

**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 2020**

**THE SUTTON TRUST**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**CONTENTS**

---

|                                                                                             | <b>Page</b> |
|---------------------------------------------------------------------------------------------|-------------|
| <b>REPORT OF THE TRUSTEES</b>                                                               | 1 - 17      |
| <b>INDEPENDENT AUDITOR'S REPORT</b>                                                         | 18 - 20     |
| <b>STATEMENT OF FINANCIAL ACTIVITIES<br/>(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)</b> | 21          |
| <b>BALANCE SHEET</b>                                                                        | 22          |
| <b>STATEMENT OF CASH FLOWS</b>                                                              | 23          |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b>                                                    | 24 – 44     |

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2020. The comparatives in these financial statements cover the 17 month period ended 31 August 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) ("Charities SORP FRS 102").

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

|                                                                          |                                                                                                                                              |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governing Instrument</b>                                              | Memorandum and Articles of Association                                                                                                       |
| <b>Founder</b>                                                           | Sir Peter Lampl                                                                                                                              |
| <b>Trustees (also the statutory directors of the Charitable Company)</b> | Sir Peter Lampl<br>Sir Peter Gershon<br>Oliver Quick<br>Lady Susan Lampl<br>Tim Bunting<br>Professor Louise Mary Richardson (from 1/11/2019) |
| <b>Executive Chairman</b>                                                | Sir Peter Lampl                                                                                                                              |
| <b>Chief Executive</b>                                                   | James Turner                                                                                                                                 |
| <b>Director of Development</b>                                           | Doug Thomson                                                                                                                                 |
| <b>Director of Programmes</b>                                            | Laura Bruce (from 01/09/2019)                                                                                                                |
| <b>Associate Director of Research &amp; Policy</b>                       | Carl Cullinane (from 01/09/2019)                                                                                                             |
| <b>Associate Director of Media &amp; Communications</b>                  | Hilary Cornwell (from 01/09/2019)                                                                                                            |
| <b>Head of Finance &amp; Operations</b>                                  | Stefanie Kha                                                                                                                                 |

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objects of Charitable Company</b>                      | The Trustees shall hold or apply the capital and income of the Charitable Company for the following objects:<br>(i) To advance the education of the public and to improve educational opportunities for young people; and<br>(ii) To undertake such charitable purposes or to make charitable donations in such a manner as the Trustees may in their absolute discretion think fit. |
| <b>Charitable Company Address &amp; Registered office</b> | Millbank Tower, 21-24 Millbank,<br>London, SW1P 4QP                                                                                                                                                                                                                                                                                                                                  |
| <b>Website and Social Media</b>                           | <a href="http://www.suttontrust.com">www.suttontrust.com</a><br>@suttontrust                                                                                                                                                                                                                                                                                                         |
| <b>Charity Registration Number</b>                        | 1146244                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Company Registration Number</b>                        | 07951541                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Auditor</b>                                            | Rawlinson & Hunter Audit LLP<br>Statutory Auditor<br>Chartered Accountants<br>Eighth Floor, 6 New Street Square,<br>New Fetter Lane, London<br>EC4A 3AQ                                                                                                                                                                                                                              |
| <b>Bankers</b>                                            | National Westminster Bank<br>57 Victoria Street, London,<br>SW1H 0HN<br><br>CAF Bank Limited<br>25 Kings Hill Avenue, Kings Hill,<br>West Malling, Kent<br>ME19 4JQ                                                                                                                                                                                                                  |
| <b>Investment Managers</b>                                | Rathbone Investment Management<br>8 Finsbury Circus, London,<br>EC2M 7AZ                                                                                                                                                                                                                                                                                                             |
| <b>Solicitors</b>                                         | Bates Wells<br>10 Queen Street Place, London<br>EC4R 1BE                                                                                                                                                                                                                                                                                                                             |

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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## **STRATEGIC REPORT**

### **OBJECTIVES & ACTIVITIES**

#### **Charitable Aims**

The aim of The Sutton Trust is to address educational disadvantage and to promote social mobility – the opportunities open to a young person from a lower income home. High levels of social mobility mean that people from all backgrounds are able to succeed in life and make the most of their talents and aspirations. It is crucial for creating a fairer society, fostering social cohesion and boosting economic growth.

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

#### **Strategy**

The Trust has five focus areas: Early Years, Schools, Apprenticeships, Higher Education, and Access to the Workplace.

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

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

During the year, the Trust was supported by the Boston Consulting Group (BCG), acting on a pro bono basis, to consider our mission over the medium term and how the Trust can best forward its objectives. This involved wide consultation with our stakeholders, including Trustees, our development and advisory boards, staff, alumni, as well as a comprehensive survey of the young people we were set up to support. As the Trust approaches the end of its current five-year strategy, this work will be developed into an implementation plan taking us forward from 2021. This is likely to involve an expansion of the young people we support through programmes, and a focus on further strengthening our research and policy function. The COVID-19 pandemic has also influenced our future thinking, presenting as it does new challenges for social mobility and inequality.

#### **Significant Activities**

*Programmes* – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped almost 50,000 students since the Trust was founded, and now reach 7,000 students every year.

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

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

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**OBJECTIVES & ACTIVITIES (continued)**

**Public Benefit**

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

The Trust works for the public benefit by increasing the educational opportunities available to young people from low and middle-income homes and by improving and promoting social mobility. Its programme work is particularly targeted at those from socio-economically deprived and non-privileged backgrounds (see pages 4-6), and its research and policy work (see pages 7-9) is made available to the public via a strong communications agenda, concentrating on broadcast and print journalism, the Trust's website, social media, newsletters and international summits.

The grant-making policy is published on pages 12-13.

**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD**

**Programmes**

This report covers programme activity that has taken place between 1 September 2019 to 31 August 2020.

During this time period, the COVID-19 pandemic and subsequent government restrictions heavily impacted our programme delivery, seeing our delivery method shift to digital and the development of our Sutton Trust Online platform, supported by Bloomberg L.P. Our programmes were recruited to and delivered in a traditional format between September to Mid-March and moved to digital delivery following this period.

*Overview*

The 2019/20 academic year saw 7,597 students accepted onto a Trust programme, which is an increase on our typical intake of c. 4,000 new students.

We were able to increase our levels of support due to the cost savings of a digital programme format and through working in partnership with our university partners to support their own programming. As it became clear that outreach work would not be able to take place face-to-face, our primary concern was ensuring that young people did not miss out on vital support and that expertise and technology were shared across the sector to avoid duplication of effort and low quality programming. We, therefore, accelerated and adapted our development of Sutton Trust Online, our new digital platform, to offer all of our programme partners the opportunity to deliver their programmes through our platform, free of charge.

This led to a cross-sector collaboration to build a platform and provide content to 5,783 students this summer.

Programmes delivered through Sutton Trust Online, included:

- 2,737 students taking part in a Sutton Trust Summer School;
- 337 students attending a Pathways National Conference, including our first collaborative medicine conference;
- 120 students taking part in our first ever Apprenticeship Summer School; and
- 3,308 students from our partner university programmes invited to Sutton Trust Online.

*Sutton Trust Online*

Sutton Trust Online housed our digital delivery and provided students with a personalised timetable and content designed by both the Trust and our university partners. Live sessions, such as academic lectures and networking with employers were delivered through platforms such as Zoom and Microsoft Teams. Over the

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Programmes (continued)**

April and summer delivery periods, our internal team delivered 173 webinars, with our university partners delivering hundreds more.

We accelerated the development and changed the scope of Sutton Trust Online so that we could offer our partner universities the opportunity to deliver their programmes in partnership with us.

We were delighted that all universities contributed to the Sutton Trust Online platform, with 19 delivering their entire post-16 outreach programming through us this summer.

The platform now includes:

- 300+ pieces of Sutton Trust curated content, mapped against our outcome's framework;
- 2,500 pages of university curated content, tailored to each university and a range of courses;
- A personal statement digital support tool; and
- 850 university undergraduates and Sutton Trust Alumni providing mentor support.

Given the pace of development and uncertainty of the external environment, engagement levels were difficult to predict, but the platform has proven successful. Key statistics so far show:

- 96% of students activated their Sutton Trust Online account;
- 73% of activities were completed, compared to a sector digital average of 20%; and
- 13,936 messages were sent through the mentoring function.

*US Programme*

The US Programme has been the most affected by the COVID-19 pandemic.

55 students from Cohort 8 were successful in gaining a place at a US university this year. The challenges with COVID-19 and changes in visa rules has meant only a minority are currently in the US starting their classes in-person. The remaining students are studying online from the UK.

200 students were selected for Cohort 9 of the programme. 126 took part in digital activities this summer, in place of their weeklong visit to the US. Of these students, 75 have opted to continue to Part 2 of the programme, which sees students supported to apply to US institutions. The 2020/21 programme will launch in the Autumn and will be adapted in light of the latest COVID-19 restrictions.

*UK Summer Schools*

2,737 students took part in a Sutton Trust Summer School this summer. These were delivered by our 13 university partners from across the UK and were all delivered in a digital format through Sutton Trust Online.

Our early indicative surveys showed that, of participants:

- 86% reported improved confidence;
- 87% reported improved skills; and
- 91% reported improved decision making.

We have commissioned an external evaluation to look at the differences in outcomes of this year's digital programme in comparison to previous face-to-face interventions and will be monitoring university access rates when the data becomes available.

*"I just wanted to say a massive thank you for giving me the opportunity to take part in the summer school programme! I can honestly say I really enjoyed learning about my courses and university in general in greater detail. Yourself and your team genuinely made the digital school a fun experience and although we weren't able to come to the campus, I'm sure many students can agree the week was equally as good! Hopefully I see you around Edinburgh Uni next year!" Summer School student, 2020.*

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Programmes (continued)**

*Pathways to the Professions*

839 students took part in one of our Pathways programmes which work across sectors such as law, banking and finance and medicine. These programmes were launched by our university partners in early 2020 and started in a face to face format. As we moved to digital delivery from March onwards, alongside our national conferences, which were delivered through Sutton Trust Online, Pathways students also had the opportunity to engage in digital work experience and employer insight events organised by the Trust.

529 students took part in this over the Easter and Summer holidays, with some positive feedback.

*"This "Virtual Work Experience" was an incredible way of staying productive during this difficult time. It distracted me from the darkness of the current pandemic and allowed me to dream of a brighter future." Pathways to Law student, April 2020.*

We have also seen a 160% increase in the number of employers supporting our programmes, with many contributing to the advice and guidance sessions delivered this year. We are currently working towards providing both digital and face-to-face employer engagement opportunities for the next academic year.

*Programme Evaluation*

In July 2020 we piloted our first Apprenticeships Summer School, which saw 120 students take part in a digital conference. We partnered with Amazing Apprenticeships to deliver content to students on how to find an apprenticeship, what the application process looked like and upskilling them in interviews and applications. Our students also engaged with leading employers such as Coca-Cola, RBS and KPMG to get an insight into the apprenticeships opportunities at different organisations.

In August 2020, we launched applications to our new Pathways to Engineering programme, which will be run in collaboration with the University of Warwick for 25 students a year initially. The programme will follow a similar model to our suite of Pathways programmes and will include university and apprenticeship information and employer engagement throughout Years 12 and 13.

In August 2020, we also launched our first Pathways programme with the Cardiff University. We will be delivering the law strand in partnership over the coming years and this is the first time the Trust's Pathways programmes have had a presence in Wales.

*Cross Sector Support*

Our team have also focused on providing cross sector support throughout the pandemic, hosting a series of webinars on digital delivery, our learning and measuring impact, alongside a regular blog series to share our findings: <https://www.suttontrust.com/top-takeaways-for-online-delivery/>.

We have had many messages of support and praise for this work, some of which include:

*"Just wanted to say again how impressed I've been with how quickly and expertly you've adapted to these new approaches. The top tips section of your website is also excellent; you lot really are leading the way in this space at the moment!" Head of Widening Participation, Partner University.*

*"The Trust's response to the pandemic has been exemplary. Your assistance has enabled us to continue 'virtually' delivering events which otherwise would not have gone ahead. Our prospective students are very fortunate that the Trust has responded so positively to this unprecedented challenge. For this, we are most thankful." Vice Chancellor, Partner University.*



**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Research, Policy and Communications**

This report covers research, policy and communications activity that has taken place between 1 September 2019 to 31 August 2020.

In this time period, the COVID-19 pandemic has had a significant impact on education, through exam cancellations, school closures and changes to university admissions. In March it became readily apparent that this would not be a normal year for our research and policy output and that we would need to quickly adapt our work in this space to focus on the emerging challenges for social mobility and education disadvantage.

We engaged constructively with the Government on several policy priorities that emerged over the course of the year including access to technology, online learning and tutoring.

*Research Output*

The year can be divided into the periods pre- and post-pandemic. The latter part of 2019 was focused on the general election, with a number of publications centred around that. In November we published our 'Mobility Manifesto', which gathered together a set of practical policy recommendations we believed should be included in the new government's agenda, and presented to all major political parties in the run-up to the vote. After the election we published updated statistics on the educational background of the new MPs, showing that over half of MPs had been educated at comprehensives, a growing number.

January saw the publication of our piece on Elites in the UK, a major piece of research with London School of Economics, analysing the economic, social and cultural distinctiveness of the elites. The findings received extensive coverage across the BBC network and in The I, New Statesman, Evening Standard, Metro and on the Press Association.

In February we published two papers looking at comprehensive school admissions, an issue long of interest to the Trust. This provided a springboard to move the debate further, by opening a consultation to hear more from schools who have made changes to their admissions policies. While more work in this area is planned, it is currently on hold due to the pressures on schools owing to the pandemic.

Our Covid-19 'Impact Briefs' covered our five priority areas; early years, schools, university access, apprenticeships and access to the workplace.

These reports uncovered a number of stark statistics on the impact of the pandemic:

- **34%** of early years providers in deprived areas may have to close within a year;
- Pupils from independent schools were **twice as likely** as their state educated peers to take part in online lessons every day;
- **Almost half (48%)** of university applicants believed COVID-19 would damage their chances of getting into their first-choice university (before the switch back to teacher assessment);
- **44%** of apprentices were furloughed or made redundant due to the crisis; and
- **Over three fifths (61%)** of employers offering work experience placements have had to cancel them in recent months.

In particular, the 'School Shutdown' brief looking at the impact on children and parents of home schooling received front page coverage in The Daily Telegraph, was covered widely over a range of national media, and is one of our most read reports on our website on initial launch of the last decade. Our brief on Early Years was also previewed on BBC Newsnight, and our University Access brief received front page coverage in The Times. When the A Level grades crisis hit, the Trust was also heavily featured in national media, having warned about the impact of predicted grades, and published research showing high levels of anxiety among young people in anticipation of receiving their results.

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Research, Policy and Communications (continued)**

In total, we produced 8 research reports on the coronavirus crisis during this period, generating 75,000 website views across research reports and blogs, in excess of 3,000 mentions in national, regional and international media, along with more than two dozen mentions in Parliament, including the Commons, Lords and relevant Select Committees. This showcases the level of impact the Trust had in the midst of the crisis, helping to focus attention on the unequal impacts the pandemic was having on education and social mobility.

Beyond coronavirus, we have also published reports on degree level apprenticeships, two pieces looking at the state of play in the early years sector and our 'Employer's Guide to Social Mobility'. The latter piece is an important tool for our ongoing engagement with employers and corporate partners, offering straightforward and practical advice on how to improve social mobility in the workplace.

*Policy Advocacy*

As well as setting the agenda in the media, the work of the Trust has also had significant impact in policy terms, particularly since March. Our work with the Department for Education on the establishment of Oak National Academy, a free online learning platform with lessons for primary and secondary pupils, has helped to address some of the issues in unequal access to online learning highlighted in our research. In April, together with our sister charity the Education Endowment Foundation (EEF) we prepared a paper on our top seven, evidence-based policy recommendations to respond to the pandemic and mitigate its impact on disadvantaged young people. Of the seven two were put in place – the National Tutoring Programme and a laptop distribution scheme, covering our dual concerns about access to technology and tutoring for disadvantaged young people during the pandemic. A further recommendation on using apprenticeships to address the spike in youth unemployment was partially addressed with a new incentive scheme for employers, and since the end of the financial year, the Government has announced a consultation on introducing Post Qualification Admissions, another of our recommendations.

Our work on the educational impact of the pandemic has been cited often within parliament, with 26 mentions for our pandemic reports alone in recent months, across the House of Commons, Lords and relevant Select Committees. We engaged closely with the Education Select Committee on its inquiry into the impact of COVID-19 on education and children's services. Our Chief Executive, James Turner, gave evidence to the Committee on the topic of catch-up initiatives for disadvantaged pupils in June 2020. We also submitted a written response to the Committee's inquiry on the impact of COVID-19, covering early years through to schools, apprenticeships and higher education.

Overall, 2020 has been a successful year for the Trust's impact on the policy landscape, which is testament to our credibility within the sector and how respected our voice is by policy-makers within Government and across Parliament.

*Communications Reach*

At the start of the year we launched a refreshed version of The Sutton Trust website, in order to enhance its reach and impact and make our mission clear and succinct to new visitors. The website has consistently drawn in high numbers of visitors, especially during the height of lockdown, with our COVID-19 impact briefs receiving particularly high readership figures.

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Research, Policy and Communications (continued)**

Our national media coverage has grown over the past year, with increased coverage during the pandemic due to the strong focus on school closures and the long-term impact on education. Our school closures impact brief was covered on the front page of The Daily Telegraph, and our university access impact brief was covered on The Times' front page. Our research on the geographical mobility of the 'elites' in the UK was the most-read story on the BBC news app upon release in January and our private tuition polling was also featured on the front page of The Times. Our Chairman and CEO are interviewed regularly on national radio and we continue to receive many requests for comment on education-related news.

In total, The Sutton Trust has been mentioned in over 7,000 pieces of media coverage in this period, across national and regional media and online, print and across broadcast publications.

We maintain a strong social media following including on Twitter (50,000+ followers), Facebook (3,700+ followers) and a relatively new Instagram account launched in 2019 (3,200+ followers). Our social media presence was invaluable in reaching out to and supporting our beneficiaries through the lockdown, with our alumni community getting involved in supporting their peers by hosting Instagram videos on various topics including mental health and well-being and getting creative in lockdown. We also ran a successful campaign targeting MPs to promote our UK Summer School programme, with many MPs retweeting the programme to encourage their constituents to apply at the start of the year.

**Development and Alumni Relations**

*Fundraising Highlights*

The Development Team's focus in 2020 was threefold: keeping our existing donors fully updated on the latest developments and how the pandemic was affecting their funded programmes, ensuring fulfilment of pledged donations and, where possible, bringing onboard new funders. The COVID-19 restrictions have been challenging, with little or no opportunity for our donors to meet with the team or to see our programmes in action. However, our online engagement with donors, through opportunities like our webinar series, has been exceptionally strong and our year end income figure is testament to the strength of our donor community, whom we would like to thank wholeheartedly for their generous support.

The Trust secured £6.4m in new pledges during 2019/20 and delivered cash income of £5.9m within the year. Information on our donors and news items relating to the impact of their generous support can be found at [suttontrust.com](https://suttontrust.com).

*Fundraising Priorities*

Our fundraising priorities for the new financial year are:

- Continuing to secure multi-year funding for flagship programmes, some of which will have their budgets re-cast to reflect the current environment;
- Raising unrestricted funding that allows the Trust to be nimble and responsive as new needs and opportunities are identified; and
- A renewed focus on funding for the Trust's research and advocacy work.

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Development and Alumni Relations (continued)**

*Alumni*

In the last academic year, The Sutton Trust's alumni programme has moved from a piloting phase into programmatic delivery, as reflected in the engagement figures outlined below. We have worked hard this year to effectively support our alumni community through this challenging period and have been proud of the response of our alums to the pandemic through the additional support and guidance many are offering through various channels.

We now have 3,956 users on [www.suttontrustalumni.com](http://www.suttontrustalumni.com) from an alumni pool of 42,000 alumni; 61% of those on the platform have engaged with the Trust in the last year.

Our newsletter open rate is 40%, well above the sector average of approximately 20%. Alumni gave 1,250 hours to the Trust, significantly up from the 300 hours last year. In the last year we hosted 21 events for alumni, attracting 312 unique attendees, 390 in total (our target for the latter was 300), and 761 registrations. In September we hosted our flagship annual alumni event, hosted virtually this year and addressed by UK Summer School alum and BBC reporter Ashley-John Baptiste. We are pleased to have expanded the Alumni Leadership Board to 23 members, ensuring good representation from across the portfolio of Sutton Trust programmes and the age range of our alumni community.

**Financial Review**

In the financial year under review income receivable, including grants, gifts, pro-bono support, interest and investment income was £6.7m, a 13% increase on a comparable basis with the previous period (2019: 17 months: £8.4m) and expenditure was £5.2m, a 11% reduction on a comparable basis with the previous year (2019: 17 months: £8.2m). The total funds of the trust increased to £9.7m, an increase of 19% during the year (2019: £ 8.2m).

For the year as a whole income exceeded expenditure by £1.6m (2019: £0.3m) of which £1.3m is within restricted funds.

*Income and Funds*

Restricted income received in the year was £5.1m, 76% of total income received (2019: 78%) from over 50 different organisations and individual donors providing funding to all active programmes including research. Unrestricted income received in the year was £1.7m, 24% of total income received (2019: 22%).

Pro-bono services of £0.8m were received in the year of which £0.6m are included within unrestricted income and £0.2m included within restricted income. Last year pro-bono services received were £0.7m, included within unrestricted income.

The designated fund, created last year and fully invested at the start of the year in accordance with the investment policy of the trust generated an annual return of £76k or 3.6% with a market value at the year-end of £2.1m.

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Financial Review (continued)**

Restricted income funds at the year-end grew by £1.3m, or 50% due in large part to the impact of the pandemic on the attendance at and delivery costs for the UK and US residential programmes and events in the second half of the financial year. The detail of the restricted fund balances by programme are shown in Note 18.

Unrestricted income funds increased by 4% in the year, due to the reduction in office costs, overheads and events arising from the closure of the office between April and August 2020. The reserves policy of the Trust is explained on pages 11-12.

*Expenditure*

Total expenditure on charitable activities was £4.6m, a 12% decrease (pro-rata) compared to the prior year. This reduction highlights the cost impact of the pandemic on the residential student activities and events planned for the second half of the financial year which were either cancelled or moved on-line and the reduction in office costs and overheads due to the office closure for 5 months of the year.

Total expenditure on generating funds of £0.6m increased by 24% (pro-rata) in the year reflecting the investment in the development team needed to ensure the continuing success in building long-term relationships with funders and other activities as set out in the Development and Alumni relations section on pages 9-10.

*Investment Fund*

The fund was designated at the end of the last financial year with an initial cash investment of £2 million, managed by Rathbone Brothers Plc. All the funds were fully invested, in accordance with the investment policy of the Trust, by the end of the first quarter, with an asset allocation of 60% equities, 20% fixed income, 14% alternatives and 6% cash holdings.

The fund has performed well given the challenging conditions experienced in the period due to the global impact of the pandemic across sectors and markets. The investment performance in the year is 3.6% net of fees and charges, which compares favourably with the benchmark of (2%) based on the MSCI PIMFA income composite index and a rise in gilts of +2.4%. All income and gains are reinvested into the fund.

*Reserves Policy*

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

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

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

At the year end, total funds carried forward are £9.7m, which breaks down into £4m restricted funds, £2.1m of designated funds and £3.6m of general unrestricted funds.

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Financial Review (continued)**

**Restricted funds** are specified and allocated for the different programmes and research projects undertaken by the Trust. A breakdown of the restricted funds by programmes can be found in note 18.

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

**Unrestricted funds** consist of:

- Free Reserves of £2.5m. This amount is expected to cover the budgeted operating costs for the next financial year, including staff salaries.
- Fixed Asset Fund of £0.1m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- General Reserves of £1m. This amount is set aside to finance fluctuations in cashflow, to continue running programmes in the short-term, in the absence of a funder or to trial new programmes prior to seeking external funding. It is important to note that many of the programmes are planned for a multi-year period and this level of funding is a source of finance.

The Trustees review the way in which unrestricted funds are allocated with the aim of maximizing the amount available for charitable activities whilst ensuring that an appropriate level of reserves is maintained for the purposes set out above. The Trustees consider the level of reserves held at period end to be reasonable.

Cash held at year end was £8.3m of which £4.6m relates to restricted funds and £3.7m to unrestricted funds.

*Investment Policy*

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

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

*Grant-making Policy*

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

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

Prior to a recommendation being made, a member of staff will have had detailed conversations with the individuals and organisations behind the programme or research project. The aims and expected outcomes of the partnership will have been clearly defined and a written proposal will have been submitted. The terms and conditions of all partnerships are set out in a Letter of Agreement or equivalent; any variation on the terms and

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)**

**Financial Review (continued)**

conditions are agreed formally as a term of variance. Regular monitoring is a requirement of all commitments made and, in the case of larger grants and recurrent funding for programmes, the Trust is highly likely to commission an independent academic evaluation and to include the programme in its Evaluation Framework.

Grants are generally paid in instalments, with each payment dependent on the production of an interim report, event milestones and/or staff and Trustees being satisfied with the progress being made through meetings and conversations.

**PLANS FOR FUTURE PERIODS**

As outlined in the sections above, the Trust is looking to develop its plans in the programmes, research and policy spaces, as our current strategy comes to an end. The work undertaken by BCG on our medium-term direction of travel has helped to set the parameters of that work, and to build on the strong foundations already in place.

The Trust is looking to develop our more detailed plans over a three year period (2021-24), in light of the uncertainties caused by the pandemic and the challenges associated with forecasting further ahead. These plans will be coloured by the pandemic in a number of ways, as we look to respond to the new and considerable challenges facing low and middle income young people, as they progress through education and into the world of work.

Our central approach will remain the same, with a focus on directly supporting high ability, low/middle income young people through our programmes, and our research and advocacy work taking a wider look at the causes and potential solutions to low social mobility and educational inequality, from early years through to access to the workplace. Bringing these together – so that our research informs our programmes and both give traction to our policy asks – will remain a critical aspect of our approach.

On programmes, our analysis has highlighted three ways in which our work could expand within our target group in the medium term:

1. By increasing our impact on the students we currently support, and making sure we reach areas of the country that are under-served;
2. By supporting more young people through new routes to social mobility, e.g. apprenticeships and new career sectors; and
3. By providing lighter-touch support to low-middle income students through online provision.

Over the next period we will work up plans to set us on a course to realise our medium term ambition to double the number of participants on our face-to-face programmes (especially through expanding our employability work) and by ramping up our digital offering to half our target group.

On the Research and Policy front, we will ensure a continued focus on responsive, agenda-setting research that aims to influence policy and keep social mobility as a top priority. The Trust will look to further strengthen this by commissioning more landmark studies on the overall social mobility picture in the UK and developing an even better understanding of our target group and the challenges they face, building on the significant data we already hold. A major strength of the Trust is its access to civil servants, ministers and the media which has enabled us to effect change, while remaining nonpartisan and appealing to decision-makers from a range of backgrounds. Our plans will capitalise on this by targeting our research to address specific issues which are important to decision-makers, as well as continuing to focus on long term issues, and by drawing more on international examples which can be translated to the UK context.

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document & Constitution**

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

### **Trustees – Appointment, Induction and Training**

The appointment of Trustees is governed by the Articles of Association of the Charitable Company. The authorisation to appoint Trustees, of which there must be at least two, is vested in the Founder, Sir Peter Lampl, during his life. At the end of August 2020, the Trust had six Trustees who meet at least four times each year.

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

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

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

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

### **Organisation**

The Trustees of the Charitable Company meet to discuss overall strategy and to determine how best to direct its resources to meet its objectives. The Sutton Trust has a Chief Executive who reports to the Executive Chairman. The differing responsibilities of the Executive Chairman and the Chief Executive have been agreed and documented. The Chief Executive oversees a senior team comprising the Director of Development, Director of Programmes, Associate Director of Research and Policy, Associate Director of Media and Communications and Head of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2019/20 stands at 28 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 may be reimbursed expenses);
- Discloses the number of employees paid more than £60,000 pa (in bands of £10,000); and
- Discloses pensions and other benefits given to employees.



**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Remuneration Policy (continued)**

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

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

Pay is reviewed annually, and any increases guided by the Retail Prices Index (RPI) and performance in the annual appraisal process. The Trust is a Living Wage employer and pays all its employees, including interns, at least the London Living Wage.

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

**Related Parties**

The Charity has no trading subsidiary.

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

The Private Office of Sir Peter Lampl and The Sutton Trust share some staff and office costs.

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 year and actions to mitigate the impact include:

- Disruption to programme delivery because of COVID-19; difficulties in planning because of uncertainty in 2020/21 year ahead. Actions to mitigate the impact include the build and implementation of Sutton Trust Online, flexible planning models and re-budgeting to inform the planning process and the engagement with funders to agree the allocation and timing of unused restricted funds carried forward.
- Bigger burden placed on the team because of more direct digital delivery, especially increase in demand for safeguarding support from partners. Actions to mitigate the impact include the ongoing review of resources and staffing to manage capacity, legal support and the additional use of organisations with the relevant expertise through an outsourcing arrangement.
- Ensuring the Trust remains distinct and respects voices in a busier educational landscape. Actions to mitigate the impact include clarity in terms of focus and policy objectives, working with partners with a

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Internal Controls & Risk Management (continued)**

strong track record, speed of turnaround to ensure relevance and leveraging the link with the ongoing programme work being undertaken.

**Going Concern**

The Trustees confirm that the accompanying accounts comply with statutory requirements, the requirements of the Articles of Association and the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2019).

The Trustees have considered the financial budget for the next financial year, 2020/21, and its medium-term strategy. The plans show a robust pipeline of pledges and projected fundraising income in addition to detailed cost budgets for each programme and activity including administration costs. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the pandemic and its potential implications on fundraising and programme delivery and support (see Reserve Policy on pages 11-12).

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

**Fundraising Approach**

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

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

The Trust ensures that grant and gift agreements are in place with its supporters. In 2019/20, the Trust did not have any Commercial Participators. The Trust completes a due diligence process for all new supporters. Development Team staff are kept up-to-date on fundraising best practice.

The Trust's complaints policy is available on request from [contact-us@suttontrust.com](mailto:contact-us@suttontrust.com). For staff, this is also available in the staff handbook. In 2019/20, we received no complaints. The Trust is not aware of any breaches of fundraising regulations by the Trust or by any person acting on its behalf.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The Sutton Trust for the purposes of company law) are responsible for preparing the Report of the Trustees (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);

**THE SUTTON TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**TRUSTEES' RESPONSIBILITIES STATEMENT (continued)**

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**AUDITOR**

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

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

Approved by the Trustees and signed on their behalf by



Sir Peter Lampl  
Trustee and Chairman

Date:

27 April 2021

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### THE SUTTON TRUST

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#### Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2020 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 2020, 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.

#### Conclusions relating to going concern

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

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

#### 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

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#### Other information (continued)

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

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 16 and 17, 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**

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**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

*Rawlinson & Hunter Audit LLP,*

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

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

Date: *27 April 2021*

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

|                                          |          | Unrestricted Funds |                   | Restricted Funds          | TOTAL FUNDS               | TOTAL FUNDS                    |
|------------------------------------------|----------|--------------------|-------------------|---------------------------|---------------------------|--------------------------------|
|                                          | Note     | General Funds      | Designated Funds  | Year ended 31 August 2020 | Year ended 31 August 2020 | 17 Months ended 31 August 2019 |
|                                          |          | £                  | £                 | £                         | £                         | £                              |
| <b>Income from:</b>                      |          |                    |                   |                           |                           |                                |
| Donations and legacies                   | 2        | 1,563,599          | -                 | 5,106,318                 | 6,669,917                 | 8,402,311                      |
| Investments                              | 2        | 2,680              | 25,434            | 859                       | 28,973                    | 10,647                         |
| <b>Total income</b>                      |          | <u>1,566,279</u>   | <u>25,434</u>     | <u>5,107,177</u>          | <u>6,698,890</u>          | <u>8,412,958</u>               |
| <b>Expenditure on:</b>                   |          |                    |                   |                           |                           |                                |
| Costs of raising funds                   | 4        | 356,480            | 13,380            | 195,874                   | 565,734                   | 647,913                        |
| Charitable activities                    | 3, 4 & 5 | 1,069,757          | -                 | 3,581,981                 | 4,651,738                 | 7,556,635                      |
| <b>Total expenditure</b>                 |          | <u>1,426,237</u>   | <u>13,380</u>     | <u>3,777,855</u>          | <u>5,217,472</u>          | <u>8,204,548</u>               |
| <b>Net gains/(losses) on investments</b> | 9        | -                  | 76,151            | -                         | 76,151                    | (1,942)                        |
| <b>Net income</b>                        | 6        | <u>140,042</u>     | <u>88,205</u>     | <u>1,329,322</u>          | <u>1,557,569</u>          | <u>206,468</u>                 |
| <b>Other (losses)/gains</b>              | 2        | (245)              | -                 | -                         | (245)                     | 70,489                         |
| <b>Net income and movement in funds</b>  |          | <u>139,797</u>     | <u>88,205</u>     | <u>1,329,322</u>          | <u>1,557,324</u>          | <u>276,957</u>                 |
| <b>Reconciliation of funds:</b>          |          |                    |                   |                           |                           |                                |
| <b>Total funds brought forward</b>       |          | <u>3,532,109</u>   | <u>1,998,058</u>  | <u>2,657,030</u>          | <u>8,187,197</u>          | <u>7,910,240</u>               |
| <b>Total funds carried forward</b>       | 18 & 19  | <u>£3,671,906</u>  | <u>£2,086,263</u> | <u>£3,986,352</u>         | <u>£9,744,521</u>         | <u>£8,187,197</u>              |

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

All income and expenditure derived from continuing activities.

The notes on pages 24 to 44 form part of these financial statements

**THE SUTTON TRUST**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

|                                                          | Note    | 31 August 2020<br>£ | 31 August 2019<br>£ |
|----------------------------------------------------------|---------|---------------------|---------------------|
| <b>Fixed assets:</b>                                     |         |                     |                     |
| Tangible assets                                          | 8       | 93,981              | 83,782              |
| Investments                                              | 9 & 21  | 2,086,263           | 1,998,058           |
|                                                          |         | <u>2,180,244</u>    | <u>2,081,840</u>    |
| <b>Current assets:</b>                                   |         |                     |                     |
| Debtors                                                  | 10      | 631,475             | 471,823             |
| Cash at bank and in hand                                 | 21      | 8,263,527           | 7,724,428           |
|                                                          |         | <u>8,895,002</u>    | <u>8,196,251</u>    |
| <b>Current liabilities:</b>                              |         |                     |                     |
| Creditors - amounts falling due within one year          | 11      | (1,290,219)         | (1,851,016)         |
| <b>Net current assets</b>                                |         | <u>7,604,783</u>    | <u>6,345,235</u>    |
| <b>Total assets less current liabilities</b>             |         | <u>9,785,027</u>    | <u>8,427,075</u>    |
| Creditors - amounts falling due after more than one year | 12      | (40,506)            | (239,878)           |
| <b>Total net assets</b>                                  |         | <u>£9,744,521</u>   | <u>£8,187,197</u>   |
| <b>The funds of the Charitable Company:</b>              |         |                     |                     |
| Unrestricted - general fund                              | 18 & 19 | 3,671,906           | 3,532,109           |
| - designated fund                                        | 18 & 19 | 2,086,263           | 1,998,058           |
| Restricted income fund                                   | 18 & 19 | 3,986,352           | 2,657,030           |
| <b>Total Charitable Company funds</b>                    | 18 & 19 | <u>£9,744,521</u>   | <u>£8,187,197</u>   |

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

*Peter Lampl*

Sir Peter Lampl  
Trustee

Date: 27 April 2021

The notes on pages 24 to 44 form part of these financial statements



**THE SUTTON TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

|                                                             | Note | Year ended 31<br>August 2020<br>£ | 17 months<br>ended 31<br>August 2019<br>£ |
|-------------------------------------------------------------|------|-----------------------------------|-------------------------------------------|
| <b>Net cash inflow from operating activities</b>            | 15   | 567,175                           | 780,589                                   |
| <b>Cash outflow from investing activities</b>               |      |                                   |                                           |
| Interest income                                             |      | 4,780                             | 10,647                                    |
| Dividend income                                             |      | 24,193                            |                                           |
| Purchase of fixed assets                                    | 8    | (44,995)                          | (86,722)                                  |
| Purchase of investments                                     | 9    | (12,055)                          | (2,000,000)                               |
| <b>Net cash outflow from investing activities</b>           |      | (28,077)                          | (2,076,075)                               |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | 539,098                           | (1,295,486)                               |
| <b>Cash and cash equivalents brought forward</b>            |      | 7,724,428                         | 9,019,914                                 |
| <b>Cash and cash equivalents carried forward</b>            |      | £8,263,526                        | £7,724,428                                |
| <b>Cash and cash equivalents consists of:</b>               |      |                                   |                                           |
| Cash at bank and in hand                                    |      | 8,263,526                         | 7,724,428                                 |
| <b>Cash and cash equivalents at 31 August 2020</b>          |      | £8,263,526                        | £7,724,428                                |

Cash held at period end was £8.3m (2019: £7.7m). £4.6m of this relates to restricted funds (2019: £4.1m) and £3.7m to unrestricted funds (2019: £3.6m).

The notes on pages 24 to 44 form part of these financial statements

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES**

**General information**

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

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

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

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

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The Trust constitutes a public benefit entity as defined by Charities SORP FRS 102.

The financial statements are prepared on a going concern basis and under the historical cost convention, except in respect of its fixed asset investments which are carried at market value.

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

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

**Income**

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

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 2020**

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**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 2020**

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**1. ACCOUNTING POLICIES (continued)**

**Status of funds (continued)**

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

**Tangible fixed assets and depreciation**

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

|                        |   |                                    |
|------------------------|---|------------------------------------|
| Leasehold improvements | - | over the lease period of 41 months |
| Furniture and fittings | - | 15% straight line                  |
| Computer equipment     | - | 25% straight line                  |

**Investments**

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

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

**Realised and unrealised gains and losses**

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

**Debtors and creditors receivable / payable within one year**

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

**Financial instruments**

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

**Provisions**

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

**Foreign currencies**

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

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

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

**Employee benefits**

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

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

**Tax**

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

**Going concern**

The Trustees have considered the relevant financial risks and the ability of the Charitable Company to continue in operational existence for the foreseeable future. The COVID-19 pandemic has created significant operational and financial pressures on the global economy and for charities in general. Having considered the contingency plans in place, the support to charities and businesses announced by the UK Government, the level of funds held and having reviewed a robust pipeline of pledges and projected fundraising income together with the detailed cost budgets for each programme and activity including administrative costs for the 12 months from authorising these financial statements, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

**Operating lease**

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

**Judgements and key sources of estimation uncertainty**

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

***Future grants payable provision***

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**2. INCOME**

|                                 | <b>Unrestricted<br/>Funds<br/>Year ended 31<br/>August 2020<br/>£</b> | <b>Designated<br/>Funds<br/>Year ended 31<br/>August 2020<br/>£</b> | <b>Restricted<br/>Funds<br/>Year ended 31<br/>August 2020<br/>£</b> | <b>TOTAL<br/>FUNDS<br/>Year ended 31<br/>August 2020<br/>£</b> |
|---------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------|
| The income comprised:           |                                                                       |                                                                     |                                                                     |                                                                |
| Donations                       | 1,000,599                                                             | -                                                                   | 4,884,818                                                           | 5,885,417                                                      |
| Donated services                | 563,000                                                               | -                                                                   | 221,500                                                             | 784,500                                                        |
| Dividends                       | -                                                                     | 24,193                                                              | -                                                                   | 24,193                                                         |
| Bank interest                   | 2,680                                                                 | 1,241                                                               | 859                                                                 | 4,780                                                          |
|                                 | <u>£1,566,279</u>                                                     | <u>£25,434</u>                                                      | <u>£5,107,177</u>                                                   | <u>£6,698,890</u>                                              |
| Other losses – foreign exchange | <u>£(245)</u>                                                         | <u>£ -</u>                                                          | <u>£ -</u>                                                          | <u>£(245)</u>                                                  |

|                                                             | <b>Year<br/>ended 31<br/>August 2020<br/>£</b> | <b>Year<br/>ended 31<br/>August 2020<br/>£</b> | <b>Year<br/>ended 31<br/>August 2020<br/>£</b> | <b>Year<br/>ended 31<br/>August 2020<br/>£</b> |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| The income arose from the following geographical locations: |                                                |                                                |                                                |                                                |
| US and Canada                                               | 136,489                                        | -                                              | 1,074,544                                      | 1,211,033                                      |
| Switzerland and Holland                                     | -                                              | -                                              | 325,986                                        | 325,986                                        |
| UK including the Channel Islands                            | 1,429,790                                      | 25,434                                         | 3,706,647                                      | 5,161,871                                      |
|                                                             | <u>£1,566,279</u>                              | <u>£25,434</u>                                 | <u>£5,107,177</u>                              | <u>£6,698,890</u>                              |

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

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES  
DURING THE YEAR ENDED 31 AUGUST 2020**

**Access programmes for university and  
the professions**

Pathways to Banking and Finance (2019 & 2020)  
Pathways to Coding (2019 & 2020)  
Pathways to Law (2019 & 2020)  
Pathways to Medicine (2019 & 2020)  
Pathways Plus (2019 & 2020)  
Pathways to STEM (2019 & 2020)

Teacher Summer School Programme (2019)  
UK Summer School Programme (2019 & 2020)  
US Programme (2019 & 2020)  
Access Champions (2019 & 2020)  
Application Support Programme (2019)  
Apprenticeship Summer School (2020)  
Academic Apprenticeships (2020)  
Accessing Online Opportunities (2020)  
Sutton Trust Online (2020)  
Alumni Network (2020)

**Early years and primary school  
programmes**

Developing Essential Skills in the Early Years  
(2019)  
Tower Hamlets Pilot (2019)  
Communication and Language Project (2020)  
OVO Project (2020)

**Research and policy**

Free Schools (2019)  
Private Tuition (2020)  
Mobility Manifesto (2020)  
Social Mobility Polling (2020)  
GCSE Grade Changes (2020)  
Background of MPs (2020)  
Pulling Away (2020)  
School Admissions Polling & Options Paper (2020)  
School Closures Polling (2020)  
COVID Impacts #1 Schools (2020)  
COVID Impacts #2 Universities (2020)  
Degree Apprenticeships (2020)  
COVID Impacts #3 Apprenticeships (2020)  
COVID Impacts #4 Early Years (2020)  
Getting The Balance Right - Nursery Provision (2020)  
COVID Impacts #5 Workplace (2020)  
Employer's Guidance (2020)  
A Level Results Day Polling (2020)  
Early Years Workforce (2020)

**Programmes in schools and colleges**

Sutton Scholars (2019 & 2020)

The years in brackets above signifies the projects that commenced in either 2019 or 2020 or were carried out in both periods.

There was one institution (2019 - 17 months - four) to which a material amount (above £175,000) of grants was payable in the period, being total grants of £245,575 payable to Causeway Education (2019 – 17 months - total grants of £1,173,453 payable to Causeway Education, University of Nottingham, University of Warwick and NFER Trading Limited).

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES  
DURING THE YEAR ENDED 31 AUGUST 2020 (continued)**

|                                   | Unrestricted<br>Funds<br>Year<br>ended 31<br>August 2020<br>£ | Designated<br>Funds<br>Year<br>ended 31<br>August 2020<br>£ | Restricted<br>Funds<br>Year<br>ended 31<br>August 2020<br>£ | Total<br>Year<br>ended 31<br>August 2020<br>£ | Total<br>number<br>Year<br>ended 31<br>August 2020 |
|-----------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------|
| Grants payable to institutions    | -                                                             | -                                                           | 1,345,855                                                   | 1,345,855                                     | 106                                                |
| Grants payable to individuals     | -                                                             | -                                                           | -                                                           | -                                             | -                                                  |
| Total grants payable (see Note 4) | £ -                                                           | £ -                                                         | £1,345,855                                                  | £1,345,855                                    | 106                                                |
| Total number                      | -                                                             | -                                                           | 106                                                         | -                                             | 106                                                |

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

The grants payable above include other direct charitable programme expenses payable to the grantees. See the grant-making policy on pages 12-13 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 2020**

**4. CHARITABLE ACTIVITIES**

|                     | Grants                          | Direct costs                    | Staff costs<br>(Note 7)         | Support<br>Costs<br>(Note 5)    | Pro bono<br>work                | Total                           |
|---------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                     | Year ended<br>31 August<br>2020 | Year ended<br>31 August<br>2020 | Year ended<br>31 August<br>2020 | Year ended<br>31 August<br>2020 | Year ended<br>31 August<br>2020 | Year ended<br>31 August<br>2020 |
|                     | £                               | £                               | £                               | £                               | £                               | £                               |
| University outreach | 946,874                         | 877,149                         | 472,988                         | 883,786                         | 221,500                         | 3,402,297                       |
| Schools/colleges    | 264,574                         | 6,103                           | 19,777                          | 116,386                         | -                               | 406,840                         |
| Early years         | 134,407                         | 4,477                           | 25,908                          | 66,077                          | -                               | 230,869                         |
| Research projects   | -                               | 251,077                         | 185,655                         | 175,000                         | -                               | 611,732                         |
|                     | <u>£1,345,855</u>               | <u>£1,138,806</u>               | <u>£704,328</u>                 | <u>£1,241,249</u>               | <u>£221,500</u>                 | <u>£4,651,738</u>               |

**Costs of raising funds**

|  |            |                |                 |                 |            |                 |
|--|------------|----------------|-----------------|-----------------|------------|-----------------|
|  | £ -        | £30,578        | £384,198        | £150,958        | £ -        | £565,734        |
|  | <u>£ -</u> | <u>£30,578</u> | <u>£384,198</u> | <u>£150,958</u> | <u>£ -</u> | <u>£565,734</u> |

|                               | Unrestricted<br>Funds | Restricted<br>Funds | Total             |
|-------------------------------|-----------------------|---------------------|-------------------|
| <b>Charitable expenditure</b> | <u>£1,069,757</u>     | <u>£3,581,981</u>   | <u>£4,651,738</u> |

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

**Costs of raising funds**

|  |            |                |                 |                 |            |                 |
|--|------------|----------------|-----------------|-----------------|------------|-----------------|
|  | £ -        | £67,044        | £414,134        | £166,735        | £ -        | £647,913        |
|  | <u>£ -</u> | <u>£67,044</u> | <u>£414,134</u> | <u>£166,735</u> | <u>£ -</u> | <u>£647,913</u> |

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. ANALYSIS OF SUPPORT COSTS**

|                                             | <b>Charitable<br/>Activities<br/>Year ended<br/>31 August<br/>2020<br/>£</b> | <b>Fund raising<br/>(unrestricted)<br/>Year ended<br/>31 August<br/>2020<br/>£</b> | <b>Total<br/>Year ended<br/>31 August<br/>2020<br/>£</b> |
|---------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------|
| Wages and salaries (Note 7)                 | 380,547                                                                      | 46,282                                                                             | 426,829                                                  |
| Other staff costs—travel / recruitment etc. | 10,015                                                                       | 1,218                                                                              | 11,233                                                   |
| Administration                              | 35,809                                                                       | 4,355                                                                              | 40,164                                                   |
| Strategy and planning (pro-bono)            | 501,953                                                                      | 61,047                                                                             | 563,000                                                  |
| Premises (net of recharges)                 | 178,407                                                                      | 21,697                                                                             | 200,104                                                  |
| Audit & other                               | 20,149                                                                       | 2,451                                                                              | 22,600                                                   |
| Accountancy                                 | 7,189                                                                        | 874                                                                                | 8,063                                                    |
| Legal                                       | 6,406                                                                        | 779                                                                                | 7,185                                                    |
| Public relations                            | 69,750                                                                       | 8,483                                                                              | 78,233                                                   |
| Depreciation (Note 8)                       | 30,979                                                                       | 3,767                                                                              | 34,747                                                   |
| Loss on disposal of fixed assets            | 45                                                                           | 5                                                                                  | 50                                                       |
|                                             | <b>£1,241,249</b>                                                            | <b>£150,958</b>                                                                    | <b>£1,392,207</b>                                        |

  

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

Governance costs of £595,145 (2019 – 17 months - £696,306) which includes £563,000 (2019 – 17 months - £650,000) of pro-bono work on strategy and planning were incurred during the year. These are included in the support costs in both current year and in 2019.

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

| This is stated after charging:        | Year ended 31<br>August 2020 | 17 months<br>ended 31<br>August 2019 |
|---------------------------------------|------------------------------|--------------------------------------|
|                                       | £                            | £                                    |
| Operating leases – land and buildings | 113,807                      | 189,939                              |
| Depreciation                          | 34,747                       | 49,394                               |
| Loss on disposal of fixed assets      | 50                           | -                                    |
| Auditor's remuneration:               |                              |                                      |
| Audit services                        | 22,600                       | 21,000                               |
|                                       | <u>22,600</u>                | <u>21,000</u>                        |

**7. STAFF COSTS**

|                       | Year ended 31<br>August 2020 | 17 months<br>ended 31<br>August<br>2019 |
|-----------------------|------------------------------|-----------------------------------------|
|                       | £                            | £                                       |
| (a) Salaries          | 1,262,865                    | 1,641,439                               |
| National Insurance    | 111,396                      | 121,163                                 |
| Pension contributions | 141,094                      | 136,501                                 |
|                       | <u>£1,515,355</u>            | <u>£1,899,103</u>                       |

Included in the staff costs are consultancy fees of £194,759 (2019 - 17 months - £299,785) payable to key management personnel and £438 (2019 - 17 months - £40,008) payable to another consultant, who are not employees. Also included in the staff costs are staff costs recharged to the Charitable Company by the Chairman's private office of £46,364 (2019 - 17 months - £70,968) and pension costs of £1,124 (2019 - 17 months - £3,724) for the shared use of employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2020 (2019 - 17 months - £Nil). See Note 14 for other Trustees related transactions.

The key management personnel of the Charitable Company, comprise the Trustees, the Chief Executive and the Executive Team. The total employee benefits of the key management personnel of the Trust were £594,445 (2019 - 17 months - £707,624).

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 £141,094 (2019 - 17 months - £136,501). Of these contributions, £13,518 (2019 - 17 months - £11,464) 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 2020**

**7. STAFF COSTS (continued)**

|                                                                                                                                                                          | Year ended 31<br>August 2020 | 17 months<br>ended 31<br>August<br>2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------|
|                                                                                                                                                                          | No.                          | No.                                     |
| (b) Number of staff (full time equivalents)                                                                                                                              |                              |                                         |
| Programmes                                                                                                                                                               | 9                            | 10                                      |
| Research                                                                                                                                                                 | 8                            | 7                                       |
| Fund raising                                                                                                                                                             | 7                            | 3                                       |
| Administration                                                                                                                                                           | 4                            | 3                                       |
|                                                                                                                                                                          | <u>28</u>                    | <u>23</u>                               |
| (c) Employees' remuneration over £60,000 per year                                                                                                                        |                              |                                         |
| The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 for the year (2019: 17 month period) is as follows: |                              |                                         |
| £60,001 to £70,000                                                                                                                                                       | 3                            | -                                       |
| £70,001 to £80,000                                                                                                                                                       | 1                            | 1                                       |
| £80,001 to £90,000                                                                                                                                                       | -                            | 1                                       |
| £110,000 to £120,000                                                                                                                                                     | 1                            | -                                       |
| £130,001 to £140,000                                                                                                                                                     | -                            | 1                                       |
| £160,001 to £170,000                                                                                                                                                     | -                            | -                                       |
|                                                                                                                                                                          | <u>-</u>                     | <u>-</u>                                |

Employers' pension contributions in respect of these 5 (2019 - 17 months - 3) employees amounted to £28,878 (2019 - 17 months - £26,780) during the period.

**8. TANGIBLE FIXED ASSETS**

|                       | Leasehold<br>improvements<br>£ | Furniture<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Cycle<br>scheme<br>£ | Total<br>£     |
|-----------------------|--------------------------------|-----------------------------------|----------------------------|----------------------|----------------|
| <b>Cost</b>           |                                |                                   |                            |                      |                |
| At 1 September 2019   | 143,766                        | 119,896                           | 73,163                     | 1,771                | 338,596        |
| Additions             | -                              | -                                 | 44,995                     | -                    | 44,995         |
| Disposals             | -                              | -                                 | (17,097)                   | (1,771)              | (18,868)       |
| At 31 August 2020     | <u>143,766</u>                 | <u>119,896</u>                    | <u>101,061</u>             | <u>-</u>             | <u>364,723</u> |
| <b>Depreciation</b>   |                                |                                   |                            |                      |                |
| At 1 September 2019   | 122,530                        | 94,607                            | 36,749                     | 928                  | 254,814        |
| Charge for period     | 8,499                          | 6,858                             | 18,546                     | 843                  | 34,746         |
| Disposals             | -                              | -                                 | (17,047)                   | (1,771)              | (18,818)       |
| At 31 August 2020     | <u>131,029</u>                 | <u>101,465</u>                    | <u>38,248</u>              | <u>-</u>             | <u>270,742</u> |
| <b>Net book value</b> |                                |                                   |                            |                      |                |
| At 31 August 2020     | <u>£12,737</u>                 | <u>£18,431</u>                    | <u>£62,813</u>             | <u>£ -</u>           | <u>£93,981</u> |
| At 31 August 2019     | <u>£21,236</u>                 | <u>£25,289</u>                    | <u>£36,414</u>             | <u>£843</u>          | <u>£83,782</u> |

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**9. FIXED ASSET INVESTMENTS**

|                                                                  | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
|------------------------------------------------------------------|---------------------------------|---------------------------------|
| Investments comprise:                                            |                                 |                                 |
| United Kingdom                                                   | 1,754,317                       | 1,936,138                       |
| Overseas                                                         | 331,946                         | 61,920                          |
| <b>Total Investments</b>                                         | <b>£2,086,263</b>               | <b>£1,998,058</b>               |
| Gain/(loss) on investments in the period:                        |                                 |                                 |
| Realised gains                                                   | 15,122                          | -                               |
| Unrealised gains/(losses)                                        | 61,029                          | (1,942)                         |
| <b>Total unrealised gain/(loss) on investments in the period</b> | <b>£76,151</b>                  | <b>£(1,942)</b>                 |

***Investment assets within the United Kingdom***

|                             | <b>Quoted<br/>Securities</b>    | <b>Cash<br/>held by<br/>custodian</b> | <b>Total</b>                    |
|-----------------------------|---------------------------------|---------------------------------------|---------------------------------|
|                             | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2020<br/>£</b>       | <b>31 August<br/>2020<br/>£</b> |
| <b>Cost/market value</b>    |                                 |                                       |                                 |
| At 1 August 2019            | 570,505                         | 1,365,633                             | 1,936,138                       |
| Transfers                   | 1,052,184                       | (1,306,201)                           | (254,017)                       |
| Additions                   | 768                             | 11,286                                | 12,054                          |
| Disposals                   | (8,392)                         | 53,265                                | 44,873                          |
| Unrealised investment gains | 15,269                          | -                                     | 15,269                          |
| At 31 August 2020           | <b>£1,630,334</b>               | <b>£123,983</b>                       | <b>£1,754,317</b>               |

***Investment assets within the United Kingdom***

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**9. FIXED ASSET INVESTMENTS (continued)**

| <i>Investment assets outside the United Kingdom</i> | <b>31 August<br/>2020<br/>Quoted securities<br/>Total<br/>£</b> | <b>31 August<br/>2019<br/>Total<br/>£</b> |
|-----------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------|
| <b>Cost/market value</b>                            |                                                                 |                                           |
| Brought forward                                     | 61,920                                                          | -                                         |
| Additions                                           | 254,017                                                         | 62,000                                    |
| Disposals                                           | (29,751)                                                        | -                                         |
| Unrealised investment gain/(loss)                   | 45,760                                                          | (80)                                      |
|                                                     | <hr/>                                                           | <hr/>                                     |
| Carried forward                                     | <b>£331,946</b>                                                 | <b>£61,920</b>                            |

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

|                                                     | <b>Market<br/>Value</b>         | <b>Percentage<br/>of total</b>  |
|-----------------------------------------------------|---------------------------------|---------------------------------|
|                                                     | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2020<br/>%</b> |
| <b>UK Investments</b>                               |                                 |                                 |
| Treasury 1/8% I/L Stock 22/03/2024                  | £134,956                        | 6.5                             |
| Treasury 1/8% I/L Stock 22/03/2026                  | £135,092                        | 6.5                             |
| Treasury 1/8% I/L Stock 22/03/2029                  | £120,292                        | 5.8                             |
| Rathbone Unit Trust Mgmt Global Sustainability Fund | £103,728                        | 5.0                             |
| Personal Assets Trust PLC                           | £126,980                        | 6.1                             |
| Ruffer Investment Co                                | £105,600                        | 5.1                             |

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

**10. DEBTORS**

|                                             | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
|---------------------------------------------|---------------------------------|---------------------------------|
| Debtors – donations and legacies receivable | 40,522                          | 22,250                          |
| Other debtors                               | 6,573                           | 23,158                          |
| Prepayments and accrued income              | 584,380                         | 426,415                         |
|                                             | <hr/>                           | <hr/>                           |
|                                             | <b>£631,475</b>                 | <b>£471,823</b>                 |

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

|                                        | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
|----------------------------------------|---------------------------------|---------------------------------|
| Accruals for grants payable            | 549,519                         | 738,261                         |
| Trade creditors                        | 73,964                          | 156,172                         |
| Taxation and social security           | 32,271                          | 33,256                          |
| Other creditors                        | 21,365                          | 20,755                          |
| Accruals and deferred income (Note 13) | 613,100                         | 902,572                         |
|                                        | <u>£1,290,219</u>               | <u>£1,851,016</u>               |

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

|                                        | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
|----------------------------------------|---------------------------------|---------------------------------|
| Other creditors                        | 7,540                           | 20,467                          |
| Accruals and deferred income (Note 13) | 32,966                          | 219,411                         |
|                                        | <u>£40,506</u>                  | <u>£239,878</u>                 |

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

**13. DEFERRED INCOME**

|                                | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
|--------------------------------|---------------------------------|---------------------------------|
| Balance as at 1 September 2019 | 957,861                         | 1,068,527                       |
| Amount deferred in the period  | 473,166                         | 977,593                         |
| Amount released to income      | (927,221)                       | (1,088,260)                     |
| Balance as at 31 August 2020   | <u>£503,806</u>                 | <u>£957,861</u>                 |

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS**

No Trustee received any remuneration during the year ended 31 August 2020 (2019 - 17 months - £Nil).

**Trustees' expenses**

During the year Sir Peter Lampl charged the Charitable Company £63,178 (2019 - 17 months - £74,692) 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 £36,610 (2019 - 17 months - £46,494) for general administrative costs incurred by the Charitable Company on his behalf.

£16,477 (2019 - 17 months - £20,755) was owed to Sir Peter Lampl at the year end. This amount is repayable on demand and interest free.

**Donations from Trustees**

During the year, donations of £Nil (2019 - 17 months - £90,000) were received from Sir Peter Lampl. £25,000 (2019-17 months-£184,762) of deferred donations made in previous years, under a matched funding arrangement, were matched and released as income during the year. The balance remaining at the year end, within the matched funding account, is £30,640 (2019 - £55,640) (see Note13).

During the year, donations of £Nil (2019 - 17 months - £60,000) were received from Sir Peter Gershon and £62,275 (2019 - 17 months - £79,648) were received from Timothy Bunting.

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

**Other**

Sir Peter Gershon, a Trustee of The Sutton Trust, was also a trustee of the Education Endowment Foundation (EEF). Sir Peter Lampl is the Chairman and also a Trustee of the EEF. The EEF shares certain office premises held by The Sutton Trust under a licence agreement for which it pays a commercial rent for the use of the space and related overhead services. In the year the Sutton Trust charged the EEF £43,050 (2019 - 17 months - £101,354) for office space and overheads and £41,086 (2019 - 17 months - £58,165) for some staff costs and third party expenses. £6,573 (2019 - 17 months - £22,963) 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<br>31 August<br>2020 | 17 Months<br>ended 31<br>August<br>2019 |
|------------------------------------------------------|---------------------------------|-----------------------------------------|
|                                                      | £                               | £                                       |
| Net income and net movement in funds                 | 1,557,324                       | 276,957                                 |
| Interest receivable                                  | (4,780)                         | (10,647)                                |
| Dividends receivable                                 | (24,193)                        | -                                       |
| Unrealised (gain)/loss on investments                | (61,029)                        | 1,942                                   |
| Realised (gain) on investments                       | (15,122)                        | -                                       |
| Depreciation of tangible fixed assets less disposals | 34,746                          | 49,394                                  |
| Loss on disposal of fixed assets                     | 50                              | -                                       |
| (Increase) in debtors                                | (159,652)                       | 176,194                                 |
| (Decrease) in creditors                              | (760,169)                       | 286,749                                 |
| Net cash inflow from operating activities            | <u>£567,175</u>                 | <u>£780,589</u>                         |



**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**16. OPERATING LEASES**

At 31 August 2020, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

|                            | <b>Land and<br/>Buildings<br/>31 August<br/>2020<br/>£</b> | <b>Land and<br/>Buildings<br/>31 March<br/>2019<br/>£</b> |
|----------------------------|------------------------------------------------------------|-----------------------------------------------------------|
| Within 1 year              | 116,457                                                    | 117,281                                                   |
| Between two and five years | 65,963                                                     | 182,420                                                   |

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

**17. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party are the Trustees.

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**18. STATEMENT OF FUNDS**

|                                   | <b>Funds<br/>brought<br/>forward</b> | <b>Total<br/>income</b> | <b>Total<br/>expenditure<br/>(including<br/>gains/(losses)</b> | <b>Transfers</b> | <b>Funds<br/>carried<br/>forward</b> |
|-----------------------------------|--------------------------------------|-------------------------|----------------------------------------------------------------|------------------|--------------------------------------|
|                                   | <b>£</b>                             | <b>£</b>                | <b>£</b>                                                       | <b>£</b>         | <b>£</b>                             |
| <b>Unrestricted funds</b>         |                                      |                         |                                                                |                  |                                      |
| General funds                     | 3,532,109                            | 1,566,279               | (1,426,482)                                                    | -                | 3,671,906                            |
| Designated funds                  | 1,998,058                            | 25,434                  | 62,771                                                         | -                | 2,086,263                            |
|                                   | <u>5,530,167</u>                     | <u>1,591,713</u>        | <u>(1,363,711)</u>                                             |                  | <u>5,758,169</u>                     |
| <b>Restricted funds</b>           |                                      |                         |                                                                |                  |                                      |
| Pathways to Law                   | (111,398)                            | 438,509                 | (472,557)                                                      | 155,128          | 9,682                                |
| UK Summer Schools                 | 1,131,618                            | 1,197,000               | (731,487)                                                      | 6,000            | 1,603,131                            |
| Teacher Summer<br>Schools         | 418,064                              | -                       | -                                                              | (418,064)        | -                                    |
| Sutton Scholars                   | 115,971                              | 150,571                 | (259,744)                                                      | 24,344           | 31,142                               |
| US Programme                      | 678,123                              | 952,855                 | (447,500)                                                      | -                | 1,183,478                            |
| Pathways to Medicine              | 32,002                               | 215,632                 | (130,857)                                                      | 40,290           | 157,067                              |
| Parental Engagement<br>Fund       | 24,344                               | -                       | -                                                              | (24,344)         | -                                    |
| Pathways to STEM                  | -                                    | 35,470                  | (41,097)                                                       | 5,627            | -                                    |
| Pathways to Banking &<br>Finance  | 13,649                               | 151,477                 | (168,626)                                                      | 29,549           | 26,049                               |
| Research and Policy               | 276,010                              | 183,817                 | (459,827)                                                      | -                | -                                    |
| Access Champions                  | -                                    | -                       | (103,919)                                                      | 103,919          | -                                    |
| Pathways Plus                     | -                                    | 54,499                  | (67,220)                                                       | 12,721           | -                                    |
| Pathways to Coding                | -                                    | 30,351                  | (68,850)                                                       | 38,499           | -                                    |
| Alumni Network                    | 50,000                               | 20,000                  | (70,000)                                                       | -                | -                                    |
| Application Support<br>Programme  | (11,578)                             | 82,812                  | (71,234)                                                       | -                | -                                    |
| Early years                       | -                                    | 235,108                 | (160,350)                                                      | -                | 74,758                               |
| Apprenticeship<br>Campaigns       | 40,220                               | 92,815                  | (102,040)                                                      | -                | 30,995                               |
| Accessing Online<br>Opportunities | -                                    | 100,000                 | (86,782)                                                       | -                | 13,218                               |
| Apprenticeship Summer<br>School   | -                                    | -                       | (26,331)                                                       | 26,331           | -                                    |
| Infrastructure Project            | -                                    | 20,000                  | -                                                              | -                | 20,000                               |
| Pathways General                  | -                                    | 510,498                 | -                                                              | -                | 510,498                              |
| Sutton Trust Online               | 5                                    | 635,763                 | (309,434)                                                      | -                | 326,336                              |
|                                   | <u>£2,657,030</u>                    | <u>£5,107,177</u>       | <u>£(3,777,855)</u>                                            | <u>-</u>         | <u>£3,986,352</u>                    |
| <b>Total funds</b>                | <u>£8,187,197</u>                    | <u>£6,698,890</u>       | <u>£(5,141,566)</u>                                            | <u>-</u>         | <u>£9,744,521</u>                    |

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

**Designated Funds**

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**Restricted Funds**

***Pathways to Law***

A programme to widen access to university and legal careers.

***UK Summer Schools***

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

***Teacher Summer Schools***

The Trust's summer schools aimed at state school teachers. This programme concluded in 2018/19.

***Sutton Scholars***

The Trust's programme to support highly able state school students pre-16.

***US Programme***

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

***Pathways to Medicine***

A programme to widen access to medical schools.

***Parental Engagement Fund***

A fund to support promising parenting programmes. This project finished in 2018/19.

***Pathways to STEM***

A programme to STEM degrees and related careers. The pilot concluded in 2019/20.

***Pathways to Banking & Finance***

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

***Research and Policy***

A programme for the Trust's research into social mobility, and also supports the Trust's work with policy-makers.

***Access Champions***

A pilot programme run by the Higher Education Access Network to work more closely with teachers in their schools. The initial pilot is concluding in 2019/20.

***Pathways Plus***

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

***Pathways to Coding***

A new programme designed to widen access to careers in the digital sector. The pilot concluded in 2019/20.

***Alumni Network***

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

***Application Support Programme***

A programme providing support with personal statements to support students into leading universities. This programme is concluding in 2019/20. However, personal statement support will continue to be available as integral part to most Sutton Trust programmes.

***Early Years***

A project to explore communication and early language.

***Apprenticeship Campaigns***

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

***Accessing Online Opportunities***

A programme to support students on digital Sutton Trust programmes with equipment and internet access.

***Apprenticeship Summer School***

A new employability programme to widen access to apprenticeships.

***Infrastructure Project***

Funding to build capacity within the Trust.

***Pathways General***

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

***Sutton Trust Online***

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

**THE SUTTON TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                           | <b>Unrestricted funds</b> |                   | <b>Restricted funds</b> | <b>Total</b>      |
|---------------------------|---------------------------|-------------------|-------------------------|-------------------|
|                           | <b>General</b>            | <b>Designated</b> |                         |                   |
|                           | <b>31 August</b>          | <b>31 August</b>  | <b>31 August</b>        | <b>31 August</b>  |
|                           | <b>2020</b>               | <b>2020</b>       | <b>2020</b>             | <b>2020</b>       |
|                           | £                         | £                 | £                       | £                 |
| Tangible fixed assets     | 93,981                    | -                 | -                       | 93,981            |
| Investments               | -                         | 2,086,263         | -                       | 2,086,263         |
| Debtors                   | 221,486                   | -                 | 409,989                 | 631,475           |
| Cash at bank and in hand  | 3,628,500                 | -                 | 4,635,027               | 8,263,527         |
| Current liabilities       | (264,521)                 | -                 | (1,025,698)             | (1,290,219)       |
| Non - current liabilities | (7,540)                   | -                 | (32,966)                | (40,506)          |
| <b>Total net assets</b>   | <b>£3,671,906</b>         | <b>£2,086,263</b> | <b>£3,986,352</b>       | <b>£9,744,521</b> |

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

**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 2020**

**21. FINANCIAL INSTRUMENTS**

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

|                                                | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
|------------------------------------------------|---------------------------------|---------------------------------|
| <i>Financial assets</i>                        |                                 |                                 |
| Measured at fair value through profit and loss | 10,349,790                      | 9,722,486                       |
| Measured at amortised cost:                    |                                 |                                 |
| Other debtors (Note 10)                        | <u>6,573</u>                    | <u>23,158</u>                   |
|                                                |                                 |                                 |
|                                                | <b>31 August<br/>2020<br/>£</b> | <b>31 August<br/>2019<br/>£</b> |
| <i>Financial liabilities</i>                   |                                 |                                 |
| Measured at amortised cost                     |                                 |                                 |
| Trade creditors (Note 11)                      | 73,964                          | 156,172                         |
| Other creditors and accruals (Note 11)         | <u>150,699</u>                  | <u>171,951</u>                  |

Financial assets measured at fair value relate to cash at bank and in hand of £8,263,527 (2019: £7,724,428) and investments of £2,086,263 (2019: £1,998,058).

Financial assets measured at amortised cost relate to other debtors.

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

There were net gains of £76,151 (2019 – 17 months – net loss £1,942) attributable to the Charitable Company's financial instruments.