

Company registration number: 04238990

Charity registration number: 1093690

Sparkle (South Wales)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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

Sparkle (South Wales)

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Sparkle (South Wales)

Reference and Administrative Details

Trustees	Mr M Gerrard Ms Kelly Dr S Maguire Mrs J Sheppard Mr N G Williams Ms N Garnon Mr A Durston Mrs T A Pead Mrs S E Hawdon
Secretary	Mr M Gerrard
Charity Registration Number	1093690
Company Registration Number	04238990
Registered Office	The charity is incorporated in the United Kingdom. Serennu Children's Centre Cwrt Camlas Rogerstone Newport South Wales NP10 9LY
Principal Office	Sparkle Appeal Office Serennu Children's Centre High Cross Road Newport NP10 9LY
Independent Examiner	HSJ Accountants Ltd Severn House Hazell Drive Newport South Wales NP10 8FY
Accountants	HSJ Accountants Ltd Severn House Hazell Drive Newport South Wales NP10 8FY
Bankers	Barclays Bank Plc Newport Commercial Street 14 Commercial Street Newport South Wales NP20 1HE

Sparkle (South Wales)

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 2024.

Trustees

Mr M Gerrard

Ms Kelly

Dr S Maguire

Mrs J Sheppard

Mr N G Williams

Ms N Garnon

Mr A Durston

Mrs T A Pead

Mrs S E Hawdon (appointed 4 May 2023)

Objectives and activities

Objects and aims

Sparkle (South Wales), 'Sparkle', has a vision 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 four 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;
4. Conduct in-depth evaluations of our services and explore unmet needs among our families.

Public benefit

The charity's purpose is to benefit the children with disability or developmental difficulties, and their families in Gwent. The trustees can 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

We have continued to benefit from fantastic volunteers, currently we have 40 weekly volunteers, ranging in age from 16-70+, including some of our former service users. This equates to 7,497 hours of work, at a cost saving of £78,114.

Sparkle (South Wales)

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, and to their families. However there has been a continuing rise in the number of children & young people (CYP) needing our specialist support, with 15-20 referrals being received per month. This has led to a waiting list of 158 children and young people across the patch, broken down as follows - Serennu 106 / North 14 / West 38.

In 2023/24 an average of 150 children attended clubs in Serennu every week, in addition to 72 children accessing specialist swimming lessons per week.

In North Gwent, we have continued to expand the number of places for CYP, and currently have 16 children attending weekly clubs.

In Caerphilly, we have 13 CYP accessing weekly clubs. We have also hired a local play centre to provide exclusive activities for our families in this region.

We offer three MediCinema screenings per week, family swim opportunities, family fun days, and a 'stay and play' weekly session - 1,505 families are registered to attend all of these activities. These activities are open to families across the whole of Gwent. We have also expanded our services by offering to facilitate children's parties in Serennu, which has been very popular with families who have nowhere else that is safe or appropriate for their children.

Following an in-depth evaluation of 'unmet needs' in the North of Gwent, we identified that the facilities at Nevill Hall hospital are at the wrong location and are no longer fit for purpose to deliver optimal care and support to children with complex needs. Sparkle was commissioned by the Regional Partnership Board to undertake a feasibility study in respect of the need for a new children's centre. The final report was submitted to the Regional Partnership Board (RPB) in February 2023, following consultation with our families and partners in Health, Social Care. However there has been little action on the part of the RPB to progress this important gap in services for the north children, young people and families.

Our fundraising activities continue to be challenging in terms of raising enough funds to support all our current activities and clubs. We remain heavily reliant on grant funding and our existing relationships with individual and corporate donors.

We have also noted a number of grants giving bodies are no longer able to award grants at the scale that they had previously. We continue to work hard to secure grants and other income streams. The trustees are committed to ensuring that we maximise every grant opportunity that is available to us and lack of grant writing team within the Sparkle team has been a barrier to that.

Prior to COVID 19 we further expanded our services in an effort to provide equitable provision across Gwent, which added to the financial pressures on the charity. This necessitated a service review during January to March 2024 which resulted in the loss of 4 clubs, 1 member of staff was reduced in the service and a reduction in admin hours from 74.5 to 37.5 was implemented. Team Lead hours for the north and west leisure service were also reduced from 37.5 to 24. There was a huge awareness raising campaign on behalf of Sparkle to bring to the attention of families and all other relevant stakeholders the fact that Sparkle does not receive any statutory funding to deliver services. In response to the financial situation Sparkle has increased fundraising support either through becoming charity of the year for businesses, recruiting 2 fundraising volunteers and establishing a parent-led fundraising committee.

Sparkle (South Wales)

Trustees' Report

Research and Development

Our Research and Development Officer has been extremely busy over the last year, conducting in-depth evaluations of our services and researching issues which are important to children with disabilities, their families and the organisations working with them. We produced an impact report for 2023, which collated figures on our reach, formal evaluation findings and informal feedback from children and families. We have been working with Children's Centre Psychology in Aneurin Bevan University Health Board on an in-depth evaluation of Sparkle's Continuing Care club, a leisure provision for children and young people with the most complex needs. We have also conducted an evaluation of all of our other leisure clubs, including parent-report surveys on goals and family wellbeing. Our impact report 2023 can be found on our website: <https://www.sparkleappeal.org/ckfinder/userfiles/files/Sparkle%20Impact%20Report%202023.pdf>

The high standard of research being conducted within Sparkle is recognised by our links with universities and other organisations keen to collaborate with us on our work. We have facilitated Master's students from the School of Psychology at Cardiff University to conduct observations of children within the clubs to assess goals relating to wellbeing and social development. We are exploring the accessibility of swimming lessons for children with disabilities with Disability Sport Wales, including conducting an evaluation of Sparkle's swimming lessons, and we continue to analyse current trends and future rates of childhood disability with the support of the Royal Statistical Society's initiative, Statisticians for Society and colleagues in Cardiff University and Aneurin Bevan Health Board.

In line with our strategic aim of promoting optimal models of care for children with complex needs, we continue to conduct in-depth evaluations into services developed and delivered by Sparkle, and to disseminate these locally and nationally. The evaluations have directly informed our service delivery, and helped us to refine the services and facilities we offer. Over the past year, Sparkle's Research Officer presented our evaluation findings at three national conferences: the Royal College of Paediatric and Child Health Conference, British Psychological Society Health Psychology Conference, and the British Academy of Childhood Disability Annual Scientific Meeting. Two of our papers were published in peer-reviewed academic journals, and a further three papers were uploaded to MedRxiv, a pre-print server, while under review at peer review journals. All of our evaluation reports and research papers can be found on our website, including lay summaries: <https://www.sparkleappeal.org/research>.

As part of our research activities, Sparkle has also produced a series of webinars/podcasts with As You See It Media on co-location of health, social care and third sector services; providing holistic support for families; delivering specialist leisure services for children with disabilities; and the importance of research and evaluation to service development. These webinars included a variety of experts, including health and social care professionals, young people and family-carers, a researcher from Cardiff University, and Sparkle staff. A video tour of Serennu Children's Centre and Sparkle services was filmed alongside the webinars, which are also available as podcasts. These can be found on Sparkle's website: <https://www.sparkleappeal.org/about/webinars>

Sparkle (South Wales)

Trustees' Report

Financial review

Funds raised via grants, our existing individual donors and corporate supporters, and the small amount raised by our café and activities resulted in a total income of £639,374.

Successful grant funding from Newport and Caerphilly Councils, and grants from National Lottery Awards for All, Masonic Charitable Foundation, Blaenau Gwent Shared Prosperity Fund and Heb Ffin, had huge impacts on our children's leisure services at Serennu Children's Centre, Caerphilly Children's Centre and Blaina Integrated Children's Centre. A significant award of unrestricted funds from Edward Gosling Foundation ensured the continuation and growth of the charity, whilst a grant from Wooden Spoon allowed us to provide sports skills and rugby sessions for children with disabilities. The Bailey Thomas Charitable Fund supported our MediCinema screenings this year.

Following an emergency appeal to previous donors, there were also 2 separate donations amounting to £150K which helped to reduce the extent of the end of year loss that the charity was facing.

Grants and donations have been essential and our main sources of income, given the Charity's limited fundraising opportunities in the context of our location in a low-income area, and current cost of living crisis.

Sparkle's unrestricted reserves have reduced to £375,367 as of 31 March 2024. This reserve will be used to safeguard existing activities and support the operation of the Charity.

The Charity's expansion into North Gwent and Caerphilly, and the recommencement of full activities following the easing of COVID restrictions, has resulted in a major increase in payroll and other costs. The statement of financial activities for the year on pages 11 & 12 show how income and costs varied compared to the prior year.

For the new year costs are forecast to increase, reflecting our expansion, and the need to address the ever-increasing waiting list of CYP who need to join our service. Our forecast for the coming year is that our running costs will be in excess of our income and as such our unrestricted reserves will diminish. We are satisfied we have sufficient reserves to cover this deficit. In the new year we have appointed a further grants officer to increase income from this source.

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 concluded that given the inherent risks as noted above it is appropriate to hold sufficient free reserves to cover the core expenditure required to maintain activities for six months.

Sparkle (South Wales)

Trustees' Report

Plans 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.
- Continue to develop services to reach children with the most severe complex health care needs in liaison with partner agencies.
- To expand our staffing where feasible to run the clubs at capacity and offer the best outcomes for the children and young people we support.
- To explore options for upskilling community providers to accommodate more of our young people in an integrated community setting.
- To continue undertaking high quality service evaluations, to identify whether additional services provided by Sparkle are having a positive impact on the lives of children with disabilities and their families.
- To use the data obtained from in depth evaluations to both market our services to potential funders, and to promote the optimal model of care for these children and young people across Wales and the remainder of the UK.
- To continue to 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 to 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.
- To continue to recruit, train and retain regular volunteers, without whom we wouldn't be able to carry out our work.
- To promote the development of a new Children's Centre to serve North Gwent, in line with the outcome of our Feasibility study.
- To increase our collaborative working with Local Authorities and statutory agencies to attract more commissioned work.
- Review and streamline policies and procedures within Sparkle to ensure greater efficiency and sustainability.

Sparkle (South Wales)

Trustees' Report

Structure, governance and management

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 following an open application process, in line with specific roles and responsibilities required by the Board. All interested applicants are interviewed by the Chairperson, and independently by at least one other trustee. Following this, if appropriate, 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. The Business Service Manager will ensure that disclosure and barring checks are undertaken, and that they complete the appropriate paperwork and training relating to confidentiality, conflict of interest and all relevant policies pertaining to the charity's business.

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 – the charity has employed a new grant writing officer, has reorganised the fundraising element of Sparkles operations and has a proposal in hand called Sparkle Outreach, which could potential generate a regular and significant income;
- reliance on grants and a small number of large benefactors – the charity has employed a new grant writing officer and has a proposal in hand to generate regular income through a new scheme called Sparkle Outreach;
- the Charity helps vulnerable young people and as such there is a need for very good systems, controls and training to ensure appropriate standards are maintained – this will be achieved through the newly created senior leadership team, headed up by the Action Head of Sparkle Operations who is directly accountably to the Board Chair;
- the ability to retain key staff members – this will be managed through an identified process for salary enhancement, an improved senior leadership team management structure, regular communication with staff by the chair and board of trustees, a commitment to staff wellbeing;
- Sparkle's relationship with the Health Board – a new communications structure with the health board is being proposed to include a memorandum of understanding agreed by both parties and quarterly meetings to ensure that there is an open and honest partnership.

Sparkle (South Wales)

Trustees' Report

Retired trustees

The other trustees who served and retired during the year were:

Mrs R Harwood Lincoln (resigned 8 June 2023)

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 annual report was approved by the trustees of the charity on 19 September 2024 and signed on its behalf by:


.....
Ms Kelly
Trustee

Sparkle (South Wales)

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sparkle (South Wales) 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 19 September 2024 and signed on its behalf by:


Ms Kelly
Trustee

Sparkle (South Wales)

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

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (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) 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 the Company'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 , 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) 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 ACA DChA BFP

Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

Date: 20/9/24.....

Sparkle (South Wales)

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	245,056	299,847	544,903
Charitable activities	4	82,695	-	82,695
Other trading activities	5	6,671	-	6,671
Investment income	6	5,105	-	5,105
Total income		<u>339,527</u>	<u>299,847</u>	<u>639,374</u>
Expenditure on:				
Raising funds	7	(30,144)	(17,153)	(47,297)
Charitable activities	8	<u>(382,061)</u>	<u>(357,866)</u>	<u>(739,927)</u>
Total expenditure		<u>(412,205)</u>	<u>(375,019)</u>	<u>(787,224)</u>
Net expenditure		<u>(72,678)</u>	<u>(75,172)</u>	<u>(147,850)</u>
Net movement in funds		(72,678)	(75,172)	(147,850)
Reconciliation of funds				
Total funds brought forward		<u>448,045</u>	<u>355,899</u>	<u>803,944</u>
Total funds carried forward	20	<u><u>375,367</u></u>	<u><u>280,727</u></u>	<u><u>656,094</u></u>

The notes on pages 15 to 30 form an integral part of these financial statements.

Sparkle (South Wales)

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	138,602	438,166	576,768
Charitable activities	4	64,879	198	65,077
Other trading activities	5	4,563	-	4,563
Investment income	6	959	-	959
Total income		<u>209,003</u>	<u>438,364</u>	<u>647,367</u>
Expenditure on:				
Raising funds	7	(2,673)	(8,852)	(11,525)
Charitable activities	8	<u>(143,616)</u>	<u>(516,254)</u>	<u>(659,870)</u>
Total expenditure		<u>(146,289)</u>	<u>(525,106)</u>	<u>(671,395)</u>
Net income/(expenditure)		<u>62,714</u>	<u>(86,742)</u>	<u>(24,028)</u>
Net movement in funds		62,714	(86,742)	(24,028)
Reconciliation of funds				
Total funds brought forward		<u>385,331</u>	<u>442,641</u>	<u>827,972</u>
Total funds carried forward	20	<u>448,045</u>	<u>355,899</u>	<u>803,944</u>

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

The funds breakdown for 2023 is shown in note 20.

The notes on pages 15 to 30 form an integral part of these financial statements.

Sparkle (South Wales)

(Registration number: 04238990)
Balance Sheet as at 31 March 2024

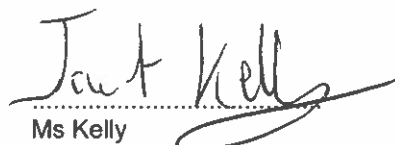
	Note	2024 £	2023 £
Fixed assets			
Tangible assets	16	1,290	1,911
Current assets			
Debtors	17	78,592	148,774
Cash at bank and in hand	18	<u>613,846</u>	<u>693,809</u>
		692,438	842,583
Creditors: Amounts falling due within one year	19	<u>(37,634)</u>	<u>(40,550)</u>
Net current assets		<u>654,804</u>	<u>802,033</u>
Net assets		<u>656,094</u>	<u>803,944</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	20	280,727	355,899
Unrestricted income funds			
Unrestricted funds		<u>375,367</u>	<u>448,045</u>
Total funds	20	<u>656,094</u>	<u>803,944</u>

For the financial year ending 31 March 2024 the charity 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.

The financial statements on pages 11 to 30 were approved by the trustees, and authorised for issue on 19 September 2024 and signed on their behalf by:


Ms Kelly
Trustee

The notes on pages 15 to 30 form an integral part of these financial statements.

Sparkle (South Wales)

Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash expenditure		(147,850)	(24,028)
Adjustments to cash flows from non-cash items			
Depreciation	9	1,814	1,668
Investment income	6	<u>(5,105)</u>	<u>(959)</u>
		(151,141)	(23,319)
Working capital adjustments			
Decrease in debtors	17	70,182	79,950
Increase/(decrease) in creditors	19	7,931	(19,813)
(Decrease)/increase in deferred income	19	<u>(10,847)</u>	<u>39,694</u>
Net cash flows from operating activities		<u>(83,875)</u>	<u>76,512</u>
Cash flows from investing activities			
Interest receivable and similar income	6	5,105	959
Purchase of tangible fixed assets	16	<u>(1,193)</u>	<u>-</u>
Net cash flows from investing activities		3,912	959
Cash flows from financing activities			
Repayment of loans and borrowings		<u>-</u>	<u>(25,000)</u>
Net (decrease)/increase in cash and cash equivalents		(79,963)	52,471
Cash and cash equivalents at 1 April		<u>693,809</u>	<u>641,338</u>
Cash and cash equivalents at 31 March		<u>613,846</u>	<u>693,809</u>

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

The notes on pages 15 to 30 form an integral part of these financial statements.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

The charity is limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:

Serennu Children's Centre

Cwrt Camlas

Rogerstone

Newport

South Wales

NP10 9LY

These financial statements were authorised for issue by the trustees on 19 September 2024.

2 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

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.

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.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

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.

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.

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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% Straightline

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

Trade 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.

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 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.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	125,753	55,285	181,038	147,762
Donations from individuals	88,576	30,000	118,576	42,343
Legacies	21,214	-	21,214	1,537
Gift aid reclaimed	6,341	7,500	13,841	15,335
Grants, including capital grants;				
Grants from other charities	-	114,985	114,985	237,041
Grants from companies	-	2,250	2,250	-
Grants from trusts and other fundes	3,172	89,827	92,999	132,750
	<u>245,056</u>	<u>299,847</u>	<u>544,903</u>	<u>576,768</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Clubs, activities and cafe sales	<u>82,695</u>	<u>82,695</u>	<u>65,077</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Events income;			
Fundraising events	<u>6,671</u>	<u>6,671</u>	<u>4,563</u>

6 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>5,105</u>	<u>5,105</u>	<u>959</u>

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

7 Expenditure on raising funds

	Direct costs £	Total 2024 £	Total 2023 £
Costs of generating donations and legacies	47,297	47,297	11,525

Of the above costs £17,153 (2023 - £8,852) were attributable to restricted funds and £30,144 (2023 - £2,673) were attributable to unrestricted funds.

8 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2024 £	2023 £
Centre maintenance and upkeep and play equipment	52,257	-	52,257	67,607
Clubs, activities and cafe sales	625,944	57,199	683,143	588,182
Governance	-	4,527	4,527	4,081
	<u>678,201</u>	<u>61,726</u>	<u>739,927</u>	<u>659,870</u>

In addition to the expenditure analysed above there are also governance costs of £4,527 (2023 - £4,081) which relate directly to charitable activities. See note 9 for further details.

Of the above costs £357,866 (2023 - £516,254) were attributable to restricted funds and £382,061 (2023 - £143,616) were attributable to unrestricted funds.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Staff costs £	Total 2024 £	Total 2023 £
Clubs, activities and cafe sales	Hours	-	57,199	57,199	70,292
Governance	% of total activity costs	4,527	-	4,527	4,081
		<u>4,527</u>	<u>57,199</u>	<u>61,726</u>	<u>74,373</u>

Governance costs

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Independent examiner fees				
Examination of the financial statements	2,713	-	2,713	2,413
Depreciation, amortisation and other similar costs	1,141	673	1,814	1,668
	<u>3,854</u>	<u>673</u>	<u>4,527</u>	<u>4,081</u>

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Depreciation of fixed assets	<u>1,814</u>	<u>1,668</u>

11 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£nil (2023 - £71) of expenses were reimbursed to during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

12 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	571,007	455,030
Social security costs	19,321	15,987
Pension costs	15,034	11,094
Other staff costs	25,308	40,115
	<u>630,670</u>	<u>522,226</u>

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

	2024 No	2023 No
Charitable activities	96	94
Governance	13	11
Administration	2	5
	<u>111</u>	<u>110</u>

13 (2023 - 10) of the above employees participated in the Defined Contribution Pension Schemes.

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 £102,719 (2023 - £89,820).

The average number of full time staff employed in the period was 9, and the average number of part time staff employed was 102. The equivalent number of full time staff employed would be estimated as 17.

13 Independent examiner's remuneration

	2024 £	2023 £
Examination of the financial statements	<u>2,713</u>	<u>2,413</u>

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £15,035 (2023 - £11,094).

16 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 April 2023	10,540	10,540
Additions	<u>1,193</u>	<u>1,193</u>
At 31 March 2024	<u>11,733</u>	<u>11,733</u>
Depreciation		
At 1 April 2023	8,629	8,629
Charge for the year	<u>1,814</u>	<u>1,814</u>
At 31 March 2024	<u>10,443</u>	<u>10,443</u>
Net book value		
At 31 March 2024	<u>1,290</u>	<u>1,290</u>
At 31 March 2023	<u>1,911</u>	<u>1,911</u>

17 Debtors

	2024 £	2023 £
Other debtors	<u>78,592</u>	<u>148,774</u>

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

18 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	-	21
Cash at bank	613,846	693,788
	<u>613,846</u>	<u>693,809</u>

19 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	8,787	856
Deferred income	28,847	39,694
	<u>37,634</u>	<u>40,550</u>

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

20 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
Unrestricted income fund	448,045	339,527	(412,205)	375,367
Restricted funds				
AB Invoice	113,585	14,109	(14,237)	113,457
ALN Parents Engagement	23,000	-	-	23,000
Bailey	-	10,000	(4,478)	5,522
Barclays	9,581	-	(9,581)	-
BG UK	-	9,659	(9,659)	-
Big Lottery	-	9,920	(8,708)	1,212
Blackwood Engineering	6,000	2,000	(8,000)	-
Caerphilly CBC	264	1,950	(2,214)	-
Children in Need	1,089	-	(1,089)	-
Community Foundation Wales	-	2,000	-	2,000
Edward Gostling Foundation	-	25,000	(14,124)	10,876
Gwen Mags	-	3,000	(1,060)	1,940
Heb Ffin	-	10,000	(5,207)	4,793
ISCAN	22,936	-	(8,185)	14,751
KLA	-	25,000	-	25,000
Masonic Charitable Foundation	16,919	19,847	(26,425)	10,341
Mr J Harris	16,191	8,285	(15,510)	8,966
Mr N Harris	67,382	37,500	(104,882)	-
NCC Family First Play Club	771	89,827	(90,598)	-
NCC PBP	14,219	-	(14,219)	-
Nevill Hall	471	-	-	471
O2E Clubs	59,523	22,000	(28,524)	52,999
Peter Harrison Foundation	1,429	-	(1,429)	-
Prin Wales	1,544	-	(1,544)	-
St James	-	2,500	-	2,500
Tesco Bags of Help Funding	-	2,250	(2,250)	-
The Waterloo Foundation	995	-	(989)	6
Woodspoon	-	5,000	(2,107)	2,893
Total restricted funds	355,899	299,847	(375,019)	280,727
Total funds	803,944	639,374	(787,224)	656,094

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

Funds for the Year Ended 31 March 2023

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General				
Unrestricted income fund	385,331	209,004	(146,290)	448,045
Restricted				
AB Invoice	113,585	12,180	(12,180)	113,585
AB Medi Swim	6,760	-	(6,760)	-
ALN Parents Engagement	23,000	-	-	23,000
Barclays	29,612	-	(20,031)	9,581
Blackwood Engineering	-	6,000	-	6,000
Blaenau Gwent CC	-	1,535	(1,535)	-
Caerphilly CBC	-	2,941	(2,677)	264
Children in Need	17,152	30,500	(46,563)	1,089
Covid Emergency Appeal	4,908	-	(4,908)	-
Edward Gostling Foundation	-	25,000	(25,000)	-
Frontier Medical Group Ltd	71,645	-	(71,645)	-
Gavo	-	5,000	(5,000)	-
Hodge Foundation	-	5,000	(5,000)	-
Holiday Club	1,899	-	(1,899)	-
ICF NG	-	33,900	(33,900)	-
ISCAN	44,522	-	(21,586)	22,936
Mary Homfray Charitable Trust	-	2,000	(2,000)	-
Masonic Charitable Foundation	-	19,847	(2,928)	16,919
Mr J Harris	-	21,250	(5,059)	16,191
Mr N Harris	51,000	92,750	(76,368)	67,382
NCC Family First Play Club	1,358	43,841	(44,428)	771
NCC Family First Youth Club	-	15,519	(15,519)	-
NCC FF FLO	-	49,514	(49,514)	-
NCC PBP	-	14,219	-	14,219
NCC Summer	-	10,346	(10,346)	-
Nevill Hall	13,671	198	(13,398)	471
Newsquest	3,484	-	(3,484)	-
O2E Clubs	52,210	27,500	(20,187)	59,523
Peter Harrison Foundation	-	7,000	(5,571)	1,429
Postcode	4,153	-	(4,153)	-
Prin Wales	-	5,000	(3,456)	1,544
Sport Foundation	-	2,500	(2,500)	-
Tesco Bags of Help Funding	297	-	(297)	-

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
The Percy Bilton Charity	-	4,584	(4,584)	-
The Waterloo Foundation	-	1,500	(505)	995
TVA Third Sector ICF Funding	2,789	-	(2,789)	-
Winter of Wellbeing	596	-	(596)	-
Total restricted funds	<u>442,641</u>	<u>439,624</u>	<u>(526,366)</u>	<u>355,899</u>
Total funds	<u>827,972</u>	<u>648,628</u>	<u>(672,656)</u>	<u>803,944</u>

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

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

AB Invoice - To contribute towards the Caretaker costs and fund the Helping Hands service.

ALN Parents Engagement - Received from ABUHB, for providing parents support and engagement.

Baily Thomas Charitable Trust - To contribute towards MediCinema costs and staffing.

Barclays - To be used to support the delivery of Sparkle activities.

Blaenau Gwent UK Shared Prosperity Fund - To fund clubs to increase sports, arts and social action in Blaenau Gwent.

Big Lottery (National Lottery Awards for All) - To fund leisure staffing costs of new clubs.

Blackwood Engineering Trust - To equip an art room at Serennu Children's Centre.

Caerphilly County Borough Council - To fund holiday activities in Caerphilly.

Children in Need - To fund equipment, trips and activities.

Community Foundation Wales - To fund a toddler stay and play group.

Edward Gostling Foundation - To contribute towards operational core costs.

Families First, Newport City Council - To fund play provisions

Gwendoline and Margaret Davies Charity - To fund play provisions in Blaenau Gwent.

Heb Ffin - To fund play provisions in Blaenau Gwent.

ISCAN - Received from ABUHB, for staff training and development.

KLA - To fund tech club salaries and equipment

Masonic Charitable Foundation - To fund leisure staff salaries in Caerphilly.

Mr Nigel Harris - To fund research and development.

Mr John Harris - To fund enrichment activities.

Newport City Council Participatory Budget - To fund after school activities.

Ordinary 2 Extraordinary Clubs (O2e) - To fund after school activities.

Percy Bilton - To fund outdoor leisure equipment for Serennu Children's Centre.

Peter Harrison Foundation - To fund swimming staff costs.

Principality Building Society's Future Generation Fund - To fund administration salaries in Gwent.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

St James Place - To fund holiday activities in Blaenau Gwent.

Tesco Groundworks -To purchase equipment from the "Sparkle Wish List".

Waterloo Foundation - To fund dissemination of research related to child development.

Wooden Spoon - To fund Rugby and Skills sessions.

Sparkle (South Wales)

Notes to the Financial Statements for the Year Ended 31 March 2024

21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	963	327	1,290
Current assets	379,677	312,761	692,438
Current liabilities	<u>(5,273)</u>	<u>(32,361)</u>	<u>(37,634)</u>
Total net assets	<u>375,367</u>	<u>280,727</u>	<u>656,094</u>

22 Analysis of net funds

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	<u>693,809</u>	<u>(79,963)</u>	<u>613,846</u>
Net debt	<u>693,809</u>	<u>(79,963)</u>	<u>613,846</u>

23 Related party transactions

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

Mr N Harris

Spouse of trustee

During the year Mr N Harris, the spouse of a trustee, made restricted donations of £30,000 (2023 - £80,000) and unrestricted donations of £nil (2023 - £10,080) to Sparkle (South Wales). At the balance sheet date the amount due to/from Mr N Harris was £nil (2023 - £nil).

24 Non-adjusting events after the financial period

The charity received a significant will and donation legacy after the year ended on 30 August 2024 of £175,000. Given the expected level of costs in the coming year this income is very important to ensure that the charity can match levels of expenditure with incoming resources and ensure that its policy on reserves held can continue to be adhered to.