

THE SUTTON TRUST
A COMPANY LIMITED BY GUARANTEE
(Company Registration No. 07951541)
(Charity Registration No. 1146244)
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021



THE SUTTON TRUST
FOR THE YEAR ENDED 31 AUGUST 2021

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THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also directors for the purposes of company law, are pleased to submit their report together with the audited financial statements of The Sutton Trust ("the Charitable Company", "the Charity" or "the Trust") for the year ended 31 August 2021.

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

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

Governing Instrument	Memorandum and Articles of Association
Founder	Sir Peter Lampl
Trustees (also the statutory directors of the Charitable Company)	Sir Peter Lampl Sir Peter Gershon Oliver Quick Lady Susan Lampl Tim Bunting Professor Louise Mary Richardson (from 1/11/2019)
Executive Chairman	Sir Peter Lampl
Chief Executive	James Turner
Director of Development	Doug Thomson
Director of Programmes	Laura Bruce
Associate Director of Research & Policy	Carl Cullinane
Associate Director of Media & Communications	Hilary Cornwell
Associate Director of Finance & Operations	Stefanie Kha (from 01/09/2021)
Director of Finance (Maternity Cover)	Frank Helsby (to 30/07/2021)

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

Objects of Charitable Company	<p>The Trustees shall hold or apply the capital and income of the Charitable Company for the following objects:</p> <ul style="list-style-type: none">(i) To advance the education of the public and to improve educational opportunities for young people; and(ii) To undertake such charitable purposes or to make charitable donations in such a manner as the Trustees may in their absolute discretion think fit.
Charitable Company Address & Registered office	Millbank Tower, 21-24 Millbank, London, SW1P 4QP
Website and Social Media	www.suttontrust.com @suttontrust
Charity Registration Number	1146244
Company Registration Number	07951541
Auditor	Rawlinson & Hunter Audit LLP Statutory Auditor Chartered Accountants Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ
Bankers	National Westminster Bank 57 Victoria Street, London, SW1H 0HN CAF Bank Limited 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
Investment Managers	Rathbone Investment Management 8 Finsbury Circus, London, EC2M 7AZ J.P. Morgan Bank 60 Victoria Embankment, London EC4Y 0JP
Solicitors	Bates Wells 10 Queen Street Place, London EC4R 1BE

THE SUTTON TRUST
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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 24 years and concentrate our support on young people from secondary school age onwards – up to and including those starting their careers – and at key transition points.

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

Following a large-scale review of the Trust's mission in the previous financial year and agreeing a bold 10 year vision, the Trust has started working on its short-term implementation plan. In the first stage, the Trust is continuing to manage its Covid-19 response and to launch new programmes, research studies and partnerships before scaling up its operations in future stages.

Significant Activities

Programmes – Our programmes, run in partnership with leading US and UK universities and not-for-profits, have helped almost 50,000 students since the Trust was founded, and now reach 8,000 students every year.

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

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

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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 to 7), and its research and policy work (see pages 7 to 9) is made available to the public via a strong communications agenda, concentrating on broadcast and print journalism, the Trust's website, social media, newsletters and events.

The grant-making policy is published on pages 13 to 14.

ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

Programmes

Like the previous academic year, our programmes and activities continued to be delivered digitally in response to the Covid-19 pandemic. We were able to build on the changes and successes we made in time-pressured circumstances the previous year to adapt and refine our digital delivery. We have also been focusing on developing and launching new initiatives, alongside considering our longer-term strategy. We have further embedded the work of the alumni team into programmes so that there is a stronger link between the two areas of complimentary work.

Overview

The 2020/21 academic year saw 8,510 students either accepted onto a Sutton Trust Programme or activating their Sutton Trust Online account, which is an increase on the 7,000 supported in the last academic year.

We continued to offer our university partners the opportunity to run their digital programmes through Sutton Trust Online, many of whom did, with some also running non-Sutton Trust funded programmes through the platform.

Programmes delivered this year, included:

- 3,276 students offered a place on a Sutton Trust Summer School;
- 972 students accepted onto our Pathways Programmes;
- 124 students attending our second Apprenticeship Summer School; and
- 3,303 unsuccessful programme applicants activating a Sutton Trust Online account.

Sutton Trust Online

Sutton Trust Online has changed in both scope and scale due to the pandemic. Its original aim was to provide a light touch alternative programme to disadvantaged students who applied to the Sutton Trust but were unsuccessful, piloting with 500 students and reaching up to 6,000 by year three. It is now forming the backbone of our programme delivery, providing a central hub for all Sutton Trust students to gain access to information and support throughout their programmes, and is reaching 7,500 students in year two. This year we have had a dual focus: continuing delivery support for those on a programme and refocusing on the original target group of unsuccessful applicants.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

Sutton Trust Online (continued)

Key outputs and achievements in this area include:

- A significant increase in the overall number of students activating their accounts;
- increasing the activation rate of unsuccessful students;
- a site restructure to improve content and navigation;
- launching a core programme of support including webinars, structured content and monthly newsletters; and
- developing an inclusion strand of work to increase support for students of colour and students managing their mental health.

The ongoing focus is increasing engagement with the platform and beginning an evaluation to understand how users engage with the platform, what they find the most useful, and analysing the first return of university access data. This evaluation will form the basis of our future plans for the platform.

US Programme

The US Programme continued to be delivered virtually, with no trip to visit US universities in the summer of 2021.

44 students from Cohort 9 (who started the programme in 2020) were successful in gaining a place at a US university this year. The team have supported all students to access visa and to navigate Covid-19 requirements to begin their education in the US, rather than studying remotely from the UK.

150 students formed Cohort 10 of the programme. 92 of these have opted to continue to Part 2 of the programme, which sees students supported to apply to US institutions. This is an increase on last year. The 2021/22 programme will launch in the autumn and is aiming to return to face-to-face delivery.

UK Summer Schools

3,276 students were offered a place on a Sutton Trust Summer School this summer. The digital delivery format allowed universities to offer more places than ever before, though we expect these to reduce when face-to-face programming returns. Summer Schools were delivered by our 13 university partners from across the UK and were all delivered in a digital format through Sutton Trust Online.

Our early indicative surveys showed that, of participants:

- 87% reported improved confidence;
- 86% reported improved skills; and
- 89% reported improved decision making.

We are currently working with our university partners on future delivery models for the programme. Most universities are planning to deliver a hybrid programme model moving forward, consisting of a residential programme of three-four days with digital support as a wrap-around. There is slight variation in this so we will commission an evaluation to understand how this model meets the programme aims to inform future decision making.

"A massive thank you to the Sutton Trust team for their help, support and guidance throughout the last year. The Sutton Trust Summer School is one of our highlights of the year and to be able to support an increasing number of young people during the last year has been a real success. The changes and additions to the platform have all been beneficial and it is great to see the Trust developing the platform following feedback. Through collaboration we have been able to provide an important and invaluable service to our pupils. Over the last 2 years we have achieved so much, and all involved should be incredibly proud. We look forward to continuing working with the Trust in the coming years and building on the successes." University Partner – October 2021

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

Pathways to the Professions

972 students took part in one of our Pathways programmes which work across established sectors such as law, banking and finance and medicine. This year also saw the launch of Pathways to Engineering at the University of Warwick, which is our first programme in this new area. Activities continued to be delivered digitally by our university partners and Trust run activities such as the national conference and work experience were also delivered digitally through Sutton Trust Online. Some headline statistics from this year include:

- 94 unique employers engaging with Pathways programmes;
- 890 work experience placements offered to Pathways and Pathways Plus students;
- over 338 hours of corporate volunteering;
- 230 students attending a National Conference;
- 85% of students felt they would not have been able to access similar work experience without the support of Pathways;
- 92% of students agreeing or strongly agreeing that they now feel more motivated to achieve their career goals; and
- 83% of students agreeing or strongly agreeing that they are now more likely to enter the profession.

"It was a great placement, the responsiveness from the students was much more than anticipated. Many team members commented on the maturity of the students, their participation was much welcomed and the enthusiasm infectious." Placement Provider, 2021

"My favourite part of the experience was being able to improve my confidence by working alongside professionals that I admire. This has given me the motivation to plan for my future [and] has helped me to broaden my views on how I would personally like to enter the profession." Pathways Student, 2021

Alumni

A significant amount of work has been undertaken in the alumni sphere. This year we have developed a range of new programmes which are launching in autumn 2021, these include:

- Sutton Trust Careers: an online webinar series designed to support alumni with readiness for the workplace;
- Sutton Trust Careers Plus: a work experience programme in sectors which historically take in relatively few low-income young people; this includes a new strand of work with Bloomberg LP, who will provide bursary support for their participants;
- Opportunity Bursary: £4.8m bursary scheme supported by JP Morgan to provide access to extracurricular opportunities our alumni would not otherwise afford; and
- Sutton Trust Alumni: a new online platform integrated with Sutton Trust Online, so that young people can move seamlessly from programme participant to alumni.

The alumni team have also recruited eight new members to our Alumni Leadership Board, who will replace alums finishing their terms. We have representation from all four nations, different programmes and alums at various stages of their journey after the Trust.

Programme Expansion

In addition to the new alumni programming mentioned above, this year has also seen the development of a range of activities which are piloting in the 2021/22 academic year, these include:

- Pathways expansion in engineering and banking to University of Liverpool;
- Pathways Online programmes in law and banking - to increase geographical reach;
- A new strand of Pathways in the Consulting sector, to be launched digitally; and
- Inclusion resources and workshops on topics such as race and mental health.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Programmes (continued)

Programme Expansion (continued)

We are currently engaging our university partners to plan future expansion as part of our long-term strategy and have commissioned an external organisation to research new sectors for our Pathways programmes.

We have set up several new partnerships to support the expansion of our work, these include: Rare Recruitment for alumni, Young Minds and The Diversity Trust on Sutton Trust Online, various corporate partners for work experience, Shortlist.Me and Forage. We are also exploring partnerships with a range of other organisations working in this space.

Research, Policy and Communications

This report covers research, policy and communications activity that has taken place between 1 September 2020 and 31 August 2021.

In this period, the Covid-19 pandemic has continued to have a significant impact on education, through exam cancellations, school closures and pressures on university admissions. Our research and policy output has reflected that and we have kept disadvantaged young people at the top of the education agenda and continued to analyse the consequences of the pandemic.

We have published 15 pieces of research looking at all aspects of social mobility from the early years to access to the workplace.

We also identified a need for more high-quality data on the impacts of the pandemic, and put together a team to bid to establish a new national longitudinal cohort study of young people, to provide evidence on the short and long term impacts of the pandemic on life chances. Together with UCL CEPEO and the Centre for Longitudinal Studies, we have launched the COSMO (Covid Social Mobility and Opportunities) Study. This unique study was set up at unprecedented pace, to be funded with a £4.6m grant from UK Research and Innovation with the funding going directly to UCL CEPEO and the Centre for Longitudinal Studies. It will be the largest of its kind into the effects of Covid-19 on the life chances of a generation of young people, and, we hope, will provide a backbone to the Sutton Trust's research programme for years to come. The Trust also commissioned an 'add on' to the study, looking specifically at disadvantaged young people with high academic potential, funded by XTX Markets.

We engaged constructively with the government and other key stakeholders on several policy priorities that emerged over the course of the year including education recovery funding and university admissions and achieved some policy wins as a result (see below).

Research Output (highlights)

A Fair Start? Equalising access to early education (August 2021)

- This report took a comprehensive look at the 30 hours childcare policy; which provides funded hours of early education and childcare to three and four year olds in 'working' families, including contributions from the Institute for Fiscal Studies and the Centre for Research in Early Childhood. The research found that most families on low or no incomes cannot access the 30 hour entitlement, and that there is evidence the existing policy is contributing to a widening of the attainment gap.
- The report makes detailed recommendations for change in order to widen access to the full funding entitlement to those who need it most. The report was covered by the Guardian, the Daily Mail, the i and Press Association.

A-levels and University Access 2021 (July 2021)

- This research brief looked at how the pandemic has disrupted education for young people finishing school and college this year, including how it changed A level assessments and affected their transitions from school to university.
- We recommended that universities give additional consideration to disadvantaged students to ensure they didn't miss out.
- The brief was covered by the BBC, Daily Mail, Independent and the i.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Research, Policy and Communications (continued)

Research Output (highlights) (continued)

Inequality in the Highest Degree? Postgraduates, prices and participation (June 2021)

- This research, carried out by academics at the University of York, found that government loans introduced in 2015 have helped low and moderate income students to undertake postgraduate study. However, it also found that these gains are threatened by rising tuition fees. The report recommended the postgraduate funding system is reviewed to remove financial barriers to study.
- The research was covered in the Guardian, Wonkhe and FE News.

Fairness First: Social Mobility, Covid and Education Recovery (May 2021)

- This report set out the Sutton Trust's priorities for a 'fairness-first' recovery plan, from the early years to sixth forms and college, based on three principles: the right scale and duration to match the challenge, a targeted approach, and including children and young people of all ages.
- The research was covered in the Guardian, the Daily Mail and the Evening Standard.

Measuring Disadvantage (May 2021)

- This report found that many measures of socio-economic disadvantage are not effective at identifying low-income students and can discriminate against certain groups, including Black, Asian and minority ethnic (BAME) students.
- Following the report, government granted universities access to free school meals data, a key ask in the research.
- The research was covered by The Times, the Guardian and The Daily Telegraph.

The University of Life (February 2021)

- This research examined the skills extra-curricular activities develop in young people and the role they play in increasing employability.
- The report highlighted that one in five working class graduates could not afford to undertake a work placement whilst at university, 29% of graduates believe university did not give them the necessary skills for the jobs they wanted and nearly a third of students who did not take part in student societies could not do so because of paid work commitments.
- The report was covered in The Financial Times, the Evening Standard and FE News.

Learning in Lockdown (January 2021)

- Following the start of the second period of school closures at the start of 2021 our research highlighted the challenges facing young people, parents and teachers, with only 26% of children in working class households undertaking over five hours of schoolwork a day (compared to 40% from middle class households) and many pupils still facing a lack of access to devices for remote learning.
- The report received excellent coverage in The Times, The Daily Telegraph and the Daily Mail.

PQA: Reforming University Admissions (October 2020)

- Our polling on post qualification applications (PQA) found that two-thirds of young people (66%) believe a move to a system where students apply to university after they have gotten their grades would be fairer than the current system based on predicted grades.
- The polling was covered in SchoolsWeek, The Daily Telegraph and received a positive response from the Association of School and College Leaders (ASCL).

Policy advocacy

We remain a well-respected authority on social mobility within parliament, with 79 mentions of the Trust's work over the past year across the House of Commons, Lords and relevant Select Committees.

We continue to engage closely with relevant Committees across both Houses. In 2021, James Turner gave evidence to the House of Lords Committee on digital learning, and we submitted written evidence to the House of Lords Committee on Youth Unemployment.

We continue to make a case for the reform of the university admissions system. We were pleased that this year, the government consulted on a move to a Post-Qualification Admissions (PQA) system, citing the Trust's work as key evidence for reform. We submitted written evidence to the government and engaged directly with ministers and civil servants on this issue.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Research, Policy and Communications (continued)

Policy advocacy (continued)

The Trust has long campaigned for better data to be available to universities to make effective contextual admissions decisions and this year, we achieved a notable policy win in this area. Following the publication of our research highlighting that Free School Meal data is the best indicator of disadvantage, we are delighted that the Department for Education (the 'Department') has made Free School Meal data available to universities via UCAS from 2021 onwards.

Throughout the continued disruption to education and uncertainty around exams, we have consistently engaged with the exams regulator, Ofqual, to advocate for fairness and to ensure that disadvantaged young people were not adversely impacted by the approach to GCSE and A Level grades. We continue to regularly attend meetings with Ofqual and submit written evidence to their consultations. In 2020 and 2021, we were pleased that the costs to appealing a grade were to be covered by the Government, which was a key ask of the Trust.

We have also played a key role in directly driving policy change to support young people over the course of the pandemic. Together with the Education Endowment Foundation (EEF), Nesta, Teach First and Impetus, we developed the National Tutoring Programme (NTP), which was delivered by EEF in its first year. Funded by the government catch-up package, the NTP supports pupils most affected by school closures, and in year 1, over 240,000 pupils were enrolled onto the programme.

We continue to make the case for further funding for education recovery. In 2021, our call for a £750m 'recovery premium' for schools was taken up in a campaign by the National Education Union and addressed by government. We have called on the Chancellor to introduce a 'recovery premium' in our representation to the Comprehensive Spending Review. We have also called for an extension to the 30 hours childcare and early education entitlement, a key priority for the Trust following the publication of our *A Fair Start* report.

Communications Reach

Between September 2020 and August 2021 our research has received over 8,000 mentions in the media, across print, online and broadcast outlets, including over 350 mentions in the national news. This had an advertising equivalent of £10.2m and our digital presence continues to grow. In the past year we have gained over 6,500 new Twitter followers and page views to our website in September 2021 were 88,456 which is an increase of 25% compared to September 2020.

Across our digital communications outputs, we have seen:

- Nearly 700,000 visitors to our website;
- 57,700 + followers on Twitter;
- 14,800+ followers on LinkedIn;
- 3,900+ followers on Instagram; and
- Over 6,000 views for our Impact Hub.

The Trust is regularly quoted and interviewed as a leading expert in response to the wider education agenda. Once again, we led the agenda when this year's GCSE and A-Level results were released, releasing a key research report before results day, and providing rapid analysis on the day which had wide take up across the media.

Development

Thanks to the generous support of more than 100 donors to the Sutton Trust, we closed the financial year 2020/21 in a strong position. The profile of the Trust through the pandemic and our analysis of its impact has been a key driver of fundraising success, even when interaction with donors has been limited since March 2020.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Development (continued)

We typically track two key metrics in monitoring our fundraising performance:

- New funds secured - This is a measure of new business. It includes all new commitments, both multi-year commitments and one-off gifts;
- Gifts received - This represents cash received in the year, either instalments against pledges or one-off gifts.

The figures for the past two full years are:

2020/21		2019/20	
New funds secured:	£11.6m	New funds secured:	£5.7m
Gifts received:	£10.6m	Gifts received:	£5.9m

(Note: The new funds secured figures differ from the accounts, which have been prepared on an accruals basis).

The most significant growth has been in corporate support for the Trust, with individual and foundation giving remaining steady over the past year. We anticipate that the corporate trend will continue as we grow our employability programmes and we look forward to meeting again with foundations and individual donors as things open up fully.

Fundraising Highlights

While engagement with individual donors has been difficult this year, we are delighted with the continued generosity of our Board members and Fellows who provide such valuable and flexible funding for the Trust. In total, we received £1.04m of unrestricted funding in 2020/21. We have seen a significant growth in corporate philanthropy for the Sutton Trust. A standout new commitment of £4.8m is from JP Morgan Chase who made further subsequent donations totaling £0.3m – to create Opportunity Bursaries for Sutton Trust alumni. The funds received from JP Morgan Chase were invested and grown to £5.4m at the year end. We were able to confirm a £1m pledge from the Jordan Charitable Foundation to fund five-year costs for the new Apprenticeship Summer School and for Pathways to Engineering. The Bloomberg Philanthropies relationship goes from strength to strength with a new commitment of £0.5m over three years for alumni bursaries and employability programming. Our partner XTX Markets has added to its support for summer schools and student digital access by making a new commitment of £0.25m for the COSMO longitudinal study, which met our matched funding obligation and helped enable a major research grant from UK Research and Innovation.

Fundraising Objectives

For 2020/21 we set ourselves some key objectives for the development programme:

Continuing to secure multi-year funding for flagship programmes, some of which will have their budgets re-cast to reflect the current environment. *Through a combination of fundraising success and some underspend resulting from online delivery, our established flagship programmes are in a healthy position for the coming year. Furthermore, we have been able to launch new initiatives in Pathways to Engineering, Pathways to Consulting and the Apprenticeship Summer School.*

Raising unrestricted funding that allows the Trust to be nimble and responsive as new needs and opportunities are identified. *While recruiting new individual donors has been challenging in the absence of in person meetings, we have seen a welcome growth in unrestricted funding from foundations and other sources. Some of the UK's blue-chip foundations in particular have been enlightened in their response to the challenges of the pandemic.*

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Financial Review

In the financial year under review income receivable, including grants, gifts, pro-bono support, interest and investment income was £6.1m, a 9% decline on the previous year (2020: £6.7m) and expenditure was £4.5m, a 13% reduction on the previous year (2020: £5.2m). The total funds of the Trust increased to £11.8m, an increase of 22% during the year (2020: £9.7m), driven by the net surplus in the year arising from fundraising successes outlined in the previous section, plus reduced expenditure due to the pandemic.

For the year, income exceeded expenditure by £2.1m (2020: £1.6m) of which £2m is within restricted or designated funds.

Income

Restricted income received in the year was £5m, 82% of total income received (2020: 76%) from over 100 different organisations and individual donors providing funding to programmes and research. Unrestricted income received in the year was £1.1m, 18% of total income received (2020: 24%).

No pro-bono services were received in the year. Last year, pro-bono services received were £0.8m of which £0.6m were included within unrestricted income and £0.2m included within restricted income.

Expenditure

Total expenditure on charitable activities was £3.9m, a 15% decrease compared to the prior year. This cost reduction was due to residential activities and events being either cancelled or moved online due to the ongoing pandemic, as well as the reduction in office costs and overheads due to the office closure for 6 months of the year.

Total expenditure on generating funds of £0.6m has stayed consistent compared to the previous year reflecting the continued investment in the development team to build long term relationships with funders and other activities as set out in the Development section on page 9-10.

In light of the continued fundraising successes and sustained reduction in expenditure, the Trust has played a highly proactive role in regularly updating its funders about programme and research activities at the Trust and the financial implications on their funding. Plans are in place for funding accumulated during the pandemic to be spent down responsibly over the next couple of years with funders continuing to be kept informed of the progress.

At the time of writing this report, work is underway to assess how the Trust may adapt its programme activities post-pandemic to incorporate the most impactful elements of face-to-face provision as well as the reach online activities provide. From a financial point of view, it is expected that pre-pandemic expenditure levels will return from next financial year.

Charitable Funds & Cash

Restricted income funds at the year-end grew by £1.5m, or 38%, to £5.5m. For a second year in a row, this was due in large part to the impact of the pandemic on delivery costs, as face-to-face programmes could not take place throughout the financial year. The detail of the restricted fund balances by programme are shown in Note 18.

Unrestricted income funds increased by 3%, to £3.7m, in the period, due to the reduction in office costs, overheads and events arising from the closure of the office between November and April and lower occupancy levels during the rest of the year. The reserves policy of the Trust is explained on page 12.

The designated fund, created in 2019 and fully invested at the start of the year in accordance with the investment policy of the Trust generated an annual return of £0.4m, or 19%, with a market value of £2.5m at the year-end.

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ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Financial Review (continued)

Cash held at period end was £9.5m of which £5.7m relates to restricted funds and £3.8m to unrestricted funds. As per the section above, it is the intention of the Trust to significantly reduce the level of cash held in relation to its restricted funds. At the time of writing this report, work is underway to review investment opportunities for the Trust's unrestricted cash.

Reserves Policy

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

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

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

At the year end, total funds carried forward are £11.8m, which breaks down into £5.5m restricted funds, £2.5m of designated funds and £3.8m of general unrestricted funds.

Restricted funds are specified and allocated for the different programmes and research projects undertaken by the Trust. The level of restricted funds has risen significantly in the last two years due to the continued reductions in expenditure caused by the pandemic. The Trust is working closely with its funders to ensure funds accumulated are spent responsibly over an extended period. A breakdown of the restricted funds by programmes can be found in Note 18.

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

Unrestricted funds consist of:

- **Free Reserves** of £2.5m. This amount is expected to cover the budgeted operating costs for the next financial year, including staff salaries.
- **Fixed Asset Fund** of £0.1m. This is equivalent to the fixed assets held and used by the Trust, as these cannot be realised in the short-term.
- **General Reserves** of £1.1m. This amount is set aside to finance fluctuations in cashflow, to continue running programmes in the short-term, in the absence of a funder or to trial new programmes prior to seeking external funding.

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

Investment Policy & Performance

The Trustees have the power to invest the funds of the Trust in or upon such investments, securities and property as may be thought fit, taking into account the terms of the Articles of Association dated February 2012, the requirements of charity law and the needs of the Trust.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Financial Review (continued)

Investment Policy & Performance (continued)

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

The Trust holds two separate investment funds – the designated investment fund for long-term sustainability and the (restricted) opportunity bursary fund – managed by Rathbone Brothers Plc and JP Morgan Bank, respectively, on behalf of the Trust.

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

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

Designated Investment Fund for long-term sustainability

The fund was designated in 2019 with an initial cash investment of £2 million. At the end of the year, the fund value was £2.5m with an asset allocation of 61.7% equities, 19.5% fixed income, 16.8% alternatives and 2.4% cash holdings.

The fund has performed well given the challenging conditions experienced in the period due to the global impact of the pandemic across sectors and markets. The investment performance in the year is 21% net of fees and charges, which is ahead of the Trust's investment objectives for the fund and compares favourably to Rathbone's composite benchmarks corresponding to the Trust's investment Strategy. All income and gains are reinvested into the fund.

Opportunity Bursary (Restricted) Fund

The fund was newly established during the financial year with an initial cash grant of £4.8m and additional donations of £0.3m. Funds were invested throughout May and June 2021. At the end of the year, the fund value was £5.4m with an asset allocation of 61.7% equities, 33.1% fixed income, 4.9% alternatives and 0.3% cash holdings.

The fund has performed well, generating a return of 4% net of fees and charges within a four-month period. All income and gains were reinvested into the fund during the year. In line with the grant conditions the principal of the grant and the associated investment income is shown within deferred income in Note 13.

Grant-making Policy

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

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

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD (continued)

Financial Review (continued)

Grant-making Policy (continued)

Prior to a recommendation being made, a member of staff will have had detailed conversations with the individuals and organisations behind the programme or research project. The aims and expected outcomes of the partnership will have been clearly defined and a written proposal will have been submitted. The terms and conditions of all partnerships are set out in a Letter of Agreement or equivalent; any variation on the terms and conditions are agreed formally as a term of variance. Regular monitoring is a requirement of all commitments made and, in the case of larger grants and recurrent funding for programmes, the Trust is highly likely to commission an independent academic evaluation and to include the programme in its Evaluation Framework.

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

PLANS FOR FUTURE PERIODS

As the Trust approaches its 25th anniversary in 2022, it has set out a ten-year vision for its direction of travel, its ambitions to grow and to develop longer term financial stability. The first phase of this is being enacted through a three-year plan, which brings together priorities in programmes, research, policy, communications and development, as covered in the sections above.

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

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

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

The year ahead will see new programmes coming online to meet these objectives – for example, through supporting our alumni at university and in their early careers; through the expansion of Pathways programmes to new professions; and through the growth of our Sutton Trust Online platform, including through the provision of digital-only employability programmes. The outcomes of this work will be closely monitored to help shape the nature and trajectory of further growth as part of the next phase in the realisation of the ten year vision. The Trust is also embarking on a significant consultation exercise with our university partners to identify shared priorities and areas where we might usefully further collaborate. This work will likely come on stream in the academic year 2022/23 and beyond.

On the Research and Policy front, we will ensure a continued focus on responsive, agenda-setting research that aims to influence policy and keep social mobility as a top priority. The Trust will look to further strengthen this by commissioning more landmark studies on the overall social mobility picture in the UK and developing an even better understanding of our target group and the challenges they face, building on the significant data we already hold. The COSMO study, mentioned above, is a key means of forwarding this objective, and the first findings of this will be published later in this academic year, with many more to follow. The Trust is also commissioning research to look at how the social mobility landscape has changed since it was founded in 1997,

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS (continued)

with a particular focus on university access and the overall availability of opportunities to low- and middle-income young people.

The Trust has enjoyed strong access to civil servants, ministers and the media which has enabled us to effect change, while remaining nonpartisan and appealing to decision-makers from a range of backgrounds. Our plans in the coming year will capitalise on this by targeting our research to address specific issues which are important to decision-makers, as well as continuing to focus on long term issues, and by drawing more on international examples which can be translated to the UK context. The continued work on our Fair Start campaign – to make access to funded early education more equitable – is a great example of this approach in action.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document & constitution

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

Trustees – Appointment, Induction and Training

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

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

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

The Trust's Commitment to Good Governance Code

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

Organisation

The Trustees of the Charitable Company meet to discuss overall strategy and to determine how best to direct its resources to meet its objectives. The Sutton Trust has a Chief Executive who reports to the Executive Chairman. The differing responsibilities of the Executive Chairman and the Chief Executive have been agreed and documented. The Chief Executive oversees a senior team comprising the Director of Development, Director of Programmes, Associate Director of Research and Policy, Associate Director of Media and Communications and Associate Director of Finance and Operations. The Executive Team have responsibility for managing the staff of the Charitable Company, which at the end of 2020/21 stands at 34 staff.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Remuneration Policy

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

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

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

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

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

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

Related Parties

The Trust has no trading subsidiary.

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

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

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

Internal Controls & Risk Management

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

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

A full annual planning and budgeting process is in place, and the Charity considers risks as part of all its activities.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Internal Controls & Risk Management (continued)

Notable risks identified in the period and actions to mitigate the impact include:

- On going disruption to programme delivery because of Covid-19; difficulties in planning because of uncertainty in 20/21 year ahead. Actions to mitigate the impact include the further development and implementation of Sutton Trust on-line, flexible planning models and re-budgeting to inform the planning process and the engagement with funders to agree the allocation and timing of unused restricted funds carried forward.
- Bigger burden placed on the team because of more direct digital delivery, especially an increase in demand for safeguarding support from partners. Actions to mitigate the impact include the ongoing review of resources and staffing to manage capacity, including new appointments; legal support; and the additional use of organisations with the relevant expertise through outsourcing arrangements.
- Ensuring the Trust remains a distinct and respected voice in a busier educational landscape. Actions to mitigate the impact include clarity in terms of focus and policy objectives, working with partners with a strong track record, speed of turnaround to ensure relevance and leveraging the link with the ongoing programme work being undertaken.
- Ensuring we reach students who need our support the most, especially in underserved areas of the country, as we grow our programme work. The Trust has already undertaken various pieces of analysis to better understand the makeup of our target population, and are reviewing our school and college engagement strategy for applications from 2022/23 and beyond.

Going Concern

The Trustees confirm that the accompanying accounts comply with statutory requirements, the requirements of the Articles of Association and the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities (Charities SORP FRS 102).

The Trustees have considered the financial budget for the next financial year, 2021/22, and its medium-term strategy. The plans show a robust pipeline of pledges and projected fundraising income in addition to detailed cost budgets for programmes and activity including administrative costs. The level of unrestricted and designated funds held is considered sufficient to absorb the impact of unexpected volatility in the light of the pandemic and its potential implications on fundraising and programme delivery and support (see Reserve Policy on page 12).

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

Fundraising Approach

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

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

The Trust ensures that grant and gift agreements are in place with its supporters. In 2020/21, the Trust did not have any Commercial Participators. The Trust completes a due diligence process for all new supporters. Development Team staff are kept up-to-date on fundraising best practice.

The Trust's complaints policy is available on request from contact-us@suttontrust.com. For staff, this is also available in the staff handbook. In 2020/21, we received no complaints. The Trust is not aware of any breaches of fundraising regulations by the Trust or by any person acting on its behalf.

THE SUTTON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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

In so far as the Trustees are aware:

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

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

AUDITOR

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

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

Approved by the Trustees and signed on their behalf by

Sir Peter Lampi
Trustee
Date:



27.04.22

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

Opinion

We have audited the financial statements of The Sutton Trust ("the Charitable Company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

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

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

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

Other information

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

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

Other Information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 18, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMEBERS OF

THE SUTTON TRUST

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMEBERS OF

THE SUTTON TRUST

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

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

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

Use of our report

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



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

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

Date: 27 April 2022

THE SUTTON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted Funds			TOTAL FUNDS	TOTAL FUNDS
	Note	General Funds	Designated Funds	Restricted Funds	Year ended 31 August 2021	Year ended 31 August 2020
		Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2020
		£	£	£	£	£
Income from:						
Donations and legacies	2	1,039,773	-	5,048,028	6,087,801	6,669,917
Investments	2	383	44,687	936	46,006	28,973
Total income		1,040,156	44,687	5,048,964	6,133,807	6,698,890
Expenditure on:						
Costs of raising funds	4	326,643	16,219	204,870	547,732	565,734
Charitable activities	3, 4 & 5	587,788	-	3,359,814	3,947,602	4,651,738
Total expenditure		914,431	16,219	3,564,684	4,495,334	5,217,472
Net gains on investments	9	-	406,157	11,356	417,513	76,151
Net income	6	125,725	434,625	1,495,636	2,055,982	1,557,569
Other losses	2	(137)	-	(13)	(150)	(245)
Net income and movement in funds		125,588	434,625	1,495,623	2,055,836	1,557,324
Reconciliation of funds:						
Total funds brought forward		3,671,906	2,086,263	3,986,352	9,744,521	8,187,197
Total funds carried forward	18 & 19	£3,797,494	£2,520,888	£5,481,975	£11,800,357	£9,744,521

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

All income and expenditure derived from continuing activities.

The notes on pages 26 to 47 form part of these financial statements

THE SUTTON TRUST
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	31 August 2021 £	31 August 2020 £
Fixed assets:			
Tangible assets	8	69,369	93,981
Investments	9 & 21	7,871,972	2,086,263
		<u>7,941,341</u>	<u>2,180,244</u>
Current assets:			
Debtors	10	479,151	631,475
Cash at bank and in hand	21	9,475,541	8,263,527
		<u>9,954,692</u>	<u>8,895,002</u>
Current liabilities:			
Creditors - amounts falling due within one year	11	(1,236,056)	(1,290,219)
Net current assets		<u>8,718,636</u>	<u>7,604,783</u>
Total assets less current liabilities		<u>16,659,977</u>	<u>9,785,027</u>
Creditors - amounts falling due after more than one year	12	(4,859,620)	(40,506)
Total net assets		<u>£11,800,357</u>	<u>£9,744,521</u>
The funds of the Charitable Company:			
Unrestricted - general fund	18 & 19	3,797,494	3,671,906
- designated fund	18 & 19	2,520,888	2,086,263
Restricted income fund	18 & 19	5,481,975	3,986,352
Total Charitable Company funds	18 & 19	<u>£11,800,357</u>	<u>£9,744,521</u>

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

Sir Peter Lampl
Trustee



Date:

27.04.22

The notes on pages 26 to 47 form part of these financial statements

THE SUTTON TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Net cash inflow from operating activities	15	6,347,416	567,175
Cash outflow from investing activities			
Interest income		3,711	4,780
Dividend income		42,295	24,193
Purchase of fixed assets	8	(16,308)	(44,995)
Purchase of investments	9	(5,846,104)	(12,055)
Proceeds from disposal of investments	9	681,005	-
Net cash outflow from investing activities		(5,135,401)	(28,077)
Net increase in cash and cash equivalents		1,212,015	539,098
Cash and cash equivalents brought forward		8,263,526	7,724,428
Cash and cash equivalents carried forward		£9,475,541	£8,263,526
Cash and cash equivalents consists of:			
Cash at bank and in hand		£9,475,541	8,263,526
Cash and cash equivalents at 31 August 2021		£9,475,541	£8,263,526

Cash held at year end was £9.5m (2020 - £8.3m). £5.7m of this relates to restricted funds (2020 - £4.6m) and £3.8m to unrestricted funds (2020 - £3.7m).

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

General information

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

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

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

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

Basis of preparation

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

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

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

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

Income

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

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

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

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 2021

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 2021

2. INCOME

	Unrestricted Funds Year ended 31 August 2021 £	Designated Funds Year ended 31 August 2021 £	Restricted Funds Year ended 31 August 2021 £	TOTAL FUNDS Year ended 31 August 2021 £
The income comprised:				
Donations	1,039,773	-	5,048,028	6,087,801
Donated services	-	-	-	-
Dividends	-	41,394	901	42,295
Bank interest	383	3,293	35	3,711
	<u>£1,040,156</u>	<u>£44,687</u>	<u>£5,048,964</u>	<u>£6,133,807</u>
Other losses				
– foreign exchange	£(120)	£ -	£(13)	£(133)
– disposal of fixed asset	£(17)	£ -	£ -	£(17)
	<u>£(137)</u>	<u>£ -</u>	<u>£(13)</u>	<u>£(150)</u>
	<u>£1,040,019</u>	<u>£44,687</u>	<u>£5,048,951</u>	<u>£6,133,657</u>
The income arose from the following geographical locations:				
	Year ended 31 August 2021 £	Year ended 31 August 2021 £	Year ended 31 August 2021 £	Year ended 31 August 2021 £
US and Canada	-	-	590,974	590,974
Switzerland	-	-	250,435	250,435
New Zealand	2,496	-	-	2,496
UK including the Channel Islands	1,037,660	44,687	4,207,255	5,289,902
	<u>£ 1,040,156</u>	<u>£ 44,687</u>	<u>£ 5,048,964</u>	<u>£ 6,133,807</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted Funds Year ended 31 August 2020 £	Designated Funds Year ended 31 August 2020 £	Restricted Funds Year ended 31 August 2020 £	TOTAL FUNDS Year ended 31 August 2020 £
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>
The income arose from the following geographical locations:	Year ended 31 August 2020 £	Year ended 31 August 2020 £	Year ended 31 August 2020 £	Year ended 31 August 2020 £
US and Canada	136,489	-	1,074,544	1,211,033
Switzerland, Holland and Norway	-	-	325,986	325,986
UK including the Channel Islands	1,429,790	25,434	3,706,647	5,161,871
	<u>£1,566,279</u>	<u>£25,434</u>	<u>£5,107,177</u>	<u>£6,698,890</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 2021

**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 AUGUST 2021**

**Access programmes for university and
the professions**

Pathways Plus
Pathways to Banking & Finance
Pathways to Engineering
Pathways to Law
Pathways to Medicine
Pathways to Consulting
Apprenticeship Summer School
UK Summer Schools
US Programme
Accessing Online Opportunities
Sutton Trust Online
Alumni Network
Digital Project
Infrastructure Project
Employability Bursaries
Opportunity Bursary

**Early years and primary school
Programmes**

Communication and Language Project
OVO Project

Research and policy

Lost Learning, Lost Earnings
PQA: Reforming University Admissions
Global University Access and Covid-19
Room at the Top: Access to leading universities
globally
Learning in Lockdown
Covid-19 and the University Experience
The University of Life
School Funding and Pupil Premium 2021
University Admissions: The International Picture
Measuring Disadvantage
Fairness First
Inequality in the Highest Degree: Access to
postgraduate study
A Levels and University Access 2021
A Fair Start

Programmes in schools and colleges

Sutton Scholars

There was one institution (2020 - one) to which a material amount (above £175,000) of grants was payable in the year, being total grants of £281,016 payable to Causeway Education (2020 – total grants of £245,575 payable to Causeway Education).

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

**3. LIST OF GRANTS MADE FOR CHARITABLE PURPOSES
DURING THE YEAR ENDED 31 AUGUST 2021 (continued)**

	Unrestricted Funds Year ended 31 August 2021 £	Designated Funds Year ended 31 August 2021 £	Restricted Funds Year ended 31 August 2021 £	Total Year ended 31 August 2021 £	Total number Year ended 31 August 2021
Grants payable to institutions	-	-	1,124,843	1,124,843	111
Grants payable to individuals	-	-	-	-	-
Total grants payable (see Note 4)	£ -	£ -	£1,124,843	£1,124,843	111
Total number	-	-	111	-	111

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

The grants payable above exclude other direct charitable programme expenses payable to the grantees. See the grant-making policy on pages 13-14 of the Report of the Trustees on how the grants relate to the objects of the Charitable Company.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. CHARITABLE ACTIVITIES

	Grants	Direct costs	Staff costs (Note 7)	Support Costs (Note 5)	Pro bono work	Total
	Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2021	Year ended 31 August 2021
	£	£	£	£	£	£
University outreach	375,881	596,746	432,611	313,436	-	1,718,674
Schools/colleges	536,490	434,779	147,485	266,765	-	1,385,519
Early years	181,600	3,375	61,201	59,254	-	305,430
Research projects	30,872	188,870	213,868	104,369	-	537,979
	<u>£1,124,843</u>	<u>£1,223,770</u>	<u>£855,165</u>	<u>£743,824</u>	<u>£ -</u>	<u>£3,947,602</u>
Costs of raising funds						
	<u>£ -</u>	<u>£25,354</u>	<u>£419,173</u>	<u>£103,205</u>	<u>£ -</u>	<u>£547,732</u>

	Unrestricted Funds	Restricted Funds	Total
Charitable expenditure	<u>£587,788</u>	<u>£3,359,814</u>	<u>£3,947,602</u>

	Grants	Direct costs	Staff costs (Note 7)	Support Costs (Note 5)	Pro bono work	Total
	Year ended 31 August 2020	Year ended 31 August 2020	Year ended 31 August 2020	Year ended 31 August 2020	Year ended 31 August 2020	Year ended 31 August 2020
	£	£	£	£	£	£
University outreach	946,874	877,149	472,988	883,786	221,500	3,402,297
Schools/colleges	264,574	6,103	19,777	116,386	-	406,840
Early years	134,407	4,477	25,908	66,077	-	230,869
Research projects	-	251,077	185,655	175,000	-	611,732
	<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						
	<u>£ -</u>	<u>£30,578</u>	<u>£384,198</u>	<u>£150,958</u>	<u>£ -</u>	<u>£565,734</u>

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. ANALYSIS OF SUPPORT COSTS

	Charitable Activities Year ended 31 August 2021 £	Fund raising (unrestricted) Year ended 31 August 2021 £	Total Year ended 31 August 2021 £
Wages and salaries (Note 7)	367,437	50,982	418,419
Other staff costs—travel / recruitment etc.	(5,763)	(800)	(6,563)
Administration	34,559	4,795	39,354
Strategy and planning (pro-bono)	-	-	-
Premises (net of recharges)	185,553	25,746	211,299
Audit & other	21,076	2,924	24,000
Accountancy	12,076	1,675	13,751
Legal	4,956	688	5,644
Public relations	88,648	12,300	100,948
Depreciation (Note 8)	35,282	4,895	40,177
	£743,824	£103,205	£847,029

	Charitable Activities Year ended 31 August 2020 £	Fund raising (unrestricted) Year ended 31 August 2020 £	Total Year ended 31 August 2020 £
Wages and salaries (Note 7)	380,547	46,282	426,829
Other staff costs—travel / recruitment etc.	10,015	1,218	11,233
Administration	35,809	4,355	40,164
Strategy and planning (pro-bono)	501,953	61,047	563,000
Premises (net of recharges)	178,407	21,697	200,104
Audit & other	20,149	2,451	22,600
Accountancy	7,189	874	8,063
Legal	6,406	779	7,185
Public relations	69,750	8,483	78,233
Depreciation	30,979	3,767	34,746
Loss on disposal of fixed assets	45	5	50
	£1,241,249	£150,958	£1,392,207

Governance costs of £24,504 (2020 - £595,145) which includes £Nil (2020 - £563,000) of pro-bono work on strategy and planning were incurred during the year. These are included in the support costs in both current year and in 2020.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

This is stated after charging:	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Operating leases – land and buildings	113,807	113,807
Depreciation	40,177	34,747
Loss on disposal of fixed assets	17	50
Auditor's remuneration: Audit services	24,000	22,600

7. STAFF COSTS

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
(a) Salaries	1,418,500	1,262,865
National Insurance	105,028	111,396
Pension contributions	169,228	141,094
	£1,692,756	£1,515,355

Included in the staff costs are consultancy fees of £204,260 (2020 - £194,759) payable to key management personnel and £27,825 (2020 - £438) payable to another consultant, who are not employees. Also included in the staff costs are staff costs recharged to the Charitable Company by the Chairman's private office of £46,257 (2020 - £46,364) and pension costs of £1,153 (2020 - £1,124) for the shared use of employees.

The Trustees, who are also directors of the Charitable Company, received no remuneration for their services during the year ended 31 August 2021 (2020 - £Nil). See Note 14 for other Trustees related transactions.

The key management personnel of the Charitable Company, comprise the Trustees, the Chief Executive and the Executive Team. The total employee benefits of the key management personnel of the Trust were £636,868 (2020 - £594,445).

The Charitable Company contributes to the defined contribution personal pension plans of certain employees and contributions are charged in the Statement of Financial Activities as they become payable. The charge for the year was £169,228 (2020 - £141,094). Of these contributions, £14,834 (2020 - £13,518) were due to these plans by the Charitable Company at the year end.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. STAFF COSTS (continued)

	Year ended 31 August 2021 No.	Year ended 31 August 2020 No.
(b) Number of staff		
Programmes	12	9
Research	9	8
Fund raising	6	7
Administration	4	4
	<u>31</u>	<u>28</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 is as follows:

£60,001 to £70,000	2	3
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£110,000 to £120,000	1	1
£130,001 to £140,000	-	-
£160,001 to £170,000	-	-

Employers' pension contributions in respect of these 4 (2020 - 5) employees amounted to £26,289 (2020 - £28,878) during the period.

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and fittings £	Computer equipment £	Cycle scheme £	Total £
Cost					
At 1 September 2020	143,766	119,896	101,061	-	364,723
Additions	-	-	14,391	1,917	16,308
Disposals	-	(6,910)	(10,667)	-	(17,577)
At 31 August 2021	<u>143,766</u>	<u>112,986</u>	<u>104,785</u>	<u>1,917</u>	<u>363,454</u>
Depreciation					
At 1 September 2020	131,029	101,465	38,248	-	270,742
Charge for period	8,499	6,614	24,265	799	40,177
Disposals	-	(6,910)	(9,924)	-	(16,834)
At 31 August 2021	<u>139,528</u>	<u>101,169</u>	<u>52,589</u>	<u>799</u>	<u>294,085</u>
Net book value.					
At 31 August 2021	<u>£4,238</u>	<u>£11,817</u>	<u>£52,196</u>	<u>£1,118</u>	<u>£69,369</u>
At 31 August 2020	<u>£12,737</u>	<u>£18,431</u>	<u>£62,813</u>	<u>£ -</u>	<u>£93,981</u>

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. FIXED ASSET INVESTMENTS

	31 August 2021 £	31 August 2020 £
Investments comprise:		
United Kingdom	2,147,028	1,754,317
Overseas	5,724,944	331,946
Total Investments	£7,871,972	£2,086,263
Gain on investments in the period:		
Realised (losses)/gains	(3,552)	15,122
Unrealised gains	632,000	61,029
Total gain on investments in the period	£628,448	£76,151
Included in:		
Deferred income	210,935	-
Statement of Financial Activities	417,513	76,151

Investment assets within the United Kingdom

	Quoted Securities	Cash held by custodian	Total
	31 August 2021 £	31 August 2021 £	31 August 2021 £
Cost/market value			
At 31 August 2020	1,630,334	123,983	1,754,317
Transfers	-	(5,881,881)	(5,881,881)
Additions	326,734	5,150,421	5,477,155
Disposals	(255,620)	685,742	430,122
Unrealised investment gains	367,315	-	367,315
At 31 August 2021	£2,068,763	£78,265	£2,147,028

Investment assets within the United Kingdom

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

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9. FIXED ASSET INVESTMENTS (continued)

<i>Investment assets outside the United Kingdom</i>	31 August 2021	31 August 2020
	Quoted securities	
	Total	Total
	£	£
Cost/market value		
At 31 August 2020	331,946	61,920
Additions	5,519,368	254,017
Disposals	(425,385)	(29,751)
Unrealised investment gains	264,685	45,760
At 31 August 2021	£5,724,944	£331,946

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

	Market Value	Percentage of total
	31 August 2021	31 August 2021
	£	%
UK Investments		
Vanguard S&P 500 ETF	£1,742,849	22.1
Lumyna-Global Debt-Credit UCITS FD	£573,709	7.3

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

10. DEBTORS

	31 August 2021	31 August 2020
	£	£
Debtors – donations and legacies receivable	217,507	40,522
Other debtors	12,240	6,573
Prepayments and accrued income	249,404	584,380
	£479,151	£631,475

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11. CREDITORS - Amounts falling due within one year

	31 August 2021 £	31 August 2020 £
Accruals for grants payable	537,783	549,519
Trade creditors	74,636	73,964
Taxation and social security	35,579	32,271
Other creditors	5,832	21,365
Accruals and deferred income (Note 13)	582,226	613,100
	<u>£1,236,056</u>	<u>£1,290,219</u>

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

	31 August 2021 £	31 August 2020 £
Other creditors	-	7,540
Accruals and deferred income (Note 13)	4,859,620	32,966
	<u>£4,859,620</u>	<u>£40,506</u>

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

13. DEFERRED INCOME

	31 August 2021 £	31 August 2020 £
Balance as at 1 September 2020	503,806	957,861
Amount deferred in the period	5,311,342	473,166
Amount released to income	(473,166)	(927,221)
Balance as at 31 August 2021	<u>£5,341,982</u>	<u>£503,806</u>

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

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14. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the year ended 31 August 2021 (2020 - £Nil).

Trustees' expenses

During the year Sir Peter Lampl charged the Charitable Company £56,157 (2020 - £63,178) for the shared use of some employees (see Note 7a), benefits and expenses incurred by him on behalf of the Charitable Company.

During the year Sir Peter Lampl was charged £40,208 (2020 - £36,610) for general administrative costs incurred by the Charitable Company on his behalf.

£4,676 (2020 - £16,477 was owed to) was owed from Sir Peter Lampl at the year end. This amount was settled promptly after the year end.

Donations from Trustees

During the year, donations of £Nil (2020 - £Nil) were received from Sir Peter Lampl. £Nil (2020 - £25,000) of deferred donations made in previous years, under a matched funding arrangement, were matched and released as income during the year. The balance remaining at the year end, within the matched funding account, is £30,640 (2020 - £30,640) (see Note 13).

During the year, total donations of £150,000 (2020: - £62,275) were received from other Trustees.

Other

Sir Peter Gershon, a Trustee of The Sutton Trust, was also a trustee of the Education Endowment Foundation (EEF). Sir Peter Lampl is the Chairman and also a Trustee of the EEF. The EEF shares certain office premises held by The Sutton Trust under a licence agreement for which it pays a commercial rent for the use of the space and related overhead services. In the year the Sutton Trust charged the EEF £42,289 (2020 - £43,050) for office space and overheads and £56,379 (2020 - £41,086) for some staff costs and third party expenses. £7,564 (2020 - £6,573) was owed to The Sutton Trust by the EEF at the year end.

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

	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Net income and net movement in funds	2,055,836	1,557,324
Interest receivable	(3,711)	(4,780)
Dividends receivable	(42,295)	(24,193)
Unrealised (gain) on investments (Note 9)	(632,000)	(61,029)
Realised loss/(gain) on investments (Note 9)	3,552	(15,122)
Depreciation of tangible fixed assets less disposals	40,177	34,746
Loss on disposal of fixed assets	17	50
Decrease/(increase) in debtors	152,324	(159,652)
Increase/(decrease) in creditors	4,773,516	(760,169)
Net cash inflow from operating activities	<u>£6,347,416</u>	<u>£567,175</u>

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16. OPERATING LEASES

At 31 August 2021, the Charitable Company was committed to make the following future payments under a non - cancellable operating lease:

	Land and Buildings 31 August 2021 £	Land and Buildings 31 August 2020 £
Within 1 year	65,963	116,457
Between two and five years	-	65,963

The above operating lease for the premises occupied by the Charitable Company expires on 25 March 2022. After the year end in September 2021 the Charitable Company signed a variation to the lease which now expires on 28 September 2026.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

THE SUTTON TRUST
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FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS

	Funds brought forward	Total income	Total expenditure (including gains/(losses)	Transfers	Funds carried forward
	£	£	£	£	£
Unrestricted funds					
General funds	3,671,906	1,040,019	(914,431)	-	3,797,494
Designated funds	2,086,263	450,844	(16,219)	-	2,520,888
	<u>£5,758,169</u>	<u>£1,490,863</u>	<u>£(930,650)</u>	<u>-</u>	<u>£6,318,382</u>
Restricted funds					
Pathways to Law	9,682	84,926	(316,315)	256,636	34,929
UK Summer Schools	1,603,130	930,435	(739,507)	-	1,794,058
Employability Funding	-	20,000	-	(20,000)	-
Sutton Scholars	31,142	100,000	(148,766)	-	(17,624)
US Programme	1,183,475	356,424	(361,548)	-	1,178,351
Pathways to Medicine	157,068	159,628	(148,349)	3,769	172,116
Opportunity Bursary	-	443,980	(10,715)	-	433,265
Pathways to Engineering	-	181,500	(60,349)	12,535	133,686
Pathways to Banking & Finance	26,049	319,414	(161,756)	14,987	198,694
Research and Policy	-	387,996	(389,573)	7,000	5,423
Access Champions	-	-	-	-	-
Pathways Plus	-	47,500	(49,973)	3,734	1,261
Pathways to Coding	-	-	-	-	-
Alumni Network	-	31,075	(109,463)	78,388	-
Programmes General Fund	-	65,388	-	(65,388)	-
Early years	74,759	219,520	(219,280)	-	74,999
Apprenticeship Campaigns	30,996	103,832	(76,872)	-	57,956
Accessing Online Opportunities	13,218	-	(12,482)	-	736
Apprenticeship Summer School	-	120,000	(39,530)	-	80,470
Infrastructure Project	20,000	132,902	(150,621)	-	2,281
Pathways General	510,498	601,216	-	(291,661)	820,053
Sutton Trust Online	326,335	450,027	(569,585)	-	206,777
COSMO: Cohort Study	-	304,544	-	-	304,544
	<u>£3,986,352</u>	<u>£5,060,307</u>	<u>£(3,564,684)</u>	<u>-</u>	<u>£5,481,975</u>
Total funds	<u>£9,744,521</u>	<u>£6,551,170</u>	<u>£(4,495,334)</u>	<u>-</u>	<u>£11,800,357</u>

Unrestricted General Funds

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

Unrestricted Designated Funds

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (continued)

Restricted Funds

Accessing Online Opportunities

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

Alumni Network

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

Apprenticeship Summer School

A new employability programme to widen access to apprenticeships.

Infrastructure Project

Funding to build capacity within the Trust.

Pathways General

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

Pathways Plus

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

Pathways to Banking & Finance

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

Pathways to Engineering

A programme to widen access to the engineering sector.

Pathways to Law

A programme supported to widen access to university and legal careers.

Pathways to Medicine

A programme to widen access to medical schools.

Opportunity Bursary

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

Sutton Scholars

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (continued)

Sutton Trust Online (formerly Digital Innovation)

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

UK Summer Schools

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

US Summer Schools

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

Research and Policy

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

Apprenticeship Campaigns

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

COSMO: Cohort Study

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

Early Years

A project to explore communication and early language.

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds	Total
	General 31 August 2021 £	Designated 31 August 2021 £	31 August 2021 £	31 August 2021 £
Tangible fixed assets	69,369	-	-	69,369
Investments	-	2,520,888	5,351,085	7,871,972
Debtors	134,044	-	345,107	479,151
Cash at bank and in hand	3,766,900	-	5,708,640	9,475,541
Current liabilities	(172,819)	-	(1,063,237)	(1,236,056)
Non - current liabilities	-	-	(4,859,620)	(4,859,620)
Total net assets	£3,797,494	£2,520,888	£5,481,975	£11,800,357

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

20. LEGAL STATUS

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

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

THE SUTTON TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. FINANCIAL INSTRUMENTS

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

	31 August 2021 £	31 August 2020 £
<i>Financial assets</i>		
Measured at fair value through profit and loss	17,347,513	10,349,790
Measured at amortised cost:		
Other debtors (Note 10)	<u>12,240</u>	<u>6,573</u>
	31 August 2021 £	31 August 2020 £
<i>Financial liabilities</i>		
Measured at amortised cost		
Trade creditors (Note 11)	74,636	73,964
Other creditors and accruals (Note 11)	<u>92,800</u>	<u>150,699</u>

Financial assets measured at fair value relate to cash at bank and in hand of £9,475,541 (2020 - £8,263,527) and investments of £7,871,972 (2020 - £2,086,263).

Financial assets measured at amortised cost relate to other debtors.

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

There were net gains of £628,448 (2020 - net gains £76,151) attributable to the Charitable Company's financial instruments.