

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 Tim Bunting Sir Peter Gershon Lady Susan Lampl (until 18/11/2023) Professor Louise Richardson Oliver Quick |
| Executive Chairman | Sir Peter Lampl |
| Chief Executive | Nick Harrison (from 09/05/2023) |
| Director of Development | Jenny Suggitt (from 11/09/2023) Doug Thomson (until 31/07/2023) |
| Director of Programmes | Katy Hampshire (from 06/03/2023) 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 |

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

**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:

- (i) To advance the education of the public and to improve educational opportunities for young people; and
- (ii) To undertake such charitable purposes or to make charitable donations in such a manner as the Trustees may in their absolute discretion think fit.

**Charitable Company Address
& Registered office**

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
Statutory Auditor
Chartered Accountants
Eighth Floor, 6 New Street Square,
New Fetter Lane, London
EC4A 3AQ

Bankers

National Westminster Bank
57 Victoria Street, London,
SW1H 0HN

CAF Bank Limited
25 Kings Hill Avenue, Kings Hill,
West Malling, Kent
ME19 4JQ

Nationwide Building Society
Kings Park Road
Moulton Park, Northampton
NN3 6NW

Investment Managers

Rathbones Group Plc
8 Finsbury Circus, London,
EC2M 7AZ

J.P. Morgan Bank
60 Victoria Embankment, London
EC4Y 0JP

Solicitors

Bates Wells
10 Queen Street Place, London
EC4R 1BE

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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-pressure 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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Research, Policy and Communications (continued)

[Mental health and wellbeing](#): Alarming, 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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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 retention. 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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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 through the election period.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

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:



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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMEBERS OF

THE SUTTON TRUST

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.

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

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.

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

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.



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 | | Restricted Funds | TOTAL FUNDS | TOTAL FUNDS |
|--|----------|--------------------|------------------|---------------------------|---------------------------|---------------------------|
| | | General Funds | Designated Funds | Year ended 31 August 2023 | Year ended 31 August 2023 | 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 |
| | | <u>7,168,799</u> | <u>7,351,988</u> |
| Current assets: | | | |
| Debtors | 10 | 648,914 | 881,002 |
| Cash at bank and in hand | 21 | 9,545,346 | 9,745,616 |
| | | <u>10,194,260</u> | <u>10,626,618</u> |
| Current liabilities: | | | |
| Creditors - amounts falling due within one year | 11 | (2,451,489) | (2,400,671) |
| | | <u>7,742,771</u> | <u>8,225,947</u> |
| Net current assets | | <u>14,911,570</u> | <u>15,577,935</u> |
| Total assets less current liabilities | | | |
| Creditors - amounts falling due after more than one year | 12 | (4,570,706) | (4,624,762) |
| | | <u>10,340,864</u> | <u>£10,953,173</u> |
| Total net assets | | | |
| 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 |
| | | <u>10,340,864</u> | <u>£10,953,173</u> |
| Total Charitable Company funds | 18 & 19 | | |

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



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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. INCOME

| | 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 £ |
|---|---|---|---|--|
| The income comprised: | | | | |
| 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 |
| | <u>2,527,017</u> | <u>46,927</u> | <u>4,549,341</u> | <u>7,123,285</u> |
| Other gains/(losses) | | | | |
| – foreign exchange | (274) | - | (35) | (309) |
| – disposal of fixed asset | 1,003 | - | - | 1,003 |
| | <u>729</u> | <u>-</u> | <u>(35)</u> | <u>694</u> |
| 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 |
| | <u>2,527,017</u> | <u>46,927</u> | <u>4,549,341</u> | <u>7,123,285</u> |

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. INCOME (continued)

| | Unrestricted Funds | Designated Funds | Restricted Funds | TOTAL FUNDS |
|--|--|--|--|--|
| | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 | Year ended 31 August 2022 |
| | £ | £ | £ | £ |
| The income comprised: | | | | |
| 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 |
| | <u>1,208,927</u> | <u>48,667</u> | <u>4,572,082</u> | <u>5,829,676</u> |
| Other gains/(losses) | | | | |
| – foreign exchange | 428 | - | 132 | 560 |
| – disposal of fixed asset | (629) | - | - | (629) |
| | <u>(201)</u> | <u>-</u> | <u>132</u> | <u>(69)</u> |
| | | | | |
| 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 |
| | <u>1,208,927</u> | <u>48,667</u> | <u>4,572,082</u> | <u>5,829,676</u> |

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

**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

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

**Early years and primary school
Programmes**

Communication and Language Project

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 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 | - | - | - | - | - |
| | AAAAAAAAAAAA | AAAAAAAAAAAA | AAAAAAAAAAAA | AAAAAAAAAAAA | AAAAAAAAAAAA |
| 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 | - | - | - | - | - |
| | AAAAAAAAAAAA | AAAAAAAAAAAA | AAAAAAAAAAAA | AAAAAAAAAAAA | AAAAAAAAAAAA |
| 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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |
| | <u>1,428,596</u> | <u>128,310</u> | <u>1,556,906</u> |

| | 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 |
| | <u>975,036</u> | <u>95,217</u> | <u>1,070,253</u> |

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |
| | <u>2,467,036</u> | <u>1,915,534</u> |

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 improvement s £ | 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 |
| | ~~~~~ | ~~~~~ | ~~~~~ | ~~~~~ | ~~~~~ |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |
| | AAAAAAAAAAAA | AAAAAAAAAAAA |
| Total equity, bond and other investments | 7,032,316 | 7,250,524 |
| Cash held as part of portfolio | 69,763 | 38,463 |
| | AAAAAAAAAAAA | AAAAAAAAAAAA |
| 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) |
| | AAAAAAAAAAAA | AAAAAAAAAAAA |
| 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) |
| | AAAAAAAAAAAA | AAAAAAAAAAAA |
| | (51,975) | (517,678) |
| | ■■■■ | ■■■■ |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. FIXED ASSET INVESTMENTS (continued)

| | 31 August 2023 | 31 August 2022 |
|--|-------------------|-------------------|
| | Total £ | 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) |
| | <u>7,102,079</u> | <u>£7,288,987</u> |
| At 31 August 2023 | | |

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

| | Market Value | Percentage of total |
|----------------------------------|------------------------|------------------------|
| | 31 August 2023 £ | 31 August 2023 % |
| Vanguard S&P 500 ETF | 1,540,626 | 21.7 |
| HSBC Global Fund ICAV | 487,294 | 6.9 |
| | | |
| | Market Value | Percentage of total |
| | 31 August 2022 £ | 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 |
| | <u>648,914</u> | <u>£881,002</u> |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |
| | <u>2,451,489</u> | <u>2,400,671</u> |

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 |
| | <u>4,570,706</u> | <u>4,624,762</u> |

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) |
| | <u>5,232,650</u> | <u>5,109,731</u> |

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |
| | <u>(474,919)</u> | <u>182,297</u> |
| Net cash (outflow)/inflow from operating activities | <u>(474,919)</u> | <u>182,297</u> |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 |
| | <u>6,307,427</u> | <u>2,573,944</u> | <u>(1,749,323)</u> | <u>7,328</u> | <u>7,139,376</u> |
| 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) | - | - |
| | <u>4,645,746</u> | <u>4,549,341</u> | <u>(5,986,271)</u> | <u>(7,328)</u> | <u>3,201,488</u> |
| Total funds | 10,953,173 | 7,123,285 | (7,735,594) | - | 10,340,864 |

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | Total |
|---------------------------|--------------------|------------------|------------------|-------------------|
| | General | Designated | | |
| | 31 August | 31 August | 31 August | 31 August |
| | 2023 | 2023 | 2023 | 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) |
| | <u>4,988,768</u> | <u>2,150,608</u> | <u>3,201,488</u> | <u>10,340,864</u> |

| | Unrestricted funds | | Restricted funds | Total |
|---------------------------|--------------------|------------------|------------------|-------------------|
| | General | Designated | | |
| | 31 August | 31 August | 31 August | 31 August |
| | 2022 | 2022 | 2022 | 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) |
| | <u>4,075,851</u> | <u>2,231,576</u> | <u>4,645,746</u> | <u>10,953,173</u> |

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.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. FINANCIAL INSTRUMENTS

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

| | 31 August 2023 £ | 31 August 2022 £ |
|--|---------------------------------|---------------------------------|
| <i>Financial assets</i> | | |
| 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 |
| | <u> </u> | <u> </u> |
| | 31 August 2023 £ | 31 August 2022 £ |
| <i>Financial liabilities</i> | | |
| 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 |
| | <u> </u> | <u> </u> |

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.