SMALLPEICE TRUST LIMITED

England & Wales · Charity number 313719

Details

Other names	THE SMALLPEICE TRUST
Status	Registered
Legal form	Charitable company
Company number	00882371
Registered	1968-01-17
Register	View on the Charity Commission register

Contact

Address	The Smallpeice Trust 74 Upper Holly Walk Leamington Spa CV32 4JL
Phone	01926333200
Email	info@smallpeicetrust.org.uk
Website	http://www.smallpeicetrust.org.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND IN PARTICULAR BUT NOT EXCLUSIVELY TO SUPPORT, ENCOURAGE, PROMOTE, DEVELOP AND MAINTAIN ENGINEERING AND TECHNOLOGICAL EDUCATION IN ALL ITS BRANCHES, INCLUDING DESIGN FOR EASY PRODUCTION.

Activities: The Charity provides public benefit by promoting the advancement of education and in particular engineering and technological education. The Charity promotes engineering, design, manufacturing, enterprise and technology as a career to young people aged from 8 to 18 by providing a professionally executed subsidised programme of residential courses and associated educational activities.

Classification

- **How:** Makes Grants To Organisations, Provides Services
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

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Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£2,928,363	£3,880,110	£19,836,659	45
2024-08-31	£3,196,224	£3,645,587	£21,620,681	42
2023-08-31	£2,841,340	£4,430,531	£20,577,617	40
2022-08-31	£3,702,364	£3,040,970	£22,478,354	39
2021-08-31	£2,524,826	£2,973,211	£22,245,676	40

Trustees

Name	Role	Appointed
Professor Alison Halstead	Chair	2018-09-06
Andrew David Parker		2023-06-08
David Gavin Thompson		2015-09-03
Dr John Robert Waring		2026-04-16
Era Arvind Shah		2025-09-17
Fatemah Shirin Dehghan		2023-06-08
Jacqueline Marie Newsome		2019-09-05
Patrick Christopher James Dowling		2025-12-09
Professor Ian Keith Dunn		2025-09-18
Stephen Robins		2024-04-04

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SMALLPEICE TRUST LIMITED

England & Wales - Charity number 313719

Accounts

THE SMALLPEICE TRUST

ANNUAL REPORT
AND FINANCIAL STATEMENTS
for the year ended 31 August 2025

Company Registration No. 882371
Registered Charity No. 313719

THE SMALLPEICE TRUST
LEGAL AND ADMINISTRATIVE INFORMATION
31 August 2025

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:

Professor Alison Halstead – Chair
Mr Trevor Gill (Resigned 5 December 2024)
Mr Gavin Thompson
Mrs Glynis Dean
Ms Jacqueline Newsome
Mr Abiram Ganeshanathan
Mr Graham Heaven (Resigned 11 August 2025)
Mr Andrew Parker
Ms Fatemeh Dehghan
Mr Stephen Robins
Ms Era Shah (Appointed 15 September 2025)
Professor Ian Dunn (Appointed 18 September 2025)

Principal members of staff:

Ms Helen Cuthill – Chief Executive
Ms Lisa Foster - Chief Transformation Officer (Resigned from role 6 October 2025)
Mrs Deborah Austin – Director of Internal Operations
Mr Oliver Atkins-Wood - Director of Delivery (Appointed interim 29 September 2025)

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:

Acuity Law
103 Colmore Row
Birmingham
B3 3AG

Auditors:

Dains Audit Limited
2 Chamberlain Square
Paradise
Birmingham
B3 3AX

Investment Managers:

CCLA Investment Managers Limited
One Angel Lane
London
EC4R 3AB

THE SMALLPEICE TRUST

CHAIR'S REPORT

31 August 2025

This year focus has been on deepening the understanding of our impact and the development of our future offer. Much has been achieved by collaboration with partners and through experimentation new opportunities have been developed.

A key part of this process has been an extensive consultation with people from a wide range of backgrounds across the UK. These insights have helped test the ideas and identify where the biggest impact can be made.

Some of the greatest successes this year have been seen through community engagement and Arkwright delivery. The range of venues has increased and events have expanded into youth centres and libraries reaching a wider and more diverse group of young potential engineers that previously.

A particularly exciting development within our Arkwright programme has been the evolution of the ceremonies into dynamic networking events. This shift has provided young people with the opportunity to meet sponsors and mentors, and to build meaningful peer networks. These cohorts can now support one another as they progress through their journeys into the world of engineering, fostering collaboration, confidence, and a lasting sense of belonging within the sector.

This year has also seen major refresh of the Smallpeice Trust brand identity to better reflect the recent innovation in practice whilst staying true to our values and heritage. Drawing on capital from the Endowment this rebrand included the redevelopment of the website, which now offers an improved user experience and more effectively showcases the mission, vision, and values, as well as the science and engineering tasters and courses on offer.

The rebrand provided the opportunity to review and revitalise content and with support from funders, new course materials have been developed. These include the introduction of AI robotics kits, which have been successfully piloted in schools thanks to funding from Merchant Taylors. These new and exciting developments will help inspire and equip future generations, strengthen relationships with existing funders, and forge valuable connections with new partners, further extending our reach and impact.

Throughout this period, the Trust has continued to make a significant difference, inspiring young people to explore careers in engineering and related disciplines. Over 54,000 young people engaged with our programmes this year, and our commitment to gender diversity remains strong, with female participation sustained at 50%. The overarching aim of the Trust is to:

"To inspire young people from all backgrounds to engage in STEM through engaging, sustainable, and educational activities delivered by passionate experts and partners."

The Trust is looking forward to the next year with renewed optimism and excitement. The extensive work undertaken throughout this reporting period has laid the foundations for the launch of the new five-year strategy on 1 September 2025. While this strategy formally commences in the next financial year, it represents the culmination of the progress, consultation, and reflection achieved this year. The Trust is now well-positioned to build on these achievements, strengthen its partnerships, and continue empowering young people across the UK to discover their potential in STEM.

Professor Alison Halstead
Chair, The Smallpeice Trust

A. Halstead

THE SMALLPEICE TRUST
TRUSTEES REPORT
31 August 2025

The trustees, who are the directors of the charitable company, present their report and the financial statements for the year ended 31 August 2025 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 the 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 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. School 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: This year we have expanded the Course offer. We still complete our out of school, multi-day 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. However, we've also piloted courses run within youth centre spaces during the same time period. Delivery in these spaces focuses on building curiosity and excitement in young people regarding STEM subjects rather than content being built upon from day 1 in our traditional courses. These have been successful and we will continue to pursue these in the coming year.
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.

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

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 eleven. The number of directors can be increased by agreement with the trustees.

There is a standing request for trustees to nominate, to the Chair, people who are thought suitable to become trustees. If agreed appropriate, the Chair 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 Senior Leadership 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 with 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

Changes in Trustees are detailed on page 1 of the financial statements.

Management

Day to day management of the charity is delegated to the Chief Executive and her 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.

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

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 Senior Leadership 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.

Principal risk and uncertainties

Working with The Smallpeice Trust's Senior Leadership team, the Board of Trustees undertakes an annual review of strategic risks and these assessments are recorded in a register. 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 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 many charities within this space, a principal risk for The Smallpeice Trust is reduced spending power resulting from reduced income (predominantly from charitable activities or investment income). The Trust accepted the risk of this in 24/25 given the number of changes that have been made internally within the organisation and the work involved in refocusing of our programmes to be more inclusive, which we believe has now set up us for the longer-term success

The Trust mitigates against income reduction through the appointment of internal professional fundraisers (for income for charitable activities), particularly in more senior roles going into 25/26 and external professional investment managers (for investment income), despite the ongoing turbulent nature of the UK economy.

Another key 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

The Smallpeice Trust employed an external fundraiser during the year; this person was retained on a short term contract to cover vacancies within our internal team, allowing us to finalise and submit bid applications within deadlines. The work of this individual completed was monitored by the CEO to ensure that they complied with our processes. 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.

Business Development

Within this period, the Trust has now created it's 5-year strategy. Built from genuine engagement with children and young people across the UK, from UTC's, Schools (both private and state), Home Schoolers and recent Arkwright alumni's. We also spoke with partners organisations, teachers and parents. Although the strategy was not launched until September 2025, it was a key focus in terms of our Business Development during the past year. Alongside this we have continued to be more active in fundraising through Trust and Foundations, alongside working with through our corporate and university partnerships to secure underlying investment and to ensure the future quality of its activities are not compromised.

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

Business Development (continued)

Whilst recognising the last 12 months have remained a challenging time in which to bring in income and deliver programmes, it has helped us, working with our partners, and through the strategy development it has led to new and exciting ways of working with young people. 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. 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.

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

The Schools programme continues to make a significant impact across the UK, inspiring thousands of young people to explore the possibilities of engineering and STEM.

In the 2024/25 academic year, **850 schools** took part in STEM Days — a combination of in-person and virtual events designed to make STEM accessible, engaging and hands-on. Together, these sessions reached over **40,000 students** directly, with a further **13,320 students** benefitting through our *Coding Success* programme.

Feedback remains consistently strong:

- **85%** of students said they learned something new
- **91%** enjoyed their STEM Day experience
- **99%** of teachers rated the event as *excellent* or *good*

These results underline the quality and relevance of the experiences delivered by our delivery team and partners. They also demonstrate our continued success in reaching a **diverse cross-section of students** — ensuring that opportunities to explore STEM are open to all, regardless of background or location.

Our **virtual delivery model** continues to expand with more than 100 events reaching over 17,000 students across 447 schools, enabling schools who might otherwise be unable to host in-person sessions to benefit. Increasing this capacity remains a key focus for 2025/26, supporting both scale and inclusion.

Key statistics:

No. of schools who received a STEM event: **850**
No. students reached (Excluding Coding Success): **40,098**
No. students reached (Coding Success**): **13,320**

** Based on available feedback for 2024/2025 School Events*
*** Coding Success assumes 60 students reached per 1 teacher trained.*

We extend our thanks to all partners, teachers, and schools who allow us to continue our valuable work of inspiring the young people of today to become the changemakers of tomorrow.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)
Educational Activities (continued)

STEM Courses
Exploring the world beyond the classroom

Key statistics:

- 17 courses reaching 806 young people.
- 51.5% of the young people on our courses described themselves as female.
- 0.5% of the young people on our courses described themselves as non-binary.
- 0.1% of the young people on our courses described their gender identity as "other".
- 48% of young people on our courses identified as being from the global majority.
- We provided 242 fully funded places across this years courses.

One of our primary objectives with our courses is to support the increase of girls into engineering, and we're proud of our progress over the last year.

- 96% of girls described our courses as increasing their interest in engineering.
- 88% of girls said our courses increased their awareness of the routes into an engineering career.
- 87% of girls reflected that our courses inspired them to study or work in an engineering field.
- 97% of girls on our courses said they planned to study a STEM subject in future.
- 99% of girls enjoyed the experience provided by our courses.

We've spread our courses throughout the year to enable a better distribution and making them more accessible for young people. Although we've pursued additional funding for some popular courses, we are yet to secure regular support to our most popular and oversubscribed courses. We continue to focus on this in the coming year.

This year also saw us deliver 3 Community Courses in Youth Centre settings, providing valuable insights to help us engage with young people in different spaces, with positive results:

- We delivered 6 days of holiday club activities across 3 venues.
- These intensive interventions engaged with 72 young people in new ways.
- 93% of the girls attending enjoyed the activities, compared to 86% for all participants.
- We saw an increase of 9.4% in girls thinking that a career in STEM is suitable for anyone.
- 64% of girls said the activities made them want to find out more about engineering

This is fantastic start to this work, and we look to build on this during 25/26 with the support of our funders.

We extend our thanks to all partners and volunteers who have supported us in our courses programme.

Arkwright Engineering Scholarships
Make a difference with engineering

Key statistics:

- 85% of our last cohort of scholars went on to study engineering or a related subject.
- We received 1501 applications for scholarships.
- We awarded 448 scholarships for 2024-2025.
- 288 scholars attended an in-person Connect Day.
- 496 scholars attended a virtual enhancement event.
- 1,391 schools partnered with the Arkwright programme.

Moving away from our traditional Awards Ceremonies this year, we've launched a significantly higher impact event for young people through our 3 Networking Events held at the beginning of the first year of the scholarship. These events allow scholars to meet each other, their mentors and sponsors in a friendly, safe and highly engaging environment. Scholars responded positively to this change in format, with 88% describing the events as helping them to develop the skills needed to be a successful engineer, and 100% saying they would like to join similar events in future.

We extend our heartfelt thanks to John Coleman for his outstanding service to the Arkwright program over the past decade.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Educational Activities (continued)

New partnerships
Working together to ignite young peoples' interest in engineering

Key stats:
• Over 139 partners funding activity
• Nearly 65,000 young people benefited

As our network of partners has grown, so too have the depth and strength of our relationships with them. Our partners have been invaluable in shaping the Trust's new direction, providing essential feedback on key focus areas, and supporting our initiatives across the board. Their feedback on the development of new strategy has been invaluable, and we thank them for their time and energy in this.

Following on from these discussions, we've now established a Partnerships working group with a cross section of our partners to continue this dialogue and ensure that as we move through our strategy implementation we are always delivering to their needs and expectations through this ever-changing UK environment.

New Content
This year saw us develop new content for our existing programmes whilst continuing our long-standing focus on continuous incremental improvement. Highlights include the launch of:

- Two new STEM Days (Mechanical Engineering Challenge, Centrifuge Challenge) to provide hands-on practical learning for young people in Key Stage 3.
- Three new Engineering Experience modules (Mechanical, Space, Cyber) to provide introductions to different areas of engineering across our courses, bringing the number of modules offered to seven.
- Rebranded STEM in Schools content, aligned to our new brand identity and tone of voice, brining a vibrant new feel to our in-school events.
- New community activities designed for festivals and youth centres, allowing us to expand our engagement and offer a wider range of experiences for different audiences.

We look to further build on the content we provide during 2025-2026, with plans for developing further STEM in Schools content, virtual experiences, and flexible community-focused activities.

FINANCIAL REVIEW

Results and state of affairs

The Trust's total income decreased by approx. £270k compared to the previous year; due primarily to a one-off £210k deed of gift from The Betts-Brown Charitable Trust being received in the previous year.

Income from our investments has remained reasonably stable over the last 2 years albeit the value of our underlying investments has not manged to recover in value. CCLA Investment Management Limited have been our advisers and returns continue to perform broadly in line with our benchmark, however the capital growth of our investments are not.

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 to support the rebranding and new website.

Total fund balances of the Trust at 31 August 2024 amounted to £19,836,659 (2024: £21,620,681) after losses in the value of investment assets of £832,275 (2024: gains of £1,492,427).

FINANCIAL REVIEW (CONTINUED)

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 £42 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 longer term impacts of COVID-19 and other economic disturbances in the markets are still having negative effects on the Trust. 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 2029/30to 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.

At 31 August 2025 total reserves of The Smallpeice Trust stood at £19,836,659.

These included:

- £1,289,252 of unrealised cumulative profits on the value of investments and investment property which are included in the Balance Sheet at market value.
- £1,161,930 of restricted funds, which are primarily to fund scholarships and university bursaries in accordance with restrictions imposed by the donor.
- £931,560 of designated funds represented by tangible and intangible fixed assets
- £300,000 of designated funds to be used towards the upkeep of Smallpeice House. It is expected that most of these funds will be expended during 2024-25.
- £15,500,000 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 £653,917.

FINANCIAL REVIEW (CONTINUED)

Future Plans

Reflecting on our 5-year strategy our future plans are summarised on page 3, which highlights our purpose, mission, values linked to our impact and outcomes (from our newly developed Theory of Change) and the 3 key pillars of our strategy:

Pillar 1: Expanding Access

a. **Reach:** Increase annual engagement by 25%, reaching over 62,500 young people by 2030.
b. **Widen Participation:** Achieve 60% female participation and 45% representation from under-represented backgrounds in all programmes.
c. **New Delivery Models**: Develop community-based and hybrid learning opportunities to reach young people outside traditional school settings.

Pillar 2: Agile Team

a. **Workforce Development:** Create an agile and adaptable team culture that can respond effectively to emerging opportunities and needs.
b. **Partnership Growth:** Build 10+ new collaborations with education, community, and industry partners to strengthen national impact.
c. **Programme Innovation:** Pilot and refine new formats in the first two years, with scaling and consolidation planned in later years.
d. **Digital Transformation:** Invest in data, automation, and digital tools to streamline operations and improve engagement.
e. **Environmental Commitment:** Embed sustainability principles into operations and delivery, aligning with broader sector goals.

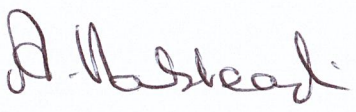
Pillar 3: Resilient Funding

d. **Sustainable Funding:** Diversify income streams through multi-year corporate partnerships, grants, and alumni engagement.
e. **Impact Measurement**: Enhance evaluation frameworks to better evidence the long-term impact of STEM interventions.

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 8 January 2026 and are signed on their behalf by:



Professor Alison Halstead
Chair

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 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.

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.

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.

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. 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.

Dains Audit Ltd.

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

Statutory Auditor
Chartered Accountants
Birmingham
8 January 2026

THE SMALLPEICE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2025

		Unrestricted				
		General funds	Designated funds	Restricted funds	31 August 2025	31 August 2024
Income from:	**Note**	**£**	**£**	**£**	**£**	**£**
Donations and legacies	3	96,424		-	96,424	224,421
Charitable activities	4	1,871,120	-	315,962	2,187,082	2,365,429
Investments	5	552,136	-	-	552,136	561,089
Other	6	92,721	-	-	92,721	45,285
Total income		2,612,401	-	315,962	2,928,363	3,196,224
Expenditure on:						
Raising funds	7	710,947	-	-	710,947	839,544
Charitable activities	8	2,751,089	50,707	367,367	3,169,163	2,806,043
Total expenditure		3,462,036	50,707	367,367	3,880,110	3,645,587
Net Operating income / (expenditure)		(849,650)	(50,707)	(51,405)	(951,747)	(449,363)
Net gains / (losses) on investments	14	(832,275)	-	-	(832,275)	1,492,427
Net income / (expenditure)		(1,681,910)	(50,707)	(51,405)	(1,784,022)	1,043,064
Transfers between funds	19/20	940,000	(940,000)	-	-	-
Net movement in funds		(741,910)	(990,707)	(51,405)	(1,784,022)	1,043,064
Reconciliation of funds						
Total funds brought forward	19/20	2,685,079	17,722,267	1,213,335	21,620,681	20,577,617
Total funds carried forward		1,943,169	16,731,560	1,161,930	19,836,659	21,620,681

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

COMPARITIVE STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2024

		Unrestricted				
		General funds	Designated funds	Restricted funds	31 August 2024	31 August 2023
Income from:	**Note**	**£**	**£**	**£**	**£**	**£**
Donations and legacies	3	4,375		220,046	224,421	36,167
Charitable activities	4	2,069,589	-	295,840	2,365,429	2,154,749
Investments	5	561,089	-	-	561,089	554,925
Other	6	45,285	-	-	45,285	95,499
Total income		2,680,338	-	515,886	3,196,224	2,841,340
Expenditure on:						
Raising funds	7	839,544	-	-	839,544	718,085
Charitable activities	8	2,279,463	111,264	415,316	2,806,043	3,712,446
Total expenditure		3,119,007	111,264	415,316	3,645,587	4,430,531
Net Operating income / (expenditure)		(438,669)	(111,264)	100,570	(449,363)	(1,589,191)
Net gains / (losses) on investments		1,492,427	-	-	1,492,427	(311,546)
Net income / (expenditure)		1,053,758	(111,264)	100,570	1,043,064	(1,900,737)
Transfers between funds	19/20	315,494	(270,694)	(44,800)	-	-
Net movement in funds		1,369,252	(381,958)	55,770	1,043,064	(1,900,737)
Reconciliation of funds						
Total funds brought forward	19/20	1,315,827	18,104,225	1,157,565	20,577,617	22,478,354
Total funds carried forward		2,685,079	17,722,267	1,213,335	21,620,681	20,577,617

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 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible Fixed Assets	12	139,058	106,361
Tangible assets	13	792,502	815,906
Investments			
- listed	14	18,164,783	19,797,058
- other	14	1,300,000	1,500,000
		20,396,343	22,219,325
Current assets			
Stocks	15	1,200	25,000
Debtors	16	246,212	150,724
Cash at bank and in hand		1,033,277	630,704
		1,280,689	806,428
Creditors: amounts falling due within one year	17	(1,628,974)	(1,320,882)
Net current assets / (liabilities)		(348,285)	(514,454)
Total assets less current liabilities		20,048,058	21,704,871
Creditors: amounts falling due after more than one year	17	(211,399)	(84,190)
Net Assets		19,836,659	21,620,681
Charity Funds			
Restricted funds	19	1,161,930	1,213,335
General income funds		653,917	663,553
Revaluation reserves		1,289,252	2,121,526
Designated funds		16,731,560	17,622,267
Total unrestricted income funds	20	18,674,729	20,407,346
Total Funds		19,836,659	21,620,681

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 8 January 2026 and are signed on their behalf by:

A. Halstead

Professor Alison Halstead – Chairman

THE SMALLPEICE TRUST
STATEMENT OF CASHFLOWS
31 August 2025

		31 August 2025 £	31 August 2024 £
Cash flow from operating activities	22	(1,098,476)	(860,603)
Net cash flow from operating activities		(1,098,476)	(860,603)
Cash flow from investing activities			
Proceeds from sale of investments		1,000,000	-
Payments to acquire fixed assets			(129,306)
		(60,000)	
Interest received		26,254	28,309
Dividends received		525,882	532,780
Rents received		8,913	13,683
Net cash flow from investing activities		1,501,049	445,466
Net increase / (decrease) in cash and cash equivalents		402,573	(415,137)
Cash and cash equivalents at 1 September 2024		603,704	1,045,841
Cash and cash equivalents at 31 August 2025		1,033,277	630,704
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,033,277	630,704
Cash and cash equivalents at 31 August 2024		1,033,277	630,704

Analysis of changes in net debt:

	2024 £	Cashflow £	2025 £
Cash and cash equivalents	630,704	402,573	1,033,277

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.

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.

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

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
AMS Database	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.

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

	2025 £	2024 £
Donations	96,424	14,225
The Betts-Brown Charitable Trust	-	210,196
	96,424	224,421

Income from donations and legacies was £96,424 (2024: £224,421) of which £NIL (2024: £220,046) was attributable to restricted funds and £96,424 (2024: £4,375) attributable to general unrestricted funds.

4 Income from charitable activities

	2025 £	2024 £
Course income	1,302,950	1,604,274
Scholarships and aptitude test fees	884,132	761,155
	2,187,082	2,365,429

Income from charitable activities was £2,187,082 (2024: £2,365,429) of which £315,692 (2024: £295,840) was attributable to restricted funds and £1,871,120 (2024: £2,069,589) attributable to general unrestricted funds.

5 Investment income

	2025 £	2024 £
Income from listed investments	525,882	532,780
Bank and deposit interest	26,254	28,309
	552,136	561,089

Investment income was £552,136 (2024: £561,089) which was entirely attributable to general unrestricted funds.

6 Other income

	2025 £	2024 £
Rent receivable and recharges	13,537	13,683
Licence fees and related income	20,000	20,000
Sundry income	59,184	11,602
	92,721	45,285

Other income was £92,721 (2024: £45,285) which was entirely attributable to general unrestricted funds.

7 Cost of raising funds

	2025 £	2024 £
Publicity, fundraising and charity development	637,284	780,493
Investment management fees	-	-
Investment property costs	73,663	59,051
	710,947	839,544

The cost of raising funds was £710,947 (2024: £839,544) which was entirely attributable to general unrestricted funds.

8 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Grant funding activities £	Support costs £	2025 Total £	2024 Total £
Provision of courses and educational events	1,892,826	277,342	998,995	3,169,163	2,806,043
	1,892,826	277,342	998,995	3,169,163	2,806,043

Activities undertaken directly represent the direct costs of running courses and educational events. The cost of charitable activities was £3,169,163 (2024: £2,806,043) of which £367,367 (2024: £415,316) was attributable to restricted funds, £50,707 (2024: £111,264) attributable to designated unrestricted funds and £2,751,089 (2024: £2,279,463) attributable to general unrestricted funds.

Included in expenditure on charitable activities was £277,342 (2024: £305,688) of grants made during the period in the form of scholarships and bursaries to individuals and their respective schools, colleges or educational institutions.

8 Analysis of expenditure on charitable activities (continued)	2025 £	2024 £
Support costs		
Staff costs	518,389	414,961
Hotel and travel	628	1,087
Stationery and course development	9,002	20,787
Printing, artwork & brochures	-	-
Property and utility costs	139,009	118,911
Training and recruitment	37,362	13,306
Depreciation	50,707	111,264
Equipment and IT costs	139,357	227,618
Bad debts	(8,372)	8,024
Other sundry costs	20,429	46,540
Governance costs (note 9)	92,484	70,920
	998,995	1,033,418

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

9 Governance costs	2025 £	2024 £
Auditors' remuneration	18,087	15,000
Trustees' and meeting expenses	10,088	8,011
Trustees' indemnity insurance	3,637	3,464
Legal and professional fees	60,672	44,445
	92,484	70,920

10 Net income / (expenditure) for the period	2025 £	2024 £
Total resources expended is stated after charging / (crediting):		
Depreciation	50,707	111,264
Operating lease rentals	14,822	19,272
Auditors' remuneration - audit	18,087	15,000
- other services	780	1,920

11 Employee costs and benefits	2025 £	2024 £
Salaries	1,645,161	1,615,644
Social security costs	191,642	170,550
Other pension costs	203,424	145,577
Compensation for loss of office	30,920	38,824
Life assurances	7,268	6,164
Private health insurance	14,991	14,800
	2,093,406	1,991,559

During the year, the charity made contractual severance payments totalling £30,920 to 3 employees. At the balance sheet date there were no amounts outstanding.

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 £203,424 (2024: £145,577). Amounts payable at the year-end were £nil.

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

	2025 Number	2024 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	2
£110,001 - £120,000	1	-

Key Management Personnel

The total amount of employee compensation (including employers NI) received by key management personnel was £330,285 (2024: £402,693). 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:

	2025 Number	2024 Number
Education team staff	23	22
Partner engagement	11	11
Administrative and support staff	11	11
	45	44
Full time equivalent staff	43	42

Trustees

No emoluments were paid during the period to any trustee. During the period 4 (2024:5) trustees received reimbursement for the cost of travel to and from meetings and accommodation where necessary in the sum of £1,251 (2024: £2,890). The cost of providing trustees and officers insurance during the period amounted to £3,637 (2024: £3,464).

12 Intangible fixed assets

	AMS Database	Computer Software £	Website £	Total £
Cost				
1 September 2024	129,306	266,457	48,000	443,763
Additions	-	-	60,000	60,000
31 August 2025	129,306	266,457	108,000	443,763
Depreciation				
1 September 2024	23,896	266,306	47,200	337,402
Charge for the period	26,352	151	800	86,787
31 August 2025	50,248	266,457	48,000	364,705
Net book value				
31 August 2025	79,058	-	60,000	139,058
31 August 2024	105,410	151	800	106,361

13 Tangible fixed assets

	Freehold property £	Office furniture and equipment £	Total £
Cost			
1 September 2024	1,357,406	186,616	1,544,022
Additions	-	-	-
Disposals	-	(166,226)	(166,226)
31 August 2025	1,357,406	20,390	1,377,796
Depreciation			
1 September 2024	541,755	186,361	728,116
Charge for the period	23,149	255	23,404
Disposals	-	(166,226)	(166,226)
31 August 2025	564,904	29,390	585,294
Net book value			
31 August 2025	792,502	-	792,502
31 August 2024	815,651	255	815,906

14 Fixed asset investments

	2025 £
Listed investments	
Market value at 31 August 2024	19,797,058
Additions during the period	-
Disposal proceeds	(1,000,000)
Net investment gains / (losses)	(632,275)
Market value at 31 August 2025	18,164,783
Historical cost at 31 August 2025	17,999,294
UK listed investments are represented by:	
Investment trusts and unit trusts	18,164,783
	18,164,783

	£
Investment property	
Market value 31 August 2024	1,500,000
Revaluation gain / (loss)	(200,000)
Market value 31 August 2025	1,300,000

During the year the Trustees received an offer of £1.3m for the purchase of Smallpeice House. This was accepted and the sale is due to complete on 8 January 2026.

15 Stocks

	2025 £	2024 £
Goods for resale	1,200	25,000

16 Debtors

	2025 £	2024 £
Trade debtors	146,940	41,464
Prepayments	94,426	107,243
Accrued income	-	-
Other debtors	4,846	2,017
	246,212	150,724

17 **Creditors:** amounts falling due within one year	2025 £	2024 £
Trade creditors	206,903	229,769
Taxation and social security	-	38,201
Accruals	545,616	419,416
Deferred income	818,222	618,049
Rent deposit	1,500	1,500
Other creditors	56,733	13,947
	1,628,974	1,320,882

Creditors: amounts falling due after more than one year	2025 £	2024 £
Deferred income	211,399	84,190

18 **Deferred income**	2025 £	2024 £
Brought forward	702,239	541,546
Released to SoFA	(618,049)	(406,011)
Deferred income received this period	945,431	566,704
Carried forward	1,029,621	702,239

Deferred income represents £331,017 (2024: £84,737) of course sponsorships, and activity and events income received in advance and £698,604 (2024: £617,502) of donations received in advance in respect to scholarships.

19 Restricted Funds

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

	Balance 31 August 2024 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2025 £
Scholarships Fund	-	315,962	(315,962)	-	-	-
Benefactors Fund	14,459	-	(16,135)	-	-	(1,676)
The Mercers Company	13,510	-	(13,510)	-	-	-
Dr Brewster Fund	36,370	-	(2,785)	-	-	33,585
T G Gray Charitable Trust	938,800	-	(18,975)	-	-	919,825
Betts Brown Charitable Trust	210,196	-	-	-	-	210,196
	1,213,335	315,962	(367,367)	-	-	1,161,930

	Balance 31 August 2023 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2024 £
Scholarships Fund	-	295,840	(295,840)	-	-	-
Rise Project	9,001	-	(9,001)	-	-	-
Benefactors Fund	29,429	9,850	(24,820)	-	-	14,459
The Mercers Company	27,435	-	(13,925)	-	-	13,510
Dr Brewster Fund	38,900	-	(2,530)	-	-	36,370
R Kirkland Scholarship Fund	44,800	-	-	(44,800)	-	-
T G Gray Charitable Trust	1,008,000	-	(69,200)	-	-	938,800
The Betts Brown Charitable Trust Fund	-	210,196	-	-	-	210,196
	1,157,565	515,886	(415,316)	(44,800)	-	1,213,335

The Restricted Funds are mainly to be used to fund scholarships 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 Betts-Brown Charitable Trust Funds are to be used fund scholarships, bursaries and events within the Arkwright scholarship programme.

20 Unrestricted funds

	Balance 31 August 2024 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2025 £
General funds	563,552	2,612,401	(3,462,036)	940,000	-	653,917
Revaluation reserve	2,121,527	-	-	-	(832,275)	1,289,252
Designated funds:						
Fixed Asset Fund	922,267	-	(50,707)	60,000	-	931,560
SPH Maintenance	300,000	-	-	-	-	300,000
Investment Fund	16,500,000	-	-	(1,000,000)	-	15,500,000
	20,407,346	2,612,401	(3,512,743)	-	(832,275)	18,674,729

	Balance 31 August 2023 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2024 £
General funds	686,727	2,680,338	(3,119,007)	315,494	-	563,552
Revaluation reserve	629,100	-	-	-	1,492,427	2,121,527
Designated funds:						
Fixed Asset Fund	904,225	-	(111,264)	129,306	-	922,267
SPH Maintenance	200,000	-	-	100,000	-	300,000
Investment Fund	17,000,000	-	-	(500,000)	-	16,500,000
	19,420,052	2,680,338	(3,230,271)	44,800	1,492,427	20,407,346

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 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

21 Net assets between funds

	Fixed Assets	Net Current Assets / (liabilities)	Non-Current Liabilities	Total 31 Aug 2025
	£	£	£	£
Unrestricted Fund	1,545,510	(680,194)	(211,399)	1,943,169
Unrestricted funds at 31 August 2025	1,545,510	(680,194)	(211,399)	1,943,169
Designated Fund	16,431,560	300,000	-	16,731,560
Designated funds at 31 August 2025	16,431,560	300,000	-	16,731,560
Restricted Fund	1,130,021	31,909	-	1,161,930
Restricted funds at 31 August 2025	1,130,021	31,909	-	1,161,930
Total funds at 31 August 2025	20,396,343	(348,285)	(211,399)	19,836,659

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

	2025 £	2024 £
Net income / (expenditure) for the period	(1,784,022)	1,043,064
Dividends received	(525,882)	(532,780)
Rents from investment properties	(8,913)	(13,683)
Interest receivable	(26,254)	(28,309)
Depreciation of fixed assets	50,707	111,264
(Gains) / losses on investments	832,275	(1,492,427)
(Increase) / decrease in stock	23,800	2,500
(Increase) / decrease in debtors	(95,488)	421,563
Increase / (decrease) in creditors	435,301	(371,795)
Net cash flow from operating activities	(1,098,476)	(860,603)

23 Commitments under operating leases

	2025 £	2024 £
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	3,472	5,932
Later than one and not later than five years	9,988	9,173
	13,460	15,105

Total future minimum lease payments receivable under non-cancellable operating leases are as follows:		
Not later than one year	7,600	7,200
Later than one and not later than five years	21,600	28,800
	29,200	36,000

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

24 Capital commitments

At the 31 August 2025 the charity has committed a total of £nil (2024: £nil).

25 Ultimate Controlling Party

The board of Trustees control the charity.

26 Related Party transactions

During the year the Trust received £NIL (2024: £5,980) from organisations the Trustees were connected with.

SMALLPEICE TRUST LIMITED

England & Wales - Charity number 313719

Accounts

THE SMALLPEICE TRUST

ANNUAL REPORT
AND FINANCIAL STATEMENTS
for the year ended 31 August 2024

Company Registration No. 882371
Registered Charity No. 313719

THE SMALLPEICE TRUST
LEGAL AND ADMINISTRATIVE INFORMATION
31 August 2024

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 Trevor Gill
Mr Gavin Thompson
Mrs Glynis Dean
Ms Jacqueline Newsome
Mr Abiram Ganeshanathan
Mr Graham Heaven
Mr Andrew Parker
Ms Fatemeh Dehghan
Mr Stephen Robins (appointed 3 January 2024)*

Principal members of staff:

Mr Stephen Robins – Interim Chief Executive (appointed 18 July 2023, retired 8 December 2023)*
Ms Helen Cuthill – Chief Executive (appointed 2 January 2024)
Ms Lisa Foster - Chief Transformation Officer
Ms Caroline Broadway – Director of Engagement (ceased 4 April 2024)
Mrs Deborah Austin – Director of Internal Operations (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:

Acuity Law
103 Colmore Row
Birmingham
B3 3AG

Auditors:

Dains Audit Limited
2 Chamberlain Square
Paradise
Birmingham
B3 3AX

Investment Managers:

CCLA Investment Managers Limited
One Angel Lane
London
EC4R 3AB

*Mr Stephen Robins stepped down as interim CEO on 8 December 2023 to return to the role of trustee

THE SMALLPEICE TRUST

CHAIRMAN'S REPORT

31 August 2024

This past year, the Trust has continued to make a significant impact in inspiring young people to pursue careers in engineering and related disciplines. There have been over 65,000 young people engaged across our programs. The strong commitment to gender diversity has been maintained with a female participation at 55%. June saw the launch of an inaugural partner event, where the findings from our *Science, Technology, Engineering and Maths (STEM) for Girls* initiative were presented. These insights have guided the enhancement of the content of programs for the upcoming 2024/25 period.

2024 saw the arrival of the new CEO Helen Cuthill, who quickly established herself and set a clear vision for the future:

"Through STEM, inspire the young people of today to become the changemakers of tomorrow."

With this vision in mind, the new mission has been defined as follows:

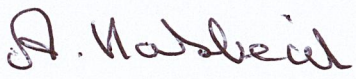
"To inspire young people from all backgrounds to engage in STEM through engaging, sustainable, and educational activities delivered by passionate experts and partners."

Under the new CEO the Trust has been restructured to ensure greater focus and efficiency within each department. The newly formed *Schools STEM* team now focuses on delivering impactful STEM experiences to schools on a national scale. The *Community Team* integrates the Arkwright and Course programs with an expanded reach to support young people who may be disengaged from traditional education systems. In addition, a *Content and Impact* team has been established to drive content creation, impact research, and reporting.

The development of the 2024/2025 strategy followed the reorganisation and enabled all staff, scholars and alumini to input. Aligned with this strategic foundation a number of experimental pilots have been designed to encourage innovation, stretching the Trust to explore new possibilities and solidify our strategic approach.
The experimental nature of these pilots will foster a cycle of development, experimentation, and integration, positioning the Trust for sustained success in the years ahead.

As we look toward the next 12 months, I am optimistic about the future and excited to witness the Trust's progress and growth under this renewed vision and direction.

Professor Alison Halstead
Chairman, The Smallpeice Trust



THE SMALLPEICE TRUST
TRUSTEES REPORT
31 August 2024

The trustees, who are the directors of the charitable company, present their report and the financial statements for the year ended 31 August 2024 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 the 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.

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 with 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 Stephen Robins resigned as a Trustee on 18 July 2023 to take up the role of our interim CEO until the 8 December 2023, before returning to his post as trustee on 3 January 2024 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 her 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.

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 2023/24 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

The Smallpeice Trust did not contract with any third party fundraisers during the year. 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. 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.

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:
90% of students who learned something new*
93% of students who enjoyed the STEM Day*
100% of teachers who rated STEM event excellent or good*
No. of schools who received a STEM event: **nearly 1,000**
No. students reached (Excluding Coding Success): **51,978**
No. students reached (Coding Success**): **12,000**

** Based on available feedback for 2023/2024 STEM Events*
*** Coding success assumes 60 students reached per 1 teacher.*

The *STEM in Schools* program continues to grow from strength to strength, successfully delivering both our core STEM events and tailored STEM activities. This achievement highlights the adaptability and agility of our dedicated team.

With the establishment of a specialised Schools Engagement team, we are now better positioned to develop and sustain meaningful relationships with schools, enabling more direct support. The team has performed exceptionally well this year, and we are pleased to recognise their success and the positive impact of their efforts.

STEM courses
Exploring the world beyond the classroom

Key stats:
18 courses reaching 856 students
55% female, non-binary, or other*
50% from an ethnic minority
314 places fully funded
86% of students increasing their interest in engineering
97% of students increasing their awareness of routes into engineering
91% of students who will consider studying engineering in future

*in future these categories will be reported separately as our evaluation framework has been updated for 2024/25.

The *Exploring Engineering* program has continued to strengthen over the past year, receiving highly positive feedback from students as we move into our second year and broaden the program's content. Several courses have proven exceptionally popular, resulting in long waiting lists. To address this demand, we plan to create additional sessions for these high-demand courses in 2024/25 and beyond, ensuring more students have the opportunity to participate.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Educational Activities (continued)

Arkwright Engineering Scholarships
Make a difference with engineering

% of last cohort who went to study engineering or a related subject: **86%**
No. scholarship applications: **1534**
Scholars attending a Connect Day: **304**
No. new scholars (first year): **328**
No. partner schools: **1,200+**

This year, the Arkwright team experienced substantial change, particularly with the retirement of several dedicated Liaison Officers who have contributed countless hours supporting young people across the UK in their application journeys. We extend our heartfelt thanks to Phil Taylor for his outstanding service to the Arkwright program over the past decade. His commitment has been truly exemplary and has left a lasting impact on the program and its participants.

The past year also saw a record number of connect days and an expanded mentorship provision, enhancing the support we offer to our scholars. Additionally, we conducted a comprehensive review of the Arkwright program, gathering feedback from a broad range of stakeholders. Based on these insights, we are planning updates for the 2024/25 program to further align with the needs and expectations of the young people successful in their application.

New partnerships
Working together to ignite young peoples' interest in engineering

Key stats:
- Over 140 partners funding activity
- Nearly 65,000 young people benefited

As our network of partners has grown, so too have the depth and strength of our relationships with them. Our partners have been invaluable in shaping the Trust's new direction, providing essential feedback on key focus areas, and supporting our initiatives across the board.

This collaborative spirit was evident at our inaugural partnership event, where over 50 sponsors gathered. Attendees not only heard from our CEO and reviewed research findings, teacher, and student panels, but also contributed insights into their key objectives and business requirements for enhancing STEM outreach within their organisations.

New Content

- STEM for Girls - Following our literature review on how to best engage girls in mixed-gender STEM interventions, we conducted a research project incorporating the recommendations. We found that directly challenging stereotypes, showcasing female role models in STEM and highlighting the social aspects of STEM careers had a positive impact on girls' engagement. Going forward, we are incorporating these elements into our core challenges.

- New EE Modules - We developed three new modules of content for Engineering Experiences (Civil Engineering, Energy Engineering, and Robotics and Programming). These modules will be a core part of our Courses offer in the future.

- New STEM Content - We developed a new Primary Live format that was rolled out across 50 schools across the UK. As part of the STEM for Girls research, we developed a new Primary and new Secondary STEM Day that can be offered across Schools within the UK.

  In addition, we reviewed our existing offer and have made incremental improvements for the 2024/2025 academic year.

FINANCIAL REVIEW

Results and state of affairs

The Trust's total income increased by approx. £330k compared to the previous year; due primarily to a £210k deed of gift from The Betts-Brown Charitable Trust as well as £188k of improvements across our programme income compared to the previous year. It is also noted that school strike actions impacted the Trust's ability to deliver programmes in early 2023/24 to its intended beneficiaries and significant effort was made to rebook and deliver our programmes to earn the associated income during the year.

Income from our investments has remained reasonably stable over the last 2 years and this year we have seen the value of our underlying investments begin to increase in value. 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.

Total fund balances of the Trust at 31 August 2024 amounted to £21,620,681 (2023: £20,577,617) after gains in the value of investment assets of £1,492,427 (2023: losses of £311,546).

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 £40 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 subsequent 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 2024/25 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.

FINANCIAL REVIEW (CONTINUED)

Reserves policy (cont)

At 31 August 2024 total reserves of The Smallpeice Trust stood at £21,620,681.

These included:

- £2,121,526 of unrealised cumulative profits on the value of investments and investment property which are included in the Balance Sheet at market value.
- £1,213,335 of restricted funds, which are primarily to fund scholarships and university bursaries in accordance with restrictions imposed by the donor.
- £922,267 of designated funds represented by tangible and intangible fixed assets
- £300,000 of designated funds to be used towards the upkeep of Smallpeice House. It is expected that most of these funds will be expended during 2024-25.
- £16,500,000 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 £663,552.

Future Plans

The hard work of the Trust's team in actively retaining and building partnerships across the organisation has yielded strong results in 2023/24, reflected in the continued high engagement with Schools, Courses, and Arkwright Scholars.

The demand for engineers remains high, yet significant challenges persist. To address these, the Trust will:

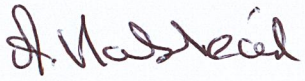
1. **Strengthen Partnerships:** Pilot collaborations with organisations in complementary fields like Mathematics and Technology, as well as those focusing on harder-to-reach communities. This approach aims to create diverse content and delivery teams that broaden the Trust's impact.
2. **Conduct Longitudinal Research:** Study the long-term effects of Arkwright Scholarships to explore how they can create a ripple effect, further supporting the broader engineering community.
3. **Expand Reach Beyond Classrooms:** Develop initiatives that extend the Trust's content to audiences outside traditional classrooms.
4. **Keep Offerings Current:** Ensure that programs remain relevant and engaging for young people exploring STEM and engineering in a rapidly evolving world.

Over the next year, as these initiatives take shape, the Trust will finalise the inputs and activities of its Theory of Change model.

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 5 December 2024 and are signed on their behalf by:



Prof Alison Halstead
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 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

Opinion

We have audited the financial statements of The Smallpeice Trust (the 'charitable company') for the period ended 31 August 2024 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 2024, 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.

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.

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. 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.

Dains Audit Ltd

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

Statutory Auditor
Chartered Accountants
Birmingham

5 December 2024

THE SMALLPEICE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2024

		Unrestricted				
		General	Designated	Restricted	31 August	31 August
		funds	funds	funds	2024	2023
Income from:	**Note**	**£**	**£**	**£**	**£**	**£**
Donations and legacies	3	4,375		220,046	224,421	36,167
Charitable activities	4	2,069,589	-	295,840	2,365,429	2,154,749
Investments	5	561,089	-	-	561,089	554,925
Other	6	45,285	-	-	45,285	95,499
Total income		2,680,338	-	515,886	3,196,224	2,841,340
Expenditure on:						
Raising funds	7	839,544	-	-	839,544	718,085
Charitable activities	8	2,279,463	111,264	415,316	2,806,043	3,712,446
Total expenditure		3,119,007	111,264	415,316	3,645,587	4,430,531
Net Operating income / (expenditure)		(438,669)	(111,264)	100,570	(449,363)	(1,589,151)
Net gains / (losses) on investments	14	1,492,427	-	-	1,492,427	(311,546)
Net income / (expenditure)		1,053,758	(111,264)	100,570	1,043,064	(1,900,737)
Transfers between funds	19/20	315,494	270,694)	(44,800)	-	-
Net movement in funds		1,369,252	(381,958)	55,770	1,043,064	(1,900,737)
Reconciliation of funds						
Total funds brought forward	19/20	1,315,827	18,104,225	1,157,565	20,577,617	22,478,354
Total funds carried forward		2,685,079	17,722,267	1,213,335	21,620,681	20,577,617

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 2023

Income from:	Note	Unrestricted General funds £	Designated funds £	Restricted funds £	31 August 2023 £
Donations and legacies	3	14,425	-	21,742	36,167
Charitable activities	4	1,860,249	-	294,500	2,154,749
Investments	5	554,925	-	-	554,925
Other	6	95,499	-	-	95,499
Total income		2,525,098	-	316,242	2,841,340
Expenditure on:					
Raising funds	7	718,085	-	-	718,085
Charitable activities	8	3,286,601	94,556	331,289	3,712,446
Total expenditure		4,004,686	94,556	331,289	4,430,531
Net Operating income / (expenditure)		(1,479,588)	(94,556)	(15,047)	(1,589,191)
Net gains / (losses) on investments	14	(311,546)	-	-	(311,546)
Net income / (expenditure)		(1,791,134)	(94,556)	(15,047)	(1,900,737)
Transfers between funds		916,300	(1,000,000)	83,700	-
Net movement in funds		(874,834)	(1,094,556)	68,653	(1,900,737)
Reconciliation of funds					
Total funds brought forward		2,190,661	19,198,781	1,088,912	22,478,354
Total funds carried forward		1,315,827	18,104,225	1,157,565	20,577,617

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

BALANCE SHEET
at 31 August 2024

Company Registration No. 882371

	Note	2024 £	2023 £
Fixed assets			
Intangible Fixed Assets	12	106,361	63,842
Tangible assets	13	815,906	840,383
Investments			
- listed	14	19,797,058	18,304,631
- other	14	1,500,000	1,500,000
		22,219,325	20,708,856
Current assets			
Stocks	15	25,000	27,500
Debtors	16	150,724	572,287
Cash at bank and in hand		630,704	1,045,841
		806,428	1,645,628
Creditors: amounts falling due within one year	17	(1,320,882)	(1,641,332)
Net current assets / (liabilities)		(514,454)	4,296
Total assets less current liabilities		21,704,871	20,713,152
Creditors: amounts falling due after more than one year	17	(84,190)	(135,535)
Net Assets		21,620,681	20,577,617
Charity Funds			
Restricted funds	19	1,213,335	1,157,565
General income funds		663,553	686,727
Revaluation reserves		2,121,526	629,100
Designated funds		17,622,267	18,104,225
Total unrestricted income funds	20	20,407,346	19,420,052
Total Funds		21,620,681	20,577,617

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 5 December 2024 and are signed on their behalf by:

Prof Alison Halstead – Chairman A. Halstead

THE SMALLPEICE TRUST
STATEMENT OF CASHFLOWS
31 August 2024

		31 August 2024 £	31 August 2023 £
Cash flow from operating activities	22	(860,603)	(356,277)
Net cash flow from operating activities		(860,603)	(356,277)
Cash flow from investing activities			
Payments to acquire investments		-	(750,000)
Payments to acquire fixed assets		(129,306)	-
Interest received		28,309	32,357
Dividends received		532,780	522 568
Rents received		13,683	13,737
Net cash flow from investing activities		445,466	(181,338)
Net increase / (decrease) in cash and cash equivalents		(415,137)	(537,615)
Cash and cash equivalents at 1 September 2023		1,045,841	1,583,456
Cash and cash equivalents at 31 August 2024		630,704	1,045,841
Cash and cash equivalents consists of:			
Cash at bank and in hand		630,704	1,045,841
Cash and cash equivalents at 31 August 2024		630,704	1,045,841

Analysis of changes in net debt:

	2023 £	Cashflow £	2024 £
Cash and cash equivalents	1,045,841	(415,137)	630,704

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.

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.

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

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
AMS Database	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.

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**

	2024 £	2023 £
Donations	14,225	36,167
The Betts-Brown Charitable Trust	210,196	-
	224,421	36,167

Income from donations and legacies was £224,421 (2023: £36,167) of which £220,046 (2023: £21,742) was attributable to restricted funds and £4,375 (2023: £14,425) attributable to general unrestricted funds.

4 **Income from charitable activities**

	2024 £	2023 £
Course income	1,604,274	1,495,618
Scholarships and aptitude test fees	761,155	659,131
	2,365,429	2,154,749

Income from charitable activities was £2,365,429 (2023: £2,154,749) of which £295,840 (2023: £294,500) was attributable to restricted funds and £2,069,589 (2023: £1,860,249) attributable to general unrestricted funds.

5 **Investment income**

	2024 £	2023 £
Income from listed investments	532,780	522,568
Bank and deposit interest	28,309	32,357
	561,089	554,925

Investment income was £561,089 (2023: £554,925) which was entirely attributable to general unrestricted funds.

6 Other income

	2024 £	2023 £
Rent receivable	13,683	21,702
Licence fees and related income	20,000	20,000
Sundry income	11,602	53,797
	45,285	95,499

Other income was £45,285 (2023: £95,499) which was entirely attributable to general unrestricted funds.

7 Cost of raising funds

	2024 £	2023 £
Publicity, fundraising and charity development	780,493	702,773
Investment management fees	-	-
Investment property costs	59,051	15,312
	839,544	718,085

The cost of raising funds was £839,544 (2023: £718,085) which was entirely attributable to general unrestricted funds.

8 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Grant funding activities £	Support costs £	2024 Total £	2023 Total £
Provision of courses and educational events	1,466,937	305,688	1,033,418	2,806,043	3,712,446
	1,466,937	305,688	1,033,418	2,806,043	3,712,446

Activities undertaken directly represent the direct costs of running courses and educational events. The cost of charitable activities was £2,806,043 (2023: £3,712,446) of which £415,316 (2023: £331,289) was attributable to restricted funds, £111,264 (2023: £94,556) attributable to designated unrestricted funds and £2,279,463 (2023: £3,286,601) attributable to general unrestricted funds.

Included in expenditure on charitable activities was £305,688 (2023: £258,115) of grants made during the period in the form of scholarships and bursaries to individuals and their respective schools, colleges or educational institutions.

8 Analysis of expenditure on charitable activities (continued)

	2024 £	2023 £
Support costs		
Staff costs	414,961	467,913
Hotel and travel	1,087	7,130
Stationery and course development	20,787	17,574
Printing, artwork & brochures	-	-
Property and utility costs	118,911	107,620
Training and recruitment	13,306	47,309
Depreciation	111,264	87,438
Equipment and IT costs	227,618	237,431
Bad debts	8,024	17,600
Other sundry costs	46,540	14,416
Governance costs (note 9)	70,920	66,869
	1,033,418	1,071,300

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

9 Governance costs

	2024 £	2023 £
Auditors' remuneration	15,000	13,818
Trustees' and meeting expenses	8,011	11,606
Trustees' indemnity insurance	3,464	3,464
Legal and professional fees	44,445	37,981
	70,920	66,869

10 Net income / (expenditure) for the period

	2024 £	2023 £
Total resources expended is stated after charging / (crediting):		
Depreciation	111,264	87,438
Operating lease rentals	19,272	13,760
Auditors' remuneration - audit	15,000	17,273
- other services	1,920	522

11 Employee costs and benefits

	2024 £	2023 £
Salaries	1,615,644	1,502,577
Social security costs	170,550	157,332
Other pension costs	145,577	156,131
Compensation for loss of office	38,824	52,510
Life assurances	6,164	6,971
Private health insurance	14,800	15,919
	1,991,559	1,891,440

During the year, the charity made contractual severance payments totalling £38,824 to 4 employees. At the balance sheet date there were no amounts outstanding.

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 £145,577 (2023: £156,131). Amounts payable at the year end were £11,741.

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

	2024 Number	2023 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	2
£80,001 - £90,000	2	-
£140,001 - £150,000	-	1

Key Management Personnel

The total amount of employee compensation (including employers NI) received by key management personnel was £402,693 (2023: £366,391). 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:

	2024 Number	2023 Number
Education team staff	22	21
Partner engagement	11	9
Administrative and support staff	11	10
	44	40
Full time equivalent staff	42	38

Trustees

No emoluments were paid during the period to any trustee. During the period 5 (2023:4) trustees received reimbursement for the cost of travel to and from meetings and accommodation where necessary in the sum of £2,890 (2023: £2,001). The cost of providing trustees and officers insurance during the period amounted to £3,464 (2023: £3,464).

12 Intangible fixed assets

	AMS Database	Computer Software £	Website £	Total £
Cost				
1 September 2023	-	266,457	48,000	314,457
Additions	129,306	-	-	129,306
31 August 2024	129,306	266,457	48,000	443,763
Depreciation				
1 September 2023	-	213,015	37,600	250,615
Charge for the period	23,896	53,291	9,600	86,787
31 August 2024	23,896	266,306	47,200	337,402
Net book value				
31 August 2024	105,410	151	800	106,361
31 August 2023	-	53,442	10,400	63,842

13 Tangible fixed assets

	Freehold property £	Office furniture and equipment £	Total £
Cost			
1 September 2023	1,357,406	186,616	1,544,022
Additions	-	-	-
31 August 2024	1,357,406	186,616	1,544,022
Depreciation			
1 September 2023	518,607	185,032	703,639
Charge for the period	23,148	1,329	24,477
31 August 2024	541,755	186,361	728,116
Net book value			
31 August 2024	815,651	255	815,906
31 August 2023	838,799	1,584	840,383

14 Fixed asset investments

	2024 £
Listed investments	
Market value at 31 August 2023	18,304,631
Additions during the period	-
Disposal proceeds	-
Net investment gains / (losses)	1,492,427
Market value at 31 August 2024	19,797,058
Historical cost at 31 August 2024	18,983,638
UK listed investments are represented by:	
Investment trusts and unit trusts	19,797,058
	19,797,058

	£
Investment property	
Market value 31 August 2023	1,500,000
Revaluation gain / (loss)	-
Market value 31 August 2024	1,500,000

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.

15 Stocks

	2024 £	2023 £
Goods for resale	25,000	27,500

16 Debtors

	2024 £	2023 £
Trade debtors	41,464	345,193
Prepayments	107,243	222,019
Accrued income	-	1,609
Other debtors	2,017	3,466
	150,724	572,287

5

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	229,769	261,097
Taxation and social security	38,201	60,757
Accruals	419,416	890,874
Deferred income	618,049	406,011
Rent deposit	1,500	1,500
Other creditors	13,947	21,093
	1,320,882	1,641,332

Creditors: amounts falling due after more than one year

	2024 £	2023 £
Deferred income	84,190	135,535

18 Deferred income

	2024 £	2023 £
Brought forward	541,546	551,045
Released to SoFA	(406,011)	(429,699)
Deferred income received this period	566,704	420,196
Carried forward	702,239	541,546

Deferred income represents £84,737 (2023: £118,911) of course sponsorships, and activity and events income received in advance and £617,502 (2023: £422,635) of donations received in advance in respect to scholarships.

19 Restricted Funds

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

	Balance 31 August 2023 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2024 £
Scholarships Fund	-	295,840	(295,840)	-	-	-
Rise Project	9,001	-	(9,001)	-	-	-
Benefactors Fund	29,429	9,850	(24,820)	-	-	14,459
The Mercers Company	27,435	-	(13,925)	-	-	13,510
Dr Brewster Fund	38,900	-	(2,530)	-	-	36,370
R Kirkland Scholarship Fund	44,800	-	-	(44,800)	-	-
T G Gray Charitable Trust	1,008,000	-	(69,200)	-	-	938,800
The Betts Brown Charitable Trust Fund	-	210,196	-	-	-	210,196
	1,157,565	515,886	(415,316)	(44,800)	-	1,213,335

	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
	1,088,912	316,242	(331,289)	83,700	-	1,157,565

The Restricted Funds are mainly to be used to fund scholarships 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 Betts-Brown Charitable Trust Funds are to be used fund scholarships, bursaries and events within the Arkwright scholarship programme.

20 Unrestricted funds

	Balance 31 August 2023 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2024 £
General funds	686,727	2,680,338	(3,119,007)	315,494	-	663,552
Revaluation reserve	629,100	-	-		1,492,427	2,121,527
Designated funds:						
Fixed Asset Fund	904,225	-	(111,264)	129,306	-	922,267
SPH Maintenance	200,000	-	-	100,000	-	300,000
Investment Fund	17,000,000	-	-	(500,000)	-	16,500,000
	19,420,052	2,660,338	(3,230,271)	(44,800)	1,492,427	20,407,346

	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
	21,389,442	2,525,098	(4,099,242)	(83,700)	(311,546)	19,420,052

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

21 Net assets between funds

	Fixed Assets	Net Current Assets / (liabilities)	Non-Current Liabilities	Total 31 Aug 2024
	£	£	£	£
Unrestricted Fund	1,526,535	(778,793)	(84,190)	663,552
Unrestricted funds at 31 August 2024	1,526,535	(778,793)	(84,190)	663,552
Designated Fund	19,543,794	200,000	-	19,743,794
Designated funds at 31 August 2024	19,543,794	200,000	-	19,743,794
Restricted Fund	1,148,996	64,339	-	1,213,335
Restricted funds at 31 August 2024	1,148,996	64,339	-	1,213,335
Total funds at 31 August 2024	22,219,325	(514,454)	(84,190)	21,620,681

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

	2024 £	2023 £
Net income / (expenditure) for the period	1,043,064	(1,900,737)
Dividends received	(532,780)	(522,568)
Rents from investment properties	(13,683)	(13,737)
Interest receivable	(28,309)	(32,357)
Depreciation of fixed assets	111,264	87,438
(Gains) / losses on investments	(1,492,427)	311,546
(Increase) / decrease in stock	2,500	17,500
(Increase) / decrease in debtors	421,563	1,005,390
Increase / (decrease) in creditors	(371,795)	691,248
Net cash flow from operating activities	(860,603)	(356,277)

23 Commitments under operating leases

	2024 £	2023 £
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	5,932	5,674
Later than one and not later than five years	9,173	4,905
	15,105	10,579
Total future minimum lease payments receivable under non-cancellable operating leases are as follows:		
Not later than one year	7,200	13,887
Later than one and not later than five years	28,800	-
	36,000	13,887

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

24 Capital commitments

At the 31 August 2024 the charity has committed a total of £nil (2023: £nil).

25 Ultimate Controlling Party

The board of Trustees control the charity.

26 Related Party transactions

During the year the Trust received £5,980 (2023: £6,250) from organisations the Trustees were connected with.

SMALLPEICE TRUST LIMITED

England & Wales - Charity number 313719

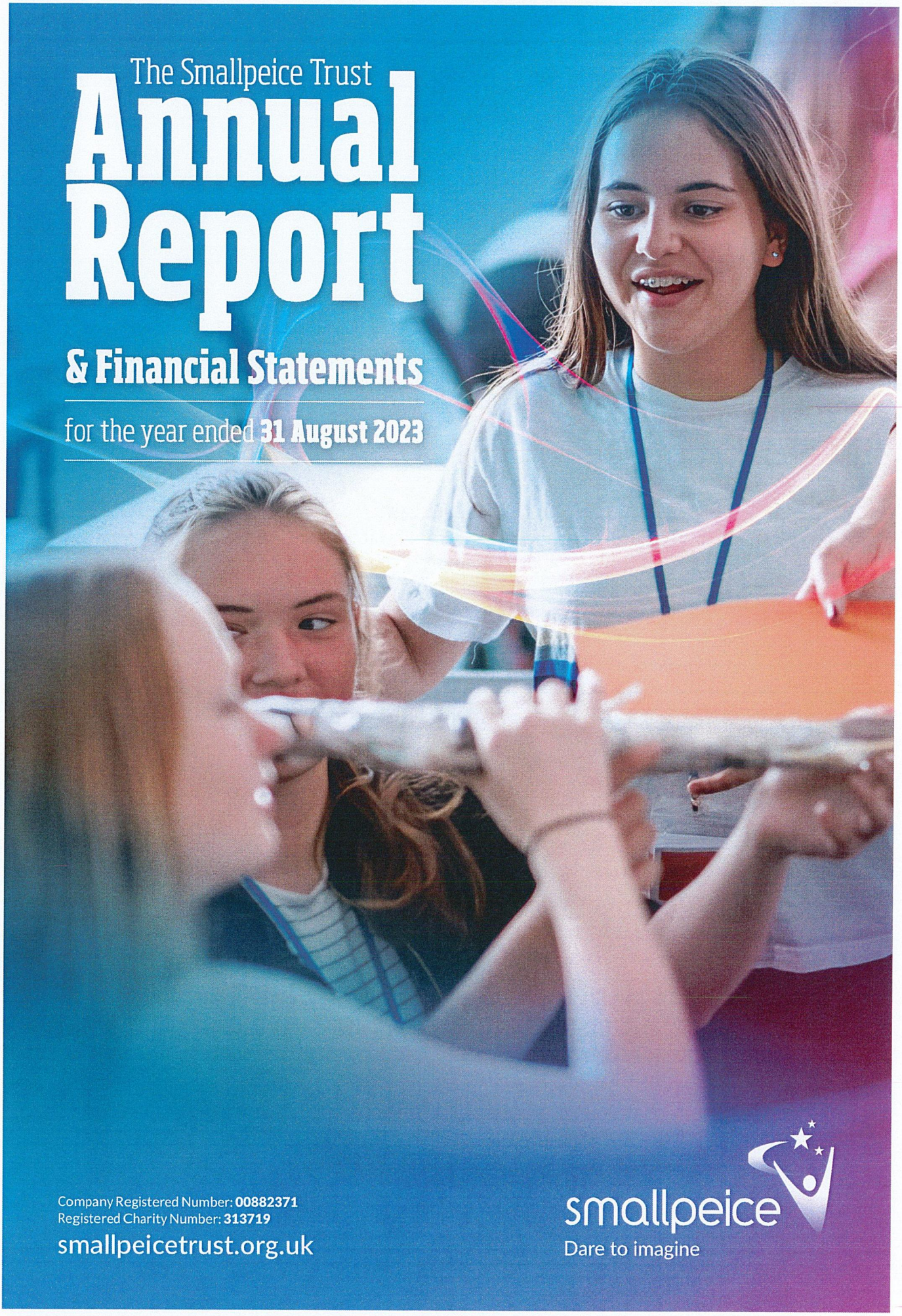
Accounts

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

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

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 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.

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.

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.

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 disciples, 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.

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 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.

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.

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.

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

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

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.

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.

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. 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.

Dains Audit Ltd

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 General funds £	Designated funds £	Restricted funds £	31 August 2023 £	31 August 2022 £
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
Total income		2,525,098	-	316,242	2,841,340	3,702,364
Expenditure on:						
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
Total expenditure		4,004,686	94,556	331,289	4,430,531	3,040,970
Net Operating income / (expenditure)		(1,479,588)	(94,556)	(15,047)	(1,589,191)	661,394
Net gains / (losses) on investments	14	(311,546)	-	-	(311,546)	(428,716)
Net income / (expenditure)		(1,791,134)	(94,556)	(15,047)	(1,900,737)	232,678
Transfers between funds	19/20	916,300	(1,000,000)	83,700	-	-
Net movement in funds		(874,834)	(1,094,556)	68,653	(1,900,737)	232,678
Reconciliation of funds						
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		1,315,827	18,104,225	1,157,565	20,577,617	22,478,354

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 General funds £	Designated funds £	Restricted funds £	31 August 2022 £
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
Total income		2,358,723	-	1,343,641	3,702,364
Expenditure on:					
Raising funds	7	299,292	-	-	299,292
Charitable activities	8	2,317,584	116,959	307,135	2,741,678
Total expenditure		2,616,876	116,959	307,135	3,040,970
Net Operating income / (expenditure)		(258,153)	(116,959)	1,036,506	661,394
Net gains / (losses) on investments	14	(428,716)	-	-	(428,716)
Net income / (expenditure)		(686,869)	(116,959)	1,036,506	232,678
Transfers between funds		(19,195,618)	19,241,122	(45,504)	-
Net movement in funds		(19,882,487)	19,124,163	991,002	232,678
Reconciliation of funds					
Total funds brought forward		22,073,148	74,618	97,910	22,245,676
Total funds carried forward		2,190,661	19,198,781	1,088,912	22,478,354

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 £
Fixed assets			
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
		20,708,856	20,357,840
Current assets			
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
		1,645,628	3,206,133
Creditors: amounts falling due within one year	17	(1,641,332)	(968,469)
Net current assets / (liabilities)		4,296	2,237,664
Total assets less current liabilities		20,713,152	22,595,504
Creditors: amounts falling due after more than one year	17	(135,535)	(117,150)
Net Assets		20,577,617	22,478,354
Charity Funds			
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
Total unrestricted income funds	20	19,420,052	21,389,442
Total Funds		20,577,617	22,478,354

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

		31 August 2023 £	31 August 2022 £
Cash flow from operating activities	22	(356,277)	(1,098,811)
Net cash flow from operating activities		(356,277)	(1,098,811)
Cash flow from investing activities			
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
Net cash flow from investing activities		(181,338)	10,537
Net increase / (decrease) in cash and cash equivalents		(537,615)	(1,088,274)
Cash and cash equivalents at 1 September 2022		1,583,456	2,671,730
Cash and cash equivalents at 31 August 2023		1,045,841	1,583,456
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,045,841	1,583,456
Cash and cash equivalents at 31 August 2023		1,045,841	1,583,456

Analysis of changes in net debt:

	2022 £	Cashflow £	2023 £
Cash and cash equivalents	1,583,456	(537,615)	1,045,841

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.

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

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.

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
	637,213	1,644,249

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
	1,553,703	1,408,981

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
	554,925	514,771

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

6 Other income

	2023 £	2022 £
Rent receivable	21,702	95,549
Licence fees and related income	20,000	20,000
Sundry income	53,797	18,814
	95,499	134,363

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

7 Cost of raising funds

	2023 £	2022 £
Publicity, fundraising and charity development	262,721	294,242
Investment management fees	-	-
Investment property costs	15,312	5,050
	278,033	299,292

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

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

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.

8 Analysis of expenditure on charitable activities (continued)

	2023	2022
	£	£
Support costs		
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
	1,071,300	915,581

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

9 Governance costs

	2023	2022
	£	£
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
	66,869	43,551

10 Net income / (expenditure) for the period

	2023	2022
	£	£
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	-

11 Employee costs and benefits

	2023	2022
	£	£
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
	1,891,440	1,553,703

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.

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:

	2023 Number	2022 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	2	2
£120,001 - £130,000	-	1
£160,001 - £170,000	1	-

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:

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

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).

12 Intangible fixed assets

	Computer Software £	Website £	Total £
Cost			
1 September 2022	266,457	48,000	314,457
Disposals	-	-	-
31 August 2023	266,457	48,000	314,457
Depreciation			
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
Net book value			
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 £
Cost				
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
Depreciation				
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
Net book value				
31 August 2023	838,799	1,584	-	840,383
31 August 2022	861,947	2,983	-	864,930

14 Fixed asset investments

	2023 £
Listed investments	
Market value at 31 August 2022	17,866,177
Additions during the period	750,000
Disposal proceeds	
Net investment gains / (losses)	(311,546)
Market value at 31 August 2023	18,304,631
Historical cost at 31 August 2023	18,961,927
UK listed investments are represented by:	
Investment trusts and unit trusts	18,304,631
	18,304,631

	£
Investment property	
Market value 31 August 2022	1,500,000
Revaluation gain / (loss)	-
Market value 31 August 2023	1,500,000

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.

15 Stocks

	2023 £	2022 £
Goods for resale	27,500	45,000

16 Debtors

	2023 £	2022 £
Trade debtors	345,193	422,152
Prepayments	222,019	129,284
Accrued income	1,609	1,023,385
Other debtors	3,466	2,856
	570,287	1,577,677

17 **Creditors:** amounts falling due within one year

	2023 £	2022 £
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
	1,641,332	968,469

Creditors: amounts falling due after more than one year

	2023 £	2022 £
Deferred income	135,535	117,150

18 **Deferred income**

	2023 £	2022 £
Brought forward	551,049	673,805
Released to SoFA	(429,699)	(550,275)
Deferred income received this period	420,196	427,519
Carried forward	541,546	551,049

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.

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
	1,088,912	316,242	(331,289)	83,700	-	1,157,565

	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
	97,910	1,343,641	(307,135)	(45,504)	-	1,088,912

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.

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
	21,389,442	2,525,098	(4,099,242)	(83,700)	(311,546)	19,420,052

	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
	22,147,766	2,358,723	(2,733,835)	45,504	(428,716)	21,389,442

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

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	1,464,631	216,871	(365,675)	1,315,827
Designated Fund	17,904,225	200,000	-	18,104,225
Designated funds at 31 August 2023	17,904,225	200,000	-	18,104,225
Restricted Fund	750,000	407,565	-	1,157,565
Restricted funds at 31 August 2023	750,000	407,565	-	1,157,565
Total funds at 31 August 2023	20,118,856	824,436	(365,675)	20,577,617

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

	2023 £	2022 £
Net income / (expenditure) for the period	(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
Net cash flow from operating activities	(356,277)	(1,098,811)

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
	10,579	19,714
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
	13,887	40,793

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

The Smallpeice Trust, 74 Upper Holly Walk,
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SMALLPEICE TRUST LIMITED

England & Wales - Charity number 313719

Accounts

THE SMALLPEICE TRUST

ANNUAL REPORT
AND FINANCIAL STATEMENTS
for the year ended 31 August 2022

Company Registration No. 882371
Registered Charity No. 313719

THE SMALLPEICE TRUST
LEGAL AND ADMINISTRATIVE INFORMATION
31 August 2022

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 (resigned 8 September 2022)
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 Ganeshanathan (appointed 8 September 2021)
Mr Graham Heaven (appointed 9 June 2022)

Principal members of staff:
Dr Kevin P Stenson - Chief Executive
Ms Lisa Foster - Chief Operating Officer
Ms Caroline Broadway – Director of Engagement

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

THE SMALLPEICE TRUST
CHAIRMAN' S REPORT
31 August 2022

Engineering is the very cornerstone of civilisation. The cars we drive, the aircraft we fly in, our mobile phones, televisions, wind turbines and solar power, the internet and all the clever devices we rely on so much today were developed, designed, and made possible by engineers.

In my teenage years man landed on the moon, inspiring my generation to believe engineers could not just think out of the box: they could operate beyond our planet. I have spent my life as an engineer working in this country and overseas. Engineering opened opportunities beyond my wildest dreams. Yet, when I was at school, I barely knew what engineering was.

This is why I am so passionate about introducing young people to the subject; allowing them to grasp from an early age the challenges, the fun, and the reward of engineering. For nearly 60 years the Smallpeice Trust has been inspiring young people to take up a career in Engineering. I feel very proud to have been asked to chair this unique charity.

Our founder, Dr Cosby Smallpeice, was a notable engineering entrepreneur. His endowment still makes a significant contribution to our costs, so the money we raise goes to benefit our students. I must take this opportunity to thank our partners for their support through the difficult times we have all faced with COVID-19. Parents, teachers, universities, alumni, corporate partners, charities and, of course, our dedicated staff have all helped to make possible our goal of reaching nearly 56,000 young people to develop their life, leadership and engineering skills.

The UK has a recognised shortage of engineers. We need dare our young people to imagine what a difference they could make to the wealth and well-being of our nation. Whichever branch of technical subjects they might study at school the sciences, maths or computation there is a rich and rewarding role awaiting in engineering.

Dr Alan Begg FREng

THE SMALLPEICE TRUST
TRUSTEES REPORT
31 August 2022

The trustees, who are the directors of the charitable company, present their report and the financial statements for the year ended 31 August 2022 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.

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 the 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. 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 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 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.

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.

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 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.

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 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

Mr Abiram Ganeshanathan was appointed and Prof Richard Folkson resigned as a Trustee on 08 September 2021; Mr Graham Heaven was appointed as a Trustee on 09 June 2022, and Mr Paul Doble resigned as a Trustee on 08 September 2022.

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.

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 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 2021/22 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 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.

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 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,

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 begin 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.

STRUCTURE GOVERNANCE AND MANAGEMENT (CONTINUED)

Indemnity insurance

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

ACHIEVEMENTS AND PERFORMANCE

Educational Activities

The strategic ambitions of The Smallpeice Trust that direct our educational activities are to:

1. increase the number of students aged 8 – 18 years taking part in the Trust's programmes
2. increase the quality of interactions with students (and their influencers) that take part in the programme

The Trust's achievement against these ambitions in 2021/22 are as follows:

1. 56,000 students benefited from the Trust's programmes
2. STEM programme:
    a. Over 36,000 students, from over 1,000 schools, benefitted from a STEM event (compared to 20,000 the previous year)
        i. 93% of students enjoyed their STEM event
        ii. 88% of students learnt something new
        iii. 56% of students would consider becoming an engineer following their STEM event
        iv. 97% of teachers rated their STEM event as excellent or good
    b. Over 15,000 students completed the first year of the Coding Success programme
        i. 98% of teachers felt Coding Success supported them to teach coding and programming
        ii. 91% of teachers felt Coding Success supported students' careers development
        iii. 98% of teachers felt Coding Success supported students' development of key skills
        iv. 32% of primary school students, and 61% of secondary school students would consider a career in computer science or STEM following Coding Success
    c. Nearly 2,000 students benefitted from the pilot of the Trust funded 'STEM sessions'
3. Course programme:
    a. 24 courses were delivered to over 1,000 students
    b. 57% of which were female or non-binary students
    c. 86% of student increased their interest in engineering
    d. 91% of students increased their awareness of routes into engineering
    e. 86% of students will consider studying engineering in the future
4. Arkwright Engineering Scholarship programme:
    a. 597 Arkwright Engineering Scholarships were supported
    b. 295 new Scholarships awarded, of which 43% were female or non-binary students
    c. 96% of our last cohort of scholars have gone to study engineering or a related subject



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Educational Activities (continued)

2021/22 can be characterised by the move to a hybrid approach. This includes the teams' working pattern and our delivery model across our programmes. The year saw a return to face-to-face programme delivery, complemented by a virtual offering. This hybrid approach has allowed the Trust to increase the number and geographic distribution of schools we can reach, and to offer more flexibility to the students we work with.

We have seen the number of students benefiting from our STEM Programme nearly double to 36,000, reaching over 1,000 schools. The hybrid model has been central to this, with a significant growth in our Primary School Virtual STEM events, each for multiple schools; over 300 Primary Schools benefitted from Virtual STEM events delivered by the Trust's education team based at our Leamington Spa headquarters. 200 of these Primary Schools took part in the Road to RIAT (Royal International Air Tattoo) programme sponsored by the Royal Air Force Charitable Trust and Royal Air Force. Our secondary school STEM events finally returned to face-to-face delivery in schools, following two years impacted by COVID-19. Coding Success, a programme of teacher led coding lessons using LEGO robots in class, and funded by BAE Systems, the RAF and Royal Navy, continued to be a hybrid mix of virtual teacher training, followed by teacher led in school deliver. Consistent with our aim to increase the impact of our programmes, and help build science capital, we piloted our new Trust funded 'STEM Sessions' which offers schools multiple interventions again delivered virtually from Leamington Spa.

2021/22 saw the return of residential courses, as the Trust began to rebuild the programme following two years of disruption, working with our long-standing university partners. The team were delighted to be able to spend time with students face-to-face again at campuses up and down the country. It was particularly encouraging to see nearly 100 12 to 14-year-old students attend our Girls into Engineering Course, getting hands on with real world projects provided by GE and Leonardo. Seeing the students' enthusiasm, teamwork and range of skills was fantastic – and hearing how much they had all benefited from the chance to do the projects, meet other girls like them and hear about the range of careers on offer. The student feedback across the course programme shows how important this activity is to inspire our next generation of engineers.



We continued to run virtual events, to offer students across the UK the chance to attend one of our courses. The delivery team rose to the challenge of this hybrid model and provided a meaningful learning experience for hundreds of students.

The Arkwright Engineering Scholarships programme similarly demonstrated the hybrid model in action, with virtual Awards Ceremonies for our 2021 Scholars, and virtual interviews for our 2022 applicants (which offers greater accessibility for students). We returned to offering industry 'Connect Days' face-to-face, again complemented by virtual ones offering greater accessibility.

The importance of soft skills has been a theme that has emerged over the year, with the impact of COVID on students' development being noticeable. As a result we have embedded the use of the Skills Builder Universal Framework across all our programmes to help students gain vital life skills alongside learning about engineering.

The Trust was delighted to be a partner in a range of initiatives. We've seen many of these progress into a second year, including STEM Accord West Midlands Pilot, Playground Games Coding Clubs, McLaren Racing Engage and Coding Success. We've also seen the return of programmes that were halted due to the pandemic, like the Global Underwater Hub STEM Challenge. All the activities will help inspire more young people to think about careers in engineering and computer science.

These have been joined by new programmes and partnerships, including with the Virgin Atlantic Foundation, developing a new programme for the RAF and RAF Charitable Trust to provide a Road to RIAT and working with Birmingham City University on a series of courses to help widen participation. The Trust is delighted to be able to welcome new partners, to increase our shared impact, as well working with longstanding partners to produce new approaches to reach more young people.

The Trust set an ambitious budget for 2021/22 with a target income of £2.75 million (programme and rental/licence income) based on an anticipated bounce forward following two financial years impacted by COVID-19. The Trust achieved 80% of this ambitious budget. Whilst our STEM programme and Arkwright Engineering Scholarships programme achieved largely in line with budget, the re-establishment of our course programmes with universities proved more challenging following two years of disruption, whilst universities were in the main keen to work with the Trust again, a number were unable to commit resource within the required timeframe. It should also be noted that a Government funded programme that the Trust is a delivery partner in achieved ca. 60% of the budgeted income, following the Government's October 2021 spending review.



Feedback from teachers, parents and students regarding our programmes was very positive again in 2021/22.

Teachers have done an amazing job over the last year, and we're pleased to support them by providing STEM enrichment. ***Jeannette Murch, a Science Teacher from Honiton Community College, Devon shares her experience of using our Powered Glider Think Kit:***

Since we received the Think Kit, we've been able to set up an all-girls STEM Club, and we've been steadily working our way through the activities in the pack. The members of the club come from Years 7, 8 and 9, and most joined after they heard about it from friends and became intrigued.

Running the club has been really refreshing actually, because the members aren't necessarily the students I thought would start their own STEM club. They've enjoyed it so much and it has definitely made them more enthusiastic about science, technology, maths and engineering.

The starter activity in particular was a great introduction, teaching the girls the principles of lift, and encouraging them to work together to solve problems. They really got stuck into the building stage, and the problem-solving has challenged them to do something outside of their comfort zone. Speaking of which, I've also found the Think Kit rewarding, as I've learnt new skills and focused more on design than I normally would in my daily activities as a Science Teacher.

We would thoroughly recommend the Think Kits to any interested schools, and we can't wait to see how the club members sustain their newfound passion for STEM subjects

2021 scholar shares her experience... Arwa Fathy

I applied for an Arkwright Engineering Scholarship having heard about it from older students and it was one of the best decisions I have ever made!

Being an Arkwright Scholar has definitely given me an advantage when I have applied for work experience. The name holds a value within the industry; as a result of my Scholarship, I have been lucky to have the opportunity to work at two very competitive placements - Jaguar Land Rover and BAE Systems.

My mentor, an engineer for the Defence Science and Technology Laboratory (DSTL), has been incredibly supportive. It has been great having someone who works in the industry be there for me and offer advice and an insight into what a career in engineering could look like. Alongside career advice, they also have been supporting me with my university applications - offering to proofread and refine my personal statement.

A highlight, so far, of my time as an Arkwright Scholar may be the two Connect Days I attended - one with Baker Hughes and the other with the Royal Air Force (RAF). On the Connect Days, I had the chance to tour Baker Hughes manufacturing plant. The RAF Connect Day was a week residential, completely free of charge. We were lucky enough to spend a day at RAF Odiham trying the flight simulators and seeing the Chinook helicopters! The Connect Days were good opportunities to meet fellow Scholars and make friends with people of similar interest.

So far, with my funding, I have bought textbooks, paid for my UCAS university application, and attended the UKESF Girls into Electronics event at the University of Liverpool. I also used it to buy electromagnets and springs for my A-level DT project.

My experience, so far, on the Scholarship has helped me understand which route I want to take in engineering - I have decided I want to study mechanical engineering at university. After university, I intend to pursue a career in Formula 1, specifically working on the precision engineering behind those high-performance vehicles – this is where my true passion for engineering lies



Road to RIAT

"The children loved testing their designs and then fixed the parts they thought were causing problems. Afterwards, I had to show them a Royal Air Force video as that excited them a lot!" Primary school teacher, Essex.

FINANCIAL REVIEW

Results and state of affairs

The Trust's total income increased by approx. £1.2m compared to 2020/21, of which approx. £1m related to a deed of gift from The Thomas Gerald Gray Charitable Trust. There have been small changes across all income areas with the largest being a 9% increase in course income on the prior year. It is also noted that the aftermath of COVID-19 continued to impact the Trust's ability to deliver programmes in 2021/22 to its intended beneficiaries and earn the associated income during the earlier part of the year.

Income from our investments decreased by 5% compared to 2020/21. This has clearly been a very difficult year for financial markets. It is the first full financial year that CCLA Investment Management Limited have been our advisers and although returns have fallen the investments continue to outperform our benchmark.

Following the resizing and restructuring in the previous year 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. Overall expenditure increased by 4% which remained in line with our increased income.

Total fund balances of the Trust at 31 August 2022 amounted to £22,478,354 (2021: £22,245,676) after losses in the value of investment assets of £428,716 (2021: gains of £3,378,446).

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 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

At 31 August 2022 total reserves of The Smallpeice Trust stood at £22,478,354.

These included:

- £940,646 of unrealised cumulative profits on the value of investments and investment property which are included in the Balance Sheet at market value.
- £1,088,912 of restricted funds, which are primarily to fund scholarships and university bursaries in accordance with restrictions imposed by the donor.
- £7,118 of designated funds, to be used to fund scholarships, attendance at Headstart courses and Cambridge University bursaries. It is expected that this fund will be fully expended by 31/08/2023.
- £991,663 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 2022-23.
- £18,000,000 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 £1,250,015.

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 £35 million.

Reserves policy (cont)

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 has had a substantial impact on the operation of the trust over the last two 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.

Future Plans

The Trustees approved a 3 year strategy in June 2022, which set out the following strategic ambitions:

1. Increase the number of students aged 8-18 years taking part in The Smallpeice Trust's programmes
2. Increase the quality of interactions with students (and their influencers) that take part in programmes
3. Move towards a breakeven position on our core programmes in order to reduce the dependence on the Trust's endowment (which has been impacted by two years of COVID-19, and has reduced resource available for strategic development)
4. Seek new income streams to increase the number of young people choosing pathways that make engineering careers possible
5. Complete internal projects consistent with our post lockdown working practices.

It is noted that since June 2022, the global economic context has continued to be impacted by the ongoing war in Ukraine, with the UK facing increasing levels of uncertainty and a tightening economic outlook. Given this uncertainty and economic outlook, combined with our experiences in 2021/22, the Trust has set a prudent budget for 2022/23.

The Trust's income target for 2022/23 is £2m in support of Objectives 1, 2 and 3, which Is broadly in line with the current year.

Some of the key activities that will be undertaken in support of achievement of these Objectives by programme.

STEM Programme:

1. Grow the Road to RIAT programme, with increased numbers of interventions during the academic year.
2. The Trust funded virtual 'STEM sessions' piloted in 2021/22 will be grown in terms of schools reached, this programme offers schools multiple interventions and builds science capital in young people.
3. STEM for Girls. We will be undertaking a desktop review of existing research into why girls are less likely to engage with STEM and then developing and piloting new activities, with the learnings integrated into the Trust's catalogue of STEM activities and available to other organisations.
4. We will increase signposting to additional resources and activities across the STEM programme.

Course Programme:

1. Following research with students and their influencers regarding their needs, The Smallpeice Trust will be piloting General Engineering courses for students in Years 8 and 9 (aged 12-14 years). These pilots will involve both face to face and virtual delivery building on learnings over the last 3 years and will be led by members of the Trust's Education team. These courses will offer speaking opportunities to both industry and Trust alumni to inspire, inform and influence the students.
2. Similarly, based on research, The Smallpeice Trust will be piloting General Engineering courses for students in Years 12 intended to give students a broader experience of engineering in a university setting.

Arkwright Engineering Scholarship programme:

1. Increase the number of EDI (Equality, Diversity & Inclusion) partnership schools engaging with the programme, along with more females and state school applicants.

As noted above, the Trust took receipt of a very generous gift of approx. £1m from The Thomas Gerald Gray Charitable Trust following their decision to wind up as Charity; the Trusts have enjoyed a strong partnership for many years. The Trustees of The Smallpeice Trust are indebted to the Trustees of The Thomas Gerald Gray Charitable Trust for this gift. Consistent with the shared aims of both Trusts, The Smallpeice Trust's first application of this gift is to fund the STEM for Girls research outlined above.

In support of strategic ambition 4, during 2022/23, the Trust will develop its strategy for how it plans to secure new income streams to increase the number of young people choosing pathways that make engineering careers possible.

In support of strategic ambition 5, key activities within 2022/23 include:

1. As a charity that operates increasingly in a virtual context (both in terms of how the team works, and how we deliver programmes), and that stores sensitive data regarding the beneficiaries of its programme, the Trust is investing capital from its reserves into the implementation of its IT strategy for the next 3 years, and to ensure we remain best in class. This includes ongoing investment in our Cyber Infrastructure, and the integration of our Arkwright Engineering Scholarship programme's student application process with the Trust's CRM system.
2. The proposed sale of Smallpeice House. Immediately after the year end the long-term tenant for the investment property, Smallpeice House, ended their lease. We have been actively pursuing the best alternative options but to date none have reached conclusions. Both the property letting and sales markets are volatile given the overall financial uncertainty therefore we may face some unfavourable consequences while the property remains on our books without a tenant. We have however designated funds we believe may be necessary while we realise a more positive solution.
3. Complete internal projects consistent with our post lockdown working practices. During the year we will go through a reaccreditation of our Investors In People (IIP) certification as part of our commitment to being a "best in class" employer. We will continue to monitor the economic climate and how this potentially impacts our colleagues in order to ensure that our total employment package continues to keep pace. This is consistent with the actions taken in 2021/22 such as our salary benchmarking exercise, and our cost-of-living adjustment.

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 8 December 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 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

Opinion

We have audited the financial statements of The Smallpeice Trust (the 'charitable company') for the period ended 31 August 2022 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 2022, 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.

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.

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. 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.

Dains Audit Limited

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

Statutory Auditor
Chartered Accountants
Birmingham

8 December 2022

THE SMALLPEICE TRUST

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

Income from:	Note	Unrestricted General funds £	Designated funds £	Restricted funds £	31 August 2022 £	31 August 2021 £
Donations and legacies	3	300,608	-	1,343,641	1,644,249	661,521
Charitable activities	4	1,408,982	-	-	1,408,982	1,225,096
Investments	5	514,770	-	-	514,770	518,364
Other	6	134,363	-	-	134,363	119,845
Total income		2,358,723	-	1,343,641	3,702,364	2,524,826
Expenditure on:						
Raising funds	7	299,292	-	-	299,292	328,022
Charitable activities	8	2,317,584	116,959	307,135	2,741,678	2,645,189
Total expenditure		2,616,876	116,959	307,135	3,040,970	2,973,211
Net Operating income / (expenditure)		(258,153)	(116,959)	1,036,506	661,394	(448,385)
Net gains / (losses) on investments	14	(428,716)	-	-	(428,716)	3,378,446
Net income / (expenditure)		(686,869)	(116,959)	1,036,506	232,678	2,930,061
Transfers between funds	19/20	(19,195,618)	19,241,122	(45,504)	-	-
Net movement in funds		(19,882,487)	19,124,163	991,002	232,678	2,930,061
Reconciliation of funds						
Total funds brought forward	19/20	22,073,148	74,618	97,910	22,245,676	19,315,615
Total funds carried forward		2,190,661	19,198,781	1,088,912	22,478,354	22,245,676

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 2021

Income from:	Note	Unrestricted General funds £	Designated funds £	Restricted funds £	31 August 2021 £
Donations and legacies	3	360,245	-	301,276	661,521
Charitable activities	4	1,225,096	-	-	1,225,096
Investments	5	518,364	-	-	518,364
Other	6	119,845	-	-	119,845
Total income		2,223,550	-	301,276	2,524,826
Expenditure on:					
Raising funds	7	319,122	-	8,900	328,022
Charitable activities	8	2,328,489	36,500	280,200	2,645,189
Total expenditure		2,647,611	36,500	289,100	2,973,211
Net Operating income / (expenditure)		(424,061)	(36,500)	12,176	(448,385)
Net gains / (losses) on investments	14	3,378,446	-	-	3,378,446
Net income / (expenditure)		2,954,385	(36,500)	12,176	2,930,061
Transfers between funds		-	-	-	-
Net movement in funds		2,954,385	(36,500)	12,176	2,930,061
Reconciliation of funds					
Total funds brought forward		19,118,763	111,118	85,734	19,315,615
Total funds carried forward		22,073,148	74,618	97,910	22,245,676

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 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible Fixed Assets	12	126,733	-
Tangible assets	13	864,930	1,089,122
Investments			
- listed	14	17,866,177	18,075,110
- other	14	1,500,000	1,100,000
		20,357,840	20,264,232
Current assets			
Stocks	15	45,000	-
Debtors	16	1,577,677	386,206
Cash at bank and in hand		1,583,456	2,671,730
		3,206,133	3,057,936
Creditors: amounts falling due within one year	17	(968,469)	(960,992)
Net current assets		2,237,664	2,096,944
Total assets less current liabilities		22,595,504	22,361,176
Creditors: amounts falling due within one year	17	(117,150)	(115,500)
Net Assets		22,478,354	22,245,676
Charity Funds			
Restricted funds	19	1,088,912	97,910
General income funds		1,250,015	19,466,297
Revaluation reserves		940,646	2,606,851
Designated funds		19,198,781	74,618
Total unrestricted income funds	20	21,389,442	22,147,766
Total Funds		22,478,354	22,245,676

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 8 December 2022 and are signed on their behalf by:

Dr Alan Begg – Chairman

THE SMALLPEICE TRUST
STATEMENT OF CASHFLOWS
31 August 2022

		31 August 2022 £	31 August 2021 £
Cash flow from operating activities	22	(1,098,811)	(841,523)
Net cash flow from operating activities		(1,098,811)	(841,523)
Cash flow from investing activities			
Payments to acquire investments		(619,783)	(16,151,723)
Receipts from sales of investments		-	17,086,512
Interest received		4,198	390
Dividends received		510,573	517,974
Rents received		115,549	114,415
Net cash flow from investing activities		10,537	1,567,568
Net increase / (decrease) in cash and cash equivalents		(1,088,274)	726,045
Cash and cash equivalents at 1 September 2021		2,671,730	1,945,685
Cash and cash equivalents at 31 August 2022		1,583,456	2,671,730
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,583,456	2,671,730
Cash and cash equivalents at 31 August 2022		1,583,456	2,671,730

Analysis of changes in net debt:

	2021 £	Cashflow £	2022 £
Cash and cash equivalents	2,671,730	(1,088,274)	1,583,456

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.

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

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.

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.

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.

2 Accounting policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

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

	2022 £	2021 £
Donations	631,249	661,521
The T G Gray Charitable Trust	1,013,000	-
	1,644,249	661,521

Income from donations and legacies was £1,644,249 (2021: £661,521) of which £1,343,641 (2021: £301,276) was attributable to restricted funds and £300,608 (2021: £360,245) attributable to general unrestricted funds.

4 Income from charitable activities

	2022 £	2021 £
Course income	1,347,702	1,177,897
Aptitude test fees and sundry income	61,280	47,199
	1,408,982	1,225,096

Income from charitable activities was £1,408,982 (2021: £1,225,096) which was entirely attributable to general unrestricted funds.

5 Investment income

	2022 £	2021 £
Income from listed investments	510,573	517,974
Bank and deposit interest	4,197	390
	514,770	518,364

Investment income was £514,770 (2021: £518,364) which was entirely attributable to general unrestricted funds.

6 Other income

	2022 £	2021 £
Rent receivable	95,549	94,415
Licence fees and related income	20,000	20,000
Sundry income	18,814	-
Furlough grants: UK Coronavirus Job Retention Scheme	-	5,430
	134,363	119,845

Other income was £134,363 (2021: £119,845) which was entirely attributable to general unrestricted funds.

7 Cost of raising funds

	2022 £	2021 £
Publicity, fundraising and charity development	294,242	260,858
Investment management fees	-	49,112
Investment property costs	5,050	18,052
	299,292	328,022

The cost of raising funds was £299,292 (2021: £328,022) of which £nil (2021: £8,900) was attributable to restricted funds and £299,292 (2021: £319,122) attributable to general unrestricted funds.

8 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Grant funding activities £	Support costs £	2022 Total £	2021 Total £
	1,542,197	283,900	915,581	2,741,678	2,645,189
	1,542,197	283,900	915,581	2,741,678	2,645,189

Activities undertaken directly represent the direct costs of running courses and educational events. The cost of charitable activities was £2,741,678 (2021: £2,645,189) of which £307,135 (2021: £280,200) was attributable to restricted funds, £116,959 (2021: £36,500) attributable to designated unrestricted funds and £2,317,584 (2021: £2,328,489) attributable to general unrestricted funds.

Included in expenditure on charitable activities was £283,900 (2021: £330,600) of grants made during the period in the form of scholarships and bursaries to individuals and their respective schools, colleges or educational institutions.

8 Analysis of expenditure on charitable activities (continued)	2022 £	2021 £
Support costs		
Staff costs	331,399	382,208
Hotel and travel	29,270	1,768
Stationery and course development	27,061	27,117
Printing, artwork & brochures	7,378	48,696
Property and utility costs	113,112	81,207
Training and recruitment	31,670	45,334
Depreciation	97,458	114,383
Equipment and IT costs	214,703	189,784
Other sundry costs	19,979	21,240
Governance costs (note 9)	43,551	59,170
	915,581	970,907

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

9 Governance costs	2022 £	2021 £
Auditors' remuneration	10,643	10,500
Trustees' and meeting expenses	5,864	889
Trustees' indemnity insurance	5,992	5,913
Legal and professional fees	21,052	41,868
	43,551	59,170

10 Net income / (expenditure) for the period	2022 £	2021 £
Total resources expended is stated after charging / (crediting):		
Depreciation	97,459	114,383
Operating lease rentals	17,759	18,426
Auditors' remuneration - audit	11,365	10,500
- other services	-	10,655

11 Employee costs and benefits	2022 £	2021 £
Salaries	1,268,591	1,208,180
Social security costs	134,487	124,804
Other pension costs	131,910	124,829
Compensation for loss of office	-	28,064
Life assurances	3,300	4,247
Private health insurance	15,415	12,375
	1,553,703	1,502,499

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 £131,910 (2021: £124,829). Amounts payable at the year end were £nil.

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

	2022 Number	2021 Number
£70,001 - £80,000	2	1
£120,001 - £130,000	1	1

Key Management Personnel

The total amount of employee compensation (including employers NI) received by key management personnel was £289,983 (2021: £265,019). 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.

Trustees

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

	2022 Number	2021 Number
Education team staff	19	23
Partner engagement	10	8
Administrative and support staff	10	9
	39	40
Full time equivalent staff	38	39

No emoluments were paid during the period to any trustee. During the period 6 (2021:10) trustees received reimbursement for the cost of travel to and from meetings and accommodation where necessary in the sum of £2,298 (2021: £889). The cost of providing trustees and officers insurance during the period amounted to £5,992 (2021: £5,913).

12 Intangible fixed assets

	Computer Software £	Website £	Total £
Cost			
Transfer	266,457	48,000	314,457
Disposals	-	-	-
31 August 2022	266,457	48,000	314,457
Depreciation			
Transfer	106,432	18,400	124,832
Charge for the period	53,292	9,600	62,892
31 August 2022	159,724	28,000	187,724
Net book value			
31 August 2022	106,733	20,000	126,733

13 Tangible fixed assets

	Freehold property £	Office furniture and equipment £	Motor vehicles £	Total £
Cost				
1 September 2021	1,357,406	501,073	20,798	1,879,277
Additions	-	-	-	-
Disposals / Transfer	-	(314,457)	-	(314,457)
31 August 2022	1,357,406	186,616	20,798	1,564,820
Depreciation				
1 September 2021	472,311	297,046	20,798	790,155
Transfer	-	(124,832)	-	(124,832)
Charge for the period	23,148	11,419	-	34,567
31 August 2022	495,459	183,633	20,798	699,890
Net book value				
31 August 2022	861,947	2,983	-	864,930
31 August 2021	885,095	204,027	-	1,089,122

14	Fixed asset investments	2022 £
	Listed investments	
	Market value at 31 August 2021	18,075,110
	Additions during the period	619,783
	Disposal proceeds	0
	Net investment gains / (losses)	(828,716)
	Market value at 31 August 2022	17,866,177
	Historical cost at 31 August 2022	18,194,435
	UK listed investments are represented by:	
	Investment trusts and unit trusts	17,866,177
		17,866,177

		£
	Investment property	
	Market value 31 August 2021	1,100,000
	Revaluation gain / (loss)	400,000
	Market value 31 August 2022	1,500,000

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.

15	Stocks	2022 £	2021 £
	Goods for resale	45,000	-

16	Debtors	2022 £	2021 £
	Trade debtors	422,152	309,887
	Prepayments	129,284	44,800
	Accrued income	1,023,385	30,002
	Other debtors	2,856	1,517
		1,577,677	386,206

17	**Creditors:** amounts falling due within one year	2022 £	2021 £
	Trade creditors	284,302	149,300
	Taxation and social security	43,143	28,758
	Accruals	199,737	223,129
	Deferred income	433,899	558,305
	Rent deposit	1,500	1,500
	Other creditors	5,888	-
		968,469	960,992

	Creditors: amounts falling due after more than one year	2022 £	2021 £
	Deferred income	117,150	115,500

18	**Deferred income**	2022 £	2021 £
	Brought forward	673,805	712,115
	Released to SoFA	(550,275)	(633,273)
	Deferred income received this period	427,519	594,963
	Carried forward	551,049	673,805

Deferred income represents £120,149 (2021: £239,793) of course sponsorships, and activity and events income received in advance and £430,900 (2021: £434,012) of donations received in advance in respect to scholarships.

19 Restricted Funds

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

	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
	97,910	1,343,641	(307,135)	(45,504)	-	1,088,912

	Balance 31 August 2020 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 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)	-	-	-
	85,734	301,276	(289,100)	-	-	97,910

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

20 Unrestricted funds

	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
	22,147,766	2,358,723	(2,733,835)	45,504	(428,716)	21,389,442

	Balance 31 August 2020 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 2021 £
General funds	14,894,123	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:						
2011 Fund	111,118	-	(36,500)	-	-	74,618
	19,229,881	2,223,550	(2,684,111)	-	3,378,446	22,147,766

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

21 Net assets between funds

	Fixed Assets £	Net Current Assets £	Non-Current Liabilities £	Total 31 Aug 2022 £
Unrestricted Fund	1,366,177	893,614	(69,130)	2,190,661
Unrestricted funds at 31 August 2022	1,366,177	893,614	(69,130)	2,190,661
Designated Fund	18,991,663	207,118	-	19,198,781
Designated funds at 31 August 2022	18,991,663	207,118	-	19,198,781
Restricted Fund	-	1,136,932	(48,020)	1,088,912
Restricted funds at 31 August 2022	-	1,136,932	(48,020)	1,088,912
Total funds at 31 August 2022	20,357,840	2,237,664	(117,150)	22,478,354

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

	2022 £	2021 £
Net income / (expenditure) for the period	232,678	2,930,061
Dividends received	(510,573)	(517,974)
Rents from investment properties	(115,549)	(114,415)
Interest receivable	(4,197)	(390)
Depreciation of fixed assets	97,459	114,383
(Gains) / losses on investments	428,716	(3,378,447)
(Increase) / decrease in stock	(45,000)	-
(Increase) / decrease in debtors	(1,191,471)	20,219
Increase / (decrease) in creditors	9,126	105,040
Net cash flow from operating activities	(1,098,811)	(841,523)

23 Commitments under operating leases

	2022 £	2021 £
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	9,135	11,983
Later than one and not later than five years	10,579	3,936
	19,714	15,919
Total future minimum lease payments receivable under non-cancellable operating leases are as follows:		
Not later than one year	20,417	95,584
Later than one and not later than five years	20,376	34,450
	40,793	130,034

The trust lets its investment property, Smallpeice House, under a lease expiring September 2022; and also office space comprising a room at its operating premises.

24 Capital commitments

At the 31 August 2022 the charity has committed a total of £47,000 (2021: £Nil).

25 Ultimate Controlling Party

The board of Trustees control the charity.

26 Related Party transactions

During the year the Trust received £27,500 from organisations the Trustees were connected with.

SMALLPEICE TRUST LIMITED

England & Wales - Charity number 313719

Accounts

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.

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.

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.

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.

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-19 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.

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-19 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

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.

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.

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.

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 General funds £	Unrestricted Designated funds £	Restricted funds £	31 August 2021 £	31 August 2020 £
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
Total income		2,232,550	-	301,276	2,524,826	2,158,060
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
Total expenditure		2,647,611	36,500	289,100	2,973,211	3,496,935
Net gains / (losses) on investments	13	3,378,446	-	-	3,378,446	(3,220,364)
Net income / (expenditure)		2,954,385	(36,500)	12,176	2,930,061	(4,559,239)
Transfers between funds		-	-	-	-	-
Net movement in funds		2,954,385	(36,500)	12,176	2,930,061	(4,559,239)
Reconciliation of funds						
Total funds brought forward		19,118,763	111,118	85,734	19,315,615	23,874,854
Total funds carried forward		22,073,148	74,618	97,910	22,245,676	19,315,615

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
		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
		3,057,936	2,352,109
Creditors: amounts falling due within one year	15	(960,992)	(832,052)
Net current assets		2,096,944	1,520,057
Creditors: amounts falling Due after more than one year	15	(115,500)	(139,400)
Net Assets		22,245,676	19,315,615
Charity Funds			
Restricted funds	17	97,910	85,734
General income funds		19,466,297	14,894,132
Revaluation reserves		2,606,851	4,224,631
Designated funds		74,618	111,118
Total unrestricted income funds	18	22,147,766	19,229,881
Total Funds		22,245,676	19,315,615

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)
Net cash flow from operating activities		(841,523)	(1,408,238)
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
Net cash flow from investing activities		1,567,568	(59,274)
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
Cash and cash equivalents at 31 August 2021		2,671,729	1,945,684
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,671,729	1,945,684
Cash and cash equivalents at 31 August 2021		2,671,729	1,945,684

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.

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.

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
	661,521	748,043

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.

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
	1,225,096	616,933

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
	518,364	648,405

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
	119,845	144,679

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
	328,022	513,555

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.

8 Analysis of expenditure on charitable activities

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

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
	970,907	1,098,688

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.

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
		52,253	81,244

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

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
		1,502,499	1,649,658

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 Number	31.08.2020 Number
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1

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.

11 Employee costs and benefits (continued)

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

	31.08.2021 Number	31.08.2020 Number
Education team staff	29	33
Administrative and support staff	11	13
	40	46

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	-	-	-	-
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
31 August 2021	472,311	297,046	20,798	790,155
Net book value				
31 August 2021	885,095	204,027	-	1,089,122
31 August 2020	908,243	291,796	3,466	1,203,505

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
Market value at 31 August 2021	18,075,110
Cost at 31 August 2021	16,074,656
UK listed investments are represented by:	
Investment trusts and unit trusts	18,075,110
	18,075,110

	31.08.2021 £
Investment property	
Market value 31 August 2020	1,100,000
Revaluation gain / (loss)	-
Market value 31 August 2021	1,100,000

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%.

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
	386,206	406,425

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
	960,992	832,052

Creditors: amounts falling due after more than one year

	31.08.2021 £	31.08.2020 £
Deferred income	115,500	139,400

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
Carried forward	673,805	712,115

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 31 August 2020 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 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)	-	-	-
	85,734	301,276	(289,100)	-	-	97,910

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

18 Unrestricted funds

	Balance 31 August 2020 £	Incoming resources £	Expenditure £	Transfers £	Gains/(Losses) on Assets £	Balance 31 August 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
	19,229,881	2,223,550	(2,684,111)	-	3,378,446	22,147,766

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.

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	20,264,233	1,872,315	(63,400)	22,073,148
Designated Fund	-	74,618	-	74,618
Designated funds at 31 August 2021	-	74,618	-	74,168
Restricted Fund	-	150,010	(52,100)	97,910
Restricted funds at 31 August 2021	-	150,010	(52,100)	97,910
Total funds at 31 August 2021	20,264,233	2,096,943	(115,500)	22,245,676

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	(841,523)	(1,408,238)

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
	15,919	32,584
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
	130,034	183,998

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.