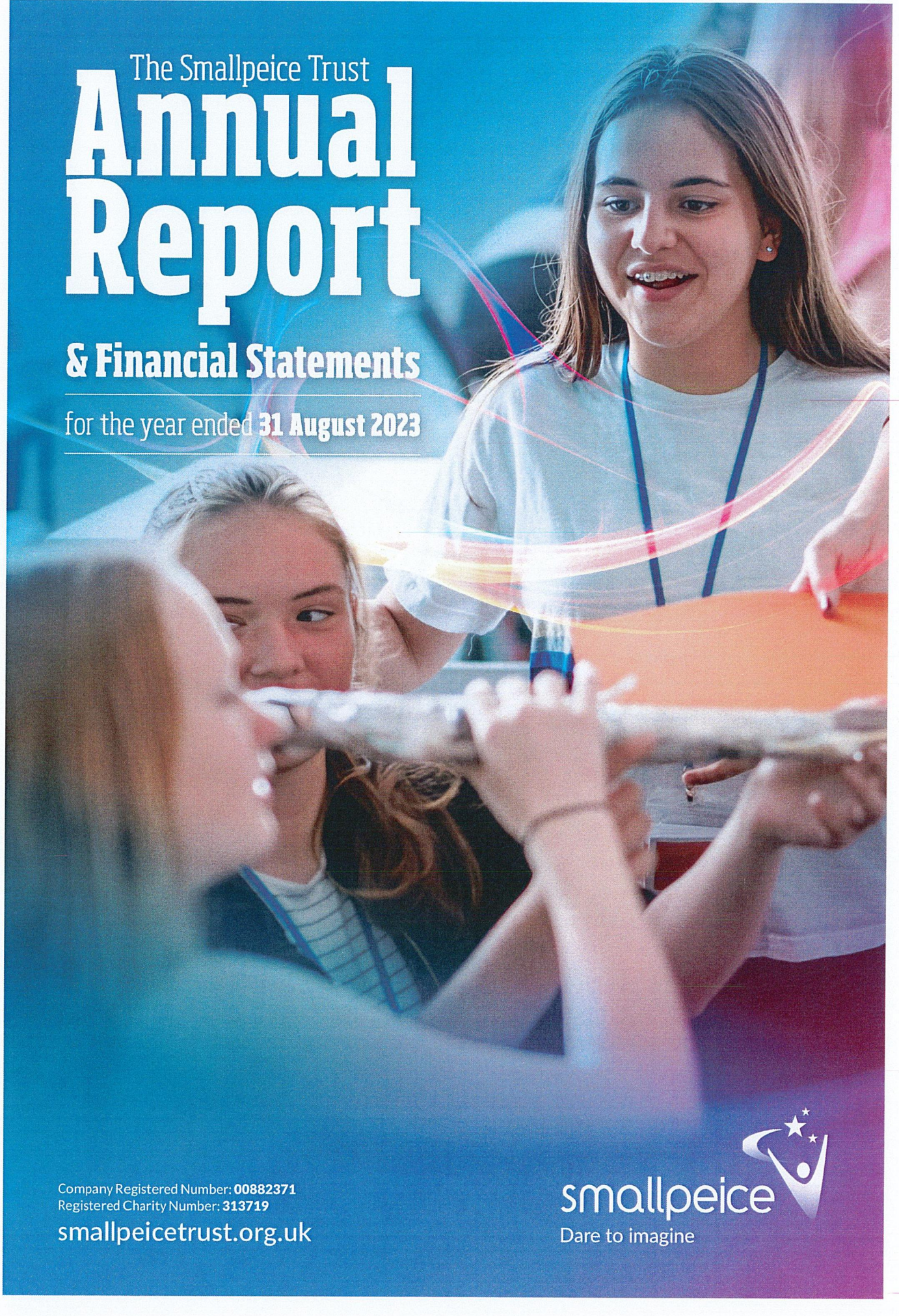


The Smallpeice Trust

# Annual Report

**& Financial Statements**

for the year ended **31 August 2023**



Company Registered Number: **00882371**  
Registered Charity Number: **313719**  
[smallpeicetrust.org.uk](http://smallpeicetrust.org.uk)

**smallpeice**   
Dare to imagine

# THE SMALLPEICE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

31 August 2023

**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 (resigned 7 September 2023)  
Prof Alison Halstead – Chairman (from 7 September 2023)  
Mr Ian Jess (resigned 9 March 2023)  
Mr Trevor Gill  
Mr Gavin Thompson  
Mrs Glynis Dean  
Ms Jacqueline Newsome  
Mr Abiram Ganeshanathan  
Mr Graham Heaven  
Mr Andrew Parker (appointed 8 June 2023)  
Ms Fatemeh Dehghan (appointed 8 June 2023)  
Mr Stephen Robins (appointed 8 June 2023 resigned 18 July 2023)\*

**Principal members of staff:** Dr Kevin P Stenson - Chief Executive (resigned 18 July 2023)  
Mr Stephen Robins – Interim Chief Executive (appointed 18 July 2023)\*  
Ms Lisa Foster - Chief Operating Officer  
Ms Caroline Broadway – Director of Engagement  
Mrs Deborah Austin – Head of Finance and Company Secretary (appointed 1 September 2023)

**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:** Dains Audit Limited  
15 Colmore Row  
Birmingham  
B3 2BH

**Investment Managers:** CCLA Investment Managers Limited  
One Angel Lane  
London  
EC4R 3AB

\*Mr Stephen Robins stepped down as a trustee on 18 July 2023 to take up the role of interim CEO

# THE SMALLPEICE TRUST

## CHAIRMAN'S REPORT

31 August 2023

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Much has been delivered over the last year to move forward the Trust's focus on inspiring students to study STEM. I want to take this opportunity to thank Dr Kevin Stenson for his 10 years leading the team and helping us reach more young people with a focus on female students; and to also thank Mr Stephen Robins for stepping in as interim CEO whilst we recruited a permanent replacement.

Research to mark the Arkwright Engineering Scholarships' 30th anniversary, again highlighted the need for a more diverse workforce and to address the shortage of talent in the engineering industry. Thanks to our partners, we reached 60,000 young people over this last year and nearly 30,000 girls, providing inspiration to study STEM and consider engineering as a career.

Part of the Trust's focus is thinking about the requirements for the workforce of the future and adapting our approach. The Arkwright research showed general agreement that the requirement for soft skills is likely to increase, as we see the growth in automation and AI. We have now embedded the Skills Builder Framework into our programmes to ensure that we help young people develop vital life skills.

Having served as a Trustee since 2018, I am delighted to be given the opportunity to Chair during this exciting time of innovation and growth. The Trust is looking to the future and pleased to welcome Helen Cuthill as our new CEO to engage and inspire the next generation of diverse and talented engineers and leaders.

Thank you to everyone who has worked with us to make an impact over this last year - our corporate partners, charities, teachers, universities, alumni, parents, and the dedicated team at the Trust. I look forward to working with you and sharing my life-long passion for science and engineering whilst enabling the widest possible access to careers in STEM.

Professor Alison Halstead  
Chair, The Smallpeice Trust

# THE SMALLPEICE TRUST

## TRUSTEES REPORT

31 August 2023

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The trustees, who are the directors of the charitable company, present their report and the financial statements for the year ended 31 August 2023 which are also prepared for the purpose of meeting the requirements for a directors report and accounts for Companies Act purposes. 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 to solve the problems of tomorrow.

We aim to increase the number 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 and 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 their knowledge of engineering
4. investigate how the manufactured world works (are curious about how things work)
5. choose Science, Technology, Engineering and Mathematics (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. 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 week-long 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 decisions 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.

### 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.

# THE SMALLPEICE TRUST

## TRUSTEES REPORT

31 August 2023

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### STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

#### *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 eleven. 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.

The trustee appointment process includes a detailed introduction to the work of the Trust by the Executive Team and Senior Management Team; the role and responsibilities of a director and trustee are explained by the chair of the Board and an induction pack provided which information about the Trust and further guidance to support new trustees.

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 had during the period four sub-committees of trustees:

1. Finance Audit and Compliance
2. Human Resources and Remuneration
3. IT and Processes
4. Strategic Implementation

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

#### *Change in Trustees*

Mr Ian Jess resigned as a trustee on 9 March 2023; Mr Andrew Parker, Ms Fatemeh Dehghan and Mr Stephen Robins were all appointed as trustees on 8 June 2023. Subsequently Mr Stephen Robins resigned as a Trustee on 18 July 2023 to take up the role of our interim CEO, and Dr Alan Begg resigned as a Trustee on 7 September 2023.

#### *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.

# THE SMALLPEICE TRUST

## TRUSTEES REPORT (continued)

31 August 2023

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### STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

#### 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 Jacqui Newsome as the lead trustee for Safeguarding.

Furthermore, the Trust has a Designated Safeguarding Lead and 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 2022/23 this principal risk has continued to be in sharp focus as a result of the ongoing impact of the COVID-19 global pandemic, Brexit, the war in Ukraine, and its impact on the global economy.

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 the current cost of living crisis is ongoing.

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.

#### **Fundraising Standards Information**

Whilst the Smallpeice Trust does not traditionally contract with third party fundraisers in August 2022 we did enter into a contract with a fundraiser. The trustees considered the ethical implications around this decision to ensure they remained compliant. The Trust employs a Fundraising and Business Development Team who initiate campaigns and support fundraising activities. We have received no fundraising complaints during the year.

The Trust only makes fundraising approaches to partners and funders who have given explicit consent to receive such campaign documentation under GDPR guidelines.

#### **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 remained 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,

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 this year. As our programmes continue to recover to pre COVID-19 levels we welcome the opportunity to work with increasing numbers of volunteers, we acknowledge those who supported our work to inform, influence, and inspire young people either in secure face to face or virtual environments.

# THE SMALLPEICE TRUST

## TRUSTEES REPORT (continued)

31 August 2023

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### STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

#### *Indemnity insurance*

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

### ACHIEVEMENTS AND PERFORMANCE

#### *Educational Activities*

##### **STEM in Schools**

##### **Introducing students to the exciting world of engineering**

Key stats:

- 85% of students learnt something new\*
- 89% of students enjoyed the STEM Day\*
- 97% of teachers rated their STEM event as excellent or good\*
- Nearly 1,000 schools received a STEM event
- 44,182 students have benefited from a STEM activity

\*Based on available secondary feedback for 2022-23 STEM events.

During the 2022/23 academic year, over 44,000 students have been impacted by an immersive STEM experience with The Smallpeice Trust, funded by our partners. The aim of the STEM programme is to maximise the number of students who can benefit from a STEM activity and by increasing the number of multi-school virtual events offered, we have seen the number of students grow from nearly 37,000 last year to over 44,000 this year.

Our Education Team while continuing to deliver our core STEM events, are also developing and delivering more bespoke STEM activities for our exciting range of partners. These include STEM competitions, in school STEM events and resources for teachers. This year we also offered virtual short STEM Sessions where we give classes of Year 8 and 9 students the chance to get creative and hands-on with engineering.

Schools often tell us how difficult it is for them to link STEM subjects to real world applications, and that is the problem our STEM activities solve. All of our events complement the national curriculum in science, technology, engineering, and maths (STEM) and are aligned with the Skills Builder Partnership to develop students' soft skills.

Teachers have done an amazing job over the last year, and we're pleased to support them by providing STEM enrichment.

##### **Engineering courses**

##### **Exploring the world beyond the classroom**

Key stats:

- 25 courses reached over 1,100 students
- 50% were female or non-binary students
- 36% of students were from an ethnic minority
- 25% of places were offered fully funded
- 89% of student increased their interest in engineering
- 90% of students increased their awareness of routes into engineering
- 90% of students will consider studying engineering in the future

In 2023 we have grown our face-to-face programme with popular events like Space Science returning to the schedule, running alongside consistent favourites such as Girls into Engineering. New courses like Explore Engineering run by new academic partner, the University of Bath have further increased the number of courses on offer. Our student satisfaction and recommendation scores show that everything has been well received.

Perhaps our biggest highlight this year has been the introduction of our new format Engineering Experience courses. Our Education Team has developed and delivered a fantastic first year – with an overwhelmingly positive reception from the students. These courses offer a range of modules covering different engineering disciplines, giving students a great overview, and allowing partners to support a course relevant to their priorities.

All this allows us to move into the 2023/24 academic year in a strong position to build from.

# THE SMALLPEICE TRUST

## TRUSTEES REPORT (continued)

31 August 2023

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### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

#### *Educational Activities (continued)*

#### **Arkwright Engineering Scholarships** **Make a difference with engineering**

Key stats:

- 88% of the last cohort went on to study engineering or related subject\*
- Nearly 1,400 scholarship applications
- 317 Scholars attended a Connect Day
- 589 Arkwright Scholars
- 1,200+ partner schools

\*Based on second year reports received to end of October (46%)

Arkwright Engineering Scholarships are the most prestigious of their type in the UK. This two-year programme gives highly talented A-level or Scottish Highers students insights into engineering, tools to pursue their dream careers and industry experts to guide them. This year saw the programme run its first in-person Award Ceremony for the 239 new Scholars since COVID restrictions were fully lifted in early 2022. Interviews for new applications continued to take place virtually following the success of the previous two years.

2022-23 also saw Arkwright Engineering Scholarships celebrate 30 years and to mark this milestone, we released our 'Future of Engineering' report. We surveyed alumni, teachers, and companies and uncovered some interesting perspectives on where the industry is going and how we can improve it together. Key findings are that 61% of scholars believe the scholarship had a strong impact on their career and 91% of partner schools feel the programme makes students more employable. Overall, 97% agree that it is important to encourage young people from all backgrounds to be engineers.

#### **New partnerships**

#### **Working together to ignite young peoples' interest in engineering**

Key stats:

- Over 100 partners funding activity
- 10,000+ volunteering hours
- Nearly 60,000 young people benefited

Once again, we had the privilege to work with over 100 Trusts, Foundations, and corporate partners who made it possible for us to inspire young people to change the world through science, technology, engineering, and maths. By working with these partners who funded activities in their local communities and beyond, we provided learning experiences for nearly 60,000 young people this year.

In addition to funding and sponsorship, partners support our programmes by providing careers talks, mentors, STEM ambassadors, practical projects, and access to engineering workplaces.

Partners enable us to explore different ways to reach more young people. Over the past 12 months, we have been selected as both a new and trusted partner responsible for developing and delivering a number of new programmes.

# THE SMALLPEICE TRUST

## TRUSTEES REPORT (continued)

31 August 2023

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### FINANCIAL REVIEW

#### *Results and state of affairs*

The Trust's total income decreased by approx. £860k compared to the previous year, in which we received a one off £1m deed of gift from The Thomas Gerald (T G) Gray Charitable Trust. There have been small changes across all income areas with the largest being a 11% increase in course income on the prior year. It is also noted that the cost of living crisis and school strike actions impacted the Trust's ability to deliver programmes in 2022/23 to its intended beneficiaries and earn the associated income during the year.

Income from our investments increased by 2% compared to 2021/22 as a result of an additional investment of £750k. This has clearly been a very difficult year for financial markets. CCLA Investment Management Limited have been our advisers and although returns are not what we would like the investments continue to outperform our benchmark.

The Trust has continued to monitor costs, whilst savings were made in certain areas, expenditure increased in others to support the increased promotion and delivery of our programmes and reflecting increases implemented by our suppliers in response to increasing inflation. Overall expenditure increased by 26% which alongside a reduction in income of 23% resulted in a worse position.

Total fund balances of the Trust at 31 August 2023 amounted to £20,577,617 (2022: £22,478,354) after losses in the value of investment assets of £311,546 (2022: losses of £428,716).

#### *Investment policy*

Under the terms of the Trust's Memorandum, no limits are placed on the investment powers of the directors. However, the Trust 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.

The Trusts quoted investments are invested by CCLA in their COIF Charities Investment Fund – Income Units and performance is benchmarked against a combined comparator comprising MSCI World Index, Markit iBoxx, MSCI UK Monthly Property Index and SONIA.

#### *Principal funding sources*

Our funding partners continue to represent the principal source of funding for the charity, these are mainly commercial or charitable entities that wish to support our objects. Funding can be towards our STEM days, residential courses or scholarship programme and often our partners fund a mixture of these.

#### *Reserves policy*

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 (based on RPI) this would equate to approximately £39 million

Although, under the terms of its Memorandum all funds may be spent, the Trust depends significantly on its income from investments to support its operation. The trustees therefore aim to retain a substantial sum as an endowment.

In the long term the Trust expects to spend only the income but in the short term, capital reserves may be expended to invest in new opportunities or to ensure continued operation during economic downturns.

The effects of the COVID-19 virus as well as the current cost of living crisis have had a substantial impact on the operation of the trust over the last three years. This has resulted in the need for some expenditure of capital reserves, in addition to the investment income, to subsidise the day to day operations of the Trust.

It is the trustees aim by 2023/4 to move to a position where a greater proportion of the ongoing operations can be funded from other sources, the endowment income can then be used to fund new initiatives that increase the impact of the Trust and to gradually increase the value of the reserves to a value comparable, after inflation, with the original gift.

# THE SMALLPEICE TRUST

## TRUSTEES REPORT (continued)

31 August 2023

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### FINANCIAL REVIEW (CONTINUED)

#### *Reserves policy (cont)*

At 31 August 2023 total reserves of The Smallpeice Trust stood at £20,577,617.

These included:

- £629,100 of unrealised cumulative profits on the value of investments and investment property which are included in the Balance Sheet at market value.
- £1,157,565 of restricted funds, which are primarily to fund scholarships and university bursaries in accordance with restrictions imposed by the donor.
- £904,225 of designated funds represented by tangible and intangible fixed assets
- £200,000 of designated funds to be used towards the upkeep of Smallpeice House. It is expected that most of these funds will be expended during 2023-24.
- £17,000,000 of designated funds, including the original endowment, being the amount the Trustees deem necessary to remain invested to generate income towards the core costs of the Trust

Free Reserves (including expendable endowment) being those reserves that are freely available to use towards meeting the charity's purposes stand at £686,727.

#### **Future Plans**

During 22/23 the Trust has demonstrated its ability to engage new partners in support of all its activity streams. The benefits of this will continue to be evidenced during 23/24 where a further significant increase in activity levels is forecast.

There is a growing recognition of the criticality of STEM engagement. Major challenges on a global and national level depend on a pipeline of engineers, scientists and technicians to address them.

Many sectors and businesses have established task forces and consortia in support of their strategic workforce planning. The Trust has and will continue to be a key partner to these and other initiatives by:

- Putting our people at the centre of everything we do
- Deploying our educational expertise and programmes to deliver continuous quality interventions for students from the ages of 8 to 18.
- Aligning with organisations, truly understanding their strategic needs and defining long term collaborative plans that support those strategic objectives.
- Using research and delivery expertise to continue to enhance the diversity of the emerging workforce.
- Connecting with sector trends and challenges to ensure that our offering is both informative and relevant.
- Utilising emerging education technology to maximise the impact of our interventions and student experiences.
- Strategically investing in tools and infrastructure to ensure our offering meets the quality and value targets of our partners and Students.

The Trust is well positioned to support and benefit from the increasing demand for STEM talent and the demands of our partners.

# THE SMALLPEICE TRUST

TRUSTEES REPORT (continued)

31 August 2023

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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 7 December 2023 and are signed on their behalf by:



Prof Alison Halstead  
Chairman

# THE SMALLPEICE TRUST

## TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 2019;
- 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

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### Opinion

We have audited the financial statements of The Smallpeice Trust (the 'charitable company') for the period ended 31 August 2023 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 2023, 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

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### 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# THE SMALLPEICE TRUST

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

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

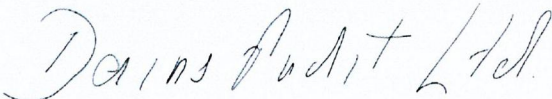
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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.

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

### Use of our report

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



**Andrew Morris FCA (senior Statutory Auditor)**  
For and on behalf of  
**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Birmingham

7 December 2023

**THE SMALLPEICE TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**for the year ended 31 August 2023**

Income from:	Note	Unrestricted		Restricted funds	31 August 2023	31 August 2022
		General funds	Designated funds			
		£	£	£	£	£
Donations and legacies	3	320,971	-	316,242	637,213	1,644,249
Charitable activities	4	1,553,703	-	-	1,553,703	1,408,981
Investments	5	554,925	-	-	554,925	514,771
Other	6	95,499	-	-	95,499	134,363
<b>Total income</b>		<b>2,525,098</b>	<b>-</b>	<b>316,242</b>	<b>2,841,340</b>	<b>3,702,364</b>
<b>Expenditure on:</b>						
Raising funds	7	278,033	-	-	278,033	299,292
Charitable activities	8	3,726,653	94,556	331,289	4,152,498	2,741,678
<b>Total expenditure</b>		<b>4,004,686</b>	<b>94,556</b>	<b>331,289</b>	<b>4,430,531</b>	<b>3,040,970</b>
<b>Net Operating income / (expenditure)</b>		<b>(1,479,588)</b>	<b>(94,556)</b>	<b>(15,047)</b>	<b>(1,589,191)</b>	<b>661,394</b>
Net gains / (losses) on investments	14	(311,546)	-	-	(311,546)	(428,716)
<b>Net income / (expenditure)</b>		<b>(1,791,134)</b>	<b>(94,556)</b>	<b>(15,047)</b>	<b>(1,900,737)</b>	<b>232,678</b>
Transfers between funds	19/20	916,300	(1,000,000)	83,700	-	-
<b>Net movement in funds</b>		<b>(874,834)</b>	<b>(1,094,556)</b>	<b>68,653</b>	<b>(1,900,737)</b>	<b>232,678</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	19/20	2,190,661	19,198,781	1,088,912	22,478,354	22,245,676
Total funds carried forward		<b>1,315,827</b>	<b>18,104,225</b>	<b>1,157,565</b>	<b>20,577,617</b>	<b>22,478,354</b>

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**  
**COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**for the year ended 31 August 2022**

Income from:	Note	Unrestricted			31 August 2022 £
		General funds £	Designated funds £	Restricted funds £	
Donations and legacies	3	300,608	-	1,343,641	1,644,249
Charitable activities	4	1,408,981	-	-	1,408,981
Investments	5	514,771	-	-	514,771
Other	6	134,363	-	-	134,363
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		2,358,723	-	1,343,641	3,702,364
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>					
Raising funds	7	299,292	-	-	299,292
Charitable activities	8	2,317,584	116,959	307,135	2,741,678
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>		2,616,876	116,959	307,135	3,040,970
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Operating income / (expenditure)</b>		(258,153)	(116,959)	1,036,506	661,394
		<hr/>	<hr/>	<hr/>	<hr/>
Net gains / (losses) on investments	14	(428,716)	-	-	(428,716)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income / (expenditure)</b>		(686,869)	(116,959)	1,036,506	232,678
		<hr/>	<hr/>	<hr/>	<hr/>
Transfers between funds		(19,195,618)	19,241,122	(45,504)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(19,882,487)	19,124,163	991,002	232,678
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Reconciliation of funds</b>					
Total funds brought forward		22,073,148	74,618	97,910	22,245,676
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		2,190,661	19,198,781	1,088,912	22,478,354
		<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 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible Fixed Assets	12	63,842	126,733
Tangible assets	13	840,383	864,930
Investments			
- listed	14	18,304,631	17,866,177
- other	14	1,500,000	1,500,000
		<hr/>	<hr/>
		20,708,856	20,357,840
<b>Current assets</b>			
Stocks	15	27,500	45,000
Debtors	16	572,287	1,577,677
Cash at bank and in hand		1,045,841	1,583,456
		<hr/>	<hr/>
		1,645,628	3,206,133
<b>Creditors: amounts falling due within one year</b>	17	(1,641,332)	(968,469)
		<hr/>	<hr/>
<b>Net current assets / (liabilities)</b>		4,296	2,237,664
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		20,713,152	22,595,504
<b>Creditors: amounts falling due after more than one year</b>	17	(135,535)	(117,150)
		<hr/>	<hr/>
<b>Net Assets</b>		20,577,617	22,478,354
		<hr/> <hr/>	<hr/> <hr/>
<b>Charity Funds</b>			
Restricted funds	19	1,157,565	1,088,912
General income funds		686,727	1,250,015
Revaluation reserves		629,100	940,646
Designated funds		18,104,225	19,198,781
		<hr/>	<hr/>
Total unrestricted income funds	20	19,420,052	21,389,442
		<hr/>	<hr/>
Total Funds		20,577,617	22,478,354
		<hr/> <hr/>	<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 7 December 2023 and are signed on their behalf by:

Prof Alison Halstead – Chairman



**THE SMALLPEICE TRUST**  
**STATEMENT OF CASHFLOWS**  
**31 August 2023**

		<b>31 August 2023 £</b>	<b>31 August 2022 £</b>
<b>Cash flow from operating activities</b>	22	(356,277)	(1,098,811)
<b>Net cash flow from operating activities</b>		(356,277)	(1,098,811)
<b>Cash flow from investing activities</b>			
Payments to acquire investments		(750,000)	(619,783)
Receipts from sales of investments		-	-
Interest received		32,357	4,198
Dividends received		522,568	510,573
Rents received		13,737	115,549
<b>Net cash flow from investing activities</b>		(181,338)	10,537
<b>Net increase / (decrease) in cash and cash equivalents</b>		(537,615)	(1,088,274)
<b>Cash and cash equivalents at 1 September 2022</b>		1,583,456	2,671,730
<b>Cash and cash equivalents at 31 August 2023</b>		1,045,841	1,583,456
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		1,045,841	1,583,456
<b>Cash and cash equivalents at 31 August 2023</b>		1,045,841	1,583,456
<b>Analysis of changes in net debt:</b>			
	<b>2022</b>	<b>Cashflow</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	1,583,456	(537,615)	1,045,841

# THE SMALLPEICE TRUST

## NOTES ON FINANCIAL STATEMENTS

31 August 2023

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### 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.

#### 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.

# THE SMALLPEICE TRUST

## NOTES ON FINANCIAL STATEMENTS (continued)

### 31 August 2023

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#### 2 Accounting policies (continued)

##### 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). Further detail is given in the Trustees Annual Report.

##### 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.

##### Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

##### 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

# THE SMALLPEICE TRUST

## NOTES ON FINANCIAL STATEMENTS (continued)

### 31 August 2023

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#### 2 Accounting policies (continued)

##### Tangible fixed assets (continued)

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.

##### Intangible fixed assets

Intangible assets are amortised on a straight line basis over their useful lives. The useful lives of intangible assets are as follows:

Client Relationship Management System	over 5 years
Website	over 5 years

##### Investments

Investments are recognised initially at fair value which is normally transaction price excluding transaction costs. Subsequently they are measured 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 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.

##### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

##### 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.

##### Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

##### Financial instruments

###### Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

###### Financial liabilities

Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# THE SMALLPEICE TRUST

## NOTES ON FINANCIAL STATEMENTS (continued)

### 31 August 2023

#### 2 Accounting policies (continued)

##### Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed.

Key sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending in a number of factors.
- The value of fixed asset investment property is estimated formally, on a cyclical basis, by experienced professional valuers commissioned by the Trustees. The Trustees consider the value annually and may impair or revalue the property to reflect prevailing market conditions.

#### 3 Income from donations and legacies

	2023 £	2022 £
Donations	637,213	631,249
The T G Gray Charitable Trust	-	1,013,000
	<u>637,213</u>	<u>1,644,249</u>

Income from donations and legacies was £637,213 (2022: £1,644,249) of which £316,242 (2022: £1,343,641) was attributable to restricted funds and £320,971 (2022: £300,608) attributable to general unrestricted funds.

#### 4 Income from charitable activities

	2023 £	2022 £
Course income	1,495,618	1,347,701
Aptitude test fees and sundry income	58,085	61,280
	<u>1,553,703</u>	<u>1,408,981</u>

Income from charitable activities was £1,553,703 (2022: £1,408,981) which was entirely attributable to general unrestricted funds.

#### 5 Investment income

	2023 £	2022 £
Income from listed investments	522,568	510,573
Bank and deposit interest	32,357	4,198
	<u>554,925</u>	<u>514,771</u>

Investment income was £554,925 (2022: £514,771) which was entirely attributable to general unrestricted funds.

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

<b>6</b>	<b>Other income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Rent receivable	21,702	95,549
	Licence fees and related income	20,000	20,000
	Sundry income	53,797	18,814
		<u>95,499</u>	<u>134,363</u>

Other income was £95,499 (2022: £134,363) which was entirely attributable to general unrestricted funds.

<b>7</b>	<b>Cost of raising funds</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Publicity, fundraising and charity development	262,721	294,242
	Investment management fees	-	-
	Investment property costs	15,312	5,050
		<u>278,033</u>	<u>299,292</u>

The cost of raising funds was £278,033 (2022: £299,292) of which £nil (2022: nil) was attributable to restricted funds and £278,033 (2022: £299,292) attributable to general unrestricted funds.

**8 Analysis of expenditure on charitable activities**

	<b>Activities undertaken directly £</b>	<b>Grant funding activities £</b>	<b>Support costs £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Provision of courses and educational events	2,858,083	258,115	1,036,300	4,152,498	2,741,678
	<u>2,858,083</u>	<u>258,115</u>	<u>1,036,300</u>	<u>4,152,498</u>	<u>2,741,678</u>

Activities undertaken directly represent the direct costs of running courses and educational events. The cost of charitable activities was £4,152,498 (2022: £2,741,678) of which £331,289 (2022: £307,135) was attributable to restricted funds, £94,556 (2022: £116,959) attributable to designated unrestricted funds and £3,726,653 (2022: £2,317,584) attributable to general unrestricted funds.

Included in expenditure on charitable activities was £258,115 (2022: £283,900) of grants made during the period in the form of scholarships and bursaries to individuals and their respective schools, colleges or educational institutions.

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

<b>8 Analysis of expenditure on charitable activities (continued)</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Support costs</b>		
Staff costs	467,913	331,399
Hotel and travel	7,130	29,270
Stationery and course development	17,574	27,061
Printing, artwork & brochures	-	7,378
Property and utility costs	107,620	113,112
Training and recruitment	47,309	31,670
Depreciation	87,438	97,458
Equipment and IT costs	237,431	214,703
Bad debts	17,600	-
Other sundry costs	14,416	19,979
Governance costs (note 9)	66,869	43,551
	<u>1,071,300</u>	<u>915,581</u>

As stated per the accounting policies, support costs are allocated entirely to the Trust's one charitable activity.

<b>9 Governance costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	13,818	10,643
Trustees' and meeting expenses	11,606	5,864
Trustees' indemnity insurance	3,464	5,992
Legal and professional fees	37,981	21,052
	<u>66,869</u>	<u>43,551</u>

<b>10 Net income / (expenditure) for the period</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Total resources expended is stated after charging / (crediting):		
Depreciation	87,438	97,459
Operating lease rentals	13,760	17,759
Auditors' remuneration - audit	17,273	11,365
- other services	522	-
	<u>129,003</u>	<u>136,883</u>

<b>11 Employee costs and benefits</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Salaries	1,502,577	1,268,591
Social security costs	157,332	134,487
Other pension costs	156,131	131,910
Compensation for loss of office	52,510	-
Life assurances	6,971	3,300
Private health insurance	15,919	15,415
	<u>1,891,440</u>	<u>1,553,703</u>

During the year, the charity made non-contractual severance payments totalling £66,151 to 3 employees. At the balance sheet date there were no amounts outstanding.

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

**11 Employee costs and benefits (continued)**  
**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 £156,131 (2022: £131,910). Amounts payable at the year end were £18,367.

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	1	-
£70,001 - £80,000	2	2
£120,001 - £130,000	-	1
£160,001 - £170,000	1	-
	<u>          </u>	<u>          </u>

**Key Management Personnel**

The total amount of employee compensation (including employers NI) received by key management personnel was £366,391 (2022: £289,983). Key management personnel are considered to be the Trustees and principal members of staff as noted in the legal and administrative information on page 1.

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Education team staff	21	19
Partner engagement	9	10
Administrative and support staff	10	10
	<u>          </u>	<u>          </u>
	40	39
	<u>          </u>	<u>          </u>
Full time equivalent staff	38	38
	<u>          </u>	<u>          </u>

**Trustees**

No emoluments were paid during the period to any trustee. During the period 4 (2022:6) trustees received reimbursement for the cost of travel to and from meetings and accommodation where necessary in the sum of £2,001 (2022: £2,298). The cost of providing trustees and officers insurance during the period amounted to £3,464 (2022: £5,992).

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

**12 Intangible fixed assets**

	Computer Software £	Website £	Total £
<b>Cost</b>			
1 September 2022	266,457	48,000	314,457
Disposals	-	-	-
	-----	-----	-----
31 August 2023	266,457	48,000	314,457
<b>Depreciation</b>			
1 September 2022	159,724	28,000	187,724
Charge for the period	53,291	9,600	62,891
	-----	-----	-----
31 August 2023	213,015	37,600	250,615
<b>Net book value</b>			
31 August 2023	53,442	10,400	63,842
	=====	=====	=====
31 August 2022	106,733	20,000	126,733
	=====	=====	=====

**13 Tangible fixed assets**

	Freehold property £	Office furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
1 September 2022	1,357,406	186,616	20,798	1,564,820
Additions	-	-	-	-
Disposals / Transfer	-		(20,798)	(20,798)
	-----	-----	-----	-----
31 August 2023	1,357,406	186,616	-	1,544,022
<b>Depreciation</b>				
1 September 2022	495,459	183,633	20,798	699,890
Disposals	-	-	(20,798)	(20,798)
Charge for the period	23,148	1,399	-	24,547
	-----	-----	-----	-----
31 August 2023	518,607	185,032	-	703,639
<b>Net book value</b>				
31 August 2023	838,799	1,584	-	840,383
	=====	=====	=====	=====
31 August 2022	861,947	2,983	-	864,930
	=====	=====	=====	=====

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

<b>14</b>	<b>Fixed asset investments</b>	<b>2023</b>	
		<b>£</b>	
	<b>Listed investments</b>		
	<b>Market value at 31 August 2022</b>	17,866,177	
	Additions during the period	750,000	
	Disposal proceeds		
	Net investment gains / (losses)	(311,546)	
		<hr/>	
	<b>Market value at 31 August 2023</b>	18,304,631	
		<hr/> <hr/>	
	<b>Historical cost at 31 August 2023</b>	18,961,927	
		<hr/> <hr/>	
	UK listed investments are represented by: Investment trusts and unit trusts	18,304,631	
		<hr/>	
		18,304,631	
		<hr/> <hr/>	
		<b>£</b>	
	<b>Investment property</b>		
	Market value 31 August 2022	1,500,000	
	<b>Revaluation gain / (loss)</b>	-	
		<hr/> <hr/>	
	<b>Market value 31 August 2023</b>	1,500,000	
		<hr/> <hr/>	

The property was valued by the trustees at 31 August 2022 and increased by £400,000 to £1,500,000 conservatively based on offers received to purchase the property during the year and taking account of current market conditions affecting property sales. The last formal external professional valuation was undertaken in November 2021 when the property was professionally valued by ehB Reeves, Loveitts, Wareing & Co., and Fine and Country respectively.

<b>15</b>	<b>Stocks</b>	<b>2023</b>		<b>2022</b>
		<b>£</b>		<b>£</b>
	Goods for resale	27,500		45,000
		<hr/>		<hr/>
<b>16</b>	<b>Debtors</b>	<b>2023</b>		<b>2022</b>
		<b>£</b>		<b>£</b>
	Trade debtors	345,193		422,152
	Prepayments	222,019		129,284
	Accrued income	1,609		1,023,385
	Other debtors	3,466		2,856
		<hr/>		<hr/>
		570,287		1,577,677
		<hr/> <hr/>		<hr/> <hr/>

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Trade creditors	261,097	284,302
	Taxation and social security	60,757	43,143
	Accruals	890,874	199,737
	Deferred income	406,011	433,899
	Rent deposit	1,500	1,500
	Other creditors	21,093	5,888
		<u>1,641,332</u>	<u>968,469</u>
		<u><u>1,641,332</u></u>	<u><u>968,469</u></u>
	<b>Creditors: amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Deferred income	135,535	117,150
		<u>135,535</u>	<u>117,150</u>
		<u><u>135,535</u></u>	<u><u>117,150</u></u>
<b>18</b>	<b>Deferred income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Brought forward	551,049	673,805
	Released to SoFA	(429,699)	(550,275)
	Deferred income received this period	420,196	427,519
		<u>541,546</u>	<u>551,049</u>
	Carried forward	541,546	551,049
		<u><u>541,546</u></u>	<u><u>551,049</u></u>

Deferred income represents £118,911 (2022: £120,149) of course sponsorships, and activity and events income received in advance and £422,635 (2022: £430,900) of donations received in advance in respect to scholarships.

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

**19 Restricted Funds**

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

	Balance 31 August 2022 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2023 £
Scholarships Fund	-	294,500	(294,500)	-	-	-
Bursaries	3,000	-	(3,000)	-	-	-
Rise Project	24,230	-	(15,229)	-	-	9,001
Benefactors Fund	16,542	21,742	(8,855)	-	-	29,429
The Mercers Company	32,140	-	(4,705)	-	-	27,435
Dr Brewster Fund	-	-	-	38,900	-	38,900
R Kirkland Scholarship Fund	-	-	-	44,800	-	44,800
T G Gray Charitable Trust	1,013,000	-	(5,000)	-	-	1,008,000
	<u>1,088,912</u>	<u>316,242</u>	<u>(331,289)</u>	<u>83,700</u>	<u>-</u>	<u>1,157,565</u>
	<u><u>1,088,912</u></u>	<u><u>316,242</u></u>	<u><u>(331,289)</u></u>	<u><u>83,700</u></u>	<u><u>-</u></u>	<u><u>1,157,565</u></u>

	Balance 31 August 2021 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2022 £
Scholarships Fund	-	281,500	(281,500)	-	-	-
Bursaries	14,500	-	(6,500)	(5,000)	-	3,000
Rise Project	35,059	-	-	(10,829)	-	24,230
Benefactors Fund	48,351	8,966	(11,100)	(29,675)	-	16,542
The Mercers Company	-	40,175	(8,035)	-	-	32,140
T G Gray Charitable Trust	-	1,013,000	-	-	-	1,013,000
	<u>97,910</u>	<u>1,343,641</u>	<u>(307,135)</u>	<u>(45,504)</u>	<u>-</u>	<u>1,088,912</u>
	<u><u>97,910</u></u>	<u><u>1,343,641</u></u>	<u><u>(307,135)</u></u>	<u><u>(45,504)</u></u>	<u><u>-</u></u>	<u><u>1,088,912</u></u>

The Restricted Funds are mainly to be used to fund scholarships and university bursaries in accordance with restrictions imposed by the donor.

The T G Gray Charitable Trust Funds are to be used to encourage disadvantaged and female students into engineering.

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

**20 Unrestricted funds**

	Balance 31 August 2022 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2023 £
General funds	1,250,015	2,525,098	(4,004,686)	916,300	-	686,727
Revaluation reserve	940,646	-	-	-	(311,546)	629,100
Designated funds:						
2011 Fund	7,118	-	(7,118)	-	-	-
Fixed Asset Fund	991,663	-	(87,438)	-	-	904,225
SPH Maintenance	200,000	-	-	-	-	200,000
Investment Fund	18,000,000	-	-	(1,000,000)	-	17,000,000
	<u>21,389,442</u>	<u>2,525,098</u>	<u>(4,099,242)</u>	<u>(83,700)</u>	<u>(311,546)</u>	<u>19,420,052</u>

	Balance 31 August 2021 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2022 £
General funds	19,466,297	2,358,723	(2,616,876)	(17,958,129)	-	1,250,015
Revaluation reserve	2,606,851	-	-	(1,237,489)	(428,716)	940,646
Designated funds:						
2011 Fund	74,618	-	(19,500)	(48,000)	-	7,118
Fixed Asset Fund	-	-	(97,459)	1,089,122	-	991,663
SPH Maintenance	-	-	-	200,000	-	200,000
Investment Fund	-	-	-	18,000,000	-	18,000,000
	<u>22,147,766</u>	<u>2,358,723</u>	<u>(2,733,835)</u>	<u>45,504</u>	<u>(428,716)</u>	<u>21,389,442</u>

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 are 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 Fixed Asset Fund is the value of unrestricted funds represented by tangible and intangible fixed assets owned by the charity.
- the Smallpeice House Maintenance Fund, which comprises funds earmarked towards the maintenance and upkeep of the Investment property, and
- the Investment Fund represents the amount of original endowment and accumulated unrestricted reserves that the Trustees consider should be invested to generate income towards the core costs of the Trust

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

**21 Net assets between funds**

	Fixed Assets £	Net Current Assets £	Non-Current Liabilities £	Total 31 Aug 2023 £
Unrestricted Fund	1,464,631	216,871	(365,675)	1,315,827
Unrestricted funds at 31 August 2023	<u>1,464,631</u>	<u>216,871</u>	<u>(365,675)</u>	<u>1,315,827</u>
Designated Fund	17,904,225	200,000	-	18,104,225
Designated funds at 31 August 2023	<u>17,904,225</u>	<u>200,000</u>	<u>-</u>	<u>18,104,225</u>
Restricted Fund	750,000	407,565	-	1,157,565
Restricted funds at 31 August 2023	<u>750,000</u>	<u>407,565</u>	<u>-</u>	<u>1,157,565</u>
<b>Total funds at 31 August 2023</b>	<u><u>20,118,856</u></u>	<u><u>824,436</u></u>	<u><u>(365,675)</u></u>	<u><u>20,577,617</u></u>

**22 Reconciliation of net income to net cash flow from operating activities**

	2023 £	2022 £
<b>Net income / (expenditure) for the period</b>	(1,900,737)	232,678
Dividends received	(522,568)	(510,573)
Rents from investment properties	(13,737)	(115,549)
Interest receivable	(32,357)	(4,197)
Depreciation of fixed assets	87,438	97,459
(Gains) / losses on investments	311,546	428,716
(Increase) / decrease in stock	17,500	(45,000)
(Increase) / decrease in debtors	1,005,390	(1,191,471)
Increase / (decrease) in creditors	691,248	9,126
<b>Net cash flow from operating activities</b>	<u>(356,277)</u>	<u>(1,098,811)</u>

**THE SMALLPEICE TRUST**  
**NOTES ON FINANCIAL STATEMENTS (continued)**  
**31 August 2023**

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**23 Commitments under operating leases**

	2023 £	2022 £
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	5,674	9,135
Later than one and not later than five years	4,905	10,579
	<u>10,579</u>	<u>19,714</u>
Total future minimum lease payments receivable under non-cancellable operating leases are as follows:		
Not later than one year	13,887	20,417
Later than one and not later than five years	-	20,376
	<u>13,887</u>	<u>40,793</u>

The trust lets office space comprising a room at its operating premises.

**24 Capital commitments**

At the 31 August 2023 the charity has committed a total of £nil (2022: £47,000).

**25 Ultimate Controlling Party**

The board of Trustees control the charity.

**26 Related Party transactions**

During the year the Trust received £6,250 (2022: £27,500) from organisations the Trustees were connected with.



  
smallpeice  
Dare to imagine

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