

Sparkle (South Wales) Limited

known as

The Sparkle Appeal

Previously named South Gwent Children's Foundation

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Company registration number: 04238990

Charity registration number: 1093690

HSJ Accountants Ltd
Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

Sparkle (South Wales) Limited

known as The Sparkle Appeal

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Reference and Administrative Details

Trustees

Dr S Maguire
Mrs J Sheppard
Dr M A Barber (resigned 30 April 2021)
Ms M Ali
Mrs H Salmon
Mr K Rutherford
Mr NG Williams
Mrs J Kelly
Mr M Gerrard
Ms N Garnon (appointed 29 April 2021)

Principal Office

Sparkle Appeal Office
Serennu Children's Centre
Cwrt Camlas
Newport
South Wales
NP10 9LY

Registered Office

Serennu Children's Centre
Cwrt Camlas
Newport
South Wales
NP10 9LY

The charity is incorporated in the United Kingdom.

Company Registration Number 04238990

Charity Registration Number 1093690

Bankers

Barclays Bank PLC
Newport Commercial Street
14-15 Commercial Street
Newport
South Wales
NP20 1HE

Independent Examiner

HSJ Accountants Ltd
Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

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Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

Trustees

Dr S Maguire
Mrs J Sheppard
Dr M A Barber (resigned 30 April 2021)
Ms M Ali
Mrs H Salmon
Mr K Rutherford
Mr NG Williams
Mrs J Kelly
Mr M Gerrard
Ms N Garnon (appointed 29 April 2021)

Objectives and activities

Objects and aims

Sparkle's vision is that 'all children and young people with additional needs should be able to achieve their full potential, regardless of their disability or learning difficulties. Sparkle will work to achieve this directly with families in Gwent, and with the knowledge gained, influence change across the UK. Our aim is to achieve this through three key areas of work:

1. Equitable enhanced service provision for children with additional needs across Gwent
2. Training, educating, and working with other providers to enable children with additional needs to realise their potential
3. Advocacy within Gwent, across Wales (and ultimately the UK) to advance the optimal model of care and support

Public benefit

The charity's purpose is to benefit the children and families in the area covered by the charity's activities. The trustees can confirm and evidence that the activities carried out by the charity throughout the last year have been for the benefit of those children and families who have identified additional and special needs.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. Our memorandum and articles have been updated in May 2021 to reflect current legislation.

Use of volunteers

On the volunteer front, 3,147 hours were logged from 1 April 2020 to 31 March 2021 in support of Sparkle services, which based on an hourly rate of £8.30 per hour represents a cost saving of £26,120 to Sparkle.

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Trustees' Report

Achievements and performance

The charity pursues a range of objectives in line with its overarching role in providing services and support to children with additional needs including their families. This past year has been extremely challenging, in the light of the COVID-19 SARS Pandemic. In line with government guidance, all of our activities were suspended in March 2020 until July 2020 and again during January 2021.

During this time, we strived to continue providing our activities for children and young people (YP) 'virtually', where the YP were able to engage in this format. We also provided online and telephone support for parents and carers through our Family Liaison Officers and ran a parent support intervention for Flying Start families in the Torfaen area, which was very well received.

In February 2021, we recommenced face to face club activities for children and YP, in strict accordance with COVID-19 risk guidance. Since that time, we have been running clubs for 137 children in Serennu and 60 children in North Gwent, operating from a number of different community venues. The costs of these clubs is significantly higher than normal, due to the extra staffing required to accommodate extensive cleaning regimes, reduced numbers of children to achieve safe distancing, and an increase in 1:1 and 2:1 support for those children who are unable to understand 'social distancing' as a concept.

We have conducted in-depth evaluations, including one identifying the 'unmet needs' across North Gwent, having now become the charity partner supporting the Children's Centre, currently operating from Nevill Hall Hospital, Abergavenny. The outcome of this review has led to the development of new clubs and activities, delivered five days a week, across multiple sites in North Gwent. A clear conclusion from this work is that the existing Children's Centre is no longer fit for purpose, and thus Sparkle have now submitted a bid to Welsh Government, via the Capital stream of ICF fund, to conduct an in depth feasibility study for the building of a new Children's Centre with a Transition Hub.

Other evaluations relate to specific services for children with complex needs, which Sparkle have been instrumental in the development of, which have been presented to our partner agencies. We have had two evaluation reports accepted for scientific publication, examining the impact of services provided by Sparkle, including the 'Dad's group' and our 'residential trips'.

In October 2020 we were approached by the charity supporting Caerphilly Children's Centre, as they wish to gradually withdraw their support and are unable to meet the expectations of families. We have agreed to become a partner charity for this area, which means that Sparkle is now the charity supporting all five local authorities across Gwent. We are currently exploring unmet needs in the Caerphilly area, and will then create a funding strategy to enable us to commence activities there in the coming year. In the interim, children from this area are able to access our 'Family swim' and MediCinema sessions.

We have drawn up a 5 year strategic plan, outlining our key objectives and key performance indicators for each of these.

The impact of COVID-19 has been most acutely felt on our fundraising activities, as all of our normal activities had to be suspended, in response to which we launched an emergency appeal, and applied for Welsh Government support through their resilience program: full details below. Overall, we are pleased that we have been able to adapt our service to continue meeting the needs of our families, but clearly we are facing a challenging fundraising environment.

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Trustees' Report

Financial review

Like many others, the Charity's fundraising activities have been significantly impacted this year by the COVID-19 pandemic. However, funds raised from an public emergency appeal, as well as other sources such as grants, corporate sponsors, individual donations and the limited community fundraising activities held, has resulted in a total income of £526,894.

Emergency grant funding was received in the year from organisations such as the Waterloo Foundation, Wales Council for Voluntary Action and Comic Relief has helped ensure the Charity's survival, with further grant funding received from sources such as BBC Children in Need, Aneurin Bevan University Health Board Charitable Fund and Community Foundation Wales supporting the provision of COVID secure leisure services.

Significant donations were received from the Frontier Medical Group amounting to £26,000 to support existing services and O2E amounting to £23,000, which has supported the Charity's expansion into North Gwent and the development of a Rebound Centre at Serennu Children's Centre. A donation of £16,752 was received from Monmouthshire Building Society and the Charity's online emergency appeal at the beginning of the pandemic raised £35,170 in support of the Charity's activities.

These grants and donations have been essential as our main sources of income, given the Charity's limited fundraising opportunities during the pandemic and the Fundraising Manager post being vacant for over half of the year. This has meant that our fundraising activities secured only £3,237.

Sparkle's unrestricted reserves have increased to £313,514 as of 31 March 2021. This reserve will be used if required to safeguard existing activities, and to support the operation of the Charity in the event of further 'lockdown' periods relating to COVID-19.

The Charity's activities in the year grew in North Gwent as the number of playgroups and activities expanded. This led to an increase in the Charities payroll and other costs. The statement of financial accounts for the year on page 14 show how income and costs varied compared to prior year.

For the new year costs are again forecast to increase as the restrictions caused by Covid-19 are lifted and more activities can take place.

Our forecast for the coming year is that our running costs will be significantly in excess of income and as such our unrestricted reserves will diminish. We are however hopeful that with additional Trustee expertise in marketing and fundraising and the recruitment of the right person we will see additional income towards the second half of the year.

Policy on reserves

The trustees have reviewed the reserves policy and, in accordance with Charity Commission guidelines, have considered the level of unrestricted reserves, which it is appropriate for the charity to hold with the imperative that it should be able to continue to meet its charitable objectives in the short term in the event of a temporary shortfall in unrestricted income. The trustees have decided that given the inherent risks as noted above, it is appropriate to hold sufficient free funds to cover the core expenditure required to maintain activities for six months.

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Trustees' Report

Plans for future periods

Aims and key objectives for future periods

- Continue to offer a diverse range of activities and support to children and young people with disabilities/complex needs and their families in Gwent.
- Continue to offer the opportunity for children and young people with disabilities/complex needs to develop skills and try new activities in a safe and non-judgmental environment
- Develop the link between Sparkle services and ABUHB Integrated Services for Children with Additional Needs (ISCAN) to enable Sparkle to reach/support more families early on in their journey.
- Continue to develop Sparkle Youth Forum to allow the voice of young people to be heard both within Sparkle and the Children's Centres, and in the community, for example by visiting places like the Senedd and taking part in the Welsh Youth Parliament Consultation.
- Develop new, and maintain existing, links with local schools to help raise awareness regarding disability and inclusion, for example through school assemblies, school visits to Serennu, engagement with Teaching Assistants and pupil groups, etc.
- Continue to develop services to reach children with the most severe complex health care needs in liaison with partner agencies.
- To run the clubs at capacity and offer the best outcomes for the children and young people we support.
- To support parents around key transition stages, such as post diagnosis and transitions to school/adulthood, by delivering 1:1 sessions or workshops where possible and creating links with outside agencies.
- To consider the needs of the whole family by providing and developing the Sparkling Sibs group and Dads group whilst advertising appropriately in order to reach as wide an audience as possible.
- To begin monthly group work with a small number of children and young people in order to build on their self-esteem to enable them to accept and appreciate their differences.
- To evaluate the current holistic model at Serennu compared to that of a typical Children's Centre in order to gather concrete evidence that additional services provided by Sparkle are having a positive impact on the lives of children with disabilities and their families.
- Continue to ensure transition pathways are in place for children and young people we support to access community provisions.
- To work with community swim provisions to up-skill their staff team and ensure a smooth transition into community swim sessions.

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Trustees' Report

- Finalise the Care Co-ordination evaluation report and consult on the findings with key stakeholders. Once finalised and approved, commence a 'pilot' of the agreed Care Co-ordination model ensuring parents and carers are involved in decision-making throughout the process.
- Review and evaluate the outcome of the Care Co-ordination pilot and agree a way forward.
- To continue Develop and implement robust performance management and monitoring systems to support the needs of a growing and successful charity, enabling Sparkle to develop and be more sustainable for the future.
- To continue Develop and implement quality control frameworks and strategy to ensure that all children and young people and their families receive an equitable and high-quality service from Sparkle.
- Review and streamline policies and procedures within Sparkle to ensure greater robustness, efficiency, effectiveness and sustainability.
- To continue to recruit, train and retain regular volunteers, without whom we wouldn't be able to carry out our work.
- Set up a portal with other similar charities to share resources.
- To carry out a feasibility study for a new centre in North Gwent.

Structure, governance and management

This Trustees' Report and Final Accounts covers the year from 1 April 2020 to 31 March 2021.

Nature of governing document

The governing document of the charity is its Memorandum and Articles of Association – incorporated on 21 June 2001, as amended by special resolution on 15 July 2002, and again on 27 May 2021.

The charity is registered as a private company, limited by guarantee.

Recruitment and appointment of trustees

New trustees are recruited either by personal introduction and interview by the Chairperson, or following external recruitment, with a two-stage interview process by the Chair person, followed by a second interview with two other trustees. Following this, they are appointed by a resolution of the existing trustees, in accordance with the charity's constitution.

Induction and training of trustees

Consideration of appropriate and relevant skills and experience is given when introducing new trustees to the charity. The Chairperson is responsible for making new trustees aware of their responsibilities under charity law, and arranging appropriate induction and training, to include safeguarding and autism awareness training. The Office Manager will ensure that disclosure and barring checks are undertaken where required, and that they complete the appropriate paperwork relating to confidentiality, conflict of interest and all relevant policies pertaining to the charity's business.

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Trustees' Report

Major risks and management of those risks

The trustees have considered the major risks to which the charity is exposed, have reviewed these risks and have established systems and procedures to manage them. The key risks identified by trustees include;

- increasing demand and costs without a similar increase in income.
- Reliance on a small number of large benefactors.
- The Charity helps young people and as such there is a need for very good systems , controls and training to ensure appropriate standards are maintained.
- COVID-19 and the challenges this poses to our operation and income
- The ability to retain key staff members.

Financial Instruments

Objectives and policies

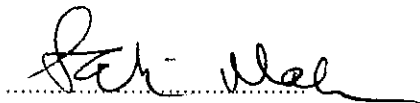
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at settlement value.

The trustees have considered the major risks to which the Charity is exposed, have reviewed these risks and have established internal systems and procedures to manage them.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 22 July 2021 and signed on its behalf by:



Dr S Maguire
Trustee

Sparkle (South Wales) Limited

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Statement of Trustees' Responsibilities

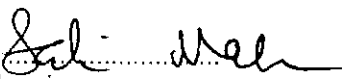
The trustees (who are also the directors of Sparkle (South Wales) Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 22 July 2021 and signed on its behalf by:


.....
Dr S Maguire
Trustee

Sparkle (South Wales) Limited

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Independent Examiner's Report to the trustees of Sparkle (South Wales) Limited

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 10 to 28.

Respective responsibilities of trustees and examiner

As the charity's trustees of Sparkle (South Wales) Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Sparkle (South Wales) Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since Sparkle (South Wales) Limited's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of FCCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Sparkle (South Wales) Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Hill, FCCA

Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

27 July 2021

Sparkle (South Wales) Limited

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Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	86,053	406,345	492,398	485,664
Charitable activities	3	28,426	478	28,904	64,221
Other trading activities	4	3,169	68	3,237	3,773
Investment income	5	2,355	-	2,355	2,178
Total Income		<u>120,003</u>	<u>406,891</u>	<u>526,894</u>	<u>555,836</u>
Expenditure on:					
Raising funds	6	(16,004)	-	(16,004)	(17,888)
Charitable activities	7	(39,379)	(447,303)	(486,682)	(523,309)
Total Expenditure		<u>(55,383)</u>	<u>(447,303)</u>	<u>(502,686)</u>	<u>(541,197)</u>
Net income/(expenditure)		64,620	(40,412)	24,208	14,639
Transfers between funds		<u>2,013</u>	<u>(2,013)</u>	<u>-</u>	<u>-</u>
Net movement in funds		66,633	(42,425)	24,208	14,639
Reconciliation of funds					
Total funds brought forward		<u>246,881</u>	<u>527,239</u>	<u>774,120</u>	<u>759,481</u>
Total funds carried forward	17	<u>313,514</u>	<u>484,814</u>	<u>798,328</u>	<u>774,120</u>

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Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	51,680	433,984	485,664
Charitable activities	3	63,395	826	64,221
Other trading activities	4	3,679	94	3,773
Investment income	5	2,178	-	2,178
Total income		<u>120,932</u>	<u>434,904</u>	<u>555,836</u>
Expenditure on:				
Raising funds	6	(17,888)	-	(17,888)
Charitable activities	7	<u>(148,084)</u>	<u>(375,225)</u>	<u>(523,309)</u>
Total expenditure		<u>(165,972)</u>	<u>(375,225)</u>	<u>(541,197)</u>
Net (expenditure)/income		<u>(45,040)</u>	<u>59,679</u>	<u>14,639</u>
Net movement in funds		(45,040)	59,679	14,639
Reconciliation of funds				
Total funds brought forward		<u>291,921</u>	<u>467,560</u>	<u>759,481</u>
Total funds carried forward	17	<u>246,881</u>	<u>527,239</u>	<u>774,120</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 17.

Sparkle (South Wales) Limited

known as The Sparkle Appeal

(Company registration number: 04238990)

Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	2,900	-
Current assets			
Debtors	14	20,260	36,477
Cash at bank and in hand		<u>779,831</u>	<u>751,084</u>
		800,091	787,561
Creditors: Amounts falling due within one year	15	<u>(4,663)</u>	<u>(13,441)</u>
Net current assets		<u>795,428</u>	<u>774,120</u>
Net assets		<u>798,328</u>	<u>774,120</u>
Funds of the charity:			
Restricted funds		484,814	527,239
Unrestricted income funds			
Unrestricted funds		<u>313,514</u>	<u>246,881</u>
Total funds	17	<u>798,328</u>	<u>774,120</u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 10 to 28 were approved by the trustees, and authorised for issue on 22 July 2021 and signed on their behalf by:


Dr S Maguire
Trustee

Sparkle (South Wales) Limited

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Cash Flow Statement for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		24,208	14,639
Adjustments to cash flows from non-cash items			
Depreciation	6	113	-
Investment income	5	(2,355)	(2,178)
		21,966	12,461
Working capital adjustments			
Decrease/(increase) in debtors	14	16,217	(9,997)
Decrease in creditors	15	(8,778)	(12,297)
Net cash flows from operating activities		29,405	(9,833)
Cash flows from investing activities			
Interest receivable and similar income	5	2,355	2,178
Purchase of tangible fixed assets	13	(3,013)	-
Net cash flows from investing activities		(658)	2,178
Net increase/(decrease) in cash and cash equivalents		28,747	(7,655)
Cash and cash equivalents at 1 April		751,084	758,739
Cash and cash equivalents at 31 March		779,831	751,084
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash		28,747	(7,655)
Net funds at 1 April 2020		751,084	758,739
Net funds at 31 March 2021		779,831	751,084

All of the cash flows are derived from continuing operations during the above two periods.

Sparkle (South Wales) Limited

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Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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 (FRS 102) (effective 1 January 2015) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of the going concern basis is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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Notes to the Financial Statements for the Year Ended 31 March 2021

Donations and legacies

Donations are recognised when there is entitlement, when receipt is probable and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received in respect of future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Gifts in kind

Gifts in kind have been valued in the accounts at the cost to the charity had it purchased the items directly.

Gift aid

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Sparkle (South Wales) Limited

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Notes to the Financial Statements for the Year Ended 31 March 2021

Charitable activities

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including independent review, strategic management and Trustee's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	33% Straight line

Debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

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2 Income from donations and legacies

	Unrestricted funds		Total Period ended 2021	Total 2020
	General £	Restricted funds £	£	£
Donations and legacies;				
Donations from companies, trusts and similar proceeds	38,752	56,476	95,228	250,323
Donations from individuals	42,421	2,527	44,948	37,085
Gift aid reclaimed	1,348	2,500	3,848	7,582
Grants, including capital grants;				
Grants from trusts and other funders	3,532	160,101	163,633	53,832
Grants from other organisations	-	185,741	185,741	96,301
Grants from companies	-	(1,000)	(1,000)	40,541
	<u>86,053</u>	<u>406,345</u>	<u>492,398</u>	<u>485,664</u>

3 Income from charitable activities

	Unrestricted funds		Total Period ended 2021	Total 2020
	General £	Restricted funds £	£	£
Clubs, activities and cafe sales	<u>28,426</u>	<u>478</u>	<u>28,904</u>	<u>64,221</u>

4 Income from other trading activities

	Unrestricted funds		Total Period ended 2021	Total 2020
	General £	Restricted funds £	£	£
Events income;				
Fundraising events	<u>3,169</u>	<u>68</u>	<u>3,237</u>	<u>3,773</u>

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5 Investment Income

	Unrestricted funds		Total Period ended 2021	Total 2020
	General £	Restricted funds £	£	£
Interest receivable and similar income;				
Interest receivable on bank deposits	<u>2,355</u>	<u>-</u>	<u>2,355</u>	<u>2,178</u>

6 Expenditure on raising funds

	Direct costs £	Allocated support costs £	Total Period ended 2021 £	Total 2020 £
Costs of generating donations and legacies	<u>16,004</u>	<u>-</u>	<u>16,004</u>	<u>17,888</u>

Of the above costs, £nil (2020 - £nil) were attributable to restricted funds and £16,004 (2020 - £17,888) were attributable to unrestricted funds.

7 Charitable activities

	Activity undertaken directly £	Activity support costs £	Total Period ended 2021 £	Total 2020 £
Centre maintenance and upkeep and play equipment	113,607	-	113,607	82,678
Clubs, activities and cafe sales	306,616	63,319	369,935	437,091
Governance	-	3,140	3,140	3,540
	<u>420,223</u>	<u>66,459</u>	<u>486,682</u>	<u>523,309</u>

Of the above costs, £447,303 (2020 - £375,225) were attributable to restricted funds and £39,379 (2020 - £148,084) were attributable to unrestricted funds.

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Notes to the Financial Statements for the Year Ended 31 March 2021

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of apportionment	Centre and play equipment maintenance and upkeep	Clubs, activities and cafe sales	Total Period ended 31 March 2021	Total Period ended 31 March 2020
		£	£	£	£
Employment costs	Hours spent	-	61,956	61,956	50,724
Legal and professional fees	Hours spent	-	1,363	1,363	2,150
Governance	% of total activity costs	714	2,426	3,140	4,214
		<u>714</u>	<u>65,745</u>	<u>66,459</u>	<u>57,088</u>

Governance costs

	Centre and play equipment maintenance and upkeep	Clubs, activities and cafe sales	Total Period ended 31 March 2021	Total Year ended 31 March 2020
	£	£	£	£
Independent examiners' remuneration	391	1,260	1,651	2,064
Legal and professional fees	323	1,053	1,376	2,150
Depreciation	-	113	113	-
	<u>714</u>	<u>2,426</u>	<u>3,140</u>	<u>4,214</u>

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9 Trustees remuneration and expenses

No trustees have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	293,020	322,977
Social security costs	10,566	15,374
Pension costs	16,168	14,978
Other staff costs	11,319	6,953
	<u>331,073</u>	<u>360,282</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Administration	4	3
Charitable activities	71	70
Governance	9	7
	<u>84</u>	<u>80</u>

9 (2020 - 6) of the above employees participated in the Defined Contribution Pension Scheme.

Contributions to the employee pension schemes for the year totalled £16,168 (2020 - £14,978).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £48,883 (2020 - £47,294).

The average number of full time staff employed in the period was 9, and the average number of part time staff employed was 74. The equivalent number of full time staff employed would be estimated as 15.

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Notes to the Financial Statements for the Year Ended 31 March 2021

11 Independent examiner's remuneration

	2021 £	2020 £
Other fees to examiners		
The examining of accounts of any associate of the charity	<u>1,651</u>	<u>2,064</u>

12 Taxation

No tax was charged in the year (2020 - £nil) . As disclosed in the accounting policies, the company is a registered charity and is, therefore, exempt from taxation.

13 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 April 2020	5,487	5,487
Additions	<u>3,013</u>	<u>3,013</u>
At 31 March 2021	<u>8,500</u>	<u>8,500</u>
Depreciation		
At 1 April 2020	5,487	5,487
Charge for the year	<u>113</u>	<u>113</u>
At 31 March 2021	<u>5,600</u>	<u>5,600</u>
Net book value		
At 31 March 2021	<u>2,900</u>	<u>2,900</u>
At 31 March 2020	<u>-</u>	<u>-</u>

14 Debtors

	2021 £	2020 £
Prepayments	185	185
Other debtors	<u>20,075</u>	<u>36,292</u>
	<u>20,260</u>	<u>36,477</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	-	3,893
Other creditors	-	7,229
Pension scheme creditor	4,663	2,319
	<u>4,663</u>	<u>13,441</u>

16 Charity status

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

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Notes to the Financial Statements for the Year Ended 31 March 2021

17 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	246,881	120,003	(55,383)	2,013	313,514
Restricted funds					
AB Invoice	-	43,811	(41,858)	-	1,953
AB Medi Swim	-	35,000	(20,352)	-	14,648
Barclays	33,537	-	(3,925)	-	29,612
Cash 4 U	-	932	(155)	(529)	248
Community Foundation Wales	-	5,772	(4,469)	(1,303)	-
Children In Need	1,766	32,934	(17,417)	-	17,283
Covid 19 Emergency Appeal	99,864	35,170	(65,949)	-	69,085
NCC Family First Play Club	-	39,708	(39,708)	-	-
NCC Family First Youth Club	-	12,141	(12,141)	-	-
Frontier Medical Group Ltd	286,082	26,000	(63,054)	-	249,028
Gavo	-	2,324	(2,324)	-	-
Holiday Club	3,107	-	(841)	-	2,266
ICF	-	6,968	(6,968)	-	-
ISCAN	23,275	-	(2,078)	-	21,197
NCC - Additional	-	17,542	(16,361)	(1,181)	-
Nevill Hall	29,658	879	(5,210)	-	25,327
Ordinary 2 Extraordinary Clubs	33,746	23,000	(2,579)	-	54,167
ALN Parents Engagement	4,348	-	(4,348)	-	-
Tesco Bags of Help	-	(1,000)	-	1,000	-
TVA Third Sector ICF Funding	7,808	-	(7,808)	-	-
The Waterloo Foundation	4,048	35,000	(39,048)	-	-
Wales Council for Voluntary Action	-	90,710	(90,710)	-	-
Total restricted funds	<u>527,239</u>	<u>406,891</u>	<u>(447,303)</u>	<u>(2,013)</u>	<u>484,814</u>
Total funds	<u>774,120</u>	<u>526,894</u>	<u>(502,686)</u>	<u>-</u>	<u>798,328</u>

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	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted funds				
<i>General</i>				
Unrestricted income fund	291,921	120,932	(165,972)	246,881
Restricted funds				
Barclays	46,691	-	(13,154)	33,537
Children In Need	-	30,000	(28,234)	1,766
Covid 19 Emergency Appeal	-	99,864	-	99,864
NCC Family First Play Club	-	38,541	(38,541)	-
NCC Family First Youth Club	-	12,000	(12,000)	-
Frontier Medical Group Ltd	245,407	93,000	(52,325)	286,082
Holiday Club	3,989	-	(882)	3,107
ISCAN	24,728	-	(1,453)	23,275
NCC - Additional	-	10,000	(10,000)	-
Nevill Hall	-	50,639	(20,981)	29,658
Ordinary 2 Extraordinary Clubs	87,859	25,000	(79,113)	33,746
ALN Parents Engagement	-	5,000	(652)	4,348
Tesco Bags of Help	2,277	1,000	(3,277)	-
TVA Third Sector ICF Funding	-	7,808	-	7,808
The Waterloo Foundation	27,360	-	(23,312)	4,048
Trust for Sick Children in Wales	19,249	-	(19,249)	-
DM Thomas Foundation	10,000	-	(10,000)	-
Les Mills	-	1,000	(1,000)	-
Headley Foundation	-	2,500	(2,500)	-
Skipton	-	3,000	(3,000)	-
ABUHB Recharge Costs	-	29,558	(29,558)	-
Garfield Weston Foundation	-	25,000	(25,000)	-
Swim Costs	-	994	(994)	-
Total restricted funds	<u>467,560</u>	<u>434,904</u>	<u>(375,225)</u>	<u>527,239</u>
Total funds	<u>759,481</u>	<u>555,836</u>	<u>(541,197)</u>	<u>774,120</u>

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The specific purposes for which the funds are to be applied are as follows:

Newport City Council Family First Play Club - Was granted to the charity to provide a play club for children aged 5-10 years.

Newport City Council Family First Youth Club - Was granted to the charity to provide a youth club for young people aged 11 to 17.

Children in Need – Was granted to the charity to assist with the funding of After Schools Clubs, Skills and the Independent Living Skills groups, covering the delivery costs, equipment and trips and activities.

Ordinary 2 Extraordinary Clubs - This was donated to the charity to provide after school clubs for children to develop independent living and social skills whilst making friends and having fun.

Holiday Club Grant - a grant to provide additional clubs during the holiday periods.

Frontier Medical Group Limited – Donated to the charity to contribute to the administrative staff wage costs, involved in running the Sparkle office, and also the caretaker wage costs, towards the maintenance of the centre.

Barclays - Donated to the Charity and will be used to support the delivery of Sparkle activities.

The Waterloo Foundation - Additional emergency funds were granted to support the charity during the COVID-19 crisis.

ALN Parents Engagement - This is ring-fenced monies, received from ABUHB, for providing parents support and engagement.

Newport City Council Additional - Was granted to the charity to purchase equipment for the play and youth provisions.

Tesco Bags of Help Funding - The grant is to fund sparkle community days and events such as Christmas, fun days and the Halloween party.

Nevill Hall - This fund is ring-fenced to support Nevill Hall services.

ISCAN - This is ring-fenced monies, received from ABUHB, for training and staff development.

COVID-19 Emergency Appeal Campaign - Donations received to the charity to support staffing costs during the COVID-19 crisis.

AB Medi Swim - This is ring-fenced monies, received from ABUHB, for funding leisure provisions.

Cash 4 U - Was granted to the charity to set up a virtual youth forum, where young people attending Sparkle activities could volunteer their time to discuss how to improve our clubs and what activities they would like to be available.

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Community Foundation Wales - Was granted to the charity to support our leisure activities during the COVID-19 pandemic, including the purchase of PPE, a virtual platform licence, virtual animal encounter sessions and additional toys.

Gavo -Was granted to the charity to fund Little Stars.

TVA Third Sector ICF Funding (GAVO)- Was granted to the charity to contribute to the Family Liaison service costs which supports parents/carers of children with complex needs.

Wales Council for Voluntary Action - Was granted to the charity towards staff salaries.

The transfers of £529 from the Cash 4 U restricted fund, £1,303 from the Community Foundation Wales restricted fund and £1,181 from the Newport City Council Additional restricted fund to general unrestricted funds represents fixed assets acquired for the charities general purposes in accordance with paragraph 2.26 of Charities SORP FRS 102.

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	2,900	-	2,900
Current assets	315,277	484,814	800,091
Current liabilities	(4,663)	-	(4,663)
Total net assets	<u>313,514</u>	<u>484,814</u>	<u>798,328</u>

19 Analysis of net funds

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	751,084	28,747	779,831
Net debt	<u>751,084</u>	<u>28,747</u>	<u>779,831</u>

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20 Related party transactions

During the year the charity made the following related party transactions:

Frontier Medical Group Ltd

Relationship: Entity in which the spouse of a trustee has significant influence

During the period Frontier Medical Group Ltd, a company in which the spouse of a charity trustee has significant influence, made restricted donations of £26,000 (2020 - £93,000) to Sparkle (South Wales) Limited. This was primarily used to fund the Research and Development Officer post. At the balance sheet date the amount due Frontier Medical Group Ltd was £nil (2020 - £nil).