

THE SMALLPEICE TRUST

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
for the 12 month period ended 31 August 2021**

**Company Registration No. 882371
Registered Charity No. 313719**

THE SMALLPEICE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

31 August 2021

Charity Name: The Smallpeice Trust

Registered charity number: 313719

Company registered number: 882371

Directors (trustees): The Trustees who held office during the period, and at the date the Trustees' report was approved, were:

Dr Alan Begg - Chairman
Mr Paul Doble
Mr Ian Jess
Mr Trevor Gill
Prof Richard Folkson (resigned 8 September 2021)
Mr Gavin Thompson
Prof Alison Haltstead
Mrs Glynis Dean
Ms Jacqueline Newsome
Mr Abiram Ganeshanathann (appointed 8 September 2021)

Principal members of staff: Dr Kevin P Stenson - Chief Executive
Ms Lisa Foster - Chief Operating Officer
Miss Elizabeth Kavanagh – Company Secretary (resigned 7 May 2021)
Ms Caroline Broadway – Director of Engagement (appointed 4 January 2021)

Registered office: Holly House
74 Upper Holly Walk
Leamington Spa
CV32 4JL

Bankers: Lloyds TSB Bank Plc
73 The Parade
Leamington Spa
CV32 4BB

Solicitors: BPE Solicitors LLP
St James' House
St James' Square
Cheltenham
GL50 3PR

Auditors: Dafferns LLP
Chartered Accountants
Statutory Auditor
One Eastwood
Binley Business Park
Coventry
CV3 2UB

Investment Managers: To 31 January 2021
OLIM Limited
Pollen house
10/12 Cork Street
London
W15 3NP

From 1 February 2021
CCLA Investment Managers Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

THE SMALLPEICE TRUST

TRUSTEES REPORT

31 August 2021

The trustees, who are the directors of the charitable company, present their report and the financial statements for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Objectives and Activities

The trustees have taken note of and acted upon the Charity Commission guidance on Public Benefit in determining the Policies, Aims and Objectives of the Trust, details of which are stated throughout the Trustees' Report.

The vision of The Smallpeice Trust is to inspire increasing numbers of young people to acquire life, leadership and engineering skills, in order to increase the number of engineers, to enable society.

We aim to increase the of students entering professional engineering careers, which can be accessed by Level 3+ qualifications (Level 3 includes advanced apprenticeships and T Levels). The Trust's activities target students aged 8 – 18 years are specifically designed to inspire, inform and influence them regarding engineering careers.

The outcomes we seek via our activities are young people that:

1. are enthusiastic in science and maths subjects
2. consider engineering as a career through additional research
3. seek extra-curricular opportunities to build the knowledge of engineering
4. investigate how the manufactured world works (are curious about how things work)
5. choose STEM subjects post-16

We have three programmes of activities:

1. STEM Programmes, including:
 - a. STEM Challenge Days: Trust led full day or half day hands on activities, delivered face to face or virtually
 - b. Think Kits: teacher led STEM club in a box, supporting nine weeks of activity for up to 20 students
 - c. Bespoke programmes: using a mix of current products and bespoke elements to meet funder requirements, some programmes are fully bespoke e.g. the teacher led Coding Success.
2. Courses: Out of school weeklong courses for 12 – 17-year olds that enable students to engage in hands-on challenges working alongside role model engineers in order to help them make informed decision about engineering as a career, and regarding potential pathways.
3. Arkwright Engineering Scholarships: a 2-year programme for 16-18 years old that have been identified by the Trust's rigorous selection process as being high potential future leaders in engineering.

The Trust constantly seeks new and additional partners to support its work.

THE SMALLPEICE TRUST

TRUSTEES REPORT

31 August 2021

Structure Governance and Management

Governing instrument

The charity is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 28 June 1966.

Members

The subscribers to the Memorandum of Association and other persons elected by the trustees shall, with their agreement be admitted to membership of the company. The number of members is generally limited to fifty but the trustees have the power to increase this number from time to time. The liability of members is Limited to £1 each.

Trustees

The trustees of the charity are the directors of the company. The first directors were nominated by the subscribers to the Memorandum of Association. The trustees have the power to appoint any person to be a director and remove any director from office. The minimum number of directors is two and the maximum is ten. The number of directors can be increased by agreement with the trustees.

There is a standing request for trustees to nominate, to the Chairman, people who are thought suitable to become trustees. If agreed appropriate, the Chairman then invites such people to apply to become a Trustee in line with the Trust's recruitment policy and procedure, including the appropriate safer recruitment checks for the role of Trustee.

The trustees seek a cross section of people with a good balance of skills and experience with a view to obtaining a Board of Trustees able to effectively govern the charity and particularly develop its activities and move it forward to meet changing needs.

When appropriate the trustees consult with the charity's Solicitors, Auditors and Investment Advisers for professional advice. The charity's professional advisers provide regular newsletters and technical updates which are available for all trustees, as are all appropriate new publications appearing on the Charity Commission website.

The trustees who held office during the period and at the date of this report are shown in the legal and administrative information on page 1.

The Trust has three sub-committees of trustees:

1. Finance and Audit
2. Human Resources and Remuneration
3. Strategic Implementation

These sub-committees have been established by the trustees and are appointed to make recommendations to the board.

Change in Trustees

Prof Richard Folkson resigned as trustee on 08 September 2021 and Mr Abiram Ganeshanathan was appointed on the same day.

Management

Day to day management of the charity is delegated to the Chief Executive and his staff who operate within plans and financial budgets agreed with the trustees. The Chief Executive also regularly consults with and takes advice from the charity's professional advisers.

Setting of Key Management Personnel Remuneration

The Smallpeice Trust's Human Resources and Remuneration subcommittee (a working group of trustees) oversees the remuneration of the Trust's executive team and establishes market rates consistent with our sector. The Trust's appraisal process establishes colleagues' aspirations for their career and how the Trust can support this achievement.

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TRUSTEES REPORT (continued)

31 August 2021

Principal risk and uncertainties

Working with The Smallpeice Trust's executive team, the Board of Trustees undertakes an annual review of strategic risks and these assessments are recorded in a register in decreasing order of impact. Systems and procedures have been established to manage those risks.

The principal risk for The Smallpeice Trust is Safeguarding the beneficiaries of our programmes. The Trust is committed to providing safe environments in which young people can explore and develop their potential as an engineer and has appointed a lead trustee for Safeguarding.

Furthermore, the Trust has a cross-organisation Safeguarding reference group with oversight of the annual review of the Trust's Safeguarding policy, and the Trust's comprehensive safeguarding policies and procedures, including recruitment and DBS/PVG checks. The Trust will not compromise on the Safeguarding of the beneficiaries of our programmes.

In common with all organisations, a principal risk for The Smallpeice Trust is reduced spending power resulting from reduced income (predominantly from charitable activities or investment income). During the course of 2020/21 this principal risk has continued to be in sharp focus as a result of the ongoing impact of the COVID-19 global pandemic, and the associated closure of schools and universities (and the impact on our charitable activities).

Whilst the Trust mitigates against income reduction through the appointment of internal professional fundraisers (for income for charitable activities) and external professional investment managers (for investment income), the impact of COVID-19 is ongoing. The impact of Brexit on fundraising, and competition for funds is also noted.

Another principal risk for The Smallpeice Trust surrounds the safety of the data we hold regarding the beneficiaries of our programmes. In order to mitigate against this risk, the Trust constantly reviews its cyber security control measures.

Achievements and performance

Educational Activities

The Trust has traditionally measured the success of its strategies by monitoring the number of students participating in our educational activities, the numbers of students from underrepresented groups in engineering participating, and analysis of student feedback.

In particular, the Trust measures its influence upon students to consider engineering as a career.

The Trust's key numbers for 2020/21 are

1. 57,000 students inspired to take part in activities. Including:
 - a. 20,000 students inspired via Smallpeice STEM activities
 - b. 1,000 students inspired via Smallpeice engineering courses
 - c. 9,000 students inspired via Coding Success
 - d. 21,000 students inspired via our Engineering@Home videos
 - e. 682 Arkwright Engineering Scholars
2. 45% female and non-binary students
3. 60% of participants now more likely to consider engineering

The 2020/21 academic year is an incredible example of collaborative endeavour, innovation and adaptability by all those involved in the Trust's activities to inspire young people to consider a career in engineering. The impact of this collaboration can be seen in the incredible feedback we have received from students, teachers, parents and our partners.

It was a year that required online delivery to be the default option for our work with students and teachers. Despite this, the Trust maintained its commitment to providing hands-on activities to young people. Thousands of kits were posted to students and teachers around the UK this year, no small logistical challenge for the Trust's dedicated team.

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TRUSTEES REPORT (continued)

31 August 2021

Educational Activities (continued)

We have started to reach younger students, now working with those from 8 – 18 years. The team developed a new virtual primary STEM day, which could be delivered to multiple schools at once. A range of partners provided funding and content to deliver this to schools. For example, students from 200 primary schools across the UK benefited from an aerospace or space themed curriculum challenge funded by the RAF.

Our STEM days for older students continued virtually. Alongside this we offered a range of STEM challenges for teachers or parents to use, to help keep students creating while in school or being home schooled. These challenges have been viewed nearly 65,000 times and remain a free resource on our website, thanks to the partners who sponsored their creation.

It became clear in the autumn term that residential courses would not be possible in 2021, so the Trust developed a fantastic programme of online courses working with a range of universities and industry partners. A particular hit in the new the course format was the Q&A sessions with engineers.

The Arkwright Engineering Scholarship moved selection online, with virtual interviews for the first time for this year's applicants. For those already awarded their scholarship there have been a range of virtual experiences on offer, including Connect Days and a Future of Green Energy online conference, delivered in partnership with the IET.

Alongside the Trust's core programmes, we were delighted to be selected as partners for a range of new initiatives. This year has seen new programmes get underway including STEM Accord West Midlands Pilot, Playground Games Coding Clubs, McLaren Racing Engage and Coding Success. All of which will help inspire more young people to think about careers in engineering and computer science.

Feedback from teachers, parents and students regarding our programmes was very positive again in 2020/21:

"This event was honestly amazing! We cannot believe that it was free! We were so impressed with the resources, the activities and the delivery. The tasks were engaging and creative, the curriculum links were strong and the organisation of the whole event was utterly outstanding! The children were enthused and motivated and I'm sure they will remember this day for a long time to come. We can't thank you enough! What an amazing educational 'virtual visit' this was!"

"WOW, what an event. The children really enjoyed it and were engaged at all stages of the process. They are now more aware of the different aspects of RAF and engineering and realised there are so many opportunities for them to use design problem solving and creativity as they get older."

"Thank you so much - the children really enjoyed and are all now talking about STEM careers, including children with SEN who now realise that STEM careers are within their grasp."

Teacher Feedback following Space Themed RAF Primary STEM Days

"Thank you very much. Maxwell thoroughly enjoyed the course and it was a great grounding to help direct his university course decisions. He particularly enjoyed the hands on element plus the fact that it illustrated how all the different elements of engineering can fit together. If you need any proof of how much he enjoyed it, if I tell you that he was still working on perfecting his bridge at 10pm on more than one evening (!) plus he gathered the entire family in the bathroom on the final day to watch his final testing!!

THANK YOU."

Parent Feedback following the Year 12 Humanitarian Engineering summer 2021 course.

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TRUSTEES REPORT (continued)

31 August 2021

Educational Activities (continued)

“The constructing of a water mill and electric car was completely compelling and provided an educational insight into technology, whilst maintaining my interest in it.

The graduates and national grid worker talks really helped my understanding of their occupation and its interests for STEM students.

I would consider a STEM/engineering course, as a result of this course, as it has refreshed my knowledge of job opportunities and internships at such a young age that seem accessible, no matter where I live in the UK.

The talks were insightful and building the watermill and car was fun and made me feel productive during the holidays.

The course was so helpful in opening me up to so many options for the future whilst keeping it fun during the present.”

Student Feedback following the Year 10 Discover Clean Energy summer 2021 course.

“Filled with information and inspiring people. There were loads of topics to further investigate and all in all made me seriously investigate working for the company later down the line. Thanks guys.”

Arkwright Engineering Scholar feedback following the online BAE Systems Air Careers Connect Day

Fundraising

Within this period, the Trust continued to be more active in fundraising to secure its underlying investment value and to ensure the future quality of its activities are not compromised.

Whilst recognising the last 12 months have been a challenging time in which to fundraise and deliver programmes, it has helped us, working with our partners, to find new ways to reach students and inspire them to be the engineers of the future. Our approach to fundraising with our partners continues to be informed by our shared commitment to evidence of need, and increasing impact,

Consistent with the future plans outlined in our annual accounts for 2019/20, and given the impact of COVID-1-9 on the Trust's expansion plans and financial performance, the Trust resized during 2020/21 to better align its expenditure with anticipated income. This resizing, whilst regrettable, has led to a 30% reduction in the costs associated with fundraising.

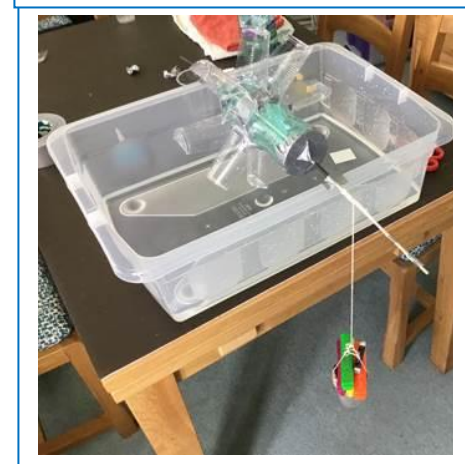
The Trust constantly seeks new and additional partners to support its work.

Volunteers

As the provider of educational programmes for young people, the Trust is indebted to the volunteers that supported the delivery of our programmes during 2020/21 both pre- and post-COVID-19. Whilst we have had reduced opportunities for volunteers due to COVID-19, we acknowledge those who supported our work to inform, influence, and inspire young people either in secure face to face or virtual environments.

Indemnity insurance

Indemnity insurance, covering all trustees, was in place throughout the whole period.



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TRUSTEES REPORT (continued)

31 August 2021

Financial Review

Results and state of affairs

The Trust's total income increased by 17% compared to 2019/20. It is noted that income from donations and legacies, and income from charitable activities increased by 78% compared to 2019/20. It is also noted that COVID-19 continued to impact the Trust's ability to deliver programmes in 2020/21 to its intended beneficiaries, and earn the associated income; most notably during the unexpected school closures in early 2021.

Income from our investments decreased by 20% compared to 2019/20. It is noted that in addition to the ongoing full year global impact of COVID-19 in 2020/21, the Trust changed investment managers from OLIM Limited (who ceased trading on 31 January 2021 due to the negative impact of COVID-19 on UK equities) to CCLA Investment Management Limited.

Consistent with the future plans outlined in our annual accounts for 2019/20, and given the impact of COVID-1-9 on the Trust's expansion plans and financial performance, the Trust resized during 2020/21 to better align its fixed expenditure with anticipated core income. This resizing, whilst regrettable, has led to a 10% reduction in employee costs, and is consistent with the Trust acting in the long-term interests of our intended beneficiaries.

The Trust's general unrestricted funds increased (2020: decreased) during the period by £2,954,385 (2020: £4,518,300) after gains (2020: losses) in the value of investment assets of £3,378,446 (2020: 3,220,364). Total fund balances of the Trust at 31 August 2021 amounted to £22,245,676 (2020: £19,315,615).

The Statement of Financial Activities is set out on page 14, the Balance Sheet on page 15, Statement of Cashflows on page 16 and supporting notes to the financial statements begin on page 17.

Reserves policy

At 31 August 2021 total reserves of The Smallpeice Trust stood at £22,245,678 including £2,606,851 of unrealised cumulative profits on the value of investments and investment property which are included in the Balance Sheet at market value.

The Trust was incorporated in 1966 with a gift of £1.6 million from the late Dr Cosby D P Smallpeice, following the sale of his engineering company, Martonair. At today's values this would equate to approximately £31 million.

Although, under the terms of its Memorandum all funds may be spent, the Trust depends significantly on its income from investments to subsidise the courses it operates and the directors therefore believe it is necessary to retain sufficient funds to ensure that future income levels are maintained.

In recent years the income from investments has exceeded that required to subsidise current operations. In 2021, as in 2020, the Trust's income from investments was less than that required to subsidise its operations and as a result the Trust drew on its accumulated cash reserves.

Investment policy

Under the terms of the Trust's Memorandum, no limits are placed on the investment powers of the directors. However, the charity does not undertake speculative investments but aims to maintain a balanced portfolio of reliable income producing assets combined with modest capital growth in the longer term. Following the decision by OLIM Limited to cease trading on 31 January 2021 due to the negative impact of COVID-19 on UK equities, the Trust appointed CCLA Investment Management Limited to manage the Trust's funds following a robust tender

THE SMALLPEICE TRUST

TRUSTEES REPORT (continued)

31 August 2021

Future Plans

In response to the ongoing strategic shock of COVID-19, during 2020/21 the Trust revisited its Theory of Change providing clarity of purpose, and identifying the problem to address as:

The lack of young people in the UK choosing STEM education pathways that make an engineering career possible, particularly young women and those from a disadvantaged background. This contributes to the UK's shortage of engineers and significant gender disparity in the workforce.

Our Theory of Change also clearly defines that The Smallpeice Trust:

- focuses on pathways to professional engineering careers that can be accessed via Level 3+ qualifications, this is informed by the Engineering Council Standard which describes three levels of registration – Technician, Incorporated and Chartered.
- sees Computer Science as central to future Engineering innovations, so activities promote the uptake of Computer Science post-16 and post-18.

This has been translated into the following strategic priority as we set course for our 60th anniversary in 4 years time:

Increase the number of students (8 – 18 years old) taking part in The Smallpeice Trust's programmes, including:

- a) Well supported and able students who may need to be 'steered' towards engineering
- b) Less well represented groups (particularly females and those from a disadvantage background).

The Trust's approach to delivering our strategy is guided by five principles:

1. Promote a compelling and authentic view of engineering and computer science, showcasing the breadth of opportunities
2. Create programmes that contribute to a sustained and rich STEM journey for all students
3. Ensure all students have the opportunity to engage in engineering-inspiration activities
4. Develop quality programmes that provide interactive experiences to inspire, inform and influence students from 8 to 18 years old
5. Evaluate and monitor programmes and activities to understand what works

Given our focus on increasing the number of students aged to 8 – 18 benefiting from inspirational activities, the Trust will continue to expand the reach and impact of its work with primary school children. In 2021/22, 600 primary schools across the UK will benefit from educational activities themed around coding, aerospace or space. This includes the new Road to RIAT programme funded by the RAF and The RAF Charitable Trust, that provides primary school students with the opportunity to take part in the Future of Aerospace design competition, as well as receiving a STEM Day covering an air or space theme. This new two part programme is consistent with our principle of contributing to a sustained and rich STEM journey for students.

Consistent with our principle of ensuring all students have the opportunity to engage in engineering-inspiration activities, the Trust has adopted Engineering UK's Equality, Diversity and Inclusion (EDI) criteria for identifying schools which are likely to have the highest proportion of young people from groups who are under-represented in the engineering profession. These criteria are used to help inform how the Trust, and our partners, target programmes and focus work to reach under-represented young people. The Trust plans over the next 3 years to increase the percentage of schools benefitting from our programmes, and those of our partners, that meet these criteria.

Consistent with our principle to develop quality programmes that provide interactive experiences to inspire, inform and influence students from 8 to 18 years old, the Trust has developed a new 3 year road map of programme development activity. Our new road map draws on clear evidence of need and considers existing provision, and how our proposed activity complements by sustaining the student pathway. The road map covers a spectrum of new activities, including the piloting of new apprenticeship programmes, and female focussed programmes. Evaluation is an integral part of our development work.

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TRUSTEES REPORT (continued)

31 August 2021

Future Plans (continued)

The Trust remains committed to working with organisations in our space (consistent with our core value of Togetherness i.e. together we can achieve more). Consistent with this, the Trust is a partner in number of exciting collaborations during 2021/22:

1. Coding Success, a programme introduced in 2021 funded by BAE Systems, the Royal Navy and Royal Air Force. This online programme, developed in partnership with Raising Robots (an authorised LEGO® Education Partner) will see Key Stage 2 and 3 students from over 500 schools across England, Scotland and Wales enhancing their coding skills
2. McLaren Racing Engage A pioneering new strategic alliance with four expert partners was launched in 2021 to drive forward a programme of collaborative initiatives to diversify talent in motorsport. We are delighted to be one of the partners alongside the Women's Engineering Society (WES), EqualEngineers and Creative Access. Work is underway to co-design a custom STEM challenge day with McLaren Racing to introduce students to the fantastic world of engineering.
3. Playground Games Coding Clubs. Following a successful pilot with students aged between 11 and 14 from across Coventry and Warwickshire, 1,000 students across the UK will have the opportunity to delve into the world of video games. These Coding Clubs are aimed at inspiring students and introducing them to different career pathways into STEM. Students compete in teams to produce three mini games, boosting teamwork and collaboration skills as well. as a greater understanding of engineering
4. The STEM Accord pilots in Bristol and the West Midlands i.e. a programmes to increase the amount of STEM enrichment activities undertaken by less active non-selective state schools in Bristol and the West Midlands. The Smallpeice Trust is the lead organisation working closely with the STEM Accord partners:
 - a. The ERA Foundation
 - b. Design & Technology Association
 - c. Engineering UK
 - d. In2Science
 - e. STEM Learning
 - f. WISE

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

In approving the trustees' annual report, we also approve the strategic report therein, in our capacity as company directors.

This report was approved by the trustees and authorised to issue on 03 March 2022 and are signed on their behalf by:



Dr Alan Begg
Chairman

THE SMALLPEICE TRUST

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law applicable in England & Wales requires the trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 SMALLPEICE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLPEICE TRUST

Opinion

We have audited the financial statements of The Smallpeice Trust (the 'charitable company') for the period ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 trustees' report (incorporating the strategic report and directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

THE SMALLPEICE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLPEICE TRUST

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act and report in accordance with regulations made under section 154 of that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE SMALLPEICE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMALLPEICE TRUST

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.



Richard Miller MA (Oxon) FCA
Senior Statutory Auditor
Dafferns LLP, Chartered Accountants
One Eastwood
Harry Weston Road
Binley Business Park
Coventry, CV3 2UB

Dated: 03 March 2022

THE SMALLPEICE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for period ended 31 August 2021

Income from:	Note	Unrestricted		Restricted funds £	31 August 2021 £	31 August 2020 £
		General funds £	Designated funds £			
Donations and legacies	3	360,245	-	301,276	661,521	748,043
Charitable activities	4	1,225,096	-	-	1,225,096	616,933
Investments	5	518,364	-	-	518,364	648,405
Other	6	119,845	-	-	119,845	144,679
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income		2,232,550	-	301,276	2,524,826	2,158,060
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:						
Raising funds	7	319,122	-	8,900	328,022	513,555
Charitable activities	8	2,328,489	36,500	280,200	2,645,189	2,983,380
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		2,647,611	36,500	289,100	2,973,211	3,496,935
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net gains / (losses) on investments	13	3,378,446	-	-	3,378,446	(3,220,364)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income / (expenditure)		2,954,385	(36,500)	12,176	2,930,061	(4,559,239)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transfers between funds		-	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		2,954,385	(36,500)	12,176	2,930,061	(4,559,239)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds						
Total funds brought forward		19,118,763	111,118	85,734	19,315,615	23,874,854
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		22,073,148	74,618	97,910	22,245,676	19,315,615
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All income and expenditure derive from continuing activities.

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

THE SMALLPEICE TRUST

Company Registration No. 882371

BALANCE SHEET at 31 August 2021

	Note	31 August 2021 £	31 August 2020 £
Fixed assets			
Tangible assets	12	1,089,122	1,203,505
Investments			
- listed	13	18,075,110	15,631,453
- other	13	1,100,000	1,100,000
		<hr/>	<hr/>
		20,264,232	17,934,958
Current assets			
Debtors	14	386,206	406,425
Cash at bank and in hand		2,671,730	1,945,684
		<hr/>	<hr/>
		3,057,936	2,352,109
Creditors: amounts falling due within one year	15	(960,992)	(832,052)
		<hr/>	<hr/>
Net current assets		2,096,944	1,520,057
Creditors: amounts falling Due after more than one year	15	<u>(115,500)</u>	<u>(139,400)</u>
Net Assets		22,245,676	19,315,615
		<hr/>	<hr/>
Charity Funds			
Restricted funds	17	97,910	85,734
		<hr/>	<hr/>
General income funds		19,466,297	14,894,132
Revaluation reserves		2,606,851	4,224,631
Designated funds		74,618	111,118
		<hr/>	<hr/>
Total unrestricted income funds	18	22,147,766	19,229,881
		<hr/>	<hr/>
Total Funds		22,245,676	19,315,615
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved by the trustees and authorised to issue on 03 March 2022 and are signed on their behalf by:



Dr Alan Begg – Chairman

THE SMALLPEICE TRUST
STATEMENT OF CASHFLOWS
31 August 2021

		31 August 2021 £	31 August 2020 £
Cash flow from operating activities	20	(841,523)	(1,408,238)
		<hr/>	<hr/>
Net cash flow from operating activities		(841,523)	(1,408,238)
		<hr/>	<hr/>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(317,025)
Receipts from sales of tangible fixed assets		-	-
Payments to acquire investments		(16,151,723)	(1,320,079)
Receipts from sales of investments		17,086,512	814,295
Interest received		390	5,258
Dividends received		517,974	643,147
Rents received		114,415	115,130
		<hr/>	<hr/>
Net cash flow from investing activities		1,567,568	(59,274)
		<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents		726,045	(1,467,512)
Cash and cash equivalents at 01 September 2020		1,945,684	3,413,196
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2021		2,671,729	1,945,684
		<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,671,729	1,945,684
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2021		2,671,729	1,945,684
		<hr/> <hr/>	<hr/> <hr/>

THE SMALLPEICE TRUST

NOTES ON FINANCIAL STATEMENTS

31 August 2021

1 General information and basis for preparation

The Smallpeice Trust is an incorporated charity in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the legal and administrative information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote engineering in all its branches as a career to young people.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, 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 Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in pound sterling (£) which is the functional currency of the charity and rounded to the nearest £1.

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

2 Accounting policies

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income; the amount can be quantified with reasonable accuracy and receipt is probable. The following specific policies are applied to particular categories of income:

- Income from donations and legacies, includes grants, donations and gifts. Where entitlement is conditional on specific deliverables or performance by the charity, income is recognised when the charity becomes unconditionally entitled to the monies.
- Incoming resources from charitable activities are accounted for when earned which also reflects the timing of when activities are scheduled to commence.
- Investment income is included when receivable.
- Grant income received from the UK's Coronavirus Job Retention Scheme has been recognised in the period in which the related staff expense was incurred. This income has been recognised in other income.

THE SMALLPEICE TRUST

NOTES ON FINANCIAL STATEMENTS (continued)

31 August 2021

2 Accounting policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the 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.

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, administrative payroll costs, training and depreciation. These costs are incurred directly in support of expenditure on the objects of the charity and have been allocated to expenditure on charitable activities being most consistent with use of the resources.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Irrecoverable VAT

Irrecoverable VAT is included in the expense heading to which the invoice relates.

Volunteers

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Pension contributions

The charity operates a defined contribution pension scheme for the benefit of its employees. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Operating leases

Rentals payable under operating leases are charged as expenditure on a straight line basis over the period of the lease.

Tax

The charity 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.

Fund accounting

- Restricted funds are those subjected to restrictions on their expenditure imposed by the donor.
- Designated funds are unrestricted funds set aside by the trustees for a specific purpose.
- General funds are unrestricted funds available for use at the discretion of the trustees in furtherance of the charitable objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

THE SMALLPEICE TRUST

NOTES ON FINANCIAL STATEMENTS (continued)

31 August 2021

2 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are recognised at cost and subsequently measured under the historical cost model, being cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes any direct expenditure incurred to bring the asset to its current location and condition necessary for the asset to work as intended by management.

Individual items costing less than £1,000 are written off as incurred whilst those costing this amount or more are capitalised as tangible fixed assets.

Repairs and maintenance costs are charged to expenditure in the period in which they are incurred.

Depreciation commencing in the year of acquisition, is calculated to write off the cost of tangible fixed assets over their estimated useful lives at the following rates:

Freehold land	Nil
Freehold buildings	over 50 years
Motor vehicles	over 4 years
Educational equipment	over 3 years
Furniture and office equipment	over 5 years

Any gains and losses on the disposal of tangible fixed assets are recognised in the Statement of Financial Activities in the period that the disposal takes place.

Investments

Investments are stated at fair value as valued by the Trust's investment advisers. Income arising on investments is accounted for as it accrues. Movements in the fair value of investments are shown in net gains and losses on investments in the Statement of Financial Activities.

The main form of financial risk faced by the charity's investments is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with any movements in fair value being shown in net gains and losses on investments in the Statement of Financial Activities and transferred to a revaluation reserve.

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.

3 Income from donations and legacies	31.08.2021	31.08.2020
	£	£
Donations	661,521	699,112
Legacies	-	48,931
	<hr/>	<hr/>
	661,521	748,043
	<hr/> <hr/>	<hr/> <hr/>

Income from donations and legacies was £661,521 (2020: £748,043) of which £301,276 (2020: £303,310) was attributable to restricted funds and £360,245 (2020: £444,733) attributable to general unrestricted funds.

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

4	Income from charitable activities	31.08.2021	31.08.2020
		£	£
	Course income	1,177,897	553,243
	Aptitude test fees and sundry income	47,199	63,690
		<u>1,225,096</u>	<u>616,933</u>

Income from charitable activities was £1,225,096 (2020: £616,933) which was entirely attributable to general unrestricted funds.

5	Investment income	31.08.2021	31.08.2020
		£	£
	Income from listed investments	517,974	643,147
	Bank and deposit interest	390	5,258
		<u>518,364</u>	<u>648,405</u>

Investment income was £518,364 (2020: £648,405) which was entirely attributable to general unrestricted funds.

6	Other income	31.08.2021	31.08.2020
		£	£
	Rent receivable	94,415	95,130
	Licence fees and related income	20,000	20,000
	Sundry income	-	336
	Furlough grants: UK Coronavirus Job Retention Scheme	5,430	29,213
		<u>119,845</u>	<u>144,679</u>

Other income was £119,845 (2020: £144,679) which was entirely attributable to general unrestricted funds. The CJRS has been used for 33% of the total staff to support our administrative staff, the salary spectrum was of the lower end, hence the CJRS contribution for the overall salary bill was a much smaller proportion.

7	Cost of raising funds	31.08.2021	31.08.2020
		£	£
	Publicity, fundraising and charity development	260,858	381,228
	Investment management fees	49,112	113,435
	Investment property costs	18,052	18,892
		<u>328,022</u>	<u>513,555</u>

The cost of raising funds was £328,022 (2020: £513,555) of which £8,900 (2020: £4,300) was attributable to restricted funds and £319,122 (2020: £509,255) attributable to general unrestricted funds.

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

8 Analysis of expenditure on charitable activities

Activities undertaken directly	Grant funding activities	Support costs	31.08.2021	31.08.2020
£	£	£	Total	Total
			£	£
1,343,682	330,600	970,907	2,645,189	2,983,380
<u>1,343,682</u>	<u>330,600</u>	<u>970,907</u>	<u>2,645,189</u>	<u>2,983,380</u>
<u>1,343,682</u>	<u>330,600</u>	<u>970,907</u>	<u>2,645,189</u>	<u>2,983,380</u>

Activities undertaken directly represent the direct costs of running courses and educational events. The cost of charitable activities was £2,645,189 (2020: £2,983,380) of which £280,200 (2020: £305,949) was attributable to restricted funds, £36,500 (2020: £31,000) attributable to designated unrestricted funds and £2,328,489 (2020: £2,646,431) attributable to general unrestricted funds.

Included in expenditure on charitable activities was £330,600 (2020: £407,800) of grants made during the period in the form of scholarships and bursaries to individuals and their respective schools, colleges or education institutes.

Support costs	31.08.2021	31.08.2020
	£	£
Staff costs	382,208	405,653
Hotel and travel	1,768	41,337
Stationery and course development	27,117	53,825
Printing, artwork & brochures	48,696	24,450
Property and utility costs	81,207	103,096
Training and recruitment	45,334	39,648
Depreciation	114,383	117,855
Equipment and IT costs	189,784	182,263
Other sundry costs	21,240	33,369
Bad / doubtful debts	-	14,500
Governance costs (note 9)	59,170	81,244
	<u>970,907</u>	<u>1,098,688</u>

As stated per the accounting policies, support costs are allocated entirely to charitable activities which best reflects the utilisation of the support costs and function within the charity.

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

9 Governance costs	31.08.2021	31.08.2020
	£	£
Auditors' remuneration	10,500	10,000
Trustees' and meeting expenses	889	6,605
Trustees' indemnity insurance	5,913	5,913
Legal and professional fees	41,868	58,726
	<u>52,253</u>	<u>81,244</u>
10 Net income / (expenditure) for the period	31.08.2021	31.08.2020
	£	£
Total resources expended is stated after charging / (crediting):		
Depreciation	114,383	117,855
Operating lease rentals	18,426	16,909
Auditors' remuneration - audit	10,500	10,000
- other services	10,655	5,739
	<u>153,964</u>	<u>150,503</u>
11 Employee costs and benefits	31.08.2021	31.08.2020
	£	£
Salaries	1,208,180	1,353,549
Social security costs	124,804	137,482
Other pension costs	124,829	139,836
Compensation for loss of office	28,064	-
Life assurances	4,247	4,459
Private health insurance	12,375	14,332
	<u>1,502,499</u>	<u>1,649,658</u>

Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £124,829 (2020: £139,836).

The number of employees earning over £60,000 per year (including benefits) in the period was as follows:

	31.08.2021	31.08.2020
	Number	Number
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

Key Management Personnel

The total amount of employee compensation (including employers NI) received by key management personnel was £265,019 (2020: £285,319). Key management personnel are considered to be the principal members of staff as noted in the legal and administrative information on page 1. Key management personnel compensation has decreased due a key management member leaving the team part way through financial year.

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

11 Employee costs and benefits (continued)

The average number of employees during the period (excluding directors) was:

	31.08.2021	31.08.2020
	Number	Number
Education team staff	29	33
Administrative and support staff	11	13
	<u>40</u>	<u>46</u>

Trustees

No emoluments were paid during the period to any trustee. During the period 10 (2020:10) trustees received reimbursement for the cost of travel to and from meetings and accommodation where necessary in the sum of £889 (2020: £6,822). The cost of providing trustees and officers insurance during the period amounted to £5,913 (2020: £5,913).

12 Tangible fixed assets

	Freehold property £	Office furniture and equipment £	Motor vehicles £	Total £
Cost				
01 September 2020	1,357,406	501,073	20,798	1,879,277
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>1,357,406</u>	<u>501,073</u>	<u>20,798</u>	<u>1,879,277</u>
31 August 2021	1,357,406	501,073	20,798	1,879,277
Depreciation				
01 September 2020	449,163	209,277	17,332	675,772
Charge for the period	23,148	87,769	3,466	114,383
	<u>472,311</u>	<u>297,046</u>	<u>20,798</u>	<u>790,155</u>
31 August 2021	472,311	297,046	20,798	790,155
Net book value				
31 August 2021	<u>885,095</u>	<u>204,027</u>	<u>-</u>	<u>1,089,122</u>
31 August 2020	<u>908,243</u>	<u>291,796</u>	<u>3,466</u>	<u>1,203,505</u>

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

13	Fixed asset investments	31.08.2021
		£
	Listed investments	
	Market value at 31 August 2020	15,631,453
	Additions during the period	16,151,723
	Disposal proceeds (realised gains 1,337,991)	(17,086,512)
	Net investment gains / (losses)	3,378,446
		<hr/>
	Market value at 31 August 2021	18,075,110
		<hr/> <hr/>
	Cost at 31 August 2021	16,074,656
		<hr/> <hr/>
	 UK listed investments are represented by: Investment trusts and unit trusts	 18,075,110
		<hr/>
		<hr/> <hr/>
		 31.08.2021
		£
	Investment property	
	Market value 31 August 2020	1,100,000
	Revaluation gain / (loss)	-
		<hr/> <hr/>
	Market value 31 August 2021	1,100,000
		<hr/> <hr/>

The property was valued by the trustees at 31 August 2021 and the trustees believe that there has been no material change in the market value since the last external professional valuation on 31 August 2017. The property was last professionally valued by ehB Commercial Chartered Surveyors at an open market value of £1.1million. The trustees are currently reviewing our investment options in relation to this property albeit these are at an early stage of consideration.

The property was valued using a yield methodology based on market rentals capitalised at a net capitalisation rate of 7%.

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

14 Debtors	31.08.2021	31.08.2020
	£	£
Trade debtors	309,887	307,255
Prepayments	44,800	64,016
Accrued income	30,002	33,237
Other debtors	1,517	1,917
	<hr/>	<hr/>
	386,206	406,425
	<hr/> <hr/>	<hr/> <hr/>
15 Creditors: amounts falling due within one year	31.08.2021	31.08.2020
	£	£
Trade creditors	149,300	50,136
Taxation and social security	28,758	34,180
Accruals	223,129	172,018
Deferred income	558,305	572,715
Rent deposit	1,500	1,500
Other creditors	-	1,503
	<hr/>	<hr/>
	960,992	832,052
	<hr/> <hr/>	<hr/> <hr/>
Creditors: amounts falling due after more than one year	31.08.2021	31.08.2020
	£	£
Deferred income	115,500	139,400
	<hr/> <hr/>	<hr/> <hr/>

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

16	Deferred income	31.08.2021	31.08.2020
		£	£
	Brought forward	712,115	700,773
	Released to SoFA	(663,273)	(497,457)
	Deferred income received this period	594,963	508,799
		<hr/>	<hr/>
	Carried forward	673,805	712,115
		<hr/> <hr/>	<hr/> <hr/>

Deferred income represents £239,793 (2020: £261,069) of course sponsorships, activity income and grants received in advance and £434,012 (2020: £451,046) of donations received in advance in respect to scholarships.

17 Restricted Funds

The funds of the charitable company include restricted funds used for specific purposes as follows:

	Balance	Incoming	Expenditure	Transfers	Gains/(Losses)	Balance
	31 August	resources			on	31 August
	2020	£	£	£	Assets	2021
	£				£	£
Scholarships fund	-	273,700	(273,700)	-	-	-
Bursaries	21,000	-	(6,500)	-	-	14,500
Rise Project	35,059	-	-	-	-	35,059
Benefactors Fund	29,675	18,676	-	-	-	48,351
Liaison officers	-	8,900	(8,900)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	85,734	301,276	(289,100)	-	-	97,910
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The restricted funds are used to fund scholarships and university bursaries in accordance with restrictions imposed by the donor.

18 Unrestricted funds

	Balance	Incoming	Expenditure	Transfers	Gains/(Losses)	Balance
	31 August	resources			on	31 August
	2020	£	£	£	Assets	2021
	£				£	£
General funds	14,894,132	2,223,550	(2,647,611)	-	4,996,226	19,466,297
Revaluation reserve	4,224,631	-	-	-	(1,617,780)	2,606,851
Designated funds	111,118	-	(36,500)	-	-	74,618
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	19,229,881	2,223,550	(2,684,111)	-	3,378,446	22,147,766
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

General funds which includes the revaluation reserve are unrestricted funds available for use at the discretion of the trustees in furtherance of the charitable objectives of the charity.

Designated funds is made up of the 2011 fund which was set up using a donation received to fund scholarships, attendance on Headstart courses and Cambridge University bursaries.

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

19 Net assets between funds

	Fixed Assets £	Net Current Assets £	Non-Current Liabilities £	Total 31.08.2021 £
Unrestricted Fund	20,264,233	1,872,315	(63,400)	22,073,148
Unrestricted funds at 31 August 2021	<u>20,264,233</u>	<u>1,872,315</u>	<u>(63,400)</u>	<u>22,073,148</u>
Designated Fund	-	74,618	-	74,618
Designated funds at 31 August 2021	<u>-</u>	<u>74,618</u>	<u>-</u>	<u>74,618</u>
Restricted Fund	-	150,010	(52,100)	97,910
Restricted funds at 31 August 2021	<u>-</u>	<u>150,010</u>	<u>(52,100)</u>	<u>97,910</u>
Total funds at 31 August 2021	<u>20,264,233</u>	<u>2,096,943</u>	<u>(115,500)</u>	<u>22,245,676</u>

20 Reconciliation of net income to net cash flow from operating activities

	31.08.2021 £	31.08.2020 £
Net income / (expenditure) for the period	2,930,061	(4,559,239)
Dividends received	(517,974)	(643,147)
Rents from investment properties	(114,415)	(115,130)
Interest receivable	(390)	(5,258)
Depreciation of tangible fixed assets	114,383	117,855
(Gains) / losses on investments	(3,378,447)	3,220,364
(Increase) / decrease in debtors	20,219	867,770
Increase / (decrease) in creditors	105,040	(291,453)
Net cash flow from operating activities	<u>(841,523)</u>	<u>(1,408,238)</u>

THE SMALLPEICE TRUST
NOTES ON FINANCIAL STATEMENTS (continued)
31 August 2021

21 Commitments under operating leases

	31.08.2021	31.08.2020
	£	£
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	11,983	16,719
Later than one and not later than five years	3,936	15,865
	<u>15,919</u>	<u>32,584</u>

Total future minimum lease payments receivable under non-cancellable operating leases are as follows:

Not later than one year	95,584	95,165
Later than one and not later than five years	34,450	88,833
	<u>130,034</u>	<u>183,998</u>

22 Capital commitments

At the 31 August 2021 the charity has committed a total of £Nil (2020: £Nil).

23 Ultimate Controlling Party

The board of Trustees control the charity.

24 Related Party transactions

There were no related party transactions during the period.