004) |
| At 31 August 2024 | 143,766 | 98,350 | 160,578 | 1,042 | 403,736 |
| **Depreciation** | | | | | |
| At 1 September 2023 | 143,766 | 108,355 | 103,951 | - | 356,072 |
| Charge for period | - | 4,086 | 23,105 | 756 | 27,947 |
| Disposals | - | (26,042) | (5,556) | - | (31,598) |
| At 31 August 2024 | 143,766 | 86,399 | 121,500 | 756 | 352,421 |
| **Net book value** | | | | | |
| At 31 August 2024 | - | 11,951 | 39,078 | 286 | 51,315 |
| At 31 August 2023 | - | 12,407 | 54,313 | - | 66,720 |

## 9. FIXED ASSET INVESTMENTS

| | 31 August 2024 £ | 31 August 2023 £ |
|---|---|---|
| Investments comprise: | | |
| Rathbones | 2,250,280 | 2,105,183 |
| JP Morgan | 5,345,661 | 4,927,133 |
| Total equity, bond and other investments | 7,595,941 | 7,032,316 |
| Cash held as part of portfolio | 175,751 | 69,763 |
| **Total Investments and cash under management** | 7,771,692 | 7,102,079 |
| Gain/(loss) on investments in the period: | | |
| Realised gains/(losses) | 3,821 | (17,997) |
| Unrealised gains/(losses) | 720,445 | (33,978) |
| **Total gain/(loss) on investments in the period** | 724,266 | (51,975) |
| Included in: | | |
| Deferred income | 545,621 | 56,636 |
| Statement of Financial Activities | 178,645 | (108,611) |
| | 724,266 | (51,975) |

## 9. FIXED ASSET INVESTMENTS (continued)

| | 31 August 2024 Total £ | 31 August 2023 Total £ |
|---|---|---|
| **Market value** | | |
| At 31 August 2023 | 7,102,079 | 7,288,987 |
| Additions | 1,612,409 | 1,724,559 |
| Disposals | (1,667,062) | (1,859,492) |
| Net realised investment gains/(losses) | 3,821 | (17,997) |
| Unrealised investment gains/(losses) | 720,445 | (33,978) |
| At 31 August 2024 | 7,771,692 | 7,102,079 |

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

| | Market Value 31 August 2024 £ | Percentage of total 31 August 2024 % |
|---|---|---|
| Vanguard S&P 500 ETF | 1,848,242 | 23.8 |
| HSBC Global Fund ICAV | 416,147 | 5.4 |

| | Market Value 31 August 2023 £ | Percentage of total 31 August 2023 % |
|---|---|---|
| Vanguard S&P 500 ETF | 1,540,626 | 21.7 |
| HSBC Global Fund ICAV | 487,294 | 6.9 |

## 10. DEBTORS

| | 31 August 2024 £ | 31 August 2023 £ |
|---|---|---|
| Debtors – donations and legacies receivable | 269,833 | 70,806 |
| Other debtors | 687 | 853 |
| Prepayments and accrued income | 639,808 | 577,255 |
| | 910,328 | 648,914 |

## 11. CREDITORS - Amounts falling due within one year

| | 31 August 2024 £ | 31 August 2023 £ |
|---|---|---|
| Accruals for grants payable | 1,359,636 | 1,140,755 |
| Trade creditors | 417,203 | 418,824 |
| Taxation and social security | 67,478 | 64,486 |
| Other creditors | 11,767 | 7,928 |
| Accruals and deferred income (Note 13) | 687,947 | 819,496 |
| | 2,544,031 | 2,451,489 |

## 12. CREDITORS - Amounts falling due after more than one year

| | 31 August 2024 £ | 31 August 2023 £ |
|---|---|---|
| Other creditors | 5,115 | 9,839 |
| Accruals and deferred income (Note 13) | 5,068,390 | 4,560,867 |
| | 5,073,505 | 4,570,706 |

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

## 13. DEFERRED INCOME

| | 31 August 2024 £ | 31 August 2023 £ |
|---|---|---|
| Balance as at 1 September 2023 | 5,232,650 | 5,109,731 |
| Amount deferred in the period | 1,300,930 | 657,450 |
| Amount released to income | (921,783) | (534,531) |
| Balance as at 31 August 2024 | 5,611,797 | 5,232,650 |

Deferred income represents grants and donations received in advance and is included within accruals and deferred income in Notes 11 and 12 above.

## 14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 August 2024 *(2023 - £Nil)*.

**Trustees' expenses**

During the year Sir Peter Lampl charged the Charitable Company £75,933 *(2023 - £63,577)* for the shared use of some employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £38,332 *(2023 - £51,284)* for general administrative costs incurred by the Charitable Company on his behalf.

£8,238 *(2023 - £4,759)* was owed to Sir Peter Lampl at the year end. This amount was settled promptly after the year end.

**Donations from Trustees**

During the year, no donations (*2023 - £314,241*) were received from Sir Peter Lampl and £80,000 of deferred donations made in previous years were matched and released as income during the year *(2023 - £30,640)*.

During the year, donations of £138,061 (*2023 - £120,000*) were received from other Trustees.

**Other**

Sir Peter Lampl and Sir Peter Gershon, who were Trustees of the Sutton Trust during the year (but retired shortly after the year-end), were also the Chair of Trustees (until 31 December 2023) and a Trustee of the EEF, respectively. Until 31 December 2023, the EEF shared certain office premises held by the Sutton Trust under a licence agreement for which it paid a commercial rent for the use of the space and related overhead service. In the year the Sutton Trust charged the EEF £4,088 *(2023 - £18,094)* for office space and overheads, £7,456 (2023 - £nil) for some staff costs and £nil third-party expenses *(2023 - £1,506)*. £686 *(2023 - £853)* was owed to the Sutton Trust by the EEF at the year end.

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

| | Year ended 31 August 2024 £ | Year ended 31 August 2023 £ |
|---|---|---|
| Net income and net movement in funds | (612,319) | (612,309) |
| Interest receivable | (156,047) | (129,503) |
| Dividends receivable | (46,462) | (45,776) |
| Unrealised (gain)/loss on investments (Note 9) | (720,446) | 33,978 |
| Realised (gain)/loss on investments (Note 9) | (3,821) | 17,997 |
| Depreciation of tangible fixed assets | 27,947 | 30,326 |
| Loss on disposal of fixed assets | 407 | 1,832 |
| (Increase)/decrease in debtors | (261,414) | 232,089 |
| Increase/(decrease) in creditors | 595,341 | (3,553) |
| Net cash outflow from operating activities | (1,176,814) | (474,919) |

## 16. OPERATING LEASES

At 31 August 2024, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

| | Land and Buildings 31 August 2024 £ | Land and Buildings 31 August 2023 £ |
|---|---|---|
| Within 1 year | 140,069 | 122,796 |
| Between two and five years | 151,741 | 255,825 |

The above operating lease for the premises occupied by the Charitable Company expires on 28 September 2026.

## 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

## 18. STATEMENT OF FUNDS

| | Funds brought forward | Total Income | Total expenditure (including gains/(losses) | Transfers | Funds carried forward |
|---|---|---|---|---|---|
| **Unrestricted funds** | £ | £ | £ | £ | £ |
| General funds | 4,988,768 | 2,339,882 | (2,044,454) | - | 5,284,196 |
| Designated funds | 2,150,608 | 51,187 | 135,321 | - | 2,337,116 |
| | **7,139,376** | **2,391,069** | **(1,909,133)** | **-** | **7,621,312** |
| **Restricted funds** | | | | | |
| Alumni Engagement Programme | - | 10,849 | (10,370) | - | 479 |
| Access Apprenticeships | 9,492 | 119,010 | (119,152) | - | 9,350 |
| Pathways to Banking & Finance | 132,077 | 147,630 | (291,093) | 51,386 | 40,000 |
| Pathways to Engineering | 69,728 | 200,000 | (218,399) | - | 51,329 |
| Pathways to Law | 39,289 | 271,846 | (605,106) | 437,184 | 143,213 |
| Pathways to Medicine | 25,154 | 150,598 | (194,616) | 41,821 | 22,957 |
| Pathways to Veterinary Sciences | - | 5,946 | (5,946) | | - |
| Pathways to Banking & Finance (Online) | - | 30,000 | (42,776) | 12,776 | - |
| Pathways to Consulting (Online) | 33,934 | 60,000 | (66,476) | - | 27,358 |
| Pathways to Law (Online) | 19,184 | - | (42,648) | 23,464 | - |
| Pathways General | 557,338 | 20,569 | - | (557,344) | 20,563 |
| Opportunity Bursary | 272,247 | 219,991 | (211,001) | - | 281,237 |
| Sutton Trust Skills Bursary | 114,963 | 167,257 | (145,855) | - | 136,365 |
| Sutton Trust Careers Plus | - | 57,000 | (92,477) | 43,159 | 7,682 |
| Sutton Trust Online | 135,563 | 889,234 | (979,816) | - | 44,981 |
| Employability & Post 18 General Fund | 140,027 | - | - | (52,446) | 87,581 |
| UK Summer Schools | 754,695 | 1,143,184 | (1,271,116) | - | 626,763 |
| US Programme | 509,222 | 922,949 | (953,513) | - | 478,658 |
| Innovation Projects | 173,438 | 3,156 | (176,594) | - | - |
| Tech Taskforce | - | 20,000 | (1,547) | - | 18,453 |
| Apprenticeship Research | - | 6,250 | - | - | 6,250 |
| COSMO: Cohort Study | 15,505 | - | (12,800) | - | 2,705 |
| Data Analysis & Insights | 1,852 | 83,687 | (78,916) | - | 6,623 |
| Early Years | - | 1,000 | (48,764) | 47,764 | - |
| Early Years Campaign | 85,925 | - | - | (47,764) | 38,161 |
| Employability Research | 111,855 | - | (55,430) | - | 56,425 |
| Research and Policy | - | 542,439 | (542,439) | - | - |
| | **3,201,488** | **5,072,595** | **(6,166,850)** | **-** | **2,107,233** |
| **Total funds** | **10,340,864** | **7,463,664** | **(8,075,983)** | **-** | **9,728,545** |

## 18. STATEMENT OF FUNDS (continued)

**Unrestricted General Funds**

The unrestricted general fund represents the general reserves of the Trust which are not designated for particular purposes.

**Unrestricted Designated Funds**

This represents the investment fund that has been set up to ensure the long-term sustainability of the Trust.

**Restricted Funds**

***Alumni Engagement Programme***

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

***Access Apprenticeships (previously Apprenticeship Summer School)***

A new employability programme to widen access to apprenticeships.

***Pathways to Banking & Finance***

A programme to widen access to university and banking related careers.

***Pathways to Banking & Finance (Online)***

An online programme to widen access to university and banking related careers.

***Pathways to Consulting (Online)***

An online programme to widen access to university and consulting careers.

***Pathways to Engineering***

A programme to widen access to the engineering sector.

***Pathways to Law***

A programme to widen access to university and legal careers.

***Pathways to Law (Online)***

An online programme to widen access to university and legal careers.

***Pathways to Medicine***

A programme to widen access to medical schools.

***Pathways to Veterinary Sciences***

A (trial) programme to widen access to the veterinary profession.

## 18. STATEMENT OF FUNDS (continued)

**Restricted funds (continued)**

***Pathways General***

Funding received from a number of partners to support the Trust's access to the workplace programmes.

***Opportunity Bursary***

Bursary fund to support Sutton Trust alumni with their career development.

***Sutton Careers Skills Bursary / Sutton Trust Careers Launchpad***

Bursary programme for Sutton Trust alumni taking part in Sutton Trust career programmes.

***Sutton Trust Careers Plus (Law)***

An undergraduate programme to support non-privileged students during their degree.

***Sutton Trust Online***

A digital programme to expand the reach of traditional Sutton Trust programmes.

***Employability & Post 18 General Fund***

Funding received from a number of partners to support the Trust's wider employability programmes.

***UK Summer Schools***

The Trust's flagship programme supporting students to access the UK's leading universities.

***US Programme***

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

***Innovation Projects***

Designed to invest in new activities that tackle specific challenges within the social mobility landscape.

***Tech Taskforce***

A pilot project to improve social mobility within the tech sector.

***Research and Policy***

A fund supporting the Trust's research into social mobility, and also supporting the Trust's work with policy-makers.

***Apprenticeship Research***

A fund focussing on the Trust's Apprenticeship Research.

## 18. STATEMENT OF FUNDS (continued)

**Restricted funds (continued)**

***COSMO: Cohort Study***

A major new national longitudinal cohort study which will examine the short, medium and long term impacts of the COVID-19 pandemic on educational inequality and social mobility.

***Data Analysis & Insights***

A fund focussing on building capacity within the Trust's data and impact function.

***Early Years***

A project to explore communication and early language.

***Early Years Campaign***

A fund focussing on the Trust's early years research.

***Employability Research***

A fund focussing on the Trust's employability research.

## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2024 | Designated 31 August 2024 | 31 August 2024 | 31 August 2024 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 51,315 | - | - | 51,315 |
| Investments | - | 2,337,116 | 5,434,576 | 7,771,692 |
| Debtors | 437,978 | - | 472,350 | 910,328 |
| Cash at bank and in hand | 5,033,003 | - | 3,579,743 | 8,612,746 |
| Current liabilities | (232,985) | - | (2,311,046) | (2,544,031) |
| Non - current liabilities | (5,115) | - | (5,068,390) | (5,073,505) |
| Total net assets | 5,284,196 | 2,337,116 | 2,107,233 | 9,728,545 |

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2023 | Designated 31 August 2023 | 31 August 2023 | 31 August 2023 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 66,720 | - | - | 66,720 |
| Investments | - | 2,150,608 | 4,951,471 | 7,102,079 |
| Debtors | 320,047 | - | 328,867 | 648,914 |
| Cash at bank and in hand | 4,912,106 | - | 4,633,240 | 9,545,346 |
| Current liabilities | (300,266) | - | (2,151,223) | (2,451,489) |
| Non - current liabilities | (9,839) | - | (4,560,867) | (4,570,706) |
| Total net assets | 4,988,768 | 2,150,608 | 3,201,488 | 10,340,864 |

## 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 2024 £ | 31 August 2023 £ |
|---|---|---|
| *Financial assets* | | |
| Measured at fair value through profit and loss | 16,384,438 | 16,647,425 |
| Measured at amortised cost: | | |
| Other debtors (Note 10) | 687 | 853 |
| Accrued income | 406,787 | 299,136 |

| | 31 August 2024 £ | 31 August 2023 £ |
|---|---|---|
| *Financial liabilities* | | |
| Measured at amortised cost | | |
| Trade creditors (Note 11) | 417,203 | 418,824 |
| Other creditors and accruals (Note 11) | 126,987 | 128,614 |
| Accrued expenses – grant accruals | 1,351,749 | 1,135,340 |

Financial assets measured at fair value relate to cash at bank and in hand of £8,612,746 (*2023 - £9,545,346*) and investments of £7,771,692 (*2023 - £7,102,079*).

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 gains of £724,266 *(2023 - net losses £51,975)* attributable to the Charitable Company's financial instruments.

**THE SUTTON TRUST**

England & Wales - Charity number 1146244

# Accounts

# THE SUTTON TRUST

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

## REPORT OF THE TRUSTEES AND

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## 31 AUGUST 2023

THE SUTTON TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

## CONTENTS


| | Page |
|---|---|
| REPORT OF THE TRUSTEES | 1 - 21 |
| INDEPENDENT AUDITOR'S REPORT | 22 - 25 |
| STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT) | 26 |
| BALANCE SHEET | 27 |
| STATEMENT OF CASH FLOWS | 28 |
| NOTES TO THE FINANCIAL STATEMENTS | 29 - 51 |

# THE SUTTON TRUST

## REPORT OF THE TRUSTEES

## FOR THE YEAR ENDED 31 AUGUST 2023

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 year ended 31 August 2023.

The financial statements comply with the Charities Act 2011, and where relevant, the Charities Act 2022, 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) (published in October 2019) ("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<br>Tim Bunting<br>Sir Peter Gershon<br>Lady Susan Lampl (until 18/11/2023)<br>Professor Louise Richardson<br>Oliver Quick |
| **Executive Chairman** | Sir Peter Lampl |
| **Chief Executive** | Nick Harrison (from 09/05/2023) |
| **Director of Development** | Jenny Suggitt (from 11/09/2023)<br>Doug Thomson (until 31/07/2023) |
| **Director of Programmes** | Katy Hampshire (from 06/03/2023)<br>Laura Bruce (until 01/12/2022) |
| **Director of Innovation** | Binda Patel |
| **Director of Research & Policy** | Carl Cullinane |
| **Director of Communications and Public Affairs** | Sam Fletcher |
| **Director of Finance & Operations** | Stefanie Kha |

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

| | |
|---|---|
| **Objects of Charitable Company** | The Trustees shall hold or apply the capital and income of the Charity for the following objects:<br>**(i)** To advance the education of the public and to improve educational opportunities for young people; and<br>**(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** | **Part 9th Floor,**<br>Millbank Tower, 21-24 Millbank,<br>London, SW1P 4QP |
| **Website and Social Media** | www.suttontrust.com<br>@suttontrust |
| **Charity Registration Number** | 1146244 |
| **Company Registration Number** | 07951541 |
| **Auditor** | Rawlinson & Hunter Audit LLP<br>Statutory Auditor<br>Chartered Accountants<br>Eighth Floor, 6 New Street Square,<br>New Fetter Lane, London<br>EC4A 3AQ |
| **Bankers** | National Westminster Bank<br>57 Victoria Street, London,<br>SW1H 0HN<br><br>CAF Bank Limited<br>25 Kings Hill Avenue, Kings Hill,<br>West Malling, Kent<br>ME19 4JQ<br><br>Nationwide Building Society<br>Kings Park Road<br>Moulton Park, Northampton<br>NN3 6NW |
| **Investment Managers** | Rathbones Group Plc<br>8 Finsbury Circus, London,<br>EC2M 7AZ<br><br>J.P. Morgan Bank<br>60 Victoria Embankment, London<br>EC4Y 0JP |
| **Solicitors** | Bates Wells<br>10 Queen Street Place, London<br>EC4R 1BE |

## STRATEGIC REPORT

## OBJECTIVES AND ACTIVITIES

### Charitable Aims

The aim of the Sutton Trust is to address educational disadvantage and to promote social mobility – the opportunities open to a young person from a lower income home. High levels of social mobility mean that people from all backgrounds can succeed in life and make the most of their talents and aspirations. It is 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 has five focus areas: Early Years, Schools, Apprenticeships, Higher Education and Access to the Workplace.

The Trust has a unique 'do tank' 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 25 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 that there are 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.

The Trust is still working towards its mission and 10-year vision as set out in 2020, including growing programme participants (with a mix of physical and digital delivery), and strengthening our research and advocacy. We are currently in the process of refreshing our strategy, and this will be complete in the first half of 2024.

### Significant Activities

*Programmes* – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped almost 60,000 students since the Trust was founded, and reached over 10,000 young people in this year.

*Innovation* – This is a new pillar of work, designed to invest in new activities that tackle specific challenges within the social mobility landscape. Building on the success of Sutton Trust Online, the Innovation team will focus on apprenticeships and school admissions in the first phase of work.

*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 250 pieces of research since the Trust was founded in 1997, which have generated significant media and press interest, and have influenced policy on many occasions.

*Development* – As a registered charity that receives no government funding, our activity is only made possible by donations from our generous supporters including the Advisory board, trusts and foundations, businesses, individuals and our alumni.

## OBJECTIVES AND 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 this 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 9 to 12) 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 events.

In support of its work, the Trust works in partnership with other organisations and may also provide grants to its partners. The grant-making policy is published on page 16.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

### Programmes

We were delighted to support a record number of over 13,000 beneficiaries through our programmes portfolio this year. This included in person UK programming and a welcome return to the US through our US Programme for 150 students. Alongside immersive residential experiences at leading universities and work experience placements we also had over 8,700 students accessing the Sutton Trust Online platform for digital support.

In addition, our support for our alumni community continues to grow, with excellent feedback from students and external recognition, such as being awarded "Partnership of the Year with a Financial Institution" for our work on the Opportunity Bursary with J.P. Morgan.

*Academic Year Summary 2022/23*
The Trust have supported record numbers of beneficiaries in the last academic year, with highlights including:

- 20,000+ applications to our programmes
- 13,000+ individuals supported - including ~10,000 young people, ~2,300 alumni and ~800 teachers
- Students participating in over 850 Trust-run work experience placements and ~400 students attending one of our Pathways conferences
- Continued growth in our alumni and post-18 offering with excellent engagement across leading employers offering opportunities and mentoring

*Strategy Update*
In 2022/23 we have sought to consolidate our previous programme growth and adapt newer programme models based on feedback and learning as we fully emerge from the restrictions implemented during Covid. This has meant further development of our digital programmes and leveraging the best of online delivery to support in person programming such as the UK Summer Schools.

Over 2023/24 we look forward to reviewing impact evaluations of some of our newer programmes as an input into ongoing strategy development and potential growth.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*Impact Update*
We have a robust evaluation framework to review the impact of our programmes, including usage of the Higher Education Access Tracker ("HEAT") database and UCAS Outreach Evaluator database to look at the destinations of our programme participants. We also, where applicable, compare to a comparator group who were unsuccessful applicants to our programmes but are matched to successful applicants on grades and wider socio-economic backgrounds.

Our latest analysis of this data relates to students participating in programmes during 2019/20 and therefore impacted by the pandemic both in terms of the programme delivery (with all elements being online) and their transition to university (with changes to grade profiles, university delivery, etc.).

The findings show:

- Participants in UK Summer School programmes had an over 60% increase in the odds of enrolling at university compared to unsuccessful applicants within two years of finishing Year 13.
- Participants in UK Summer Schools had a 45% increase in the odds of attending a Sutton Trust partner/Russell Group university and a doubling in the odds of attending Oxford or Cambridge.
- Participants on our Pathways to Law programme had a 70% increase in the odds of studying law than unsuccessful applicants.
- The retention rate at university of UK Summer School participants was higher than for students overall. Dropout rates for students on our programme were about 3-4% compared to 6-7% for students overall.
- Participants who gained their qualifications in 2019/20 and who were in employment were much more likely than graduates overall to be in high skill occupations (managerial, professional and associate professional) – 80% compared with 70% of all graduates.
- Sutton Trust students continue to perform above the national average in degree outcomes – c.90% receiving a 2:1 or Firsts.
- Around one in four Pathways to Law graduates from 2019/20 (28%) were working as solicitors or other legal professionals.

*Sutton Trust Online (STO)*
We successfully launched Phase 2 of Sutton Trust Online supported by Bloomberg. This is a three-year piece of work which aims to support over 30,000 students on their journey to a leading university or apprenticeship.

In 2022/23, over 8,700 students activated their accounts on Sutton Trust Online, including 5,868 students who are getting online-only support. Sutton Trust Online helps students as they explore their options, before applying to, preparing for, and succeeding at university or (new for this year) in a leading apprenticeship. STO offers tailored learning journeys, interactive webinars, a personal statement builder, and the ability to speak to programme alumni.

This year we have also created a new Degree Apprenticeship pathway on STO which combines high quality curated information on all aspects of apprenticeships alongside live events featuring leading industry partners and alumni.

In addition to static content and live webinars, students on STO can also now access university application mentoring and AI Academic Tutoring (via a third-party system). We have 620 students receiving subject specific application mentoring from former Heads of Sixth Forms and Admissions Officers and over 2,000 students have benefited from 40,000 hours of AI tutoring since February in STEM subjects.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*UK Summer Schools*
2023 marked the 26th year of the Sutton Trust's UK Summer Schools programme, with 2,401 students completing summer schools at 13 partner universities across the UK. This was the second year that the summer schools returned to an in-person format following the pandemic.

Feedback from participants and university partners was very positive. All parties were happy to be returning to a face-to-face model of delivery without the threat of Covid restrictions, and summer schools generally ran very smoothly. University partners reflected that students seemed more comfortable and independent than in the previous year (the first year after returning to in-person delivery post-pandemic), and were very engaged, conscientious, and of high academic caliber. Universities did report cost-pressures arising from inflation and institutional budgetary restrictions, and also reflected that student needs arising from pre-existing mental health issues were significantly higher than pre-pandemic. This trend has also been highlighted by wider research conducted by the Trust, and we are looking into ways in which we can best ensure these young people are supported on future programmes.

Whilst we await evaluation for the year, our immediate exit surveys of students show that:

- 89% of participants said that attending the Summer School had made them more motivated at school.
- 95% of participants said that the Summer School had given them the skills needed to access the higher education application system.
- 96% of participants said that taking part in the Summer School will help them to make more informed decisions about their post-school options.
- 98% of students enjoyed taking part in the Summer School.

*"The Sutton Trust Summer School has significantly impacted me - I now feel more confident in my individuality and in the idea of being far from home. The case-based learning has given me a whole new perspective on what studying is going to be like at university." – UK Summer School Participant 2023*

*Teacher Champions*
We saw a large increase in attendance at our Teacher Champions webinars – with over 800 teachers engaging. Webinars cover topics such as how to support students in writing personal statements, the broader social mobility context relevant to schools, information on Sutton Trust programmes and activities, and – for the first time this year – higher and degree level apprenticeships. This year also saw us deliver webinars for school governors for the first time, which discussed how they can have a positive impact in their schools on social mobility and post-18 destinations.

Alongside programme delivery, we developed an updated Teacher's Guide to Sutton Trust programmes which was sent to target schools, and we delivered a pilot project where Sutton Trust alumni visited schools in cold spot areas to encourage applications from highly eligible students.

*US Programme*
Our US Programme is now in its 12th year of delivery having supported over 600 students to enrol at prestigious US universities since it began. This year we were delighted to return to in-person delivery with 150 students traveling to the US in July hosted at Yale, Princeton and MIT. The trip included an exclusive college fair at Harvard where representatives from 30 US colleges flew in to meet with our programme participants. Alongside the visit to US universities, students access intensive support to build their skills in preparing successful university applications and access financial aid. Of the 150 students from cohort 12 that visited the US over 90 chose to continue with applications to universities submitted through the Early and Regular round decisions which will be finalised by May 2024.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

For our prior year programme participants, 44 students from cohort 11 have secured places at US colleges – an acceptance rate of 65%. Students have been awarded places across 29 institutions, including five at Princeton, three at Yale, three at Harvard and three at UNC Chapel Hill on the highly prestigious Morehead-Cain Scholarship. The 44 students have been awarded a total of $14.77M in financial aid, an average of $336K per student over 4 years of study. This brings the total number of students enrolling in US universities from cohort 1 – 11 to 609 students who accessed $169.8m in financial aid, an incredible achievement given the intense competition for funded international places.

"I GOT ACCEPTED! I have been accepted into Northwestern and am now part of the Class of 2027! I am beyond grateful for your support on this journey, I honestly cannot thank you enough and will make you proud during my time there! Finding out I got into the Sutton Trust US Programme during the worst time of my life was the hope that gave me enough strength to persevere. To now be accepted into my dream school feels so surreal, but it happened and again thank you so so so much! I am very happy with my financial aid offer too."

*Pathways to the Professions*
Over 1,200 students took part in a Pathways programme this year after we doubled the number of students on our Pathways Online programmes (to 300 students) and added Pathways to Engineering at Cardiff university. Pathways programmes now cover a range of sectors including Law, Banking & Finance, Medicine, Engineering and Consulting.

We delivered three national conferences across our Pathways programme for Law, Banking & Finance and Engineering. 397 students attended a conference, benefiting from skills sessions on debating, networking and confidence building as well as academic lectures and career insight sessions with employers from each sector.

We also ran a Medicine Virtual Work Experience, with 136 students attending at least one session. 10 clinicians volunteered their time to lead sessions in their specialities, including Emergency Surgery, Neurology and Cardiology. Students also took part in interactive group tasks on Ethics, Care Planning, and Consultation and Communication, led by university staff and student ambassadors.

*"A truly moving experience, which will forever benefit aspiring medical students through enhancing logical thinking and systematic problem approach. A great opportunity."*

The employer team have also successfully delivered over 850 work experience placements to students across the Pathways programme portfolio in 2022/23.

*"I think the most important thing I gained from this was seeing that my aspiration is possible. Being in the working environment, carrying out legal tasks and networking with barristers about their experiences confirmed my want and drive to study law."*

*"I have gained valuable insight into the world of F1 engineering. It has made me realise I would like a role that is mixed with technical and developmental tasks. I have met so many inspirational amazing people which has given me an extra boost of motivation."*

*Apprenticeships Summer School*
This year 142 students attended our second face-to-face Apprenticeships Summer School, which ran at the University of Warwick and included sessions from Amazing Apprenticeships, an employer networking event with employers including NHS, Lewis Silkin, Savills, British Airways, Allen & Overy and Channel 4. We also incorporated an industry day at employers' premises including Jaguar Land Rover, Accenture and PwC.

92% of students who completed the exit survey said that following school they were going to apply for a degree apprenticeship, and 83% of respondents felt confident they knew where and when to find apprenticeship

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

opportunities going forward.

*Alumni/Post-18 Programming*
We continue to develop our work with alumni which is growing steadily, with a particular focus on Alumni Career Programmes and alumni volunteering to support the Trust's work. We now have over 50,000 alumni in our community, of which around 44,000 are contactable. We are delighted to be growing our presence and receiving such positive feedback for our work.

We have now completed year two of both the Careers Skills Bursary (supported by Bloomberg), and the Opportunity Bursary (supported by J.P. Morgan). The bursary programmes include both financial support to students as well as mentoring and, for the Careers Skills Bursary, a week-long work experience at Bloomberg LP in London. We were delighted to see the success of the Opportunity Bursary recognised in September 2023 when we were awarded 'Best Corporate Partnership with a Financial Institution' at the prestigious Charity Times Awards.

*"Using skills and knowledge I learnt through the programme, I have received an offer for a placement in software engineering at Jaguar Land Rover, I hope to build my soft and technical skills further over the year placement. Finally, I hope to apply to Bloomberg for a graduate scheme after the placement as I really enjoyed the Bloomberg culture and atmosphere, and I was very interested by the work they do in the FinTech sector."*

Alumni are also a vital part of both our programming and Trust's wider work with alumni giving over 1,000 hours of their time, providing in-kind support such as employer spaces to host events, and introductions to employers and contacts who then work in partnership with us. Alumni volunteer in a number of ways, including speaking in webinars and in person events, acting as mentors, and supporting our fundraising efforts.

We are also proud to have a thriving and diverse Alumni Leadership Board who often act as spokespeople with the media, provide feedback on programme improvements and develop ways for the Trust to support its alumni body after students complete their programme.

### Innovation

We have had a successful year of activity including the launch of several initiatives which complement and enhance our research, policy and programme activities.

*The National Apprenticeships Taskforce*
This work focuses on increasing the supply and accessibility of higher-level apprenticeships.We hosted our first roundtable in July with eight organisations attending from across the apprenticeship space. We proposed a series of ideas to gauge appetite and get feedback, which focused on programmatic changes, employer engagement and policy-level changes. We are now reviewing our findings.

*Fairer School Admissions*
This work is focused on highlighting issues with current school admissions approaches and proposing solutions to improve access to the best schools for disadvantaged pupils. We appointed a Senior Schools Engagement Manager in August to lead on this work, and subsequently the Trust was represented at two major conferences in September where we raised the challenges around school admissions with over 1,500 senior school leaders. We aim to produce a series of guides and resources for schools on how they go about reviewing and changing their admissions policies and launch a campaign with schools in the following year.

*Creative and Tech Sectors*
The tech and creative sectors both exhibit entrenched social mobility challenges around access and progression. This work focuses on developing solutions; we are currently at the scoping stage.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Innovation (continued)

*University Contextual Admissions Tool*
Contextual offers can be extremely valuable to students but lack of knowledge and information on the availability of the offers can be a barrier for students. We launched a new tool that addresses some of these challenges in June, and we have received over 8,500 page views with excellent feedback from universities, students and teachers.

*Coaching Early Conversations, Interaction and Language (CECIL)*
Our focus on early education has achieved incredible outcomes over the past year. The CECIL project ended on a high note in 2023:

- The project was launched in 2020 to provide high-quality provision to help children develop communication and language skills. The main mechanism for support was through continued professional development (CPD) and encouraging trained practitioners to develop, embed and sustain effective practices in early years settings.
- This was a transformative project which has received praise from the sector - including the Education Endowment Foundation and the Department of Education - for the contribution to our understanding of "what works".
- We hosted an event with over 30 sector leaders and experts in July 2023 where the Trust shared the findings of CECIL and share practical mechanisms for adoption.

### Research, Policy and Communications

The past year has seen the publication of 21 pieces of research, including 8 briefings using the Covid Social Mobility and Opportunities (COSMO) study data, following the study's successful external launch in August 2022. Other research reports have examined policy areas including international early years systems, accent bias and trends in apprenticeship take-up since 2015.

Both our research reports as well as our reactive analysis (such as on GCSE and A Level results days) have continued to cement our position as a 'go-to' source of evidence and insight on social mobility and education. We have continued to receive high profile national media coverage of our work and have seen increased digital reach and parliamentary mentions in the past year.

Our research pipeline for the upcoming year and beyond aims to cover areas that are of high political interest, in the lead up to a likely general election in 2024, with the aim to influence policy and debate.

*Research spotlight COSMO study*
Last autumn saw the launch of the first research reports using data from the Covid Social Mobility and Opportunities (COSMO) Study, with over 13,000 participants aged 16-17 from across England. This is a major national longitudinal cohort study that is examining the immediate and long-term impacts of the COVID-19 pandemic on educational inequality and social mobility, jointly led by the Sutton Trust, the UCL Centre for Education Policy and Equalising Opportunities (CEPEO) and the Centre for Longitudinal Studies. The research briefings included:

Lockdown learning: This piece found substantial gaps between the state and private sector in intensity of remote learning during the first lockdown in 2020. Barriers to remote were all more likely to be experienced by young people from lower socio-economic backgrounds, and those who experienced those barriers reported working fewer hours during lockdowns.

Future plans and aspirations: This briefing found that experiences of the pandemic had a strong bearing on young people's future plans. Of all those who had made education plans, almost two-thirds (64%) reported that their educational plans had changed (at least to some extent) because of the pandemic. Three in five (60%) of those who had made career plans had changed them as a result.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

Mental health and wellbeing: Alarmingly, over 2 in 5 (44%) 16/17-year-olds reported elevated psychological distress. This was more likely for female and non-binary students. The piece also saw dissatisfaction with mental health support available in schools: half of the pupils from comprehensive or grammar schools rated support as 'not very good' or 'not at all good' compared to just a quarter of those attending independent schools.

Financial inequalities: This piece found that almost 2 in 5 (39%) of households experienced worse financial health during the pandemic. One in ten young people (10%) were living in households classed as food insecure.

The second wave of the study was conducted in the 2022/23 academic year, funded with a £1.7m grant from UK Research and Innovation with the funding going directly to UCL CEPEO and the Centre for Longitudinal Studies. We are pleased to report the study exceeded its target response rate and data will be made available in late 2023. Research briefings using this data will investigate post-18 destinations; mental and physical health; and the cost-of-living crisis.

*Research Highlights*

Stories from the class of 2023: Education experiences of high potential students from different backgrounds (August 2023)

- Led by Kantar Public, this qualitative research report summarises in-depth interviews with young people, examining in greater detail the lives of young people with potential but from different socio-economic backgrounds, to better understand the ways in which their experiences differ, and where they have faced common challenges.
- This piece is part of the Trust's **"Social Mobility: The Next Generation"** research series. This covers a group of high potential young people from disadvantaged backgrounds – a key Sutton Trust target demographic.

World Class (July 2023)

- Both major political parties have shown a significant interest in the early years, with the government announcing an expansion of funded provision for some one- and two-year-olds in the 2023 Spring Budget. In light of the announcement, this report takes a detailed look at the early years systems of 13 different countries around the world, ranging from Estonia to Japan. Authored by researchers from RAND Europe, it analyses countries with well-developed and more established systems, as well as those who have made notable improvements in recent years.

Lost Potential At Age 16 (June 2023)

- As the first piece of the **"Social Mobility: The Next Generation"** series, this report uses data from the National Pupil Database and COSMO to explore the progress during secondary school of pupils with the same grades on entry, but different socio-economic backgrounds. This piece found that able disadvantaged pupils dropped back by a grade per subject at GCSE compared to similarly talented pupils from better off households.

School funding and pupil premium 2023 (April 2023)

- The latest edition of our annual polling of nearly 1,500 teachers saw a concerning picture for our schools, with essential staff and activities – including teaching assistants, school trips and IT equipment – being cut by school leaders at higher levels than seen in our previous polling. 63% of senior leaders reported cutting teaching assistants over the past year and 41% said they were using pupil premium to plug gaps in their budget.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

Tutoring: The new landscape (March 2023)

- This report takes a closer look at the new landscape for tutoring in the aftermath of the pandemic, both private and school-based, using the latest data from the Ipsos Young People Omnibus and the COSMO study.
- The data reveals that whilst 30% of pupils overall have had private tutoring, only 13% of those in the lowest income households had. However, the introduction of the National Tutoring Programme (NTP) is helping to level the playing field.

Cost of living and university students (January 2023)

- To understand more about how the cost-of-living crisis was affecting students, we commissioned polling which found that, in the first months of the 2022/23 academic year, 33% of students from working class families skipped meals to cut food costs.
- Further polling was commissioned for the BBC in March 2023, which found that half (49%) of undergraduate students have missed classes in order to do paid work, with 6% reporting they do this often.

The recent evolution of apprenticeships (December 2022)

- In this report, academics from the London School of Economics and the University of Surrey investigate how apprenticeships evolved between 2015 to 2020, looking at changes in their composition and participation differences across different groups, with a particular focus on those from disadvantaged backgrounds.
- The authors found that in 2020, only 5% of degree apprentices under 30 were eligible for free school meals. They also found those over the age of 25 account for the vast majority of those undertaking Higher Apprenticeships.

Speaking Up (November 2022)

- Authored by Professor Erez Levon from the University of Bern, Professor Devyani Sharma from Queen Mary University London and Dr Christian Ilbury from the University of Edinburgh, this report looks at accent bias throughout the life course, how these experiences differ by socio-economic background, and their implications for social mobility. The authors found that 29% of senior managers from working class families have been mocked for their accent at work and 41% of university students from the North of England are worried their accent may affect their future success.

*Advocacy*

In the past year the Sutton Trust has received 53 parliamentary mentions, including mentions from the Chair of the Education Committee, Robin Walker, and Children's Minister David Johnston on the floor of the Commons. The Trust has continued to engage with senior national policymakers to influence government policy, as well as with the Education Select Committee, with members of the Trust attending two evidence sessions and the Trust submitting consultation responses on topics including the early years and teacher recruitment and retainment. The Trust also submitted responses to the Labour Party's Policy Forum calls for evidence on childcare, jobs and public services.

The Trust has engaged with policy stakeholders across a range of sectors through hosting several events over the past year. The Trust held a webinar for university admissions and widening participation staff in the Spring to share findings from the COSMO Study on the experiences of and support needed from the 'Class of 2023', aiming to influence admissions decisions over the Summer.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

The Trust was encouraged to see increased spending allocated to early years education and childcare in the Spring 2023 budget, including an extension of funded hours for one- and two-year-olds, but highlighted that the expansion will further entrench inequalities in access for disadvantaged children. We will continue to call for an equal entitlement to funded provision for all children, through the A Fair Start campaign in the run up to the next General Election.

More broadly, the next election will be a key opportunity to influence policy and we will continue to engage with both members of the current and shadow Department for Education ministerial teams to advocate for our key policy priorities.

### Development

The Sutton Trust closed its financial year 2022/23 in a strong position, thanks to the generous support of our family of donors and partners.

The Trust typically tracks two key metrics in monitoring fundraising performance; cash received during the year and new pledges secured, the latter being a measure of new business, some of which is in the form of multi-year commitments that are realised as cash over time.

The figures for the past two full years are:

| **2022/23** | | **2021/22** | |
|---|---|---|---|
| New pledges secured: | £12.8m | New pledges secured: | £2.6m |
| Cash received: | £6.8m | Cash received: | £5.4m |

(Note: The cash figures may differ from the accounts, which have been prepared on an accruals basis)

2022/23 has been an exceptional year for fundraising with the Trust:

- Successfully renewing several major gifts in the first few months of the financial year.
- Being able to reconnect with a range of valued funders as all activities returned to pre-pandemic levels.
- Forging exciting partnerships with a number of new individuals, trust and foundations, and corporate partners.

While in previous years, the Trust primarily focused on stewardship of the growing pool of its donors and partners, the priority is now shifting towards proactively securing sufficient funding for all the Trust's activities. This is particularly important following growth within the Trust's work (see previous sections on Programmes, Innovation and Research and Communications) and the full return to face-to-face activities. Due to programme underspend accumulated during 2020 and 2021, the Trust had delayed a number of fundraising asks in 2021/22, which contributed to the sharp increase of pledges secured this year. The Trust also received £0.5m of extraordinary income, through a legacy, during the year.

Highlights of the year included:

- Three-year support from Bloomberg for Sutton Trust Online
- Five-year support from The Oak Foundation for UK Summer Schools
- Three-year support from XTX Markets for maths provision for UK Summer Schools
- Eighteen-months support from Citi Foundation for employability research
- Three-year unrestricted support from Allan and Gill Gray Philanthropies

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Development (continued)

Towards the end of the year, the Trust appointed a new Director of Development, who is looking to develop a refreshed, dynamic fundraising approach to support the Trust's future growth ambitions. She will be working closely with the Executive Chairman, the newly appointed Chief Executive and the Trust's Advisory Board to scope the relevant opportunities.

### Financial Review

In the financial year under review income receivable, including grants, gifts, pro-bono support, interest and investment income was £7.1m, a 22% increase on the previous year *(2022 - £5.8m)* and expenditure was £7.6m, a 20% increase on the previous year *(2022 - £6.3m)*. The total funds of the Trust decreased to £10.3m, a decrease of 6% during the year *(2022 - £11.0m)*. The decrease in funds is in line with expectations. It has been the Trust's aim to reduce its reserves, particularly those accumulated during the pandemic and restricted to particular programmes, in a measured and sustainable way.

For the year, income fell short of expenditure by £0.6m *(2022 - £0.8m)* of which £1.5m is within restricted or designated funds.

*Income*
Restricted income received in the year was £4.5m, 64% of total income received *(2022 - 78%)*, from over 100 different organisations and individual donors providing funding to programmes and research. Unrestricted income received in the year was £2.5m, 35% of total income received *(2022 - 21%)*. This includes extraordinary income of £0.5m, received through a legacy.

Pro-bono services of £0.2m were received in the year, which are fully included within restricted income *(2022 - £0.2m, restricted)*.

*Expenditure*
Total expenditure on charitable activities was £6.9m, a 21% increase compared to the prior year. This increase reflects the cost impact of inflation as well as the return to pre-pandemic activities on all programmes.

Total expenditure on generating funds of £0.6m has stayed consistent compared to the previous year, reflecting the continued investment in the development team to ensure ongoing success in building long-term relationships with funders and other activities as set out in the Development section on pages 12-13.

In light of the continued fundraising successes and its accumulated reserves position throughout the pandemic, the Trust has played a highly proactive role in regularly updating its funders about programme and research activities and the financial implications on their funding. At the end of the year, restricted reserves have broadly been reduced to an acceptable level, particularly when taking 2023/24 activities into account, and the Trust will return to its proactive fundraising approach to meet its growing funding need.

*Charitable Funds & Cash*
Restricted income funds at the year-end fell by £1.4m, or 31%, to £3.2m. As detailed above, this is due to a planned reduction in accumulated funds during the pandemic. The details of the restricted fund balances by programme are shown in note 18.

Unrestricted income funds increased by 22%, to £5.0m, in the period, due to extraordinary income received in the year, as well as reduced expenditure related to a number of vacancies throughout the year and delay in central expenditure as a result. The reserves policy of the Trust is explained on page 14-15.

The designated fund, created in 2019 and fully invested at the start of the year in accordance with the investment policy of the Trust, generated a negative annual return of £81k, or 4%, with a market value of £2.1m at the year-end.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

Cash held at period end was £9.5m of which £4.6m relates to restricted funds and £4.9m to unrestricted funds. The Trust continues to work on reducing the level of cash held in relation to its restricted funds; the Trust continues to explore investment opportunities for its unrestricted cash.

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

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 services can continue uninterrupted through to completion.

Reserves include restricted and unrestricted funds. Unrestricted funds can be used at the discretion of the Trustees. The restricted funds may only be used for the purpose specified by the donor.

At the year end, total funds carried forward are £10.3m, which breaks down into £3.2m restricted funds, £2.1m of designated funds and £5.0m of general unrestricted funds.

**Restricted funds** are specified and allocated for the different programmes and research projects undertaken by the Trust. The level of restricted funds has risen significantly during the pandemic due to the continued cost savings caused by reduced face-to-face activities. The Trust is working closely with its funders to ensure funds accumulated are spent responsibly over an extended period. A breakdown of the restricted funds by programmes can be found in note 18.

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

**Unrestricted funds** consist of:

- Free Reserves of £3.4m. This amount is expected to cover the budgeted operating costs for the next financial year, including staff salaries.
- Fixed Asset Fund of £0.1m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- General Reserves of £1.5m. This amount is set aside to finance fluctuations in cashflow, to continue running programmes in the short-term, in the absence of a funder or to trial new programmes prior to seeking external funding. It is important to note that many of the programmes are planned for a multiyear period and this level of funding is a source of finance.

The Trustees review the way in which unrestricted funds are allocated with the aim of maximising the amount available for charitable activities whilst ensuring that an appropriate level of reserves is maintained for the purposes set out above.

The Trustees consider the level of reserves held at period end to be reasonable in the light of the upcoming review of organisational strategy following the arrival of a new CEO within the year and while recruiting for a new Development Director at the year end. However, the Trustees are committed to reviewing the level of unrestricted reserves held alongside the Trust's strategy work in 2024.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*Investment Policy & Performance*
The Charity relies on professional fund managers for the day-to-day running of its investment portfolio. The appointed fund managers manage the portfolio on a discretionary basis, with the fund managers taking all investment decisions in line with the investment objectives and risk profile agreed by the Trustees.

The Trust holds two separate investment funds – the designated investment fund for long-term sustainability and the (restricted) opportunity bursary fund – managed by Rathbones Group PLC and J.P. Morgan Bank, respectively, on behalf of the Trust.

Each investment portfolio is allocated to the following asset classes: equities, fixed income and cash, and alternatives, with target allocations varying in line with the purpose of the specific investment (see below). The investment objectives of each investment reflect their medium-to-long term nature and 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

*Designated Investment Fund for long-term sustainability*
The fund was designated in 2019 with an initial cash investment of £2m. At the end of the year, the fund value was £2.1m with an asset allocation of 57.6% equities, 25.2% fixed income, 15.1% alternatives and 2.1% cash holdings.

The portfolio has not performed too well due to the challenging conditions in the period caused by sustained levels of inflation experienced in the UK as well as overseas, and the subsequent market volatility. The investment performance in the year is 1.0% net of fees and charges, which is behind the Trust's investment objectives for the fund. This also compares unfavourably with Rathbones' composite benchmarks (6.6%) corresponding to the Trust's investment strategy. All income and gains are reinvested into the fund.

*Opportunity Bursary (Restricted) Fund*
The fund was established in 2021 with an initial cash grant of £4.8m and additional donations of £0.3m. At the end of the year the fund value was £5.0m with an asset allocation of 56.2% equities, 39.6% fixed income, 3.7% alternatives and 0.5% cash holdings.

The fund has had satisfactory performance in the year, generating a return of 5% net of fees and charges, which is behind the Trust's investment objectives for the fund. While this portfolio has much larger overseas exposure than the Trust's Designated Investment Fund, performance has equally been affected by global inflation. The fund performance compares unfavourably with J.P. Morgan's composite benchmarks (6.8%) corresponding to the Trust's investment strategy. During the year, £150k was withdrawn from the fund in line with the grant conditions; an additional £101k was withdrawn from the fund relating to additional donations received. The principal of the grant and the associated investment income is shown within deferred income in Note 13.

*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 funders, including trusts and foundations, corporates and individuals.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

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 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.

## PLANS FOR FUTURE PERIODS

The Trust has grown considerably over the last five years, and we now help more than 10,000 young people a year – up from around 3,500 in FY18/19. The majority of this growth has come from digital programmes which we added during Covid, particularly the Sutton Trust Online (STO).

Our first current priority is to consolidate this growth, including optimizing how we deliver, and configuring our funding priorities around our new 'shape'.

Secondly, we are in the process of refreshing our strategy and building a new three-year business plan. This process will be completed by the end of 2024.

Our central approach will remain the same, with a focus on directly supporting high ability, low/middle income young people through our programmes, and our research and advocacy work taking a wider look at the causes and potential solutions to low social mobility and educational inequality, from early years through to access to the workplace.

Within this strategic umbrella, key themes we will be debating include:

- Our growth trajectory in student beneficiaries, and the mix therein of face-to-face and digital programmes.
- The opportunity to also help our students move from university into great jobs, leveraging career programmes and corporate partnerships.
- The role of technology and AI specifically in our programme delivery.
- Within advocacy, the opportunity to highlight the economic benefits of social mobility to the nation, as well as continuing.

Thirdly, we are aware that 2024 will be an election year, and we will be positioning our advocacy and research with this in mind. We will publish a social mobility manifesto as we have in previous election cycles and continue to build relationships with all political parties though the election period.

## 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. The Trust currently has six trustees who aim to 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 2023.

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 Trust's Commitment to Good Governance Code

The Trustees reviewed the voluntary Code of Governance and undertook an internal audit of existing processes against the recommendations in the Code in 2018. Given the time since this last review, the Trustees will perform another review in calendar year 2024.

### 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 Chief Executive oversees a senior team comprising the Director of Development, Director of Programmes, Director of Research and Policy, Director of Innovation, Director of Communications and Public Affairs, and Director of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2022/23 stands at 51 staff.

### Remuneration Policy

The Sutton 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 Sutton 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 Trustee Board have delegated the responsibility for the authorisation of any pay increase (>£10k) to the Executive Chairman, as part of the Sutton Trust approval matrix. This arrangement is reviewed annually.

The pay of the Chief Executive 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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Remuneration Policy (continued)

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 are 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.

### Related Parties

The Trust 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 used to share staff and floor space (until March 2022) and continue to have some legacy joint infrastructure arrangements.

The Private Office of Sir Peter Lampl and The Sutton Trust share some 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 Charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charity 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 Charity considers risks as part of all its activities. Notable risks identified in the period and actions to mitigate the impact include:

- Throughout the pandemic and beyond, the Trust has experienced significant growth in its activities both through the expansion of its face-to-face activities and addition of digital activities, driven by the increased demand for its services. The Trust needs to continue to align its strategic priorities with its funding trajectory to ensure expenditure does not significantly outgrow its income, particularly considering the current inflationary environment. Sustainability considerations will be key in the upcoming strategy process, alongside a review of cost effectiveness and a refreshed development strategy.
- Increased staff turnover in a period of uncertainty combined with challenges recruiting in a fluid employment market. Actions to mitigate include benchmarking to ensure salaries and benefits continue to be competitive, introduction of hybrid working policies and ongoing dialogues with staff.
- Bigger burden placed on the team because of more direct and digital delivery as the Trust grows, especially increase in demand for safeguarding support from partners. Actions to mitigate the impact include the ongoing review of resources and staffing to manage capacity, including new appointments; legal support; and the additional use of organisations with the relevant expertise through outsourcing arrangements.
- Ensuring the Trust remains a distinct and respected voice in a busier educational landscape. Actions to mitigate the impact include clarity in terms of focus and policy objectives, working with partners with a strong track record, speed of turnaround to ensure relevance and leveraging the link with the ongoing programme work being undertaken.

## 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 2019 ( FRS 102)).

The Trustees have considered the financial budget for the next financial year, 2023/24, and its medium-term strategy. The plans show a robust pipeline of pledges and projected fundraising income. The Trust continues to invest into its fundraising activities to ensure additional demands on budgets, through expansion as well as inflation are being met. Cost budgets are reviewed regularly and thoroughly for programmes and other activities, including administrative costs to ensure the continued sustainability of the Trust. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the political and economic landscape, and its potential implications on fundraising and programme delivery and support (see Reserves Policy on page 14-15).

Considering the above, the Trustees believe that the Trust has adequate resources to continue successfully for the foreseeable future. Therefore, the annual report and financial statements have been prepared on a going concerns basis.

### Fundraising Approach

The 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 Charity ensures that grant and gift agreements are in place with its supporters. In 2022/23, the Charity did not have any Commercial Participators. The Charity completes a due diligence process for all new supporters. Development Team staff are kept up-to-date on fundraising best practice.

The Charity's complaints procedure is available on the Trust's website. For staff, this is also available in the staff handbook. In 2022/23, we received no complaints relating to fundraising. The Charity is not aware of any breaches of fundraising regulations by the Charity 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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

Peter

Sir Peter Lampl - Trustee
Date:
16.05.2024

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

## THE SUTTON TRUST

### Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2023 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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

### Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### 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.

**Other information (continued)**

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

- the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate 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.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- the analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charitable Company for previously unreported related party transactions;
- reviewing correspondence and agreements between the Charitable Company and its grantees, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- reviewing correspondence and agreements between the Charitable Company and its donors, and discussion with the management in relation to compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

**Use of our report**

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

Rawlinson & Hunter Audit LLP

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

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

Date: 16 May 2024

## THE SUTTON TRUST

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

## FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | Unrestricted Funds General Funds Year ended 31 August 2023 £ | Designated Funds Year ended 31 August 2023 £ | Restricted Funds Year ended 31 August 2023 £ | TOTAL FUNDS Year ended 31 August 2023 £ | TOTAL FUNDS Year ended 31 August 2022 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and legacies | 2 | 2,410,403 | - | 4,537,603 | 6,948,006 | 5,772,605 |
| Investments | 2 | 116,614 | 46,927 | 11,738 | 175,279 | 57,071 |
| **Total income** | | 2,527,017 | 46,927 | 4,549,341 | 7,123,285 | 5,829,676 |
| **Expenditure on:** | | | | | | |
| Costs of raising funds | 4 | 347,372 | 15,692 | 265,560 | 628,624 | 564,336 |
| Charitable activities | 3, 4 & 5 | 1,274,785 | - | 5,724,268 | 6,999,053 | 5,778,864 |
| **Total expenditure** | | 1,622,157 | 15,692 | 5,989,828 | 7,627,677 | 6,343,200 |
| **Net (losses)/gains on investments** | 9 | - | (112,203) | 3,592 | (108,611) | (333,591) |
| **Transfer between funds** | 18 | 7,328 | - | (7,328) | - | - |
| **Net income/(loss)** | 6 | 912,188 | (80,968) | (1,444,223) | (613,003) | (847,115) |
| **Other gains/(losses)** | 2 | 729 | - | (35) | 694 | (69) |
| **Net income and movement in funds** | | 912,917 | (80,968) | (1,444,258) | (612,309) | (847,184) |
| **Reconciliation of funds:** | | | | | | |
| **Total funds brought forward** | | 4,075,851 | 2,231,576 | 4,645,746 | 10,953,173 | 11,800,357 |
| **Total funds carried forward** | 18 & 19 | 4,988,768 | 2,150,608 | 3,201,488 | 10,340,864 | £10,953,173 |

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derived from continuing activities.

The notes on pages 29 to 51 form part of these financial statements

## THE SUTTON TRUST

## BALANCE SHEET

## FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | 31 August 2023 | | 31 August 2022 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets:** | | | | | |
| Tangible assets | 8 | 66,720 | | 63,001 | |
| Investments | 9 & 21 | 7,102,079 | | 7,288,987 | |
| | | | 7,168,799 | | 7,351,988 |
| **Current assets:** | | | | | |
| Debtors | 10 | 648,914 | | 881,002 | |
| Cash at bank and in hand | 21 | 9,545,346 | | 9,745,616 | |
| | | 10,194,260 | | 10,626,618 | |
| **Current liabilities:** | | | | | |
| Creditors - amounts falling due within one year | 11 | (2,451,489) | | (2,400,671) | |
| **Net current assets** | | | 7,742,771 | | 8,225,947 |
| **Total assets less current liabilities** | | | 14,911,570 | | 15,577,935 |
| Creditors - amounts falling due after more than one year | 12 | | (4,570,706) | | (4,624,762) |
| **Total net assets** | | | 10,340,864 | | £10,953,173 |
| **The funds of the Charitable Company:** | | | | | |
| Unrestricted - general fund | 18 & 19 | | 4,988,768 | | 4,075,851 |
| - designated fund | 18 & 19 | | 2,150,608 | | 2,231,576 |
| Restricted income fund | 18 & 19 | | 3,201,488 | | 4,645,746 |
| **Total Charitable Company funds** | 18 & 19 | | 10,340,864 | | £10,953,173 |

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

Peter Lampl

Sir Peter Lampl
Trustee

Date: 16.05.2024

The notes on pages 29 to 51 form part of these financial statements

## THE SUTTON TRUST

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | Year ended 31 August 2023 £ | Year ended 31 August 2022 £ |
|---|---|---|---|
| **Net cash (outflow)/inflow from operating activities** | 15 | (474,919) | 182,297 |
| **Cash inflow/(outflow) from investing activities** | | | |
| Interest income | | 129,503 | 9,195 |
| Dividend income | | 45,776 | 47,876 |
| Purchase of fixed assets | 8 | (35,563) | (34,600) |
| Purchase of investments | 9 | (1,724,559) | (1,752,081) |
| Proceeds from disposal of investments | 9 | 1,859,492 | 1,817,388 |
| **Net cash inflow from investing activities** | | 274,649 | 87,778 |
| **Net (decrease)/increase in cash and cash equivalents** | | (200,270) | 270,075 |
| **Cash and cash equivalents brought forward** | | 9,745,616 | 9,475,541 |
| **Cash and cash equivalents carried forward** | | 9,545,346 | 9,745,616 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | 9,545,346 | 9,745,616 |
| **Cash and cash equivalents at 31 August 2023** | | 9,545,346 | 9,745,616 |

Cash held at year end was £9.5m (*2022 - £9.7m*). £4.6m of this relates to restricted funds (*2022 - £6.2m*) and £4.9m to unrestricted funds (*2022 - £3.5m*).

The notes on pages 29 to 51 form part of these financial statements

## 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) (issued in October 2019) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and where relevant, the Charities Act 2022, the Companies Act 2006 and UK Generally Accepted Practice. 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.

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.

## 1. ACCOUNTING POLICIES (continued)

### Income (continued)

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, dividends, interest and fixed income receivable from listed investments.

### 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 are to third parties in furtherance of the charitable objectives. Where unconditional grants are offered, the value of the grants 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 recognised to the extent that the recipient of the grant has provided the specified service.

### 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.

## 1. ACCOUNTING POLICIES (continued)

### Status of funds (continued)

The list of grants 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.

### 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

## 1. ACCOUNTING POLICIES (continued)

and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

### Employee benefits

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

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

### Tax

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

### Going concern

The Trustees have considered the relevant financial risks and the ability of the Charitable Company to continue in operational existence for the foreseeable future. Having considered the level of funds held and reviewed a robust pipeline of pledges and projected fundraising income together with the detailed cost budgets for each programme and activity including administrative costs for the 12 months from authorising these financial statements, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

### 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.

## 2. INCOME

| The income comprised: | Unrestricted Funds Year ended 31 August 2023 £ | Designated Funds Year ended 31 August 2023 £ | Restricted Funds Year ended 31 August 2023 £ | TOTAL FUNDS Year ended 31 August 2023 £ |
|---|---|---|---|---|
| Donations | 1,898,261 | - | 4,317,603 | 6,215,864 |
| Donated services * | - | - | 220,000 | 220,000 |
| Legacies | 512,142 | - | - | 512,142 |
| Dividends | - | 41,139 | 4,637 | 45,776 |
| Bank interest | 116,614 | 5,788 | 7,101 | 129,503 |
| | 2,527,017 | 46,927 | 4,549,341 | 7,123,285 |
| Other gains/(losses) | | | | |
| – foreign exchange | (274) | - | (35) | (309) |
| – disposal of fixed asset | 1,003 | - | - | 1,003 |
| | 729 | - | (35) | 694 |

| The income arose from the following geographical locations: | Year ended 31 August 2023 £ | Year ended 31 August 2023 £ | Year ended 31 August 2023 £ | Year ended 31 August 2023 £ |
|---|---|---|---|---|
| US and Canada | 246,849 | - | 1,550,157 | 1,797,006 |
| Switzerland | - | - | - | - |
| New Zealand | - | - | - | - |
| UK including the Channel Islands | 2,270,168 | 46,927 | 2,999,184 | 5,316,279 |
| Monaco | 10,000 | - | - | 10,000 |
| | 2,527,017 | 46,927 | 4,549,341 | 7,123,285 |

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

## 2. INCOME (continued)

| The income comprised: | Unrestricted Funds Year ended 31 August 2022 £ | Designated Funds Year ended 31 August 2022 £ | Restricted Funds Year ended 31 August 2022 £ | TOTAL FUNDS Year ended 31 August 2022 £ |
|---|---|---|---|---|
| Donations | 1,204,039 | - | 4,338,576 | 5,542,615 |
| Donated services * | - | - | 229,990 | 229,990 |
| Dividends | - | 44,457 | 3,419 | 47,876 |
| Bank interest | 4,888 | 4,210 | 97 | 9,195 |
| | 1,208,927 | 48,667 | 4,572,082 | 5,829,676 |
| Other gains/(losses) | | | | |
| – foreign exchange | 428 | - | 132 | 560 |
| – disposal of fixed asset | (629) | - | - | (629) |
| | (201) | - | 132 | (69) |

| The income arose from the following geographical locations: | Year ended 31 August 2022 £ | Year ended 31 August 2022 £ | Year ended 31 August 2022 £ | Year ended 31 August 2022 £ |
|---|---|---|---|---|
| US and Canada | 121,100 | - | 686,298 | 807,398 |
| Switzerland | - | - | - | - |
| New Zealand | - | - | - | - |
| UK including the Channel Islands | 1,087,827 | 48,667 | 3,885,684 | 5,022,278 |
| | 1,208,927 | 48,667 | 4,572,082 | 5,829,676 |

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

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2023

### Access programmes for university and the professions

Pathways to Banking & Finance
Pathways to Engineering
Pathways to Law
Pathways to Medicine
Pathways to Law Online
Pathways to Banking and Finance Online
Pathways to Consulting Online
Apprenticeship Summer School
Sutton Trust Careers
Sutton Trust Careers Launch Pad
Sutton Trust Careers Plus
US Programme
Sutton Trust Online
Alumni Engagement Programme
Opportunity Bursary
Teachers Champions
UK Summer Schools

### Early years and primary school Programmes

Communication and Language Project

### Research and policy

Sutton Trust Cabinet Analysis 2022 (Liz Truss)
Future Plans and Aspiration
Education recovery and Catch-up
Lockdown Learning
Sutton Trust Cabinet Analysis 2022 (Rishi Sunak)
Speaking up
Mental Health and Wellbeing
Cost of living and Education 2022
The Recent Evolution of Apprenticeship
Cost of Living and University Students
COVID-19: Health Impacts and Behaviours
Equal Hours
Tutoring: The New Landscape
School funding and Pupil Premium 2023
Financial inequality and the Pandemic
Attainment and Assessment
Social Mobility: The Next Generation – Lost Potential at age 16
Where Next: What influence the choices of would-be Apprentices?
World Class: Global Learnings for England on Early Years Policy
Stories from the Class of 2023

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2023 (continued)

| | Unrestricted Funds Year ended 31 August 2023 £ | Designated Funds Year ended 31 August 2023 £ | Restricted Funds Year ended 31 August 2023 £ | Total Year ended 31 August 2023 £ | Total number Year ended 31 August 2023 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,579,094 | 1,579,094 | 159 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | - | - | 1,579,094 | 1,579,094 | 159 |
| | - | - | - | - | - |
| Total number | - | - | 159 | - | 159 |

| | Unrestricted Funds Year ended 31 August 2022 £ | Designated Funds Year ended 31 August 2022 £ | Restricted Funds Year ended 31 August 2022 £ | Total Year ended 31 August 2022 £ | Total number Year ended 31 August 2022 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,834,479 | 1,834,479 | 141 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | £ - | £ - | £1,834,479 | £1,834,479 | 141 |
| Total number | - | - | 141 | - | 141 |

The grants payable above exclude other direct charitable programme expenses payable to the grantees. See the grant-making policy on page 16 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

## 4. CHARITABLE ACTIVITIES

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 | Year ended 31 August 2023 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 765,201 | 1,967,883 | 992,365 | 867,129 | - | 4,592,578 |
| Schools/colleges | 700,850 | 211,628 | 109,330 | 294,917 | - | 1,316,725 |
| Innovation | - | 667 | 65,944 | 26,492 | - | 93,103 |
| Early years | 113,043 | 71,698 | 29,320 | 64,020 | - | 278,081 |
| Research projects | - | 324,047 | 218,481 | 176,038 | - | 718,566 |
| | 1,579,094 | 2,575,923 | 1,415,440 | 1,428,596 | - | 6,999,053 |
| **Costs of raising funds** | - | 49,055 | 451,258 | 128,310 | - | 628,624 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 1,274,785 | 5,724,268 | 6,999,053 |

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 584,100 | 869,074 | 475,963 | 370,220 | 38,179 | 2,337,536 |
| Schools/colleges | 1,096,402 | 442,908 | 142,966 | 384,666 | 191,811 | 2,258,753 |
| Innovation | - | - | 32,426 | 7,417 | - | 39,843 |
| Early years | 153,977 | (16,959) | 78,571 | 49,315 | - | 264,904 |
| Research projects | - | 451,007 | 263,403 | 163,418 | - | 877,828 |
| | 1,834,479 | 1,746,030 | 993,329 | 975,036 | 229,990 | 5,778,864 |
| **Costs of raising funds** | - | 44,388 | 424,731 | 95,217 | - | 564,336 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 632,487 | 5,146,377 | 5,778,864 |

## 5. ANALYSIS OF SUPPORT COSTS

| | Charitable Activities Year ended 31 August 2023 | Fund raising (unrestricted) Year ended 31 August 2023 | Total Year ended 31 August 2023 |
|---|---|---|---|
| | £ | £ | £ |
| Wages and salaries (Note 7) | 550,861 | 49,476 | 600,337 |
| Other staff costs–travel / recruitment etc. | 167,879 | 15,078 | 182,957 |
| Administration | 158,766 | 14,262 | 173,028 |
| Strategy and Planning | 201,869 | 18,131 | 220,000 |
| Premises (net of recharges) | 165,719 | 14,884 | 180,603 |
| Audit & other | 30,280 | 2,720 | 33,000 |
| Accountancy | 11,389 | 1,023 | 12,412 |
| Legal | 31,557 | 2,834 | 34,391 |
| Public relations | 82,447 | 7,405 | 89,852 |
| Depreciation (Note 8) | 27,829 | 2,497 | 30,326 |
| | 1,428,596 | 128,310 | 1,556,906 |

| | Charitable Activities Year ended 31 August 2022 | Fund raising (unrestricted) Year ended 31 August 2022 | Total Year ended 31 August 2022 |
|---|---|---|---|
| | £ | £ | £ |
| Wages and salaries (Note 7) | 380,818 | 37,189 | 418,007 |
| Other staff costs–travel / recruitment etc. | 125,259 | 12,232 | 137,491 |
| Administration | 106,680 | 10,418 | 117,098 |
| Premises (net of recharges) | 170,551 | 16,655 | 187,206 |
| Audit & other | 26,420 | 2,580 | 29,000 |
| Accountancy | 13,603 | 1,328 | 14,931 |
| Legal | 4,854 | 474 | 5,328 |
| Public relations | 110,102 | 10,752 | 120,854 |
| Depreciation (Note 8) | 36,749 | 3,589 | 40,338 |
| | 975,036 | 95,217 | 1,070,253 |

Governance costs include costs incurred on strategy and planning, the annual audit and any relevant legal fees.

## 6. NET INCOME AND NET MOVEMENT IN FUNDS FOR THE PERIOD

| This is stated after charging: | Year ended 31 August 2023 £ | Year ended 31 August 2022 £ |
|---|---|---|
| Operating leases – land and buildings | 122,796 | 117,129 |
| Depreciation | 30,326 | 40,338 |
| Loss on disposal of fixed assets | 1,832 | 629 |
| Auditor's remuneration: | | |
| Audit services | 33,000 | 29,000 |

## 7. STAFF COSTS

| | | Year ended 31 August 2023 £ | Year ended 31 August 2022 £ |
|---|---|---|---|
| (a) | Salaries | 2,093,847 | 1,573,046 |
| | National Insurance | 163,201 | 146,178 |
| | Pension contributions | 209,988 | 196,310 |
| | | 2,467,036 | 1,915,534 |

Included in the staff costs are consultancy fees of £236,553 *(2022 - £195,259)* payable to key management personnel who is not an employee. Also included in the staff costs are staff costs (inclusive of NI and pension contributions) recharged to the Charitable Company by the Chairman's private office of £53,262 (*2022 - £51,538*). £1,573 (*2022 - £Nil*) were due on pension plans for those shared employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2023 *(2022 - £Nil)*. See Note 14 for other Trustee 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 £751,512 *(2022 - £594,595)*.

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £209,988 *(2022 - £196,310)*. Of these contributions, £17,933 *(2022 - £Nil)* were due to these plans by the Charitable Company at the year end.

## 7. STAFF COSTS (continued)

| | Year ended 31 August 2023 No. | Year ended 31 August 2022 No. |
|---|---|---|
| (b) Number of staff | | |
| Programmes | 20 | 16 |
| Innovation | 2 | - |
| Research | 10 | 8 |
| Fundraising | 7 | 5 |
| Administration | 5 | 4 |
| | 44 | 33 |

(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 year is as follows:

| | | |
|---|---|---|
| £60,001 to £70,000 | 1 | 1 |
| £70,001 to £80,000 | 3 | 2 |
| £80,001 to £90,000 | 1 | - |
| £110,000 to £120,000 | 1 | 1 |

Employers' pension contributions in respect of these 6 *(2022 - 4)* employees amounted to £27,416 (*2022 - £30,387*) during the period.

## 8. TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Furniture and fittings £ | Computer equipment £ | Cycle scheme £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 September 2022 | 143,766 | 120,762 | 125,019 | 314 | 389,861 |
| Additions adjustment | - | - | 35,877 | (314) | 35,877 |
| Disposals | - | - | (2,632) | - | (2,946) |
| At 31 August 2023 | 143,766 | 120,762 | 158,264 | - | 422,792 |
| **Depreciation** | | | | | |
| At 1 September 2022 | 143,766 | 103,261 | 79,807 | 26 | 326,860 |
| Charge for period | - | 5,094 | 25,232 | (26) | 30,326 |
| Disposals | - | - | (1,088) | | (1,114) |
| At 31 August 2023 | 143,766 | 108,355 | 103,951 | - | 356,072 |
| **Net book value** | | | | | |
| At 31 August 2023 | - | 12,407 | 54,313 | - | 66,720 |
| At 31 August 2022 | - | 17,501 | 45,212 | 288 | 63,001 |

## 9. FIXED ASSET INVESTMENTS

| | 31 August 2023 £ | 31 August 2022 £ |
|---|---|---|
| Investments comprise: | | |
| Rathbones | 2,105,183 | 2,205,136 |
| JP Morgan | 4,927,133 | 5,045,388 |
| Total equity, bond and other investments | 7,032,316 | 7,250,524 |
| Cash held as part of portfolio | 69,763 | 38,463 |
| **Total Investments and cash under management** | 7,102,079 | 7,288,987 |
| (Loss)/gain on investments in the period: | | |
| Realised (losses)/gains | (17,997) | 62,795 |
| Unrealised losses | (33,978) | (580,473) |
| **Total loss on investments in the period** | (51,975) | (517,678) |
| Included in: | | |
| Deferred income | 56,636 | (184,087) |
| Statement of Financial Activities | (108,611) | (333,591) |
| | (51,975) | (517,678) |

## 9. FIXED ASSET INVESTMENTS (continued)

| | 31 August 2023 Total £ | 31 August 2022 Total £ |
|---|---|---|
| **Market value** | | |
| At 31 August 2022 | 7,288,987 | 7,871,972 |
| Additions | 1,724,559 | 1,752,081 |
| Disposals | (1,859,492) | (1,817,388) |
| Net realised investment (losses)/gains | (17,997) | 62,795 |
| Unrealised investment losses | (33,978) | (580,473) |
| At 31 August 2023 | 7,102,079 | £7,288,987 |

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

| | Market Value 31 August 2023 £ | Percentage of total 31 August 2023 % |
|---|---|---|
| Vanguard S&P 500 ETF | 1,540,626 | 21.7 |
| HSBC Global Fund ICAV | 487,294 | 6.9 |

| | Market Value 31 August 2022 £ | Percentage of total 31 August 2022 % |
|---|---|---|
| Vanguard S&P 500 ETF | £1,986,657 | 27.3 |
| Lumyna-Global Debt-GOVT UCITS FD | £639,947 | 8.8 |
| HSBC Global Fund ICAV | £448,463 | 6.2 |

## 10. DEBTORS

| | 31 August 2023 £ | 31 August 2022 £ |
|---|---|---|
| Debtors – donations and legacies receivable | 70,806 | 43,949 |
| Other debtors | 853 | 7,754 |
| Prepayments and accrued income | 577,255 | 829,299 |
| | 648,914 | £881,002 |

## 11. CREDITORS - Amounts falling due within one year

| | 31 August 2023 £ | 31 August 2022 £ |
|---|---|---|
| Accruals for grants payable | 1,140,755 | 1,541,211 |
| Trade creditors | 418,824 | 168,254 |
| Taxation and social security | 64,486 | 42,123 |
| Other creditors | 7,928 | 28,745 |
| Accruals and deferred income (Note 13) | 819,496 | 620,338 |
| | 2,451,489 | 2,400,671 |

## 12. CREDITORS - Amounts falling due after more than one year

| | 31 August 2023 £ | 31 August 2022 £ |
|---|---|---|
| Other creditors | 9,839 | 14,562 |
| Accruals and deferred income (Note 13) | 4,560,867 | 4,610,200 |
| | 4,570,706 | 4,624,762 |

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

## 13. DEFERRED INCOME

| | 31 August 2023 £ | 31 August 2022 £ |
|---|---|---|
| Balance as at 1 September 2022 | 5,109,731 | 5,341,981 |
| Amount deferred in the period | 657,450 | 968,681 |
| Amount released to income | (534,531) | (1,200,931) |
| Balance as at 31 August 2023 | 5,232,650 | 5,109,731 |

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

## 14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 August 2023 *(2022 - £Nil)*.

**Trustees' expenses**

During the year Sir Peter Lampl charged the Charitable Company £63,577 *(2022 - £60,786)* for the shared use of some employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £51,284 *(2022 - £40,581)* for general administrative costs incurred by the Charitable Company on his behalf.

£4,759 *(2022 - £25,195)* was owed to Sir Peter Lampl at the year end. This amount was settled promptly after the year end.

**Donations from Trustees**

During the year, donations of £314,241 (*2022 - £150,000*) were received from Sir Peter Lampl; a further £30,640 of deferred donations made in previous years were matched and released as income during the year, while £80,000 donations were deferred as at the year-end *(2022: £234,241 matched funding recognized was yet to be received from Sir Peter Lampl)*. The balance remaining at the year end on the matched funding account established for his committed donations was £Nil (*2022 - £234,241*) (see Note 10).

During the year, donations of £120,000 (*2022 - £30,000*) were received from other Trustees.

**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 year the Sutton Trust charged the EEF £18,094 *(2022 - £24,830)* for office space and overheads and £1,506 *(2022 - £13,956)* for some staff costs and third-party expenses. £853 *(2022 - £7,754)* was owed to The Sutton Trust by the EEF at the year end.

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

| | Year ended 31 August 2023 £ | Year ended 31 August 2022 £ |
|---|---|---|
| Net income and net movement in funds | (612,309) | (847,184) |
| Interest receivable | (129,503) | (9,195) |
| Dividends receivable | (45,776) | (47,876) |
| Unrealised loss on investments (Note 9) | 33,978 | 580,473 |
| Realised loss/(gain) on investments (Note 9) | 17,997 | (62,795) |
| Depreciation of tangible fixed assets less disposals | 30,326 | 40,338 |
| Loss on disposal of fixed assets | 1,832 | 629 |
| Decrease/(increase) in debtors | 232,089 | (401,851) |
| (Decrease)/increase in creditors | (3,553) | 929,758 |
| Net cash (outflow)/inflow from operating activities | (474,919) | 182,297 |

## 16. OPERATING LEASES

At 31 August 2023, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

| | Land and Buildings 31 August 2023 £ | Land and Buildings 31 August 2022 £ |
|---|---|---|
| Within 1 year | 122,796 | 122,796 |
| Between two and five years | 255,825 | 378,621 |

The above operating lease for the premises occupied by the Charitable Company expires on 28 September 2026.

## 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

## 18. STATEMENT OF FUNDS

| | Funds brought forward | Total Income | Total expenditure (including gains/(losses) | Transfers | Funds carried forward |
|---|---|---|---|---|---|
| **Unrestricted funds** | £ | £ | £ | £ | £ |
| General funds | 4,075,851 | 2,527,017 | (1,621,428) | 7,328 | 4,988,768 |
| Designated funds | 2,231,576 | 46,927 | (127,895) | - | 2,150,608 |
| | 6,307,427 | 2,573,944 | (1,749,323) | 7,328 | 7,139,376 |
| **Restricted funds** | | | | | |
| Alumni Engagement Programme | - | 125,816 | (125,816) | - | - |
| Apprenticeship Summer School | 33,986 | 125,000 | (149,494) | - | 9,492 |
| Employability Bursaries | 31,659 | - | (31,659) | - | - |
| Pathways to Banking & Finance | 300,479 | 51,378 | (219,780) | - | 132,077 |
| Pathways to Engineering | 161,383 | 110,000 | (211,655) | 10,000 | 69,728 |
| Pathways to Law | 55,962 | 274,448 | (547,004) | 255,883 | 39,289 |
| Pathways to Medicine | 146,629 | 95,674 | (217,149) | - | 25,154 |
| Pathways Online | 82,363 | 94,564 | (123,809) | - | 53,118 |
| Pathways General | 782,888 | 40,333 | - | (265,883) | 557,338 |
| Opportunity Bursary | 336,666 | 192,265 | (256,684) | - | 272,247 |
| Sutton Scholars | 7,328 | - | - | (7,328) | - |
| Sutton Trust Careers | - | 34,274 | (59,274) | 25,000 | - |
| Sutton Trust Careers Launchpad | 93,037 | 167,311 | (145,385) | - | 114,963 |
| Sutton Trust Careers Plus | - | 85,818 | (85,818) | - | - |
| Sutton Trust Online | 66,846 | 1,126,321 | (1,057,604) | - | 135,563 |
| Employability & Post 18 General Fund | 40,000 | 125,027 | - | (25,000) | 140,027 |
| UK Summer Schools | 1,169,657 | 725,652 | (1,140,614) | - | 754,695 |
| US Programme | 952,088 | 521,431 | (964,297) | - | 509,222 |
| Innovation Projects | 214,972 | 84,390 | (125,924) | - | 173,438 |
| Apprenticeship Research | 6,602 | - | (6,602) | - | - |
| COSMO: Cohort Study | 65,208 | - | (49,703) | - | 15,505 |
| Data Analysis & Insights | 14,472 | 80,269 | (92,889) | - | 1,852 |
| Early Years | 17,822 | 100,000 | (117,822) | - | - |
| Early Years Campaign | 20,771 | 125,000 | (59,846) | - | 85,925 |
| Employability Research | 44,928 | 142,500 | (75,573) | - | 111,855 |
| Research and Policy | - | 121,870 | (121,870) | - | - |
| | 4,645,746 | 4,549,341 | (5,986,271) | (7,328) | 3,201,488 |
| **Total funds** | 10,953,173 | 7,123,285 | (7,735,594) | - | 10,340,864 |

## 18. STATEMENT OF FUNDS (continued)

### Unrestricted General Funds

The unrestricted general fund represents the general reserves of the Trust which are not designated for particular purposes.

### Unrestricted Designated Funds

This represents the investment fund that has been set up to ensure the long-term sustainability of the Trust.

### Restricted Funds

***Alumni Engagement Programme***

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

***Apprenticeship Summer School***

A new employability programme to widen access to apprenticeships.

***Employment Bursaries***

Bursary fund to support Sutton Trust Alumni in the North West with their career development.

***Pathways General***

Funding received from a number of partners to support the Trust's wider employability programmes.

***Pathways to Banking & Finance***

A programme to widen access to university and banking related careers.

***Pathways to Engineering***

A programme to widen access to the engineering sector.

***Pathways to Law***

A programme to widen access to university and legal careers.

***Pathways to Medicine***

A programme to widen access to medical schools.

***Pathways Online***

Online programme to widen access to a range of sectors, including Banking, Consulting and Law.

***Opportunity Bursary***

Bursary fund to support Sutton Trust alumni with their career development.

## 18. STATEMENT OF FUNDS (continued)

**Restricted Funds (continued)**

***Sutton Scholars***

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

***Sutton Trust Careers***

A programme of employability and careers support for our alumni community.

***Sutton Trust Careers Launchpad***

Bursary programme for Sutton Trust alumni taking part in Sutton Trust career programmes.

***Sutton Trust Careers Plus***

An undergraduate programme to support non-privileged students during their degree.

***Sutton Trust Online***

A digital programme to expand the reach of traditional Sutton Trust programmes.

***Employability & Post 18 General Fund***

Funding received from a number of partners to support the Trust's wider employability programmes.

***UK Summer Schools***

The Trust's flagship programme supporting students to access the UK's leading universities.

***US Programme***

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

***Innovation Projects***

A new pillar of work, designed to invest in new activities that tackle specific challenges within the social mobility landscape.

***Apprenticeship Research***

A fund focussing on the Trust's Apprenticeship Research.

## 18. STATEMENT OF FUNDS (continued)

### Restricted funds (continued)

***COSMO: Cohort Study***

A major new national longitudinal cohort study which will examine the short, medium and long term impacts of the COVID-19 pandemic on educational inequality and social mobility.

***Data Analysis & Insights***

A fund focussing on building capacity within the Trust's data and impact function.

***Early Years***

A project to explore communication and early language.

***Early Years Campaign***

A fund focussing on the Trust's early years research.

***Employability Research***

A fund focussing on the Trust's employability research.

***Research and Policy***

A fund supporting the Trust's research into social mobility, and also supporting the Trust's work with policy-makers.

## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2023 | Designated 31 August 2023 | 31 August 2023 | 31 August 2023 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 66,720 | - | - | 66,720 |
| Investments | - | 2,150,608 | 4,951,471 | 7,102,079 |
| Debtors | 320,047 | - | 328,867 | 648,914 |
| Cash at bank and in hand | 4,912,106 | - | 4,633,240 | 9,545,346 |
| Current liabilities | (300,266) | - | (2,151,223) | (2,451,489) |
| Non - current liabilities | (9,839) | - | (4,560,867) | (4,570,706) |
| Total net assets | 4,988,768 | 2,150,608 | 3,201,488 | 10,340,864 |

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2022 | Designated 31 August 2022 | 31 August 2022 | 31 August 2022 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 63,001 | - | - | 63,001 |
| Investments | - | 2,231,576 | 5,057,411 | 7,288,987 |
| Debtors | 837,048 | - | 43,954 | 881,002 |
| Cash at bank and in hand | 3,493,837 | - | 6,251,779 | 9,745,616 |
| Current liabilities | (273,473) | - | (2,127,198) | (2,400,671) |
| Non - current liabilities | (44,562) | - | (4,580,200) | (4,624,762) |
| Total net assets | 4,075,851 | 2,231,576 | 4,645,746 | 10,953,173 |

## 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 2023 £ | 31 August 2022 £ |
|---|---|---|
| *Financial assets* | | |
| Measured at fair value through profit and loss | 16,647,425 | 17,034,603 |
| Measured at amortised cost: | | |
| Other debtors (Note 10) | 853 | 7,754 |
| Accrued income | 299,136 | 532,986 |

| | 31 August 2023 £ | 31 August 2022 £ |
|---|---|---|
| *Financial liabilities* | | |
| Measured at amortised cost | | |
| Trade creditors (Note 11) | 418,824 | 168,254 |
| Other creditors and accruals (Note 11) | 128,614 | 138,396 |
| Accrued expenses – grant accruals | 1,135,340 | 1,518,900 |

Financial assets measured at fair value relate to cash at bank and in hand of £9,545,346 (*2022 - £9,745,616*) and investments of £7,102,079 (*2022 - £7,288,987*).

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 £51,975 *(2022 - net losses £517,678)* attributable to the Charitable Company's financial instruments.

**THE SUTTON TRUST**

England & Wales - Charity number 1146244

# Accounts

# THE SUTTON TRUST

**A COMPANY LIMITED BY GUARANTEE**
**(Company Registration No. 07951541)**
**(Charity Registration No. 1146244)**

## REPORT OF THE TRUSTEES AND

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## 31 AUGUST 2022

THE SUTTON TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

## CONTENTS


| | Page |
|---|---|
| REPORT OF THE TRUSTEES | 1 - 20 |
| INDEPENDENT AUDITOR'S REPORT | 21 - 24 |
| STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT) | 25 |
| BALANCE SHEET | 26 |
| STATEMENT OF CASH FLOWS | 27 |
| NOTES TO THE FINANCIAL STATEMENTS | 28 - 50 |

**THE SUTTON TRUST**

**REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

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 year ended 31 August 2022.

The financial statements comply with the Charities Act 2011, and where relevant, the Charities Act 2022, 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) (published in October 2019) ("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<br>Tim Bunting<br>Sir Peter Gershon<br>Lady Susan Lampl<br>Professor Louise Richardson<br>Oliver Quick |
| **Executive Chairman** | Sir Peter Lampl |
| **Chief Executive** | James Turner (until 11/08/2022) |
| **Director of Development** | Doug Thomson |
| **Director of Programmes** | Laura Bruce (until 01/12/2022) |
| **Director of Innovation** | Binda Patel (from 01/09/2022) |
| **Director of Research & Policy** | Carl Cullinane |
| **Associate Director of Media & Communications** | Hilary Cornwell (until 28/02/2022) |
| **Director of Communications and Public Affairs** | Sam Fletcher (from 15/08/2022) |
| **Director of Finance & Operations** | Stefanie Kha |

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

| | |
|---|---|
| **Objects of Charitable Company** | The Trustees shall hold or apply the capital and income of the Charity for the following objects:<br>**(i)** To advance the education of the public and to improve educational opportunities for young people; and<br>**(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,<br>London, SW1P 4QP |
| **Website and Social Media** | www.suttontrust.com<br>@suttontrust |
| **Charity Registration Number** | 1146244 |
| **Company Registration Number** | 07951541 |
| **Auditor** | Rawlinson & Hunter Audit LLP<br>Statutory Auditor<br>Chartered Accountants<br>Eighth Floor, 6 New Street Square,<br>New Fetter Lane, London<br>EC4A 3AQ |
| **Bankers** | National Westminster Bank<br>57 Victoria Street, London,<br>SW1H 0HN<br><br>CAF Bank Limited<br>25 Kings Hill Avenue, Kings Hill,<br>West Malling, Kent<br>ME19 4JQ<br><br>Nationwide Building Society<br>Kings Park Road<br>Moulton Park, Northampton<br>NN3 6NW |
| **Investment Managers** | Rathbone Investment Management<br>8 Finsbury Circus, London,<br>EC2M 7AZ<br><br>J.P. Morgan Bank<br>60 Victoria Embankment, London<br>EC4Y 0JP |
| **Solicitors** | Bates Wells<br>10 Queen Street Place, London<br>EC4R 1BE |

## STRATEGIC REPORT

## OBJECTIVES & ACTIVITIES

### Charitable Aims

The aim of the Sutton Trust is to address educational disadvantage and to promote social mobility – the opportunities open to a young person from a lower income home. High levels of social mobility mean that people from all backgrounds are able to succeed in life and make the most of their talents and aspirations. It is 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 has five focus areas: Early Years, Schools, Apprenticeships, Higher Education and Access to the Workplace.

The Trust has a unique 'do tank' 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 25 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.

Following a large-scale review of the Trust's mission in 2020 and agreeing a bold 10-year vision which sees the Trust significantly expanding the number of young people supported through its programmes and focusses on further strengthening its research and policy function, the Trust has started working on its three-year implementation plan. We have seen the welcome return of some in-person programmes in 2021/22 and steady growth towards our 2030 vision for programme reach.

### Significant Activities

*Programmes* – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped almost 50,000 students since the Trust was founded, and reached 12,000 young people in this year.

*Innovation* – This is a new pillar of work, designed to invest in new activities that tackle specific challenges within the social mobility landscape. Building on the success of Sutton Trust Online, the Innovation team will focus on apprenticeships and school admissions in the first phase of work.

*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 250 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 other individuals, corporate supporters and foundations. We are delighted that members of the Sutton Trust alumni community give back to the Trust in a variety of ways.

## 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 Trust'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 9 to 12) 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 events.

The grant-making policy is published on page 16.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

### Programmes

With a record number of over 12,000 beneficiaries supported, our programmes portfolio has continued to grow and strengthen this year. The 2021/22 academic year saw a much-welcomed return to face-to-face delivery for the majority of our programmes, with many now navigating a "hybrid" approach of in-person events and online support for young people and alumni.

Alongside our core suite of programmes, we also launched a number of new initiatives including Pathways Online in Law and Banking, Pathways to Consulting, Opportunity Bursaries alongside Sutton Trust Careers and Careers +, which included a Bloomberg bursaries strand.

*Academic Year Summary 2021/22*
The Trust have supported record numbers of beneficiaries in the last academic year with highlights including:

- 18,000+ applications to our programmes
- 12,000+ individuals supported - including ~10,000 young people, ~1,800 alumni and ~500 teachers
- This is three times the total beneficiaries and two and a half times the number of young people compared to 2018
- Over 1,100 individuals took part in a Sutton Trust-run work experience and over 350 students attended one of our Pathways conferences
- Our alumni bursary and Pathways to Medicine programmes are the most oversubscribed, with Summer Schools and US Programme both also remaining highly oversubscribed

*Strategy Update*
The 2021/22 academic year saw the end of the 5-year vision set by BCG in 2018 and this academic year is the final year of delivery plans set in 2020. We are pleased to report we have met all our strategic goals to date, with highlights including:

- 17 programmes running in 2022 compared to 9 in 2018
- Achieved geographic expansion into Scotland, Wales, the northwest, and the northeast of England
- Now offering 3 in 4 applicants a place on a Sutton Trust programme, compared to 1 in 4 in 2018, which is largely due to Sutton Trust Online launching
- Launched digital and alumni programming
- Expanded our partnership base to 30 leading universities in the UK and US and over 100 corporate partners

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*Impact Update*
This year we have worked with the Institute for Employment Studies (IES) to create a Sutton Trust control group from our unsuccessful applicant pool. This group have been matched on grades, wider socio-economic background and importantly for us, for the first time, as they were applicants to our programme, they are somewhat matched for motivation.

The findings show:

- Most notably, Sutton Trust Summer School students are two times more likely to access leading universities than the control group
- University access rates have remained stable for Sutton Trust students across programmes: ~90% go on to enrol to university
- ~40% of students attend a university in the Sutton Trust consortium for their programme, with ~16% enrolling at the university they did their programme with
- Access to Higher Education, in general, is similar amongst Sutton Trust students and the control groups, however Sutton Trust students are more likely to attend leading universities. Sutton Trust Summer School students are overall more likely to attend university than the control groups.
- Students completing the Sutton Trust Pathways programmes are more likely to go on to studying the subjects related to the Pathway they were on, compared to the control groups.
- Sutton Trust students continue to perform above the national average in degree outcomes – over 90% receiving 2:1 and Firsts
- 1 in 3 Pathways to Law students go on to work in the profession

We have also been able to use these control groups in our UCAS Strobe submissions which show uplifts in application rates, offer rates and offer acceptance rates for Sutton Trust students compared to both the Sutton Trust control group and the more generalised UCAS Strobe control group.

*Sutton Trust Online (STO)*
Sutton Trust Online has continued to grow and develop this year with a focus on increasing engagement with the "STO Core" programme students – those offered digital only. 9,304 students enrolled on the platform of which 5,839 were STO Core students – an increase of 1,658 from 2020/21.

The end of Phase 1 of the project has seen over 22,000 students engage with STO since July 2020 and we are now looking at launching Phase 2 of the project in the 2022/23 academic year. The key aims of which will be to reach 50,000 students across the next three years and to:

- **Broaden the reach** of STO through increasing student sign up
- **Deepen the impact** by increasing student engagement through enhancing university, employer and alumni created content, integrating new technologies and piloting support for two key influencers in students' lives: parents and teachers
- **Better understand what works** in digital programmes through further evaluation of the pilot phase and commissioning evaluation on the second phase

The project has continued to be recognised externally for its impact with a win (category: Extraordinary Impact) and a nomination (category: Best Learning Project) at the Learning Pool Awards.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*UK Summer Schools*
2,700 students attended a Summer School this year across our 13 partner universities. With the first year of face-to-face programming in three years, we were delighted to welcome so many students across our partner campuses. Notably, the University of St Andrew's has trialed a concurrent face-to-face and a digital programme, which we will evaluate next year. The transition back to face-to-face programming ran relatively smoothly. Universities have reported an increase in welfare support for students due to the impact of coronavirus on mental health and independence of some young people, which we are exploring for future provision. We also had reports of the most academically engaged groups of students that university academics had ever worked with which was a positive sign given the impact of the pandemic on attainment and learning.

Whilst we await evaluation for the year, our immediate exit surveys of students show that:

- 93% would apply to a selective university following the programme – a 17 percentage point increase from the baseline
- 90% improved their skills
- 92% improved their ability to make informed decisions

These statistics are all higher than last year's digital programme.

*"Before attending this programme I was unsure of applying to university, but after attending, gaining experience, and learning about new opportunities I am excited to start a future towards the career I dream of doing" – UK Summer School Participant 2022.*

*Teacher Champions*
467 teachers attended one of our Teacher Champions webinars this year, which cover topics such as how to support students in writing personal statements, the broader social mobility context relevant to schools and information on Sutton Trust programmes and activities. This is a decrease on the previous year, which we attribute to a return to in-school teaching and the time pressures currently faced by teachers. Engagement is a key focus for us moving forward in this area and so following teacher feedback we are trialing new sessions that allow for peer-to-peer learning and focus on apprenticeships.

Alongside our programme delivery, we have also developed a Teacher's Guide that has been sent to all 16-18 providers in the UK and are piloting a project which sees alumni visiting target schools in cold spot areas. Both of these projects aim to increase engagement with the Trust amongst target schools we have historically struggled to engage.

*US Programme*
The US Programme was delivered both in person and virtually in 2022. There was no trip to visit US universities in the summer of 2022 but an in-person residential was held in London where students received targeted support with applying to US colleges, attended virtual tours and attended an event at the US Embassy.

51 students from Cohort 10 (who started the programme in 2021) were successful in gaining a place at a US university this year. The team have supported all students to access visas and to navigate covid requirements to begin their education in the US, rather than studying remotely from the UK.

150 students formed Cohort 11 of the programme. 76 of these have opted to continue to Part 2 of the programme, which sees students supported to apply to US institutions. The 2022/23 programme will launch in the autumn and is aiming to return to face-to-face delivery with some online elements.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*Pathways to the Professions*
1,106 students took part in a Pathways programme this year, an increase of 134. This is due to the launch of our Pathways Online programmes in Law and Banking which supported roughly 50 students each, and the launch of Pathways to Consulting in collaboration with Bain, BCG, McKinsey and Oliver Wyman. These new initiatives aimed to reach students from across the UK who previously could not apply to our programmes due to geographical limitations and ran alongside our existing programmes in law, banking and finance, engineering and medicine.

*"I have gone from not knowing much about consulting to envisioning myself working for some of the companies I've met through the programme. Doing this programme virtually makes it a lot more accessible and easier for me as I can fit it into my timetable without having to worry about travel. Learning virtually also allows me to talk to people who I wouldn't be able to talk to normally, especially when they themselves are busy working for large companies." - Pathways to Consulting student, 2022*

Focusing again on geographical reach, we successfully piloted new strands of work with the University of Liverpool this year to grow our presence in the northwest and are looking forward to expanding Engineering to Cardiff University and Banking and Finance to the University of Leicester over the next academic year.

Our work with corporates continued to grow this year, again hitting record numbers of 107 employers involved and ~700 hours of volunteering given by our corporate partners.

*Apprenticeships Summer School*
87 students attended our first face-to-face Apprenticeships Summer School this year, which ran at the University of Warwick and included sessions from Amazing Apprenticeships, The Money Charity, Mercedes, PWC, Irwin Mitchell, British Airways and Health Education England.

This Summer School concluded our final year of the Phase 1 pilot, which we evaluated externally. The evaluation has shown that:

- Students are benefiting from the programme particularly around awareness raising and confidence in understanding apprenticeships
- Attraction to the programme remains a barrier
- Availability of high-level apprenticeships remains a barrier
- Students may need longer term support in addition to a residential, focusing on supporting applications to employers

The team are now working on updating the programme design for Phase 2 of the project to address these findings and we are also working with the Innovation Team to support the National Apprenticeship Taskforce and ensure its aims help address the barriers faced in programmes.

*Alumni*
Our work with alumni has grown significantly over the last year with the launch of four programmes and an increase in engagement with our community and wider engagement activities. With over 50,000 alumni in our community, of which around 33,000 are contactable, we are delighted to be growing our presence and receiving such positive feedback from our work.

Some highlights from the programmes this year include:

- The first cohort of 51 alumni selected for the Opportunity Bursary programme, supported by J.P. Morgan. With just over £215,000 of funds awarded, alumni have taken part in projects like volunteering to support women workers in Costa Rica, running philosophy extracurricular sessions for primary school children, or taking film production courses, among many others

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

- The first cohort of 35 alumni selected for the Bloomberg strand of Careers+, accessing £3,000 of bursary funding each
- Both bursary programmes have seen 100% engagement rates from alumni, which is a remarkable achievement for the team
- 153 alumni taking part in our inaugural Sutton Trust Careers programmes, attending webinars on sector insights and sessions on core skills such as CV writing and interview skills
- 65 alumni taking part in Careers+ work experience placements across the legal sector

*"Due to the incredible opportunities that this bursary has given me and the extra confidence in my abilities that the experience has instilled in me, I am more excited about the future than ever before." - Opportunity Bursary Recipient 2022*

In terms of wider engagement, we are delighted to see our alumni infrastructure improve with our alumni platform, Sutton Trust Alumni (STA), now integrated with Sutton Trust Online (STO), meaning a smoother transition into our alumni community. Over 20% of alumni activated their profile with us in the first six weeks of being invited to the platform, already five percentage points higher than last year in total.

Further highlights from the year include:

- An increase in alumni giving back their time and expertise to the Trust, supporting our research, students, and fellow alumni, with over 260 volunteers giving over 650 hours in total of their time.
- An alumni awards event with four alumni recognised for their commitment to social mobility
- Three alumni becoming members of our Fellows board
- Our 25 case studies for 25 years campaign as part of the Trust 25th anniversary celebrations https://www.suttontrust.com/25th-anniversary/

### Innovation

We have a unique position as a trusted and respected organisation to harness our expertise to innovate so we can overcome new and existing social mobility challenges. We want to build Innovation as a new pillar of work at the Trust, which complements and enhances our research, policy, and programme activities.

In the summer of 2022, we held our first Innovation Steering Committee where the group was presented with several ideas to assess and review. Two exciting project areas were selected by the group:

***The National Apprenticeships Taskforce.*** A network of employers who are committed to widening access to higher apprenticeships across the UK by:

- Collecting and sharing data on the socio-economic backgrounds of their apprenticeship workforce
- Offering work placements to school students
- Engaging schools, students, and parents through outreach activities
- Using fair recruitment methods
- Creating an inclusive working culture that encourages progression and retention

We expect to see an increase in engagement with employers over the course of the project, with the overall aim of seeing an increase in the number of higher level apprenticeships on offer to students from lower socio-economic backgrounds.

***Fairer Schools Admissions.*** Schools that have a more balanced and mixed intake have far-reaching benefits, from better levels of overall attainment, to improved teacher recruitment and retention. This is currently not the case and high-performing schools are becoming increasingly segregated. We are running a series of activities to raise awareness of the issues by:

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Innovation (continued)

- Deepening our research on schools' admissions from 2020 to strengthen our evidence base and refocus attention
- Developing an advisory board of sector experts to offer insight, develop action plans and be a critical friend to the Trust
- Creating resources to help schools to navigate the topic and offer practical tools on how they can change their admissions policy
- Running awareness raising campaigns to encourage schools to sign a pledge, committing to reviewing their policies and implementing change
- Evaluating and monitoring progress of areas / schools that change their policies to determine impact and share best practice with others

Change will take time, but we hope that focussing the attention on the issues and empowering schools with the knowledge and resources to change their admissions policies will help move the dial.

The nature of innovation is to respond to new challenges and issues, to adapt and remain fluid in our approach and thinking. We will be constantly reviewing progress, creating a healthy pipeline of new activities, embedding our work across the organisation, and growing the team over the coming year.

### Research, Policy and Communications

Following a period of intense focus on the impact of the COVID-19 pandemic on education in 2020 and 2021, the past year has seen the acute stage of the pandemic subside, with no further periods of school closures (albeit with some pandemic-related disruption continuing). Our research and policy activity over the past year has reflected this, with a gradual return to outputs focused on the long-term issues for social mobility and education, alongside continuing to shine a light on the ongoing impact of pandemic disruption on disadvantaged young people.

We have published 11 pieces of research, including eight research reports covering topics from careers advice to university access, and a blog series looking at the views of experts across the education sector about post-pandemic recovery. Our work continues to cover a wide range of issues within social mobility from early years through to access to the workplace.

We published several landmark pieces of work this year, including Social Mobility and Universities, a collaboration with the Institute for Fiscal Studies that, for the first time was able to estimate the impact of individual universities on the social mobility of their graduates. We also published a piece to celebrate the 25th anniversary of the Trust giving an overview of recent evidence on social mobility, since the Trust's landmark report on intergenerational mobility, published in 2005.

We also successfully established the Covid Social Mobility and Opportunities (COSMO) Study – a major national longitudinal cohort study that is examining the immediate and long-term impacts of the COVID-19 pandemic on educational inequality and social mobility. Jointly led by the Sutton Trust, the UCL Centre for Education Policy and Equalising Opportunities (CEPEO) and the Centre for Longitudinal Studies, the study was launched in autumn 2021 with a £4.6m grant from UK Research and Innovation with the funding going directly to UCL CEPEO and the Centre for Longitudinal Studies. This was a significant step forward for the Trust's research work. The study hit its target response rate, recruiting over 13,000 young people across the country, and its funding was renewed for a second year (2022/23). The first findings from the study were due to be published later in autumn 2022.

The Trust's 'A Fair Start' campaign – which calls for equal access to the government's 30-hour childcare entitlement – has continued to receive high levels of engagement from across the sector.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

*Research Output (highlights)*

*A levels and university access 2022 (August 2022)*
Following the publication of similar pieces in 2020 and 2021, this report looked at the issues facing exams and university access in the year, which is the first year in which formal exams have returned post-pandemic. Headline findings were that 72% of teachers believed the attainment gap will widen at their school and 71% of working-class students were worried about getting into their first-choice university.

The findings were covered in the Independent, the Guardian and the Daily Mirror as well as on national radio and TV news channels.

*Social Mobility: Past, Present and Future (June 2022)*
Authored by Andrew Eyles, Lee Elliot Major and Stephen Machin (from the Centre for Economic Performance and the University of Exeter), this report looked at the latest developments in social mobility research since the Sutton Trust's landmark 2005 report, as well as how the field has changed and developed over the last 25 years. The report found some progress in social mobility in that time, but large gaps remaining by background in the likelihood of climbing the income ladder, ending up in a higher social class, or securing a university degree.

This piece was published to mark 25 years of the Sutton Trust and was covered in the Guardian, the Independent and by a piece by Sir Peter Lampl in the Times.

*Education after the pandemic – Build Back Better (April and May 2022)*
Following a range of interviews with experts across the education sector, this blog series took a closer look at challenges and opportunities after the pandemic, including the Sutton Trust's key priorities, such as the balance between higher education and apprenticeships / further education, and the digital divide. The aim of the series was to open up the conversation about what exactly 'building back better' could mean for education and has enabled us to highlight several issues within education policy in the wake of the pandemic.

*Paving the Way (March 2022)*
This report looked in detail at careers guidance in England, exploring the options that are currently available to young people, their engagement with the activities and opportunities on offer, and any barriers to improving provision in schools and colleges.

It found that less than a third (30%) of Year 13 students have completed work experience. Furthermore, when considering the topics covered in career guidance, only 10% of Year 13s said they have received large amounts of guidance on apprenticeships, over four times less the amount that said the same for university (46%).

The report has led to substantial policy engagement on the findings and recommendations, including an invitation to give evidence to the Select Committee Inquiry on careers advice, and engagement with the Department for Education, the Careers and Enterprise Company, Engineering UK and others.

*Bridging the Gap (February 2022)*
Authored by the Bridge Group, this report provides a closer look at access to and progression within engineering, focusing primarily on those in higher managerial and professional roles. It revealed that engineering is more socio-economically diverse than other sectors, such as law, medicine and journalism, but that barriers to the profession still remain, particularly when it comes to progression to managerial roles.

The piece received coverage in the Daily Express, trade press, and hundreds of regional outlets. We also engaged with the House of Commons Science and Technology Committee on this report, giving oral evidence to the Committee on the topic of diversity in STEM.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

*Research Output (highlights) (continued)*

*School disruption January 2022 (January 2022)*
This piece of polling surveyed teachers over the winter term of 2021-22 to look at levels of staff absences across different school types and regions, access to devices in the context of a renewed demand for remote learning and the key issues facing schools during this period.

We found that teacher absences were more common in state schools compared to private schools, with over a quarter (28%) of state school teachers saying non-teaching staff were covering lessons.

The release received coverage in the Guardian, Daily Mail, Evening Standard, and others.

*Apprenticeship Outreach (December 2021)*
In this report we looked at access to apprenticeships and the outreach that employers undertake to encourage more young people to take them up. We found that an increasing number of degree apprenticeships are going to older, existing staff, and they are also more likely to be taken up by those in more affluent areas. The report also included recommendations to help employers improve their outreach work.

*Universities and Social Mobility (November 2021)*
Disadvantaged young people are four times more likely to become socially mobile if they attend university, according to this landmark report on the role that universities play in promoting social mobility. The research calculated a 'mobility score' for each university, based on how many disadvantaged students get in, and how well they do after graduation, allowing us for the first time to explore in detail how this varies by institution and course.

We produced an interactive data visualisation including the full list of universities in our social mobility ranking, filtered by course and subject. The report was covered in BBC News, the Times, the Guardian, the Telegraph, the Independent and the Daily Mail, receiving nearly 7,000 reads.

*Going Further (October 2021)*
This report, commissioned in partnership with the Centre for Vocational Education Research at the London School of Economics and Political Science, examines various pieces of evidence relating to the relationship between Further Education (FE) participation and outcomes, such as access to well-paid employment and progression to higher education.

Researchers found that at both FE colleges and schools there are significant gaps in earnings outcomes between those eligible for free school meals and their more advantaged classmates.

*Policy Advocacy*
The Trust's research remains an authoritative source on social mobility within parliament – with 47 parliamentary mentions of our work over the past year. We continue to engage closely with relevant Committees across both Houses. Following the publication of our research on careers advice in March 2022, we directly engaged with the Education Select Committee on their inquiry into effective careers guidance and gave oral evidence on the topic to the Committee in September. We have also inputted into the Education Select Committee's inquiry into the future of post-16 qualifications, and our Senior Research and Policy Manager, Dr Rebecca Montacute, gave oral evidence to the Science and Technology Committee on diversity in STEM.

Higher education (HE) reform has been a key priority for the government during the year, and the Trust has engaged with the Department for Education on this issue through responses to the consultations on HE reform and the introduction of the Lifelong Loan Entitlement, along with meeting with relevant civil servants. We also continue to engage with the Office for Students (OfS) on their evolving priorities. We have submitted responses to the Office for Students' consultations on its new approach to outcomes, changes to the Teaching Excellence

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

*Policy advocacy (continued)*
Framework and its proposed strategy for 2022-25. We continue to work with the OfS to ensure that access and widening participation remain central to its priorities.

The past year has been key for our 'A Fair Start' campaign, which calls for an extension to the 30-hours childcare and early education entitlement, following the publication of our research on the issue last summer. We have met with No10, the Department for Education (DfE) and the opposition to discuss the campaign. We have also gained support from a wide range of stakeholder organisations, including the Social Mobility Commission, the Association of School and College Leaders (ASCL), the KPMG Foundation and Nesta. Most recently, the Trust organised a nursery visit with Shadow Education Secretary Bridget Phillipson, to showcase the benefits to both children and their parents of extending the 30-hours policy.

In a rapidly changing political landscape, we will be engaging with both the new Department for Education ministerial team and Opposition parties to advocate for our key policy priorities over the coming months.

*Communications Reach*
Following two years of exceptionally high media coverage and digital communications reach linked to high public interest in education during the pandemic, our reach has dipped somewhat in the past year, back to levels seen pre-pandemic.

The Trust is regularly quoted and interviewed as a leading expert in response to the wider education agenda. Once again, we led the agenda when this year's GCSE and A Level results were released, releasing a key research report before results day, and providing rapid analysis on the day which had wide take up across the media.

Between September 2021 and August 2022 our research received over 2,600 mentions in the media, across print, online and broadcast outlets, including over 115 mentions in the national news. Our digital presence continues to grow; in the past year we have gained over 3,300 new Twitter followers, taking our following up to 60,600. We have increased our LinkedIn following to 19,000 and our Instagram following to over 4,500. Our website was viewed around 600,000 times across the year.

### Development

Thanks to the generous support of more than 160 donors to the Sutton Trust, we closed the financial year 2021/22 in a strong position.

We typically track two key metrics in monitoring our fundraising performance; cash received during the year and new funds secured. The latter being a measure of new business, some of which is in the form of multi-year commitments that are realised as cash over time.

The figures for the past two full years are:

| **2021/22** | | **2020/21** | |
|---|---|---|---|
| New funds raised: | £2.6m | New funds raised: | £11.6m |
| Cash received: | £5.4m | Cash received: | £10.6m |

(Note: The cash figures may differ from the accounts, which have been prepared on an accruals basis)

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Development (continued)

The New Funds Raised figure for 2021/22 is lower than the previous year. 2020/21 was an exceptional year, given the commitment of more than £5m from JP Morgan for Opportunity Bursaries (now in a restricted fund), that we deferred some new asks of our leading donors given the programme underspend in 2020 and 2021, and that a number of major gift renewals fall due in the first few months of the 2022/23 financial year. As a result, our projections for New Funds Raised in the coming year are consistent with our longer-term growth trend. The cash figure of £5.4m for 2021/22 was as projected when the budget was set.

*Fundraising Highlights*
2021/22 has been a year of consolidation and a focus on stewardship of the growing pool of donors to the Sutton Trust. It has been good to meet with donors more freely again as things have opened up during 2021/22 and we have been pleased to host a number of programme visits and other events such as the 25th anniversary celebration.

This increased engagement has enabled renewed growth of the Fellows group of donors, with several new donors joining during the year. Pleasingly this includes members of the alumni community and individuals from within some of the corporate partners who are involved in our programmes.

We were pleased to have received generous support for the research programme in the form of a matched fund from Founder and Executive Chairman Sir Peter Lampl and from a range of foundations and individuals.

### Financial Review

In the financial year under review income receivable, including grants, gifts, pro-bono support, interest and investment income was £5.8m, a 5% decline on the previous year (2021 £6.1m) and expenditure was £6.3m, a 40% increase on the previous year (2021: £4.5m). The total funds of the Trust decreased to £11.0m, a decrease of 7% during the year (2021: £11.8m). The decrease in funds is in line with expectations, due to the return of face-to-face delivery and programmes expansion as outlined in the previous sections. It is the Trust's aim to reduce its reserves, particularly those accumulated during the pandemic and restricted to particular programmes, in a measured and sustainable way.

For the year, income fell short of expenditure by £0.8m (2021: exceeded by £2.1m) of which £1.1m is within restricted or designated funds.

*Income*
Restricted income received in the year was £4.6m, 78% of total income received (2021: 82%) from over 100 different organisations and individual donors providing funding to programmes and research. Unrestricted income received in the year was £1.2m, 21% of total income received (2021: 18%).

Pro-bono services of £0.2m were received in the year, which are fully included within restricted income. No pro-bono services were received in the previous year.

*Expenditure*
Total expenditure on charitable activities was £5.4m, a 38% increase compared to the prior year. This increase reflects the cost impact of returning to face-to-face and hybrid delivery on the majority of programmes compared to the previous year, when residential student activities and events were either cancelled or moved online due to the ongoing pandamic.

Total expenditure on generating funds has stayed consistent compared to the previous year at £0.6m, reflecting the continued investment in the Development team to ensure the continuing success in building long-term relationships with funders and other activities as set out in the Development section on pages 12-13.

In light of the continued fundraising successes and its accumulated reserves position throughout the pandemic, the Trust has played a highly proactive role in regularly updating its funders about programme and research

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*Expenditure (continued)*
activities at the Trust and the financial implications on their funding. Plans are in place for funding accumulated during the pandemic to be spent down responsibly over the next couple of years with funders continuing to be kept informed of the progress. As a result, the Trust has set a series of deficit budgets with expenditure due to exceed income for the next couple of years.

*Charitable Funds & Cash*
Restricted income funds at the year-end fell by £0.8m, or 15%, to £4.6m. As detailed above, this is due to a planned reduction in accumulated funds during the pandemic. The detail of the restricted fund balances by programme are shown in Note 18.

Unrestricted income funds increased by 7%, to £4.1m, in the period, due to the reduction in office costs, a number of vacancies throughout the year and delay in central expenditure as a result. The reserves policy of the Trust is explained on pages 14-15.

The designated fund, created in 2019 and fully invested at the start of the year in accordance with the investment policy of the Trust, generated a negative annual return of £289k, or -11%, with a market value of £2.2m at the year-end.

Cash held at period end was £9.7m of which £6.2m relates to restricted funds and £3.5m to unrestricted funds. As per the section above, it is the intention of the Trust to significantly reduce the level of cash held in relation to its restricted funds. At the time of writing this report, work is underway to review investment opportunities for the Trust's unrestricted cash.

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

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 services can continue uninterrupted through to completion.

Reserves include restricted and unrestricted funds. Unrestricted funds can be used at the discretion of the Trustees. The restricted funds may only be used for the purposes specified by the donors.

At the year end, total funds carried forward are £11.0m, which breaks down into £4.7m restricted funds, £2.2m of designated funds and £4.1m of general unrestricted funds.

**Restricted funds** are specified and allocated for the different programmes and research projects undertaken by the Trust. The level of restricted funds has risen significantly during the pandemic due to the continued cost savings caused by reduced face-to-face activities. The Trust is working closely with its funders to ensure funds accumulated are spent responsibly over an extended period. A breakdown of the restricted funds by programmes can be found in Note 18.

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

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

**Financial Review (continued)**
*Reserves Policy (continued)*
**Unrestricted funds** consist of:

- Free Reserves of £2.7m. This amount is expected to cover the budgeted operating costs for the next financial year, including staff salaries.
- Fixed Asset Fund of £0.1m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- General Reserves of £1.3m. This amount is set aside to finance fluctuations in cashflow, to continue running programmes in the short-term, in the absence of a funder or to trial new programmes prior to seeking external funding. It is important to note that many of the programmes are planned for a multi-year period and this level of funding is a source of finance.

The Trustees review the way in which unrestricted funds are allocated with the aim of maximizing the amount available for charitable activities whilst ensuring that an appropriate level of reserves is maintained for the purposes set out above. The Trustees consider the level of reserves held at period end to be reasonable.

*Investment Policy & Performance*
The Charity relies on professional fund managers for the day-to-day running of its investment portfolio. The appointed fund managers manage the portfolio on a discretionary basis, with the fund managers taking all investment decisions in line with the investment objectives and risk profile agreed by the Trustees.

The Trust holds two separate investment funds – the designated investment fund for long-term sustainability and the (restricted) opportunity bursary fund – managed by Rathbones Group PLC and J.P. Morgan Bank, respectively, on behalf of Trust.

Each investment portfolio is allocated to the following asset classes: equities, fixed income and cash, and alternatives, with target allocations varying in line with the purpose of the specific investment (see below). The investment objectives of each investment reflect their medium-to-long term nature and 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

*Designated Investment Fund for long-term sustainability*
The fund was designated in 2019 with an initial cash investment of £2m. At the end of the year, the fund value was £2.2m with an asset allocation of 55.3% equities, 22.4% fixed income, 21.1% alternatives and 1.2% cash holdings.

The portfolio hasn't performed too well due to the challenging conditions in the period caused by the war in the Ukraine and the sustained levels of inflation experienced in the UK. The investment performance in the year is -13.4% net of fees and charges, which is behind the Trust's investment objectives for the fund. This also compares unfavorably with Rathbones' composite benchmarks (-8.9%) corresponding to the Trust's investment strategy. All income and gains are reinvested into the fund.

*Opportunity Bursary (Restricted) Fund*
The fund was established in 2021 with an initial cash grant of £4.8m and additional donations of £0.3m. At the end of the year the fund value was £4.9m with an asset allocation of 59.3% equities, 36.6% fixed income, 0.7% alternatives and 3.4% cash holdings.

The fund has also performed as well as would have be hoped for in the year, generating a return of -4.6% net of fees and charges, which is behind the Trust's investment objectives for the fund. While this portfolio has much larger overseas exposure than the Trust's Designated Investment Fund, performance has equally been affected by global inflation and global supply chain risks in the connection to the war in the Ukraine. The fund performance compares favourably with J.P. Morgan's composite benchmarks (-6.5%) corresponding to the Trust's investment strategy. During the year, £150,000 has been withdrawn from the fund in line with the grant conditions. The principal of the grant and the associated investment income is shown within deferred income in Note 13.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*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 Executive Team. Within these parameters, approval for individual commitments is discussed at regular meetings involving 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.

## PLANS FOR FUTURE PERIODS

The Trust will continue to progress towards its ten-year vision, which through its programmes seeks to reach 25,000 young people annually by 2030, to extend its research and policy impact, and do so in a financially sustainable way. In 2022/23 we will implement the third year of our three-year plan, which brings together priorities in programmes, innovation, research, policy, communications and development, as covered in the sections above.

Our central approach will remain the same, with a focus on directly supporting high ability, low/middle income young people through our programmes, and our research and advocacy work taking a wider look at the causes and potential solutions to low social mobility and educational inequality, from early years through to access to the workplace. Bringing these together – so that our research informs our programmes and both give traction to our policy asks – will remain a critical aspect of our approach.

On the programmes side, we will continue and extend the scope of Sutton Trust Online (STO), which is a key component in reaching more young people, aiming to double the number of online participants. A key focus for the year will be in gathering more evidence on the efficacy of purely online programmes, hybrid and face-to-face interventions. STO will introduce additional online modules that engage with parents/guardians and teachers as they seek to support young people with their university and career choices. New programme activity will include scoping programmes in tech and creative industries and onboarding new partners including the University of Sheffield, University of Leicester and new programmes at the University of Cardiff.

On the research and advocacy side, we will ensure a continued focus on responsive, agenda-setting research that aims to influence policy and keep social mobility as a top priority. We are mindful of the political disruption seen in 2022 and the need to consider the implications of a likely general election by 2024 at the latest.

## PLANS FOR FUTURE PERIODS (continued)

The COSMO study, mentioned above, is a key means of forwarding this objective, and the first findings of this will be published early in 2022/23. In addition to the core survey work of this report, which reaches 13,000 young people, their teachers and parents/guardians, the Sutton Trust will focus on an additional "opportunity cohort" of those from disadvantaged backgrounds who have high academic potential. Themes that will be informed by the major study include education recovery provision, academic attainment, mental health and wellbeing and ultimately higher education and employment destinations.

Notwithstanding recent changes in the political landscape, the Trust continues to have good access to civil servants, ministers and the media which has enabled us to effect change, while remaining nonpartisan and appealing to decision-makers from a range of backgrounds. Our plans in the coming year will capitalise on this by targeting our research to address specific issues which are important to decision-makers, as well as continuing to focus on long term issues, and by drawing more on international examples which can be translated to the UK context.

In 2022/23, we have some key objectives for the fundraising programme, which are to secure multi-year revenue funding for flagship programmes, continue to raise unrestricted or flexible funding that allows the Trust to be nimble and responsive as new needs and opportunities are identified, raise funds for the research programme, for which we have continue to have a matched funding opportunity for 2022/23 and 2023/24. In addition to these revenue fundraising priorities, we will resume our planning for a campaign to secure long term endowment funding for the Sutton Trust.

## 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. The Trust currently has six trustees who 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 Trust's Commitment to Good Governance Code

In 2018, the Trustees reviewed the voluntary Code of Governance and undertook an internal audit 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 paperwork 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. This will be kept under review.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### 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, Director of Research and Policy, Director of Communications and Public Affairs, and Director of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2021/22 stands at 38 staff.

### Remuneration Policy

The Sutton 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 Sutton Trust:

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

The Trustee Board have delegated the responsibility for the authorisation of any pay increase (>£10k) to the Executive Chairman, as part of the Sutton Trust approval matrix. This arrangement is reviewed annually.

The pay of the Chief Executive 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 three months for the Executive Team. Pension provisions are set within the Chief Executive's wider compensation package. The Executive Team are on the same terms as other employees. Auto enrolment takes place in line with pension legislation.

### Related Parties

The Trust 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 some 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 Charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charity 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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Internal Controls & Risk Management (continued)

A full annual planning and budgeting process is in place, and the Charity considers risks as part of all its activities.

Notable risks identified in the period and actions to mitigate the impact include:

- Bigger burden placed on the team because of more direct and digital delivery as the Trust grows, especially increase in demand for safeguarding support from partners. Actions to mitigate the impact include the ongoing review of resources and staffing to manage capacity, including new appointments, legal support; and the additional use of organisations with the relevant expertise through outsourcing arrangements.
- Increased staff turnover following two years of minimal turnover during the pandemic combined with challenges recruiting in a fluid post-Covid employment market. Actions to mitigate include benchmarking to ensure salaries and benefits continue to be competitive, introduction of hybrid working policies and ongoing dialogues with staff.
- Ensuring the Trust remains a distinct and respected voice in a busier educational landscape. Actions to mitigate the impact include clarity in terms of focus and policy objectives, working with partners with a strong track record, speed of turnaround to ensure relevance and leveraging the link with the ongoing programme work being undertaken.
- As we grow our programme work, ensuring we reach students who need our support the most, especially in underserved areas of the country, will become even more important. The Trust has already undertaken various pieces of analysis to better understand the makeup of our target population and are reviewing our school and college engagement strategy for applications from 2022/23 and beyond.

**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 2019 ( FRS 102)).

The Trustees have considered the financial budget for the next financial year, 2022/23, and its medium-term strategy. The plans show a robust pipeline of pledges and projected fundraising income in addition to detailed cost budgets for programmes and activity including administrative costs. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the political and economic landscape, and its potential implications on fundraising and programme delivery and support (see Reserve Policy on page 14-15).

Considering the above, the Trustees believe that the Trust has adequate resources to continue successfully for the foreseeable future. Therefore, the annual report and financial statements have been prepared on a going concerns basis.

**Fundraising Approach**
The 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 2021/22, 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 www.suttontrust.com/complaints-procedure/.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Fundraising Approach (continued)

For staff, this is also available in the staff handbook. In 2021/22, 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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: 21/02/2023

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

## THE SUTTON TRUST

### Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2022 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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

### Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### 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.

**Other information (continued)**

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

- the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate 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.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- the analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charitable Company for previously unreported related party transactions;
- reviewing correspondence and agreements between the Charitable Company and its grantees, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- reviewing correspondence and agreements between the Charitable Company and its donors, and discussion with the management in relation to compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

**Use of our report**

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

Rawlinson & Hunter Audit LLP

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

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

Date: 21 February 2023

THE SUTTON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | Unrestricted Funds General Funds Year ended 31 August 2022 £ | Designated Funds Year ended 31 August 2022 £ | Restricted Funds Year ended 31 August 2022 £ | TOTAL FUNDS Year ended 31 August 2022 £ | TOTAL FUNDS Year ended 31 August 2021 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and legacies | 2 | 1,204,039 | - | 4,568,566 | 5,772,605 | 6,087,801 |
| Investments | 2 | 4,888 | 48,667 | 3,516 | 57,071 | 46,006 |
| **Total income** | | 1,208,927 | 48,667 | 4,572,082 | 5,829,676 | 6,133,807 |
| **Expenditure on:** | | | | | | |
| Costs of raising funds | 4 | 297,882 | 17,131 | 249,323 | 564,336 | 547,732 |
| Charitable activities | 3, 4 & 5 | 632,487 | - | 5,146,377 | 5,778,864 | 3,947,602 |
| **Total expenditure** | | 930,369 | 17,131 | 5,395,700 | 6,343,200 | 4,495,334 |
| **Net (losses)/gains on investments** | 9 | - | (320,848) | (12,743) | (333,591) | 417,513 |
| **Net income/(loss)** | 6 | 278,558 | (289,312) | (836,361) | (847,115) | 2,055,986 |
| **Other (losses)/gains** | 2 | (201) | - | 132 | (69) | (150) |
| **Net income and movement in funds** | | 278,357 | (289,312) | (836,229) | (847,184) | 2,055,836 |
| **Reconciliation of funds:** | | | | | | |
| **Total funds brought forward** | | 3,797,494 | 2,520,888 | 5,481,975 | 11,800,357 | 9,744,521 |
| **Total funds carried forward** | 18 & 19 | £4,075,851 | £2,231,576 | £4,645,746 | £10,953,173 | £11,800,357 |

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derived from continuing activities.

The notes on pages 28 to 50 form part of these financial statements

## THE SUTTON TRUST

## BALANCE SHEET

## FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | 31 August 2022 | | 31 August 2021 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets:** | | | | | |
| Tangible assets | 8 | 63,001 | | 69,369 | |
| Investments | 9 & 21 | 7,288,987 | | 7,871,972 | |
| | | | 7,351,988 | | 7,941,341 |
| **Current assets:** | | | | | |
| Debtors | 10 | 881,002 | | 479,151 | |
| Cash at bank and in hand | 21 | 9,745,616 | | 9,475,541 | |
| | | 10,626,618 | | 9,954,692 | |
| **Current liabilities:** | | | | | |
| Creditors - amounts falling due within one year | 11 | (2,400,671) | | (1,236,056) | |
| **Net current assets** | | | 8,225,947 | | 8,718,636 |
| **Total assets less current liabilities** | | | 15,577,935 | | 16,659,977 |
| Creditors - amounts falling due after more than one year | 12 | | (4,624,762) | | (4,859,620) |
| **Total net assets** | | | £10,953,173 | | £11,800,357 |
| **The funds of the Charitable Company:** | | | | | |
| Unrestricted - general fund | 18 & 19 | | 4,075,851 | | 3,797,494 |
| - designated fund | 18 & 19 | | 2,231,576 | | 2,520,888 |
| Restricted income fund | 18 & 19 | | 4,645,746 | | 5,481,975 |
| **Total Charitable Company funds** | 18 & 19 | | £10,953,173 | | £11,800,357 |

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

Sir Peter Lampl
Trustee

Date: 21/02/2023

The notes on pages 28 to 50 form part of these financial statements

## THE SUTTON TRUST

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | Year ended 31 August 2022 £ | Year ended 31 August 2021 £ |
|---|---|---|---|
| **Net cash inflow from operating activities** | 15 | 182,297 | 6,347,416 |
| **Cash outflow from investing activities** | | | |
| Interest income | | 9,195 | 3,711 |
| Dividend income | | 47,876 | 42,295 |
| Purchase of fixed assets | 8 | (34,600) | (16,308) |
| Purchase of investments | 9 | (1,752,081) | (5,846,104) |
| Proceeds from disposal of investments | 9 | 1,817,388 | 681,005 |
| **Net cash outflow from investing activities** | | 87,778 | (5,135,401) |
| **Net increase in cash and cash equivalents** | | 270,075 | 1,212,015 |
| **Cash and cash equivalents brought forward** | | 9,475,541 | 8,263,526 |
| **Cash and cash equivalents carried forward** | | £9,745,616 | £9,475,541 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | £9,745,616 | £9,475,541 |
| **Cash and cash equivalents at 31 August 2022** | | £9,745,616 | £9,475,541 |

Cash held at year end was £9.7m (*2021 - £9.5m*). £6.2m of this relates to restricted funds (*2021 - £5.7m*) and £3.5m to unrestricted funds (*2021 - £3.8m*).

The notes on pages 28 to 50 form part of these financial statements

## 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) (issued in October 2019) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and where relevant, the Charities Act 2022, the Companies Act 2006 and UK Generally Accepted Practice. 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.

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.

1. **ACCOUNTING POLICIES (continued)**

**Income (continued)**

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, dividends, interest and fixed income receivable from listed investments.

**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 are to third parties in furtherance of the charitable objectives. Where unconditional grants are offered, the value of the grants 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 recognised to the extent that the recipient of the grant has provided the specified service.

**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.

## 1. ACCOUNTING POLICIES (continued)

### Status of funds (continued)

The list of grants 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.

### 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

## 1. ACCOUNTING POLICIES (continued)

and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

**Employee benefits**

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

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

**Tax**

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

**Going concern**

The Trustees have considered the relevant financial risks and the ability of the Charitable Company to continue in operational existence for the foreseeable future. Having considered the level of funds held and reviewed a robust pipeline of pledges and projected fundraising income together with the detailed cost budgets for each programme and activity including administrative costs for the 12 months from authorising these financial statements, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

**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.

## 2. INCOME

| The income comprised: | Unrestricted Funds Year ended 31 August 2022 £ | Designated Funds Year ended 31 August 2022 £ | Restricted Funds Year ended 31 August 2022 £ | TOTAL FUNDS Year ended 31 August 2022 £ |
|---|---|---|---|---|
| Donations | 1,204,039 | - | 4,338,576 | 5,542,615 |
| Donated services * | - | - | 229,990 | 229,990 |
| Dividends | - | 44,457 | 3,419 | 47,876 |
| Bank interest | 4,888 | 4,210 | 97 | 9,195 |
| | 1,208,927 | 48,667 | 4,572,082 | 5,829,676 |
| Other gains/(losses) | | | | |
| – foreign exchange | 428 | - | 132 | 560 |
| – disposal of fixed asset | (629) | - | - | (629) |
| | (201) | - | 132 | (69) |

| The income arose from the following geographical locations: | Year ended 31 August 2022 £ | Year ended 31 August 2022 £ | Year ended 31 August 2022 £ | Year ended 31 August 2022 £ |
|---|---|---|---|---|
| US and Canada | 121,100 | - | 686,298 | 807,398 |
| Switzerland | - | - | - | - |
| New Zealand | - | - | - | - |
| UK including the Channel Islands | 1,208,927 | 48,667 | 3,764,684 | 5,022,278 |
| | 1,330,027 | 48,667 | 4,450,982 | 5,829,676 |

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

## 2. INCOME (continued)

| The income comprised: | Unrestricted Funds Year ended 31 August 2021 £ | Designated Funds Year ended 31 August 2021 £ | Restricted Funds Year ended 31 August 2021 £ | TOTAL FUNDS Year ended 31 August 2021 £ |
|---|---|---|---|---|
| Donations | 1,039,773 | - | 5,048,028 | 6,087,801 |
| Dividends | - | 41,394 | 901 | 42,295 |
| Bank interest | 383 | 3,293 | 35 | 3,711 |
| | £1,040,156 | £44,687 | £5,048,964 | £6,133,807 |
| Other losses | | | | |
| – foreign exchange | (120) | - | (13) | (133) |
| – disposal of fixed asset | (17) | - | - | (17) |

| The income arose from the following geographical locations: | Year ended 31 August 2021 £ | Year ended 31 August 2021 £ | Year ended 31 August 2021 £ | Year ended 31 August 2021 £ |
|---|---|---|---|---|
| US and Canada | - | - | 590,974 | 590,974 |
| Switzerland | - | - | 250,435 | 250,435 |
| New Zealand | 2,496 | - | - | 2,496 |
| UK including the Channel Islands | 1,037,660 | 44,687 | 4,207,555 | 5,289,902 |
| | £ 1,040,156 | £ 44,687 | £ 5,048,964 | £ 6,133,807 |

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2022

**Access programmes for university and the professions**

Pathways to Banking & Finance
Pathways to Engineering
Pathways to Law
Pathways to Medicine
Pathways to Law Online
Pathways to Banking and Finance Online
Pathways to Consulting Online
Apprenticeship Summer School
Sutton Trust Careers
Sutton Trust Careers Launch Pad
Sutton Trust Careers Plus
US Programme
Sutton Trust Online
Alumni Engagement Programme
Opportunity Bursary
Teachers Champions
UK Summer Schools

**Early years and primary school Programmes**

Communication and Language Project

**Research and policy**

Covid-19 and the University Experience
Sutton Trust Cabinet Analysis 2021
Going Further
Universities and Social Mobility
Apprenticeship Outreach
School Disruption January 2022
Bridging the Gap
Paving the Way
Social Mobility: Past, Present and Future
A levels and University Access 2022
A Fair Start

**Programmes in schools and colleges**

Sutton Scholars

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2021 (continued)

| | Unrestricted Funds Year ended 31 August 2022 £ | Designated Funds Year ended 31 August 2022 £ | Restricted Funds Year ended 31 August 2022 £ | Total Year ended 31 August 2022 £ | Total number Year ended 31 August 2022 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,834,479 | 1,834,479 | 141 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | £ - | £ - | £1,834,479 | £1,834,479 | 141 |
| Total number | - | - | 141 | - | 141 |

| | Unrestricted Funds Year ended 31 August 2021 £ | Designated Funds Year ended 31 August 2021 £ | Restricted Funds Year ended 31 August 2021 £ | Total Year ended 31 August 2021 £ | Total number Year ended 31 August 2021 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,124,843 | 1,124,843 | 111 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | £ - | £ - | £1,124,843 | £1,124,843 | 111 |
| Total number | - | - | 111 | - | 111 |

The grants payable above exclude other direct charitable programme expenses payable to the grantees. See the grant-making policy on page 16 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

## 4. CHARITABLE ACTIVITIES

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 584,100 | 869,074 | 475,963 | 370,220 | 38,179 | 2,337,536 |
| Schools/colleges | 1,096,402 | 442,908 | 142,966 | 384,666 | 191,811 | 2,258,753 |
| Innovation | - | - | 32,426 | 7,417 | - | 39,843 |
| Early years | 153,977 | (16,959) | 78,571 | 49,315 | - | 264,904 |
| Research projects | - | 451,007 | 263,403 | 163,418 | - | 877,828 |
| | £1,834,479 | £1,746,030 | £993,329 | £975,036 | £229,990 | £5,778,864 |
| **Costs of raising funds** | - | £44,388 | £424,731 | £95,217 | - | £564,336 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | 632,487 | 5,146,377 | £5,778,864 |

| | Grants (Note 3) | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 375,881 | 596,746 | 432,611 | 313,436 | - | 1,718,674 |
| Schools/colleges | 536,490 | 434,779 | 147,485 | 266,765 | - | 1,385,519 |
| Early years | 181,600 | 3,375 | 61,201 | 59,254 | - | 305,430 |
| Research projects | 30,872 | 188,870 | 213,868 | 104,369 | - | 537,979 |
| | £1,124,843 | £1,223,770 | £855,165 | £743,824 | £ - | £3,947,602 |
| **Costs of raising funds** | £ - | £25,354 | £419,173 | £103,205 | £ - | £547,732 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | £587,788 | £3,359,814 | £3,947,602 |

## 5. ANALYSIS OF SUPPORT COSTS

| | Charitable Activities Year ended 31 August 2022 £ | Fund raising (unrestricted) Year ended 31 August 2022 £ | Total Year ended 31 August 2022 £ |
|---|---|---|---|
| Wages and salaries (Note 7) | 380,818 | 37,189 | 418,007 |
| Other staff costs–travel / recruitment etc. | 125,259 | 12,232 | 137,491 |
| Administration | 106,680 | 10,418 | 117,098 |
| Premises (net of recharges) | 170,551 | 16,655 | 187,206 |
| Audit & other | 26,420 | 2,580 | 29,000 |
| Accountancy | 13,603 | 1,328 | 14,931 |
| Legal | 4,854 | 474 | 5,328 |
| Public relations | 110,102 | 10,752 | 120,854 |
| Depreciation (Note 8) | 36,749 | 3,589 | 40,338 |
| | £975,036 | £95,217 | £1,070,253 |

| | Charitable Activities Year ended 31 August 2021 £ | Fund raising (unrestricted) Year ended 31 August 2021 £ | Total Year ended 31 August 2021 £ |
|---|---|---|---|
| Wages and salaries (Note 7) | 367,437 | 50,982 | 418,419 |
| Other staff costs–travel / recruitment etc. | (5,763) | (800) | (6,563) |
| Administration | 34,559 | 4,795 | 39,354 |
| Premises (net of recharges) | 185,553 | 25,746 | 211,299 |
| Audit & other | 21,076 | 2,924 | 24,000 |
| Accountancy | 12,076 | 1,675 | 13,751 |
| Legal | 4,956 | 688 | 5,644 |
| Public relations | 88,648 | 12,300 | 100,948 |
| Depreciation | 35,282 | 4,895 | 40,177 |
| | £743,824 | £103,205 | £847,029 |

Governance costs include costs incurred on strategy and planning, the annual audit and any relevant legal fees.

## 6. NET INCOME AND NET MOVEMENT IN FUNDS FOR THE PERIOD

| This is stated after charging: | Year ended 31 August 2022 £ | Year ended 31 August 2021 £ |
|---|---|---|
| Operating leases – land and buildings | 117,129 | 113,807 |
| Depreciation | 40,338 | 40,177 |
| Loss on disposal of fixed assets | 629 | 17 |
| Auditor's remuneration: | | |
| Audit services | 29,000 | 24,000 |

## 7. STAFF COSTS

| | | Year ended 31 August 2022 £ | Year ended 31 August 2021 £ |
|---|---|---|---|
| (a) | Salaries | 1,573,046 | 1,418,500 |
| | National Insurance | 146,178 | 105,028 |
| | Pension contributions | 196,310 | 169,228 |
| | | 1,915,534 | £1,692,756 |

Included in the staff costs are consultancy fees of £195,259 *(2021 - £204,260)* payable to key management personnel and £Nil *(2021 - £27,825)* payable to another consultant, who are not employees. Also included in the staff costs are staff costs (inclusive of NI and pension contributions) recharged to the Charitable Company by the Chairman's private office of £51,538 (*2021 - £46,257*). £Nil (*2021 - £1,153*) were due on pension plans for those shared employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2022 *(2021 - £Nil)*. See Note 14 for other Trustee 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 £594,595 *(2021 - £636,868)*.

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £196,310 *(2021 - £169,228)*. Of these contributions, £Nil *(2021 - £14,834)* were due to these plans by the Charitable Company at the year end.

## 7. STAFF COSTS (continued)

| | Year ended 31 August 2022 No. | Year ended 31 August 2021 No. |
|---|---|---|
| (b) Number of staff | | |
| Programmes | 16 | 12 |
| Research | 8 | 9 |
| Fundraising | 5 | 6 |
| Administration | 4 | 4 |
| | 33 | 31 |

(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 year is as follows:

| | | |
|---|---|---|
| £60,001 to £70,000 | 1 | 2 |
| £70,001 to £80,000 | 2 | 1 |
| £80,001 to £90,000 | - | - |
| £110,000 to £120,000 | 1 | 1 |

Employers' pension contributions in respect of these 4 *(2021 - 4)* employees amounted to £30,387 *(2021 - £26,289)* during the period.

## 8. TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Furniture and fittings £ | Computer equipment £ | Cycle scheme £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 September 2021 | 143,766 | 112,986 | 104,785 | 1,917 | 363,454 |
| Additions | - | 11,054 | 23,232 | 314 | 34,600 |
| Disposals | - | (3,278) | (2,998) | (1,917) | (8,193) |
| At 31 August 2022 | 143,766 | 120,762 | 125,019 | 314 | 389,861 |
| **Depreciation** | | | | | |
| At 1 September 2021 | 139,528 | 101,169 | 52,589 | 799 | 294,085 |
| Charge for period | 4,238 | 4,976 | 29,980 | 1,144 | 40,338 |
| Disposals | - | (2,884) | (2,762) | (1,917) | (7,563) |
| At 31 August 2022 | 143,766 | 103,261 | 79,807 | 26 | 326,860 |
| **Net book value** | | | | | |
| At 31 August 2022 | £ - | £ 17,501 | £ 45,212 | £ 288 | £63,001 |
| At 31 August 2021 | £4,238 | £11,817 | £52,196 | £1,118 | £69,369 |

## 9. FIXED ASSET INVESTMENTS

| | 31 August 2022 £ | 31 August 2021 £ |
|---|---|---|
| Investments comprise: | | |
| Rathbones | 2,205,136 | 2,459,479 |
| JP Morgan | 5,045,388 | 5,334,228 |
| Total equity, bond and other investments | 7,250,524 | 7,793,707 |
| Cash held as part of portfolio | 38,463 | 78,265 |
| **Total Investments and cash under management** | £7,288,987 | £7,871,972 |
| (Loss)/gain on investments in the period: | | |
| Realised gains/(losses) | 62,795 | (3,552) |
| Unrealised (losses)/gains | (580,473) | 632,000 |
| **Total (loss)/gain on investments in the period** | £(517,678) | £628,448 |
| Included in: | | |
| Deferred income | (184,087) | 210,935 |
| Statement of Financial Activities | (333,591) | 417,513 |
| | £ (517,678) | £ 628,448 |

## 9. FIXED ASSET INVESTMENTS (continued)

| | 31 August 2022 Total £ | 31 August 2021 Total £ |
|---|---|---|
| **Market value** | | |
| At 31 August 2021 | 7,871,972 | 2,086,263 |
| Additions | 1,752,081 | 5,838,266 |
| Disposals | (1,817,388) | (681,005) |
| Net realised investment gains/(losses) | 62,795 | (3,552) |
| Unrealised investment gains | (580,473) | 632,000 |
| At 31 August 2022 | £7,288,987 | £7,871,972 |

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

| | Market Value 31 August 2022 £ | Percentage of total 31 August 2022 % |
|---|---|---|
| Vanguard S&P 500 ETF | £1,986,657 | 27.3 |
| Lumyna-Global Debt-GOVT UCITS FD | £639,947 | 8.8 |
| HSBC Global Fund ICAV | £448,463 | 6.2 |

| | Market Value 31 August 2021 £ | Percentage of total 31 August 2021 % |
|---|---|---|
| Vanguard S&P 500 ETF | £1,742,849 | 22.1 |
| Lumyna-Global Debt-GOVT UCITS FD | £573,709 | 7.3 |

## 10. DEBTORS

| | 31 August 2022 £ | 31 August 2021 £ |
|---|---|---|
| Debtors – donations and legacies receivable | 43,949 | 217,507 |
| Other debtors | 7,754 | 12,240 |
| Prepayments and accrued income | 829,299 | 249,404 |
| | £881,002 | £479,151 |

## 11. CREDITORS - Amounts falling due within one year

| | 31 August 2022 £ | 31 August 2021 £ |
|---|---|---|
| Accruals for grants payable | 1,541,211 | 537,783 |
| Trade creditors | 168,254 | 74,636 |
| Taxation and social security | 42,123 | 35,579 |
| Other creditors | 28,745 | 5,832 |
| Accruals and deferred income (Note 13) | 620,338 | 582,226 |
| | £2,400,671 | £1,236,056 |

## 12. CREDITORS - Amounts falling due after more than one year

| | 31 August 2022 £ | 31 August 2021 £ |
|---|---|---|
| Other creditors | 14,562 | - |
| Accruals and deferred income (Note 13) | 4,610,200 | 4,859,620 |
| | £4,624,762 | £4,859,620 |

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

## 13. DEFERRED INCOME

| | 31 August 2022 £ | 31 Augus 2021 £ |
|---|---|---|
| Balance as at 1 September 2021 | 5,341,981 | 503,806 |
| Amount deferred in the period | 968,681 | 5,311,342 |
| Amount released to income | (1,200,931) | (473,166) |
| Balance as at 31 August 2022 | £5,109,731 | £5,341,982 |

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

## 14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 August 2022 *(2021 - £Nil)*.

**Trustees' expenses**

During the year Sir Peter Lampl charged the Charitable Company £60,786 *(2021 - £56,157)* for the shared use of some employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £40,581 *(2021 - £40,208)* for general administrative costs incurred by the Charitable Company on his behalf.

£25,195 *(2021 - £4,676 was owed from)* was owed to Sir Peter Lampl at the year end. This amount was settled promptly after the year end.

**Donations from Trustees**

During the year, donations of £150,000 (*2021 - £Nil*) were received and a further £234,241 matched funding recognised and yet to be received from Sir Peter Lampl. The balance remaining at the year end, within the matched funding account, is £234,241 (*2021 - £30,640*) (see Note 10).

During the year, total donations of £30,000 (*2021: - £150,000*) were received from other Trustees.

**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 year the Sutton Trust charged the EEF £24,830 *(2021 - £42,289)* for office space and overheads and £13,956 *(2021 - £56,379)* for some staff costs and third party expenses. £7,754 *(2021 - £7,564)* was owed to The Sutton Trust by the EEF at the year end.

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

| | Year ended 31 August 2022 £ | Year ended 31 August 2021 £ |
|---|---|---|
| Net income and net movement in funds | (847,184) | 2,055,836 |
| Interest receivable | (9,195) | (3,711) |
| Dividends receivable | (47,876) | (42,295) |
| Unrealised loss/(gain) on investments (Note 9) | 580,473 | (632,000) |
| Realised (gain)/loss on investments (Note 9) | (62,795) | 3,552 |
| Depreciation of tangible fixed assets less disposals | 40,338 | 40,177 |
| Loss on disposal of fixed assets | 629 | 17 |
| (Increase)/decrease in debtors | (401,851) | 152,324 |
| Increase in creditors | 929,758 | 4,773,516 |
| Net cash inflow from operating activities | £182,297 | £6,347,416 |

## 16. OPERATING LEASES

At 31 August 2022, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

| | Land and Buildings 31 August 2022 £ | Land and Buildings 31 August 2021 £ |
|---|---|---|
| Within 1 year | 122,796 | 65,963 |
| Between two and five years | 378,621 | - |

The above operating lease for the premises occupied by the Charitable Company expires on 28 September 2026.

## 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

## 18. STATEMENT OF FUNDS

| | Funds brought forward | Total Income | Total expenditure (including gains/(losses) | Transfers | Funds carried forward |
|---|---|---|---|---|---|
| **Unrestricted funds** | £ | £ | £ | £ | £ |
| General funds | 3,797,494 | 1,208,927 | (930,570) | - | 4,075,851 |
| Designated funds | 2,520,888 | 48,667 | (337,979) | - | 2,231,576 |
| | £6,318,382 | £1,257,594 | £(1,268,549) | - | £6,307,427 |
| **Restricted funds** | | | | | |
| Accessing Online Opportunities | 736 | - | (736) | - | - |
| Alumni Engagement Programme | - | 80,496 | (80,496) | - | - |
| Apprenticeship Summer School | 80,470 | 98,450 | (144,934) | - | 33,986 |
| Employability Bursaries | - | 53,094 | (21,435) | - | 31,659 |
| Infrastructure Project | 2,281 | - | (2,281) | - | - |
| Pathways to Banking & Finance | 198,694 | 265,000 | (163,215) | - | 300,479 |
| Pathways to Engineering | 133,686 | 131,201 | (103,504) | - | 161,383 |
| Pathways to Law | 34,929 | 272,740 | (506,782) | 255,075 | 55,962 |
| Pathways to Medicine | 172,116 | 156,786 | (182,695) | 422 | 146,629 |
| Pathways Online | - | 198,762 | (116,399) | - | 82,363 |
| Pathways General | 820,053 | 218,332 | - | (255,497) | 782,888 |
| Opportunity Bursary | 433,265 | 153,429 | (250,028) | - | 336,666 |
| Sutton Scholars | (17,624) | 50,000 | (25,048) | - | 7,328 |
| Sutton Trust Careers | - | 62,800 | (62,800) | - | - |
| Sutton Trust Careers Launchpad | - | 165,250 | (72,213) | - | 93,037 |
| Sutton Trust Careers Plus | 1,261 | 75,387 | (76,648) | - | - |
| Sutton Trust Online | 206,777 | 415,084 | (555,015) | - | 66,846 |
| Employability & Post 18 General Fund | - | 40,000 | - | - | 40,000 |
| UK Summer Schools | 1,794,058 | 766,460 | (1,390,861) | - | 1,169,657 |
| US Programme | 1,178,351 | 436,159 | (662,422) | - | 952,088 |
| Programmes General Fund | - | - | - | - | - |
| Innovation Projects | - | 253,688 | (38,716) | - | 214,972 |
| Apprenticeship Campaigns | 57,956 | 33,661 | (91,617) | - | - |
| Apprenticeship Research | - | 80,000 | (73,398) | - | 6,602 |
| COSMO: Cohort Study | 304,544 | - | (239,336) | - | 65,208 |
| Data Analysis & Insights | - | 77,000 | (62,528) | - | 14,472 |
| Early years | 74,999 | 79,100 | (136,277) | - | 17,822 |
| Early Years Campaign | 5,423 | 47,400 | (32,052) | - | 20,771 |
| Employability Research | - | 130,000 | (85,072) | - | 44,928 |
| Research and Policy | - | 231,803 | (231,803) | - | - |
| | £5,481,975 | £4,572,082 | £(5,408,311) | - | £4,645,746 |
| **Total funds** | £11,800,357 | £5,829,676 | £(6,676,860) | - | £10,953,173 |

## 18. STATEMENT OF FUNDS (continued)

**Unrestricted General Funds**

The unrestricted general fund represents the general reserves of the Trust which are not designated for particular purposes.

**Unrestricted Designated Funds**

This represents the investment fund that has been set up to ensure the long-term sustainability of the Trust.

**Restricted Funds**

***Accessing Online Opportunities***

A programme to support students on digital Sutton Trust programmes with equipment and internet access.

***Alumni Engagement Programme***

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

***Apprenticeship Summer School***

A new employability programme to widen access to apprenticeships.

***Employment Bursaries***

Bursary fund to support Sutton Trust Alumni in the North West with their career development.

***Infrastructure Project***

Funding to build capacity within the Trust.

***Pathways General***

Funding received from a number of partners to support the Trust's wider employability programmes.

***Pathways to Banking & Finance***

A programme to widen access to university and banking related careers.

***Pathways to Engineering***

A programme to widen access to the engineering sector.

***Pathways to Law***

A programme to widen access to university and legal careers.

***Pathways to Medicine***

A programme to widen access to medical schools.

***Pathways Online***

Online programme to widen access to a range of sectors, including Banking, Consulting and Law.

## 18. STATEMENT OF FUNDS (continued)

**Restricted Funds (continued)**

***Opportunity Bursary***

Bursary fund to support Sutton Trust alumni with their career development.

***Sutton Scholars***

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

***Sutton Trust Careers***

A programme of employability and careers support for our alumni community.

***Sutton Trust Careers Launchpad***

Bursary programme for Sutton Trust alumni taking part in Sutton Trust career programmes.

***Sutton Trust Careers Plus***

An undergraduate programme to support non-privileged students during their degree.

***Sutton Trust Online***

A digital programme to expand the reach of traditional Sutton Trust programmes.

***Employability & Post 18 General Fund***

Funding received from a number of partners to support the Trust's wider employability programmes.

***UK Summer Schools***

The Trust's flagship programme supporting students to access the UK's leading universities.

***US Programme***

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

***Innovation Projects***

A new pillar of work, designed to invest in new activities that tackle specific challenges within the social mobility landscape.

***Research and Policy***

A fund supporting the Trust's research into social mobility, and also supporting the Trust's work with policy-makers.

***Apprenticeship Campaigns***

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

***Apprenticeship Research***

A fund focussing on the Trust's Apprenticeship Research.

## 18. STATEMENT OF FUNDS (continued)

**Restricted funds (continued)**

***COSMO: Cohort Study***

A major new national longitudinal cohort study which will examine the short, medium and long term impacts of the COVID-19 pandemic on educational inequality and social mobility.

***Data Analysis & Insights***

A fund focussing on building capacity within the Trust's data and impact function.

***Early Years***

A project to explore communication and early language.

***Early Years Campaign***

A fund focussing on the Trust's early years research.

***Employability Research***

A fund focussing on the Trust's employability research.

## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | |
|---|---|---|---|---|
| | General 31 August 2022 £ | Designated 31 August 2022 £ | 31 August 2022 £ | Total 31 August 2022 £ |
| Tangible fixed assets | 63,001 | - | - | 63,001 |
| Investments | - | 2,231,576 | 5,057,411 | 7,288,987 |
| Debtors | 837,048 | - | 43,954 | 881,002 |
| Cash at bank and in hand | 3,493,837 | - | 6,251,779 | 9,745,616 |
| Current liabilities | (273,473) | - | (2,127,198) | (2,400,671) |
| Non - current liabilities | (44,562) | - | (4,580,200) | (4,624,762) |
| Total net assets | 4,075,851 | 2,231,576 | 4,645,746 | 10,953,173 |

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2021 £ | Designated 31 August 2021 £ | 31 August 2021 £ | 31 August 2021 £ |
| Tangible fixed assets | 69,369 | - | - | 69,369 |
| Investments | - | 2,520,888 | 5,351,085 | 7,871,972 |
| Debtors | 134,044 | - | 345,107 | 479,151 |
| Cash at bank and in hand | 3,766,900 | - | 5,708,640 | 9,475,541 |
| Current liabilities | (172,819) | - | (1,063,237) | (1,236,056) |
| Non - current liabilities | - | - | (4,859,620) | (4,859,620) |
| Total net assets | £3,797,494 | £2,520,888 | £5,481,975 | £11,800,357 |

## 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 2022 £ | 31 August 2021 £ |
|---|---|---|
| *Financial assets* | | |
| Measured at fair value through profit and loss | 17,034,603 | 17,347,513 |
| Measured at amortised cost: | | |
| Other debtors (Note 10) | 7,754 | 12,240 |

| | 31 August 2022 £ | 31 August 2020 £ |
|---|---|---|
| *Financial liabilities* | | |
| Measured at amortised cost | | |
| Trade creditors (Note 11) | 168,254 | 74,636 |
| Other creditors and accruals (Note 11) | 138,396 | 92,800 |

Financial assets measured at fair value relate to cash at bank and in hand of £9,745,616 (*2021 - £9,475,541*) and investments of £7,288,987 (*2021 - £7,871,972*).

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 £517,678 *(2021 - net gains £628,448)* attributable to the Charitable Company's financial instruments.

**THE SUTTON TRUST**

England & Wales - Charity number 1146244

# Accounts

# THE SUTTON TRUST

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

## REPORT OF THE TRUSTEES AND

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## 31 AUGUST 2021

THE SUTTON TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

## CONTENTS


| | Page |
|---|---|
| REPORT OF THE TRUSTEES | 1 - 18 |
| INDEPENDENT AUDITOR'S REPORT | 19 - 22 |
| STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT) | 23 |
| BALANCE SHEET | 24 |
| STATEMENT OF CASH FLOWS | 25 |
| NOTES TO THE FINANCIAL STATEMENTS | 26 – 47 |

# THE SUTTON TRUST

## REPORT OF THE TRUSTEES

## FOR THE YEAR ENDED 31 AUGUST 2021

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 year ended 31 August 2021.

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) (published in October 2019) ("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<br>Sir Peter Gershon<br>Oliver Quick<br>Lady Susan Lampl<br>Tim Bunting<br>Professor Louise Mary Richardson (from 1/11/2019) |
| **Executive Chairman** | Sir Peter Lampl |
| **Chief Executive** | James Turner |
| **Director of Development** | Doug Thomson |
| **Director of Programmes** | Laura Bruce |
| **Associate Director of Research & Policy** | Carl Cullinane |
| **Associate Director of Media & Communications** | Hilary Cornwell |
| **Associate Director of Finance & Operations** | Stefanie Kha (from 01/09/2021) |
| **Director of Finance (Maternity Cover)** | Frank Helsby (to 30/07/2021) |

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

| | |
|---|---|
| **Objects of Charitable Company** | The Trustees shall hold or apply the capital and income of the Charitable Company for the following objects:<br>**(i)** To advance the education of the public and to improve educational opportunities for young people; and<br>**(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,<br>London, SW1P 4QP |
| **Website and Social Media** | www.suttontrust.com<br>@suttontrust |
| **Charity Registration Number** | 1146244 |
| **Company Registration Number** | 07951541 |
| **Auditor** | Rawlinson & Hunter Audit LLP<br>Statutory Auditor<br>Chartered Accountants<br>Eighth Floor, 6 New Street Square,<br>New Fetter Lane, London<br>EC4A 3AQ |
| **Bankers** | National Westminster Bank<br>57 Victoria Street, London,<br>SW1H 0HN<br><br>CAF Bank Limited<br>25 Kings Hill Avenue, Kings Hill,<br>West Malling, Kent<br>ME19 4JQ |
| **Investment Managers** | Rathbone Investment Management<br>8 Finsbury Circus, London,<br>EC2M 7AZ<br><br>J.P. Morgan Bank<br>60 Victoria Embankment, London<br>EC4Y 0JP |
| **Solicitors** | Bates Wells<br>10 Queen Street Place, London<br>EC4R 1BE |

## STRATEGIC REPORT

## OBJECTIVES & ACTIVITIES

### Charitable Aims

The aim of The Sutton Trust is to address educational disadvantage and to promote social mobility – the opportunities open to a young person from a lower income home. High levels of social mobility mean that people from all backgrounds are able to succeed in life and make the most of their talents and aspirations. It is 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 has five focus areas: Early Years, Schools, Apprenticeships, Higher Education, and Access to the Workplace.

The Trust has a unique 'do tank' 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 24 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.

Following a large-scale review of the Trust's mission in the previous financial year and agreeing a bold 10 year vision, the Trust has started working on its short-term implementation plan. In the first stage, the Trust is continuing to manage its Covid-19 response and to launch new programmes, research studies and partnerships before scaling up its operations in future stages.

### Significant Activities

*Programmes* – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped almost 50,000 students since the Trust was founded, and now reach 8,000 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.

## 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 Trust'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 7), and its research and policy work (see pages 7 to 9) 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 events.

The grant-making policy is published on pages 13 to 14.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

### Programmes

Like the previous academic year, our programmes and activities continued to be delivered digitally in response to the Covid-19 pandemic. We were able to build on the changes and successes we made in time-pressured circumstances the previous year to adapt and refine our digital delivery. We have also been focusing on developing and launching new initiatives, alongside considering our longer-term strategy. We have further embedded the work of the alumni team into programmes so that there is a stronger link between the two areas of complimentary work.

*Overview*
The 2020/21 academic year saw 8,510 students either accepted onto a Sutton Trust Programme or activating their Sutton Trust Online account, which is an increase on the 7,000 supported in the last academic year.

We continued to offer our university partners the opportunity to run their digital programmes through Sutton Trust Online, many of whom did, with some also running non-Sutton Trust funded programmes through the platform.

Programmes delivered this year, included:

- 3,276 students offered a place on a Sutton Trust Summer School;
- 972 students accepted onto our Pathways Programmes;
- 124 students attending our second Apprenticeship Summer School; and
- 3,303 unsuccessful programme applicants activating a Sutton Trust Online account.

*Sutton Trust Online*
Sutton Trust Online has changed in both scope and scale due to the pandemic. Its original aim was to provide a light touch alternative programme to disadvantaged students who applied to the Sutton Trust but were unsuccessful, piloting with 500 students and reaching up to 6,000 by year three. It is now forming the backbone of our programme delivery, providing a central hub for all Sutton Trust students to gain access to information and support throughout their programmes, and is reaching 7,500 students in year two. This year we have had a dual focus: continuing delivery support for those on a programme and refocusing on the original target group of unsuccessful applicants.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*Sutton Trust Online (continued)*
Key outputs and achievements in this area include:

- A significant increase in the overall number of students activating their accounts;
- increasing the activation rate of unsuccessful students;
- a site restructure to improve content and navigation;
- launching a core programme of support including webinars, structured content and monthly newsletters; and
- developing an inclusion strand of work to increase support for students of colour and students managing their mental health.

The ongoing focus is increasing engagement with the platform and beginning an evaluation to understand how users engage with the platform, what they find the most useful, and analysing the first return of university access data. This evaluation will form the basis of our future plans for the platform.

*US Programme*
The US Programme continued to be delivered virtually, with no trip to visit US universities in the summer of 2021.

44 students from Cohort 9 (who started the programme in 2020) were successful in gaining a place at a US university this year. The team have supported all students to access visa and to navigate Covid-19 requirements to begin their education in the US, rather than studying remotely from the UK.

150 students formed Cohort 10 of the programme. 92 of these have opted to continue to Part 2 of the programme, which sees students supported to apply to US institutions. This in an increase on last year. The 2021/22 programme will launch in the autumn and is aiming to return to face-to-face delivery.

*UK Summer Schools*
3,276 students were offered a place on a Sutton Trust Summer School this summer. The digital delivery format allowed universities to offer more places than ever before, though we expect these to reduce when face-to-face programming returns. Summer Schools were delivered by our 13 university partners from across the UK and were all delivered in a digital format through Sutton Trust Online.

Our early indicative surveys showed that, of participants:
- 87% reported improved confidence;
- 86% reported improved skills; and
- 89% reported improved decision making.

We are currently working with our university partners on future delivery models for the programme. Most universities are planning to deliver a hybrid programme model moving forward, consisting of a residential programme of three-four days with digital support as a wrap-around. There is slight variation in this so we will commission an evaluation to understand how this model meets the programme aims to inform future decision making.

*"A massive thank you to the Sutton Trust team for their help, support and guidance throughout the last year. The Sutton Trust Summer School is one of our highlights of the year and to be able to support an increasing number of young people during the last year has been a real success. The changes and additions to the platform have all been beneficial and it is great to see the Trust developing the platform following feedback. Through collaboration we have been able to provide an important and invaluable service to our pupils. Over the last 2 years we have achieved so much, and all involved should be incredibly proud. We look forward to continuing working with the Trust in the coming years and building on the successes." University Partner – October 2021*

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*Pathways to the Professions*
972 students took part in one of our Pathways programmes which work across established sectors such as law, banking and finance and medicine. This year also saw the launch of Pathways to Engineering at the University of Warwick, which is our first programme in this new area. Activities continued to be delivered digitally by our university partners and Trust run activities such as the national conference and work experience were also delivered digitally through Sutton Trust Online. Some headline statistics from this year include:

- 94 unique employers engaging with Pathways programmes;
- 890 work experience placements offered to Pathways and Pathways Plus students;
- over 338 hours of corporate volunteering;
- 230 students attending a National Conference;
- 85% of students felt they would not have been able to access similar work experience without the support of Pathways;
- 92% of students agreeing or strongly agreeing that they now feel more motivated to achieve their career goals; and
- 83% of students agreeing or strongly agreeing that they are now more likely to enter the profession.

*"It was a great placement, the responsiveness from the students was much more than anticipated. Many team members commented on the matureness of the students, their participation was much welcomed and the enthusiasm infectious."* Placement Provider, 2021

*"My favourite part of the experience was being able to improve my confidence by working alongside professionals that I admire. This has given me the motivation to plan for my future [and] has helped me to broaden my views on how I would personally like to enter the profession."* Pathways Student, 2021

*Alumni*
A significant amount of work has been undertaken in the alumni sphere. This year we have developed a range of new programmes which are launching in autumn 2021, these include:

- Sutton Trust Careers: an online webinar series designed to support alumni with readiness for the workplace;
- Sutton Trust Careers Plus: a work experience programme in sectors which historically take in relatively few low-income young people; this includes a new strand of work with Bloomberg LP, who will provide bursary support for their participants;
- Opportunity Bursary: £4.8m bursary scheme supported by JP Morgan to provide access to extracurricular opportunities our alumni would not otherwise afford; and
- Sutton Trust Alumni: a new online platform integrated with Sutton Trust Online, so that young people can move seamlessly from programme participant to alumni.

The alumni team have also recruited eight new members to our Alumni Leadership Board, who will replace alums finishing their terms. We have representation from all four nations, different programmes and alums at various stages of their journey after the Trust.

*Programme Expansion*
In addition to the new alumni programming mentioned above, this year has also seen the development of a range of activities which are piloting in the 2021/22 academic year, these include:

- Pathways expansion in engineering and banking to University of Liverpool;
- Pathways Online programmes in law and banking - to increase geographical reach;
- A new strand of Pathways in the Consulting sector, to be launched digitally; and
- Inclusion resources and workshops on topics such as race and mental health.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Programmes (continued)

*Programme Expansion (continued)*
We are currently engaging our university partners to plan future expansion as part of our long-term strategy and have commissioned an external organisation to research new sectors for our Pathways programmes.

We have set up several new partnerships to support the expansion of our work, these include: Rare Recruitment for alumni, Young Minds and The Diversity Trust on Sutton Trust Online, various corporate partners for work experience, Shortlist.Me and Forage. We are also exploring partnerships with a range of other organisations working in this space.

### Research, Policy and Communications

This report covers research, policy and communications activity that has taken place between 1 September 2020 and 31 August 2021.

In this period, the Covid-19 pandemic has continued to have a significant impact on education, through exam cancellations, school closures and pressures on university admissions. Our research and policy output has reflected that and we have kept disadvantaged young people at the top of the education agenda and continued to analyse the consequences of the pandemic.

We have published 15 pieces of research looking at all aspects of social mobility from the early years to access to the workplace.

We also identified a need for more high-quality data on the impacts of the pandemic, and put together a team to bid to establish a new national longitudinal cohort study of young people, to provide evidence on the short and long term impacts of the pandemic on life chances. Together with UCL CEPEO and the Centre for Longitudinal Studies, we have launched the COSMO (Covid Social Mobility and Opportunities) Study. This unique study was set up at unprecedented pace, to be funded with a £4.6m grant from UK Research and Innovation with the funding going directly to UCL CEPEO and the Centre for Longitudinal Studies. It will be the largest of its kind into the effects of Covid-19 on the life chances of a generation of young people, and, we hope, will provide a backbone to the Sutton Trust's research programme for years to come. The Trust also commissioned an 'add on' to the study, looking specifically at disadvantaged young people with high academic potential, funded by XTX Markets.

We engaged constructively with the government and other key stakeholders on several policy priorities that emerged over the course of the year including education recovery funding and university admissions and achieved some policy wins as a result (see below).

*Research Output (highlights)*
*A Fair Start? Equalising access to early education* (August 2021)

- This report took a comprehensive look at the 30 hours childcare policy; which provides funded hours of early education and childcare to three and four year olds in 'working' families, including contributions from the Institute for Fiscal Studies and the Centre for Research in Early Childhood. The research found that most families on low or no incomes cannot access the 30 hour entitlement, and that there is evidence the existing policy is contributing to a widening of the attainment gap.
- The report makes detailed recommendations for change in order to widen access to the full funding entitlement to those who need it most. The report was covered by the Guardian, the Daily Mail, the i and Press Association.

*A-levels and University Access 2021* (July 2021)

- This research brief looked at how the pandemic has disrupted education for young people finishing school and college this year, including how it changed A level assessments and affected their transitions from school to university.
- We recommended that universities give additional consideration to disadvantaged students to ensure they didn't miss out.
- The brief was covered by the BBC, Daily Mail, Independent and the i.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

*Research Output (highlights) (continued)*

*Inequality in the Highest Degree? Postgraduates, prices and participation* (June 2021)

- This research, carried out by academics at the University of York, found that government loans introduced in 2015 have helped low and moderate income students to undertake postgraduate study. However, it also found that these gains are threatened by rising tuition fees. The report recommended the postgraduate funding system is reviewed to remove financial barriers to study.
- The research was covered in the Guardian, Wonkhe and FE News.

*Fairness First: Social Mobility, Covid and Education Recovery* (May 2021)

- This report set out the Sutton Trust's priorities for a 'fairness-first' recovery plan, from the early years to sixth forms and college, based on three principles: the right scale and duration to match the challenge, a targeted approach, and including children and young people of all ages.
- The research was covered in the Guardian, the Daily Mail and the Evening Standard.

*Measuring Disadvantage* (May 2021)

- This report found that many measures of socio-economic disadvantage are not effective at identifying low-income students and can discriminate against certain groups, including Black, Asian and minority ethnic (BAME) students.
- Following the report, government granted universities access to free school meals data, a key ask in the research.
- The research was covered by The Times, the Guardian and The Daily Telegraph.

*The University of Life* (February 2021)

- This research examined the skills extra-curricular activities develop in young people and the role they play in increasing employability.
- The report highlighted that one in five working class graduates could not afford to undertake a work placement whilst at university, 29% of graduates believe university did not give them the necessary skills for the jobs they wanted and nearly a third of students who did not take part in student societies could not do so because of paid work commitments.
- The report was covered in The Financial Times, the Evening Standard and FE News.

*Learning in Lockdown* (January 2021)

- Following the start of the second period of school closures at the start of 2021 our research highlighted the challenges facing young people, parents and teachers, with only 26% of children in working class households undertaking over five hours of schoolwork a day (compared to 40% from middle class households) and many pupils still facing a lack of access to devices for remote learning.
- The report received excellent coverage in The Times, The Daily Telegraph and the Daily Mail.

*PQA: Reforming University Admissions* (October 2020)

- Our polling on post qualification applications (PQA) found that two-thirds of young people (66%) believe a move to a system where students apply to university after they have gotten their grades would be fairer than the current system based on predicted grades.
- The polling was covered in SchoolsWeek, The Daily Telegraph and received a positive response from the Association of School and College Leaders (ASCL).

*Policy advocacy*

We remain a well-respected authority on social mobility within parliament, with 79 mentions of the Trust's work over the past year across the House of Commons, Lords and relevant Select Committees.

We continue to engage closely with relevant Committees across both Houses. In 2021, James Turner gave evidence to the House of Lords Committee on digital learning, and we submitted written evidence to the House of Lords Committee on Youth Unemployment.

We continue to make a case for the reform of the university admissions system. We were pleased that this year, the government consulted on a move to a Post-Qualification Admissions (PQA) system, citing the Trust's work as key evidence for reform. We submitted written evidence to the government and engaged directly with ministers and civil servants on this issue.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Research, Policy and Communications (continued)

*Policy advocacy (continued)*
The Trust has long campaigned for better data to be available to universities to make effective contextual admissions decisions and this year, we achieved a notable policy win in this area. Following the publication of our research highlighting that Free School Meal data is the best indicator of disadvantage, we are delighted that the Department for Education (the 'Department') has made Free School Meal data available to universities via UCAS from 2021 onwards.

Throughout the continued disruption to education and uncertainty around exams, we have consistently engaged with the exams regulator, Ofqual, to advocate for fairness and to ensure that disadvantaged young people were not adversely impacted by the approach to GCSE and A Level grades. We continue to regularly attend meetings with Ofqual and submit written evidence to their consultations. In 2020 and 2021, we were pleased that the costs to appealing a grade were to be covered by the Government, which was a key ask of the Trust.

We have also played a key role in directly driving policy change to support young people over the course of the pandemic. Together with the Education Endowment Foundation (EEF), Nesta, Teach First and Impetus, we developed the National Tutoring Programme (NTP), which was delivered by EEF in its first year. Funded by the government catch-up package, the NTP supports pupils most affected by school closures, and in year 1, over 240,000 pupils were enrolled onto the programme.

We continue to make the case for further funding for education recovery. In 2021, our call for a £750m 'recovery premium' for schools was taken up in a campaign by the National Education Union and addressed by government. We have called on the Chancellor to introduce a 'recovery premium' in our representation to the Comprehensive Spending Review. We have also called for an extension to the 30 hours childcare and early education entitlement, a key priority for the Trust following the publication of our *A Fair Start* report.

*Communications Reach*
Between September 2020 and August 2021 our research has received over 8,000 mentions in the media, across print, online and broadcast outlets, including over 350 mentions in the national news. This had an advertising equivalent of £10.2m and our digital presence continues to grow. In the past year we have gained over 6,500 new Twitter followers and page views to our website in September 2021 were 88,456 which is an increase of 25% compared to September 2020.

Across our digital communications outputs, we have seen:

- Nearly 700,000 visitors to our website;
- 57,700 + followers on Twitter;
- 14,800+ followers on LinkedIn;
- 3,900+ followers on Instagram; and
- Over 6,000 views for our Impact Hub.

The Trust is regularly quoted and interviewed as a leading expert in response to the wider education agenda. Once again, we led the agenda when this year's GCSE and A-Level results were released, releasing a key research report before results day, and providing rapid analysis on the day which had wide take up across the media.

### Development

Thanks to the generous support of more than 100 donors to the Sutton Trust, we closed the financial year 2020/21 in a strong position. The profile of the Trust through the pandemic and our analysis of its impact has been a key driver of fundraising success, even when interaction with donors has been limited since March 2020.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Development (continued)

We typically track two key metrics in monitoring our fundraising performance:

- New funds secured - This is a measure of new business. It includes all new commitments, both multi-year commitments and one-off gifts;
- Gifts received - This represents cash received in the year, either instalments against pledges or one-off gifts.

The figures for the past two full years are:

| **2020/21** | | **2019/20** | |
|---|---|---|---|
| New funds secured: | £11.6m | New funds secured: | £5.7m |
| Gifts received: | £10.6m | Gifts received: | £5.9m |

(Note: The new funds secured figures differ from the accounts, which have been prepared on an accruals basis).

The most significant growth has been in corporate support for the Trust, with individual and foundation giving remaining steady over the past year. We anticipate that the corporate trend will continue as we grow our employability programmes and we look forward to meeting again with foundations and individual donors as things open up fully.

*Fundraising Highlights*
While engagement with individual donors has been difficult this year, we are delighted with the continued generosity of our Board members and Fellows who provide such valuable and flexible funding for the Trust. In total, we received £1.04m of unrestricted funding in 2020/21. We have seen a significant growth in corporate philanthropy for the Sutton Trust. A standout new commitment of £4.8m is from JP Morgan Chase who made further subsequent donations totaling £0.3m – to create Opportunity Bursaries for Sutton Trust alumni. The funds received from JP Morgan Chase were invested and grown to £5.4m at the year end. We were able to confirm a £1m pledge from the Jordan Charitable Foundation to fund five-year costs for the new Apprenticeship Summer School and for Pathways to Engineering. The Bloomberg Philanthropies relationship goes from strength to strength with a new commitment of £0.5m over three years for alumni bursaries and employability programming. Our partner XTX Markets has added to its support for summer schools and student digital access by making a new commitment of £0.25m for the COSMO longitudinal study, which met our matched funding obligation and helped enable a major research grant from UK Research and Innovation.

*Fundraising Objectives*
For 2020/21 we set ourselves some key objectives for the development programme:

Continuing to secure multi-year funding for flagship programmes, some of which will have their budgets re-cast to reflect the current environment. *Through a combination of fundraising success and some underspend resulting from online delivery, our established flagship programmes are in a healthy position for the coming year. Furthermore, we have been able to launch new initiatives in Pathways to Engineering, Pathways to Consulting and the Apprenticeship Summer School.*

Raising unrestricted funding that allows the Trust to be nimble and responsive as new needs and opportunities are identified. *While recruiting new individual donors has been challenging in the absence of in person meetings, we have seen a welcome growth in unrestricted funding from foundations and other sources. Some of the UK's blue-chip foundations in particular have been enlightened in their response to the challenges of the pandemic.*

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review

In the financial year under review income receivable, including grants, gifts, pro-bono support, interest and investment income was £6.1m, a 9% decline on the previous year (2020: £6.7m) and expenditure was £4.5m, a 13% reduction on the previous year (2020: £5.2m). The total funds of the Trust increased to £11.8m, an increase of 22% during the year (2020: £9.7m), driven by the net surplus in the year arising from fundraising successes outlined in the previous section, plus reduced expenditure due to the pandemic.

For the year, income exceeded expenditure by £2.1m (2020: £1.6m) of which £2m is within restricted or designated funds.

*Income*
Restricted income received in the year was £5m, 82% of total income received (2020: 76%) from over 100 different organisations and individual donors providing funding to programmes and research. Unrestricted income received in the year was £1.1m, 18% of total income received (2020: 24%).

No pro-bono services were received in the year. Last year, pro-bono services received were £0.8m of which £0.6m were included within unrestricted income and £0.2m included within restricted income.

*Expenditure*
Total expenditure on charitable activities was £3.9m, a 15% decrease compared to the prior year. This cost reduction was due to residential activities and events being either cancelled or moved online due to the ongoing pandemic, as well as the reduction in office costs and overheads due to the office closure for 6 months of the year.

Total expenditure on generating funds of £0.6m has stayed consistent compared to the previous year reflecting the continued investment in the development team to build long term relationships with funders and other activities as set out in the Development section on page 9-10.

In light of the continued fundraising successes and sustained reduction in expenditure, the Trust has played a highly proactive role in regularly updating its funders about programme and research activities at the Trust and the financial implications on their funding. Plans are in place for funding accumulated during the pandemic to be spent down responsibly over the next couple of years with funders continuing to be kept informed of the progress.

At the time of writing this report, work is underway to assess how the Trust may adapt its programme activities post-pandemic to incorporate the most impactful elements of face-to-face provision as well as the reach online activities provide. From a financial point of view, it is expected that pre-pandemic expenditure levels will return from next financial year.

*Charitable Funds & Cash*
Restricted income funds at the year-end grew by £1.5m, or 38%, to £5.5m. For a second year in a row, this was due in large part to the impact of the pandemic on delivery costs, as face-to-face programmes could not take place throughout the financial year. The detail of the restricted fund balances by programme are shown in Note 18.

Unrestricted income funds increased by 3%, to £3.7m, in the period, due to the reduction in office costs, overheads and events arising from the closure of the office between November and April and lower occupancy levels during the rest of the year. The reserves policy of the Trust is explained on page 12.

The designated fund, created in 2019 and fully invested at the start of the year in accordance with the investment policy of the Trust generated an annual return of £0.4m, or 19%, with a market value of £2.5m at the year-end.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

Cash held at period end was £9.5m of which £5.7m relates to restricted funds and £3.8m to unrestricted funds. As per the section above, it is the intention of the Trust to significantly reduce the level of cash held in relation to its restricted funds. At the time of writing this report, work is underway to review investment opportunities for the Trust's unrestricted cash.

*Reserves Policy*
The purpose of the reserves policy is to mitigate any risk to the Trust's activities, which may be caused by delayed funder payments, unforeseen increases in expenditure or future changes to the fundraising model.

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 services can continue uninterrupted through to completion.

Reserves include restricted and unrestricted funds. Unrestricted funds can be used at the discretion of the Trustees. The restricted funds may only be used for the purpose specified by the donor.

At the year end, total funds carried forward are £11.8m, which breaks down into £5.5m restricted funds, £2.5m of designated funds and £3.8m of general unrestricted funds.

**Restricted funds** are specified and allocated for the different programmes and research projects undertaken by the Trust. The level of restricted funds has risen significantly in the last two years due to the continued reductions in expenditure caused by the pandemic. The Trust is working closely with its funders to ensure funds accumulated are spent responsibly over an extended period. A breakdown of the restricted funds by programmes can be found in Note 18.

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

**Unrestricted funds** consist of:

- Free Reserves of £2.5m. This amount is expected to cover the budgeted operating costs for the next financial year, including staff salaries.
- Fixed Asset Fund of £0.1m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- General Reserves of £1.1m. This amount is set aside to finance fluctuations in cashflow, to continue running programmes in the short-term, in the absence of a funder or to trial new programmes prior to seeking external funding.

The Trustees review the way in which unrestricted funds are allocated with the aim of maximizing the amount available for charitable activities whilst ensuring that an appropriate level of reserves is maintained for the purposes set out above. The Trustees consider the level of reserves held at period end to be reasonable.

*Investment Policy & Performance*
The Trustees have the power to invest the funds of the Trust in or upon such investments, securities and property as may be thought fit, taking into account the terms or the Articles of Association dated February 2012, the requirements of charity law and the needs of the Trust.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*Investment Policy & Performance (continued)*
The Charity relies on professional fund managers for the day-to-day management of its investment portfolio. The appointed fund managers manage the portfolio on a discretionary basis, with the fund managers taking all investment decisions in line with the investment objectives and risk profile agreed by the Trustees.

The Trust holds two separate investment funds – the designated investment fund for long-term sustainability and the (restricted) opportunity bursary fund – managed by Rathbone Brothers Plc and JP Morgan Bank, respectively, on behalf of the Trust.

Each investment portfolio is allocated to the following asset classes: equities, fixed income and cash, and alternatives, with target allocations varying in line with the purpose of the specific investment (see below). The investment objectives of each investment reflect their medium-to-long nature and 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; and
- Investments in marketable securities which are capable of being converted into cash with reasonable notice.

*Designated Investment Fund for long-term sustainability*
The fund was designated in 2019 with an initial cash investment of £2 million. At the end of the year, the fund value was £2.5m with an asset allocation of 61.7% equities, 19.5% fixed income, 16.8% alternatives and 2.4% cash holdings.

The fund has performed well given the challenging conditions experienced in the period due to the global impact of the pandemic across sectors and markets. The investment performance in the year is 21% net of fees and charges, which is ahead of the Trust's investment objectives for the fund and compares favourably to Rathbone's composite benchmarks corresponding to the Trust's investment Strategy. All income and gains are reinvested into the fund.

*Opportunity Bursary (Restricted) Fund*
The fund was newly established during the financial year with an initial cash grant of £4.8m and additional donations of £0.3m. Funds were invested throughout May and June 2021. At the end of the year, the fund value was £5.4m with an asset allocation of 61.7% equities, 33.1% fixed income, 4.9% alternatives and 0.3% cash holdings.

The fund has performed well, generating a return of 4% net of fees and charges within a four-month period. All income and gains were reinvested into the fund during the year. In line with the grant conditions the principal of the grant and the associated investment income is shown within deferred income in Note 13.

*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 senior staff and others as appropriate. An approval matrix is in place to manage expenditure inside and outside the scope of the budget.

## ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

### Financial Review (continued)

*Grant-making Policy (continued)*
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.

## PLANS FOR FUTURE PERIODS

As the Trust approaches its 25th anniversary in 2022, it has set out a ten-year vision for its direction of travel, its ambitions to grow and to develop longer term financial stability. The first phase of this is being enacted through a three-year plan, which brings together priorities in programmes, research, policy, communications and development, as covered in the sections above.

Our central approach will remain the same, with a focus on directly supporting high ability, low/middle income young people through our programmes, and our research and advocacy work taking a wider look at the causes and potential solutions to low social mobility and educational inequality, from early years through to access to the workplace. Bringing these together – so that our research informs our programmes and both give traction to our policy asks – will remain a critical aspect of our approach.

On programmes, our analysis has highlighted three ways in which our work could expand within our target group in the medium term:

1. By increasing our impact on the students we currently support, and making sure we reach areas of the country that are under-served
2. By supporting more young people through new routes to social mobility, e.g. apprenticeships and new career sectors, including through new partnerships
3. By providing lighter-touch support to low-middle income students through online provision

The year ahead will see new programmes coming online to meet these objectives – for example, through supporting our alumni at university and in their early careers; through the expansion of Pathways programmes to new professions; and through the growth of our Sutton Trust Online platform, including through the provision of digital-only employability programmes. The outcomes of this work will be closely monitored to help shape the nature and trajectory of further growth as part of the next phase in the realisation of the ten year vision. The Trust is also embarking on a significant consultation exercise with our university partners to identify shared priorities and areas where we might usefully further collaborate. This work will likely come on stream in the academic year 2022/23 and beyond.

On the Research and Policy front, we will ensure a continued focus on responsive, agenda-setting research that aims to influence policy and keep social mobility as a top priority. The Trust will look to further strengthen this by commissioning more landmark studies on the overall social mobility picture in the UK and developing an even better understanding of our target group and the challenges they face, building on the significant data we already hold. The COSMO study, mentioned above, is a key means of forwarding this objective, and the first findings of this will be published later in this academic year, with many more to follow. The Trust is also commissioning research to look at how the social mobility landscape has changed since it was founded in 1997,

## PLANS FOR FUTURE PERIODS (continued)

with a particular focus on university access and the overall availability of opportunities to low- and middle-income young people.

The Trust has enjoyed strong access to civil servants, ministers and the media which has enabled us to effect change, while remaining nonpartisan and appealing to decision-makers from a range of backgrounds. Our plans in the coming year will capitalise on this by targeting our research to address specific issues which are important to decision-makers, as well as continuing to focus on long term issues, and by drawing more on international examples which can be translated to the UK context. The continued work on our Fair Start campaign – to make access to funded early education more equitable – is a great example of this approach in action.

## 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. The Trust currently has six trustees who 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 Trust's Commitment to Good Governance Code

In 2018, the Trustees reviewed the voluntary Code of Governance and undertook an internal audit 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 paperwork 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. This will be kept under review.

### 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 Associate Director of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2020/21 stands at 34 staff.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Remuneration Policy

The Sutton 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 Sutton Trust:

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

The pay of the Chief Executive 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 three months for the Executive Team. Pension provisions are set within the Chief Executive's wider compensation package. The Executive Team are on the same terms as other employees. Auto enrolment takes place in line with pension legislation.

### Related Parties

The Trust 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 some 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 Charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the Charity 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 Charity considers risks as part of all its activities.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

**Internal Controls & Risk Management (continued)**
Notable risks identified in the period and actions to mitigate the impact include:

- On going disruption to programme delivery because of Covid-19; difficulties in planning because of uncertainty in 20/21 year ahead. Actions to mitigate the impact include the further development and implementation of Sutton Trust on-line, flexible planning models and re-budgeting to inform the planning process and the engagement with funders to agree the allocation and timing of unused restricted funds carried forward.
- Bigger burden placed on the team because of more direct digital delivery, especially an increase in demand for safeguarding support from partners. Actions to mitigate the impact include the ongoing review of resources and staffing to manage capacity, including new appointments; legal support; and the additional use of organisations with the relevant expertise through outsourcing arrangements.
- Ensuring the Trust remains a distinct and respected voice in a busier educational landscape. Actions to mitigate the impact include clarity in terms of focus and policy objectives, working with partners with a strong track record, speed of turnaround to ensure relevance and leveraging the link with the ongoing programme work being undertaken.
- Ensuring we reach students who need our support the most, especially in underserved areas of the country, as we grow our programme work. The Trust has already undertaken various pieces of analysis to better understand the makeup of our target population, and are reviewing our school and college engagement strategy for applications from 2022/23 and beyond.

**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 (Charities SORP FRS 102).

The Trustees have considered the financial budget for the next financial year, 2021/22, and its medium-term strategy. The plans show a robust pipeline of pledges and projected fundraising income in addition to detailed cost budgets for programmes and activity including administrative costs. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the pandemic and its potential implications on fundraising and programme delivery and support (see Reserve Policy on page 12).

Considering the above, the Trustees believe that the Trust has adequate resources to continue successfully for the foreseeable future. Therefore, the annual report and financial statements have been prepared on a 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 Charity 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 2020/21, 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 2020/21, 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 year. Under Company law the Trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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.

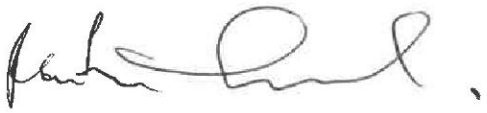
## AUDITOR

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:



27.04.22

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

## THE SUTTON TRUST

### Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2021 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

### Conclusion relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### 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.

**Other information (continued)**

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

- the Report of the Trustees (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate 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.

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 18, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments.
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- the analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charitable Company for previously unreported related party transactions;
- reviewing correspondence and agreements between the Charitable Company and its grantees, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- reviewing correspondence and agreements between the Charitable Company and its donors, and discussion with the management in relation to compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

**Use of our report**

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

Rawlinson & Hunter Audit LLP

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

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

Date: 27 April 2022

## THE SUTTON TRUST

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

## FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | Unrestricted Funds General Funds Year ended 31 August 2021 £ | Unrestricted Funds Designated Funds Year ended 31 August 2021 £ | Restricted Funds Year ended 31 August 2021 £ | TOTAL FUNDS Year ended 31 August 2021 £ | TOTAL FUNDS Year ended 31 August 2020 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and legacies | 2 | 1,039,773 | - | 5,048,028 | 6,087,801 | 6,669,917 |
| Investments | 2 | 383 | 44,687 | 936 | 46,006 | 28,973 |
| **Total income** | | 1,040,156 | 44,687 | 5,048,964 | 6,133,807 | 6,698,890 |
| **Expenditure on:** | | | | | | |
| Costs of raising funds | 4 | 326,643 | 16,219 | 204,870 | 547,732 | 565,734 |
| Charitable activities | 3, 4 & 5 | 587,788 | - | 3,359,814 | 3,947,602 | 4,651,738 |
| **Total expenditure** | | 914,431 | 16,219 | 3,564,684 | 4,495,334 | 5,217,472 |
| **Net gains on investments** | 9 | - | 406,157 | 11,356 | 417,513 | 76,151 |
| **Net income** | 6 | 125,725 | 434,625 | 1,495,636 | 2,055,982 | 1,557,569 |
| **Other losses** | 2 | (137) | - | (13) | (150) | (245) |
| **Net income and movement in funds** | | 125,588 | 434,625 | 1,495,623 | 2,055,836 | 1,557,324 |
| **Reconciliation of funds:** | | | | | | |
| **Total funds brought forward** | | 3,671,906 | 2,086,263 | 3,986,352 | 9,744,521 | 8,187,197 |
| **Total funds carried forward** | 18 & 19 | £3,797,494 | £2,520,888 | £5,481,975 | £11,800,357 | £9,744,521 |

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

All income and expenditure derived from continuing activities.

The notes on pages 26 to 47 form part of these financial statements

## THE SUTTON TRUST

## BALANCE SHEET

## FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 31 August 2021 £ | £ | 31 August 2020 £ | £ |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Tangible assets | 8 | 69,369 | | 93,981 | |
| Investments | 9 & 21 | 7,871,972 | | 2,086,263 | |
| | | | 7,941,341 | | 2,180,244 |
| **Current assets:** | | | | | |
| Debtors | 10 | 479,151 | | 631,475 | |
| Cash at bank and in hand | 21 | 9,475,541 | | 8,263,527 | |
| | | 9,954,692 | | 8,895,002 | |
| **Current liabilities:** | | | | | |
| Creditors - amounts falling due within one year | 11 | (1,236,056) | | (1,290,219) | |
| **Net current assets** | | | 8,718,636 | | 7,604,783 |
| **Total assets less current liabilities** | | | 16,659,977 | | 9,785,027 |
| Creditors - amounts falling due after more than one year | 12 | | (4,859,620) | | (40,506) |
| **Total net assets** | | | £11,800,357 | | £9,744,521 |
| **The funds of the Charitable Company:** | | | | | |
| Unrestricted - general fund | 18 & 19 | | 3,797,494 | | 3,671,906 |
| - designated fund | 18 & 19 | | 2,520,888 | | 2,086,263 |
| Restricted income fund | 18 & 19 | | 5,481,975 | | 3,986,352 |
| **Total Charitable Company funds** | 18 & 19 | | £11,800,357 | | £9,744,521 |

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

Sir Peter Lampl
Trustee

Date: 27.04.22

The notes on pages 26 to 47 form part of these financial statements

THE SUTTON TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | Year ended 31 August 2021 £ | Year ended 31 August 2020 £ |
|---|---|---|---|
| **Net cash inflow from operating activities** | 15 | 6,347,416 | 567,175 |
| **Cash outflow from investing activities** | | | |
| Interest income | | 3,711 | 4,780 |
| Dividend income | | 42,295 | 24,193 |
| Purchase of fixed assets | 8 | (16,308) | (44,995) |
| Purchase of investments | 9 | (5,846,104) | (12,055) |
| Proceeds from disposal of investments | 9 | 681,005 | - |
| **Net cash outflow from investing activities** | | (5,135,401) | (28,077) |
| **Net increase in cash and cash equivalents** | | 1,212,015 | 539,098 |
| **Cash and cash equivalents brought forward** | | 8,263,526 | 7,724,428 |
| **Cash and cash equivalents carried forward** | | £9,475,541 | £8,263,526 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | £9,475,541 | 8,263,526 |
| **Cash and cash equivalents at 31 August 2021** | | £9,475,541 | £8,263,526 |

Cash held at year end was £9.5m (*2020 - £8.3m*). £5.7m of this relates to restricted funds (*2020 - £4.6m*) and £3.8m to unrestricted funds (*2020 - £3.7m*).

The notes on pages 26 to 47 form part of these financial statements

## 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) (issued in October 2019) ("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. 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.

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.

## 1. ACCOUNTING POLICIES (continued)

### Income (continued)

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, dividends, interest and fixed income receivable from listed investments.

### 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 are to third parties in furtherance of the charitable objectives. Where unconditional grants are offered, the value of the grants 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 recognised to the extent that the recipient of the grant has provided the specified service.

### 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.

1. ACCOUNTING POLICIES (continued)

**Status of funds (continued)**

The list of grants 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.

**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.

## 1. ACCOUNTING POLICIES (continued)

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

**Employee benefits**

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

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

**Tax**

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

**Going concern**

The Trustees have considered the relevant financial risks and the ability of the Charitable Company to continue in operational existence for the foreseeable future. The COVID-19 pandemic has created significant operational and financial pressures on the global economy and for charities in general. Having considered the contingency plans in place, the support to charities and businesses announced by the UK Government, the level of funds held and having reviewed a robust pipeline of pledges and projected fundraising income together with the detailed cost budgets for each programme and activity including administrative costs for the 12 months from authorising these financial statements, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

**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.

## 2. INCOME

| The income comprised: | Unrestricted Funds Year ended 31 August 2021 £ | Designated Funds Year ended 31 August 2021 £ | Restricted Funds Year ended 31 August 2021 £ | TOTAL FUNDS Year ended 31 August 2021 £ |
|---|---|---|---|---|
| Donations | 1,039,773 | - | 5,048,028 | 6,087,801 |
| Donated services | - | - | - | - |
| Dividends | - | 41,394 | 901 | 42,295 |
| Bank interest | 383 | 3,293 | 35 | 3,711 |
| | £1,040,156 | £44,687 | £5,048,964 | £6,133,807 |
| Other losses | | | | |
| – foreign exchange | £(120) | £ - | £(13) | £(133) |
| – disposal of fixed asset | £(17) | £ - | £ - | £(17) |

| The income arose from the following geographical locations: | Year ended 31 August 2021 £ | Year ended 31 August 2021 £ | Year ended 31 August 2021 £ | Year ended 31 August 2021 £ |
|---|---|---|---|---|
| US and Canada | - | - | 590,974 | 590,974 |
| Switzerland | - | - | 250,435 | 250,435 |
| New Zealand | 2,496 | - | - | 2,496 |
| UK including the Channel Islands | 1,037,660 | 44,687 | 4,207,255 | 5,289,902 |
| | £ 1,040,156 | £ 44,687 | £ 5,048,964 | £ 6,133,807 |

| The income comprised: | Unrestricted Funds Year ended 31 August 2020 £ | Designated Funds Year ended 31 August 2020 £ | Restricted Funds Year ended 31 August 2020 £ | TOTAL FUNDS Year ended 31 August 2020 £ |
|---|---|---|---|---|
| Donations | 1,000,599 | - | 4,884,818 | 5,885,417 |
| Donated services* | 563,000 | - | 221,500 | 784,500 |
| Dividends | - | 24,193 | - | 24,193 |
| Bank interest | 2,680 | 1,241 | 859 | 4,780 |
| | £1,566,279 | £25,434 | £5,107,177 | £6,698,890 |
| Other losses – foreign exchange | £(245) | £ - | £ - | £(245) |

| The income arose from the following geographical locations: | Year ended 31 August 2020 £ | Year ended 31 August 2020 £ | Year ended 31 August 2020 £ | Year ended 31 August 2020 £ |
|---|---|---|---|---|
| US and Canada | 136,489 | - | 1,074,544 | 1,211,033 |
| Switzerland, Holland and Norway | - | - | 325,986 | 325,986 |
| UK including the Channel Islands | 1,429,790 | 25,434 | 3,706,647 | 5,161,871 |
| | £1,566,279 | £25,434 | £5,107,177 | £6,698,890 |

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

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2021

**Access programmes for university and the professions**
Pathways Plus
Pathways to Banking & Finance
Pathways to Engineering
Pathways to Law
Pathways to Medicine
Pathways to Consulting
Apprenticeship Summer School
UK Summer Schools
US Programme
Accessing Online Opportunities
Sutton Trust Online
Alumni Network
Digital Project
Infrastructure Project
Employability Bursaries
Opportunity Bursary

**Early years and primary school Programmes**
Communication and Language Project
OVO Project

**Research and policy**
Lost Learning, Lost Earnings
PQA: Reforming University Admissions
Global University Access and Covid-19
Room at the Top: Access to leading universities globally
Learning in Lockdown
Covid-19 and the University Experience
The University of Life
School Funding and Pupil Premium 2021
University Admissions: The International Picture
Measuring Disadvantage
Fairness First
Inequality in the Highest Degree: Access to postgraduate study
A Levels and University Access 2021
A Fair Start

**Programmes in schools and colleges**
Sutton Scholars

There was one institution *(2020 - one)* to which a material amount (above £175,000) of grants was payable in the year, being total grants of £281,016 payable to Causeway Education *(2020 – total grants of £245,575 payable to Causeway Education)*.

## 3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES DURING THE YEAR ENDED 31 AUGUST 2021 (continued)

| | Unrestricted Funds Year ended 31 August 2021 £ | Designated Funds Year ended 31 August 2021 £ | Restricted Funds Year ended 31 August 2021 £ | Total Year ended 31 August 2021 £ | Total number Year ended 31 August 2021 |
|---|---|---|---|---|---|
| Grants payable to institutions | | | 1,124,843 | 1,124,843 | 111 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | £ - | £ - | £1,124,843 | £1,124,843 | 111 |
| Total number | - | - | 111 | - | 111 |

| | Unrestricted Funds Year ended 31 August 2020 £ | Designated Funds Year ended 31 August 2020 £ | Restricted Funds Year ended 31 August 2020 £ | Total Year ended 31 August 2020 £ | Total number Year ended 31 August 2020 |
|---|---|---|---|---|---|
| Grants payable to institutions | - | - | 1,345,855 | 1,345,855 | 106 |
| Grants payable to individuals | - | - | - | - | - |
| Total grants payable (see Note 4) | £ - | £ - | £1,345,855 | £1,345,855 | 106 |
| Total number | - | - | 106 | - | 106 |

The grants payable above exclude other direct charitable programme expenses payable to the grantees. See the grant-making policy on pages 13-14 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

## 4. CHARITABLE ACTIVITIES

| | Grants | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 | Year ended 31 August 2021 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 375,881 | 596,746 | 432,611 | 313,436 | - | 1,718,674 |
| Schools/colleges | 536,490 | 434,779 | 147,485 | 266,765 | - | 1,385,519 |
| Early years | 181,600 | 3,375 | 61,201 | 59,254 | - | 305,430 |
| Research projects | 30,872 | 188,870 | 213,868 | 104,369 | - | 537,979 |
| | £1,124,843 | £1,223,770 | £855,165 | £743,824 | £ - | £3,947,602 |
| **Costs of raising funds** | £ - | £25,354 | £419,173 | £103,205 | £ - | £547,732 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | £587,788 | £3,359,814 | £3,947,602 |

| | Grants | Direct costs | Staff costs (Note 7) | Support Costs (Note 5) | Pro bono work | Total |
|---|---|---|---|---|---|---|
| | Year ended 31 August 2020 | Year ended 31 August 2020 | Year ended 31 August 2020 | Year ended 31 August 2020 | Year ended 31 August 2020 | Year ended 31 August 2020 |
| | £ | £ | £ | £ | £ | £ |
| University outreach | 946,874 | 877,149 | 472,988 | 883,786 | 221,500 | 3,402,297 |
| Schools/colleges | 264,574 | 6,103 | 19,777 | 116,386 | - | 406,840 |
| Early years | 134,407 | 4,477 | 25,908 | 66,077 | - | 230,869 |
| Research projects | - | 251,077 | 185,655 | 175,000 | - | 611,732 |
| | £1,345,855 | £1,138,806 | £704,328 | £1,241,249 | £221,500 | £4,651,738 |
| **Costs of raising funds** | £ - | £30,578 | £384,198 | £150,958 | £ - | £565,734 |

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| **Charitable expenditure** | £1,069,757 | £3,581,981 | £4,651,738 |

## 5. ANALYSIS OF SUPPORT COSTS

| | Charitable Activities Year ended 31 August 2021 £ | Fund raising (unrestricted) Year ended 31 August 2021 £ | Total Year ended 31 August 2021 £ |
|---|---|---|---|
| Wages and salaries (Note 7) | 367,437 | 50,982 | 418,419 |
| Other staff costs–travel / recruitment etc. | (5,763) | (800) | (6,563) |
| Administration | 34,559 | 4,795 | 39,354 |
| Strategy and planning (pro-bono) | - | - | - |
| Premises (net of recharges) | 185,553 | 25,746 | 211,299 |
| Audit & other | 21,076 | 2,924 | 24,000 |
| Accountancy | 12,076 | 1,675 | 13,751 |
| Legal | 4,956 | 688 | 5,644 |
| Public relations | 88,648 | 12,300 | 100,948 |
| Depreciation (Note 8) | 35,282 | 4,895 | 40,177 |
| | £743,824 | £103,205 | £847,029 |

| | Charitable Activities Year ended 31 August 2020 £ | Fund raising (unrestricted) Year ended 31 August 2020 £ | Total Year ended 31 August 2020 £ |
|---|---|---|---|
| Wages and salaries (Note 7) | 380,547 | 46,282 | 426,829 |
| Other staff costs–travel / recruitment etc. | 10,015 | 1,218 | 11,233 |
| Administration | 35,809 | 4,355 | 40,164 |
| Strategy and planning (pro-bono) | 501,953 | 61,047 | 563,000 |
| Premises (net of recharges) | 178,407 | 21,697 | 200,104 |
| Audit & other | 20,149 | 2,451 | 22,600 |
| Accountancy | 7,189 | 874 | 8,063 |
| Legal | 6,406 | 779 | 7,185 |
| Public relations | 69,750 | 8,483 | 78,233 |
| Depreciation | 30,979 | 3,767 | 34,746 |
| Loss on disposal of fixed assets | 45 | 5 | 50 |
| | £1,241,249 | £150,958 | £1,392,207 |

Governance costs of £24,504 *(2020 - £595,145)* which includes *£Nil (2020 - £563,000)* of pro-bono work on strategy and planning were incurred during the year. These are included in the support costs in both current year and in 2020.

## 6. NET INCOME AND NET MOVEMENT IN FUNDS FOR THE PERIOD

| This is stated after charging: | Year ended 31 August 2021 £ | Year ended 31 August 2020 £ |
|---|---|---|
| Operating leases – land and buildings | 113,807 | 113,807 |
| Depreciation | 40,177 | 34,747 |
| Loss on disposal of fixed assets | 17 | 50 |
| Auditor's remuneration: | | |
| Audit services | 24,000 | 22,600 |

## 7. STAFF COSTS

| | | Year ended 31 August 2021 £ | Year ended 31 August 2020 £ |
|---|---|---|---|
| (a) | Salaries | 1,418,500 | 1,262,865 |
| | National Insurance | 105,028 | 111,396 |
| | Pension contributions | 169,228 | 141,094 |
| | | £1,692,756 | £1,515,355 |

Included in the staff costs are consultancy fees of £204,260 *(2020 - £194,759)* payable to key management personnel and £27,825 *(2020 - £438)* payable to another consultant, who are not employees. Also included in the staff costs are staff costs recharged to the Charitable Company by the Chairman's private office of £46,257 *(2020 - £46,364)* and pension costs of £1,153 *(2020 - £1,124)* for the shared use of employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2021 *(2020 - £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 £636,868 *(2020 - £594,445)*.

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £169,228 *(2020 - £141,094)*. Of these contributions, £14,834 *(2020 - £13,518)* were due to these plans by the Charitable Company at the year end.

## 7. STAFF COSTS (continued)

| | Year ended 31 August 2021 No. | Year ended 31 August 2020 No. |
|---|---|---|
| (b) Number of staff | | |
| Programmes | 12 | 9 |
| Research | 9 | 8 |
| Fund raising | 6 | 7 |
| Administration | 4 | 4 |
| | 31 | 28 |

(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 year is as follows:

| | | |
|---|---|---|
| £60,001 to £70,000 | 2 | 3 |
| £70,001 to £80,000 | 1 | 1 |
| £80,001 to £90,000 | - | - |
| £110,000 to £120,000 | 1 | 1 |
| £130,001 to £140,000 | - | - |
| £160,001 to £170,000 | - | - |

Employers' pension contributions in respect of these 4 *(2020 - 5)* employees amounted to £26,289 (*2020 - £28,878*) during the period.

## 8. TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Furniture and fittings £ | Computer equipment £ | Cycle scheme £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 September 2020 | 143,766 | 119,896 | 101,061 | - | 364,723 |
| Additions | - | - | 14,391 | 1,917 | 16,308 |
| Disposals | - | (6,910) | (10,667) | - | (17,577) |
| At 31 August 2021 | 143,766 | 112,986 | 104,785 | 1,917 | 363,454 |
| **Depreciation** | | | | | |
| At 1 September 2020 | 131,029 | 101,465 | 38,248 | - | 270,742 |
| Charge for period | 8,499 | 6,614 | 24,265 | 799 | 40,177 |
| Disposals | - | (6,910) | (9,924) | - | (16,834) |
| At 31 August 2021 | 139,528 | 101,169 | 52,589 | 799 | 294,085 |
| **Net book value** | | | | | |
| At 31 August 2021 | £4,238 | £11,817 | £52,196 | £1,118 | £69,369 |
| At 31 August 2020 | £12,737 | £18,431 | £62,813 | £ - | £93,981 |

## 9. FIXED ASSET INVESTMENTS

| | 31 August 2021 £ | 31 August 2020 £ |
|---|---|---|
| Investments comprise: | | |
| United Kingdom | 2,147,028 | 1,754,317 |
| Overseas | 5,724,944 | 331,946 |
| **Total Investments** | £7,871,972 | £2,086,263 |
| Gain on investments in the period: | | |
| Realised (losses)/gains | (3,552) | 15,122 |
| Unrealised gains | 632,000 | 61,029 |
| **Total gain on investments in the period** | £628,448 | £76,151 |
| Included in: | | |
| Deferred income | 210,935 | - |
| Statement of Financial Activities | 417,513 | 76,151 |

***Investment assets within the United Kingdom***

| | Quoted Securities | Cash held by custodian | Total |
|---|---|---|---|
| | 31 August 2021 £ | 31 August 2021 £ | 31 August 2021 £ |
| **Cost/market value** | | | |
| At 31 August 2020 | 1,630,334 | 123,983 | 1,754,317 |
| Transfers | - | (5,881,881) | (5,881,881) |
| Additions | 326,734 | 5,150,421 | 5,477,155 |
| Disposals | (255,620) | 685,742 | 430,122 |
| Unrealised investment gains | 367,315 | - | 367,315 |
| At 31 August 2021 | £2,068,763 | £78,265 | £2,147,028 |

***Investment assets within the United Kingdom***

| | Quoted Securities | Cash held by custodian | Total |
|---|---|---|---|
| | 31 August 2020 £ | 31 August 2020 £ | 31 August 2020 £ |
| **Cost/market value** | | | |
| At 31 August 2019 | 570,505 | 1,365,633 | 1,936,138 |
| Transfers | 1,052,184 | (1,306,201) | (254,017) |
| Additions | 768 | 11,286 | 12,054 |
| Disposals | (8,392) | 53,265 | 44,873 |
| Unrealised investment gains | 15,269 | - | 15,269 |
| At 31 August 2020 | £1,630,334 | £123,983 | £1,754,317 |

## 9. FIXED ASSET INVESTMENTS (continued)

| *Investment assets outside the United Kingdom* | 31 August 2021 Quoted securities Total £ | 31 August 2020 Total £ |
|---|---|---|
| **Cost/market value** | | |
| At 31 August 2020 | 331,946 | 61,920 |
| Additions | 5,519,368 | 254,017 |
| Disposals | (425,385) | (29,751) |
| Unrealised investment gains | 264,685 | 45,760 |
| At 31 August 2021 | £5,724,944 | £331,946 |

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

| | Market Value 31 August 2021 £ | Percentage of total 31 August 2021 % |
|---|---|---|
| **UK Investments** | | |
| Vanguard S&P 500 ETF | £1,742,849 | 22.1 |
| Lumyna-Global Debt-Credit UCITS FD | £573,709 | 7.3 |

| | Market Value 31 August 2020 £ | Percentage of total 31 August 2020 % |
|---|---|---|
| **UK Investments** | | |
| Treasury 1/8% I/L Stock 22/03/2024 | £134,956 | 6.5 |
| Treasury 1/8% I/L Stock 22/03/2026 | £135,092 | 6.5 |
| Treasury 1/8% I/L Stock 22/03/2029 | £120,292 | 5.8 |
| Rathbone Unit Trust Mgmt Global Sustainability Fund | £103,728 | 5.0 |
| Personal Assets Trust PLC | £126,980 | 6.1 |
| Ruffer Investment Co | £105,600 | 5.1 |

## 10. DEBTORS

| | 31 August 2021 £ | 31 August 2020 £ |
|---|---|---|
| Debtors – donations and legacies receivable | 217,507 | 40,522 |
| Other debtors | 12,240 | 6,573 |
| Prepayments and accrued income | 249,404 | 584,380 |
| | £479,151 | £631,475 |

## 11. CREDITORS - Amounts falling due within one year

| | 31 August 2021 £ | 31 August 2020 £ |
|---|---|---|
| Accruals for grants payable | 537,783 | 549,519 |
| Trade creditors | 74,636 | 73,964 |
| Taxation and social security | 35,579 | 32,271 |
| Other creditors | 5,832 | 21,365 |
| Accruals and deferred income (Note 13) | 582,226 | 613,100 |
| | £1,236,056 | £1,290,219 |

## 12. CREDITORS - Amounts falling due after more than one year

| | 31 August 2021 £ | 31 August 2020 £ |
|---|---|---|
| Other creditors | - | 7,540 |
| Accruals and deferred income (Note 13) | 4,859,620 | 32,966 |
| | £4,859,620 | £40,506 |

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

## 13. DEFERRED INCOME

| | 31 August 2021 £ | 31 August 2020 £ |
|---|---|---|
| Balance as at 1 September 2020 | 503,806 | 957,861 |
| Amount deferred in the period | 5,311,342 | 473,166 |
| Amount released to income | (473,166) | (927,221) |
| Balance as at 31 August 2021 | £5,341,982 | £503,806 |

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

## 14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 August 2021 *(2020 - £Nil).*

**Trustees' expenses**

During the year Sir Peter Lampl charged the Charitable Company £56,157 *(2020 - £63,178)* for the shared use of some employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £40,208 *(2020 - £36,610)* for general administrative costs incurred by the Charitable Company on his behalf.

£4,676 *(2020 - £16,477 was owed to)* was owed from Sir Peter Lampl at the year end. This amount was settled promptly after the year end.

**Donations from Trustees**

During the year, donations of £Nil (*2020 - £Nil*) were received from Sir Peter Lampl. £Nil (*2020 - £25,000*) of deferred donations made in previous years, under a matched funding arrangement, were matched and released as income during the year. The balance remaining at the year end, within the matched funding account, is £30,640 (*2020 - £30,640*) (see Note 13).

During the year, total donations of £150,000 (*2020: - £62,275*) were received from other Trustees.

**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 year the Sutton Trust charged the EEF £42,289 *(2020 - £43,050)* for office space and overheads and £56,379 *(2020 - £41,086)* for some staff costs and third party expenses. £7,564 *(2020 - £6,573)* was owed to The Sutton Trust by the EEF at the year end.

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

| | Year ended 31 August 2021 £ | Year ended 31 August 2020 £ |
|---|---|---|
| Net income and net movement in funds | 2,055,836 | 1,557,324 |
| Interest receivable | (3,711) | (4,780) |
| Dividends receivable | (42,295) | (24,193) |
| Unrealised (gain) on investments (Note 9) | (632,000) | (61,029) |
| Realised loss/(gain) on investments (Note 9) | 3,552 | (15,122) |
| Depreciation of tangible fixed assets less disposals | 40,177 | 34,746 |
| Loss on disposal of fixed assets | 17 | 50 |
| Decrease/(increase) in debtors | 152,324 | (159,652) |
| Increase/(decrease) in creditors | 4,773,516 | (760,169) |
| Net cash inflow from operating activities | £6,347,416 | £567,175 |

## 16. OPERATING LEASES

At 31 August 2021, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

| | Land and Buildings 31 August 2021 £ | Land and Buildings 31 August 2020 £ |
|---|---|---|
| Within 1 year | 65,963 | 116,457 |
| Between two and five years | - | 65,963 |

The above operating lease for the premises occupied by the Charitable Company expires on 25 March 2022. After the year end in September 2021 the Charitable Company signed a variation to the lease which now expires on 28 September 2026.

## 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

## 18. STATEMENT OF FUNDS

| | Funds brought forward | Total income | Total expenditure (including gains/(losses) | Transfers | Funds carried forward |
|---|---|---|---|---|---|
| **Unrestricted funds** | £ | £ | £ | £ | £ |
| General funds | 3,671,906 | 1,040,019 | (914,431) | - | 3,797,494 |
| Designated funds | 2,086,263 | 450,844 | (16,219) | - | 2,520,888 |
| | £5,758,169 | £1,490,863 | £(930,650) | - | £6,318,382 |
| **Restricted funds** | | | | | |
| Pathways to Law | 9,682 | 84,926 | (316,315) | 256,636 | 34,929 |
| UK Summer Schools | 1,603,130 | 930,435 | (739,507) | - | 1,794,058 |
| Employability Funding | - | 20,000 | - | (20,000) | - |
| Sutton Scholars | 31,142 | 100,000 | (148,766) | - | (17,624) |
| US Programme | 1,183,475 | 356,424 | (361,548) | - | 1,178,351 |
| Pathways to Medicine | 157,068 | 159,628 | (148,349) | 3,769 | 172,116 |
| Opportunity Bursary | - | 443,980 | (10,715) | - | 433,265 |
| Pathways to Engineering | - | 181,500 | (60,349) | 12,535 | 133,686 |
| Pathways to Banking & Finance | 26,049 | 319,414 | (161,756) | 14,987 | 198,694 |
| Research and Policy | - | 387,996 | (389,573) | 7,000 | 5,423 |
| Access Champions | - | | | | |
| Pathways Plus | - | 47,500 | (49,973) | 3,734 | 1,261 |
| Pathways to Coding | - | | | | |
| Alumni Network | - | 31,075 | (109,463) | 78,388 | - |
| Programmes General Fund | - | 65,388 | - | (65,388) | - |
| Early years | 74,759 | 219,520 | (219,280) | - | 74,999 |
| Apprenticeship Campaigns | 30,996 | 103,832 | (76,872) | - | 57,956 |
| Accessing Online Opportunities | 13,218 | - | (12,482) | - | 736 |
| Apprenticeship Summer School | - | 120,000 | (39,530) | - | 80,470 |
| Infrastructure Project | 20,000 | 132,902 | (150,621) | - | 2,281 |
| Pathways General | 510,498 | 601,216 | - | (291,661) | 820,053 |
| Sutton Trust Online | 326,335 | 450,027 | (569,585) | - | 206,777 |
| COSMO: Cohort Study | - | 304,544 | - | - | 304,544 |
| | £3,986,352 | £5,060,307 | £(3,564,684) | - | £5,481,975 |
| **Total funds** | £9,744,521 | £6,551,170 | £(4,495,334) | - | £11,800,357 |

**Unrestricted General Funds**

The unrestricted general fund represents the general reserves of the Trust which are not designated for particular purposes.

**Unrestricted Designated Funds**

This represents the investment fund that has been set up to ensure the long-term sustainability of the Trust.

## 18. STATEMENT OF FUNDS (continued)

### Restricted Funds

***Accessing Online Opportunities***

A programme to support students on digital Sutton Trust programmes with equipment and internet access.

***Alumni Network***

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

***Apprenticeship Summer School***

A new employability programme to widen access to apprenticeships.

***Infrastructure Project***

Funding to build capacity within the Trust.

***Pathways General***

Funding received from a number of partners to support the Trust's wider employability programmes.

***Pathways Plus***

An undergraduate programme to support non-privileged Law students during their degree.

***Pathways to Banking & Finance***

A programme supported to widen access to university and banking related careers.

***Pathways to Engineering***

A programme to widen access to the engineering sector.

***Pathways to Law***

A programme supported to widen access to university and legal careers.

***Pathways to Medicine***

A programme to widen access to medical schools.

***Opportunity Bursary***

Bursary fund to support Sutton Trust alumni with their career development.

***Sutton Scholars***

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

## 18. STATEMENT OF FUNDS (continued)

***Sutton Trust Online (formerly Digital Innovation)***

A digital programme to expand the reach of traditional Sutton Trust programmes.

***UK Summer Schools***

The Trust's flagship programme supporting students to access the UK's leading universities.

***US Summer Schools***

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

***Research and Policy***

A fund supporting the Trust's research into social mobility, and also supporting the Trust's work with policy-makers.

***Apprenticeship Campaigns***

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

***COSMO: Cohort Study***

A major new national longitudinal cohort study which will examine the short, medium and long term impacts of the COVID-19 pandemic on educational inequality and social mobility.

***Early Years***

A project to explore communication and early language.

## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2021 | Designated 31 August 2021 | 31 August 2021 | 31 August 2021 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 69,369 | - | - | 69,369 |
| Investments | - | 2,520,888 | 5,351,085 | 7,871,972 |
| Debtors | 134,044 | - | 345,107 | 479,151 |
| Cash at bank and in hand | 3,766,900 | - | 5,708,640 | 9,475,541 |
| Current liabilities | (172,819) | - | (1,063,237) | (1,236,056) |
| Non - current liabilities | - | - | (4,859,620) | (4,859,620) |
| Total net assets | £3,797,494 | £2,520,888 | £5,481,975 | £11,800,357 |

| | Unrestricted funds | | Restricted funds | Total |
|---|---|---|---|---|
| | General 31 August 2020 | Designated 31 August 2020 | 31 August 2020 | 31 August 2020 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 93,981 | - | - | 93,981 |
| Investments | - | 2,086,263 | - | 2,086,263 |
| Debtors | 221,486 | - | 409,989 | 631,475 |
| Cash at bank and in hand | 3,628,500 | - | 4,635,027 | 8,263,527 |
| Current liabilities | (264,521) | - | (1,025,698) | (1,290,219) |
| Non - current liabilities | (7,540) | - | (32,966) | (40,506) |
| Total net assets | £3,671,906 | £2,086,263 | £3,986,352 | £9,744,521 |

## 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 2021 £ | 31 August 2020 £ |
|---|---|---|
| *Financial assets* | | |
| Measured at fair value through profit and loss | 17,347,513 | 10,349,790 |
| Measured at amortised cost: | | |
| Other debtors (Note 10) | 12,240 | 6,573 |

| | 31 August 2021 £ | 31 August 2020 £ |
|---|---|---|
| *Financial liabilities* | | |
| Measured at amortised cost | | |
| Trade creditors (Note 11) | 74,636 | 73,964 |
| Other creditors and accruals (Note 11) | 92,800 | 150,699 |

Financial assets measured at fair value relate to cash at bank and in hand of £9,475,541 (*2020 - £8,263,527*) and investments of £7,871,972 (*2020 – £2,086,263*).

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 gains of £628,448 *(2020 – net gains £76,151)* attributable to the Charitable Company's financial instruments.