

Sparkle (South Wales) Limited

known as

The Sparkle Appeal

Previously named South Gwent Children's Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2020

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 Ms M Ali Mrs H Salmon (appointed 8 August 2019) Mr K Rutherford (appointed 8 August 2019) Mr NG Williams (appointed 8 August 2019) Mrs J Kelly (appointed 19 September 2019) Mr M Gerrard (appointed 19 September 2019)
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 2020.

Trustees

Dr S Maguire
Mrs J Sheppard
Miss S E Telford (resigned 23 May 2019)
Dr M A Barber
Ms M Ali
Ms J Milner (resigned 31 July 2019)
Mrs H Salmon (appointed 8 August 2019)
Mr K Rutherford (appointed 8 August 2019)
Mr NG Williams (appointed 8 August 2019)
Mrs J Kelly (appointed 19 September 2019)
Mr M Gerrard (appointed 19 September 2019)

Objectives and activities

Objects and aims

The charity formally exists according to its Memorandum for "the relief of poverty, sickness and distress among children in particular by the provision of facilities, equipment and services and the relief of siblings, parents and carers of such children who are in necessitous circumstances through the provision of advice, information and advocacy and the provision in the interests of social welfare of facilities for recreational and leisure time occupation with the object of improving the conditions of life of the aforementioned"

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 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

On the volunteer front, 2,940 hours were logged from 1 April 2019 to 31 March 2020 in support of Sparkle events plus 170 volunteering hours per week (for 48 weeks) from our regular volunteers. This makes a total of 11,100 hours, which based on an hourly rate of £7.83 per hour represents a cost saving of £86,913 to Sparkle.

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Achievements and performance

The Charity's principal objectives are set out in its Memorandum and Articles of Association and the activities carried out throughout the year focus on meeting these objectives. The main activities are itemised in great detail and reflect the varied, professionally run and well regarded service that is given to the children and their families.

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. In pursuing these objectives, the charity has enjoyed another successful year with over 280 weekly visits for Sparkle activities (which excludes monthly/fortnightly activities, MediCinema and visits to the Playground). Throughout this report we recognise that this reporting year has until the final weeks been a 'normal delivery period' for the charity however with the COVID-19 pandemic coming into place at the end of March will, and has potential to impact upon the delivery of Sparkle services going forward, whilst adhering to UK, Welsh Government, and Public Health guidelines during this period.

The Charity having extended its geographic reach and support to the Nevill Hall Children's Centre, undertook an extensive consultation with internal and external stakeholders to ascertain the needs of the children, young people and their families in this geographic area. The results of the consultation were considered and a subsequent delivery plan was established, the key challenge for the next year is now ensuring that the charity delivers that plan and the activities within in it.

In the previous 12 months Sparkle supported the transfer of its Helping Hands service to ABUHB. This service has been hugely successful and ABUHB has delivered, and fully funded the Sparkle model of counselling/ clinical psychology support for families across South Gwent since April 2019. ABUHB has since recruited and begun offering this service throughout the whole of Gwent. The model supports families of a child with disabilities/ developmental difficulties and has the potential to reduce costs to the health service over the longer-term. Sparkle continues to support and facilitate function of this services for example the E-PaTS parent support programme.

In partnership with Aneurin Bevan University Health Board, Sparkle secured a Welsh Government grant from the Integrated Care Funds- capital programme. The approved project will fund the extension of the Serennu Children's Centre building to create a dedicated rebound therapy facility with an overall completion date of the March 2021.

Sparkle is always looking to evaluate the impact of its services. In the next year, we will introduce a framework of measures which look, specifically, at the overall impact of services on the overall quality of life of those children and young people and their families accessing Sparkle services.

We are once again grateful for the continued support from Children in Need, Families First, the Waterloo Foundation, O2e, and Frontier Medical Group Ltd.

We have also secured significant donations during COVID-19, from Wales Council for Voluntary Action (WCVA) distributed on behalf of the Welsh Government, Gwent Association of Voluntary Organisations (GAVO) and Torfaen Voluntary Association (TVA). With the support from donors, funders and volunteers, Sparkle has been able to achieve the following in this year:

- 10,774 contacts were made with Sparkle by children and young people, parent/carers and professionals, with 2,218 contacts made with the Family Liaison service.

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- 94 film showings in Serennu Medicinema, with 3,672 individual family members attending the screenings.
- 89% of young people, attending the Children's Centre, self-reported that they had made friends.
- 30 professionals attended the bi-annual 'Meet the Team' event hosted by the Family Liaison Officer.
- 53 families attended the Information days hosted by the Serennu and Nevill Hall Family Liaison Officers.
- 70% of young people felt their confidence had increased since attending Sparkle leisure services.
- 12 sibling children were supported in the Sibling Group, jointly facilitated by Sparkle and ABUHB Helping Hands service.
- 280 child leisure places were offered per week during the period – youth club (44), skills club (15), swimming lessons (72) family swim (28), sibling club (20), after school clubs (13), Minecraft club (13), independent skills club (10), play club (49), Continuing Care club (8).
- 72 children & young people were working towards Swimming Teachers Association International 'Learn to swim' programme stage and awards.
- 110 family swim sessions were offered with 736 people attending the sessions.
- 26 young people accessed an over-night residential stay. 15 of the young people had not been on a residential stay before.
- 9 young people attended a four night residential stay, of which 2 of the young people hadn't been away from home before.
- 3 focus groups were conducted with a total of 13 young people to find out the experiences and feelings; alongside parent and staff feedback, in relation to the residential stay. The feedback will be used to inform future residential stays.
- 51 holiday activity sessions offered, with 459 contacts made with children and young people accessing the provision
- 6,882 contacts with children and families were made within the leisure service.
- Parents and children reported that the primary skill development, since attending the Children's Centre, was within personal social skills.
- 46 parent/carers and professionals attended workshops funded by Sparkle, including paediatric first aid, bereavement training and managing and supporting sleep patterns.

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Though some of the leisure activities provided by Sparkle are supported by grants and corporate sponsorship, we recognise that smaller donations contribute to supporting our work. In the past 12 months we have received the following donations: Monmouthshire Building Society funded £922.23 for the purchase of kitchen equipment to support our independent living group. Both the Headley Foundation and the Les Mills Fund for Children donated funds to support the delivery of the Continuing Care club.

The Charity has also been fortunate in its continued support from Children in Need, WG Families First and the Waterloo Foundation, which have been critical in supporting the delivery of our family support services and leisure activities for the children and young people.

The fundraising activities remain a crucial part of the Charity's functions, for whilst we have been successful in securing significant grants, many of these will cease in the next 12 months and there is the need to increase our capacity to secure additional funds from local companies, community groups and individuals. The charity also launched an Emergency Appeal in March 2020 in response to the outbreak of the COVID-19 pandemic and the significant drop in overall fundraising income levels, this appeal has seen some individual donors come forward making significant donation to Sparkle ranging from £10,000 to £50,000. We have also seen our local community take up some personal challenges to raise money for Sparkle with one individual running a marathon in their street and raising £1,800, to a young lady, using her walking aid to take up a 2.6 challenge for Sparkle and raising £1,600 to name but a few. Our reputation within the area we serve is high and the support of our families and volunteers to engage in fundraising events is considerable. This will be a key matter for Trustees in the new financial year.

Financial review

The charity has enjoyed a successful year in raising funds from many different sources including corporate sponsors, community collections, individual donations and major grants with incoming resources totalling £555,836.

Significant grant funding has been received from Children in Need, Welsh Government Families First, and emergency funds, from TVA and GAVO for example from which has enabled the Charity to undertake the wide range of activities as described above, but also ensure its survival through the 'lockdown' period due to COVID-19.

Significant donations were received from the Frontier Medical Group amounting to £93,000 to support existing services and O2E amounting to £25,000, which will be used to support enrichment activities, for example residential experiences and access to music and drama therapy sessions.

These grants and donations have been essential as our main sources of income, given that we have had a vacancy in our Fundraising Manager's post for most of the year. This has meant that our fundraising campaign has delivered less than usual, with about 50% of our annual target of £145,000 being achieved.

Sparkle's unrestricted reserves have fallen to a closing balance of £246,881 as at 31 March 2020. This sum will be retained with the intention of safeguarding existing activities in the short term, and supporting the operation of the Charity through the 'lockdown' period of COVID-19.

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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 of transition from receiving less grant funding, it is appropriate to hold sufficient free funds to cover the core expenditure required to maintain activities for six months.

Plans for future periods

Overall aims of Sparkle

(subject to UK and Welsh Government guidance in relation to COVID-19)

- To expand the delivery of services and provisions for families in the Nevill Hall Children's Centre catchment;
- To evaluate the effectiveness of the single point of entry referral system within the ABUHB Integrated Service for Children with Additional Needs (ISCAN) service;
- To continue to assist and facilitate the ABUHB Psychology Helping Hands service;
- Continue to offer a diverse range of activities and support to children and young people with disabilities/ complex needs and their families;
- To continue to explore with the health board and regional partners the possibility of them funding and delivering the proposed optimum model of transition from child to adult services;
- 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-judgemental environment;
- Continue to develop services to reach children with the most severe complex health care needs in liaison with partner agencies;
- Ensure the Family Liaison service in the South and North, continues to lead bi-annual 'Meet the Team' presentation events, to enable external professional staff to visit Serennu Children's Centre and learn about services offered and available at Serennu which can then be cascaded within staff teams and out to families;
- Develop new, and maintain existing links with local schools and nurseries to help raise awareness regarding disability and inclusion;
- Ensure Sparkle clubs run at capacity and offer the best outcomes for the children and young people we support;
- To continue to recruit, train and retain regular volunteer, without whom we wouldn't be able to carry out our work

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Activities planned to achieve aims

- To identify and secure community venues for the delivery of services in the North of Gwent.
- To recruit, train and retain a staff team to deliver leisure and family support activities in the Nevill Hall catchment;
- To promote and raise awareness of services in the North to parents and professionals within that geographical area;
- To establish links with key partners and continue to develop our understanding of services delivered within the Nevill Hall area;
- To facility and assist ABUHB to ensure a smooth transition of the Psychology Helping Hands service and E-PaTS parent support programme;
- To undertake a review of the impact Sparkle has upon the quality of life of the children, young people and their families accessing services;
- Continue to monitor and review the demand for Sparkle leisure services and the effectiveness of the Admissions Policy;
- Ensure transition pathways are in place for leisure activities and children/young people are supported to access community provisions;
- To continue to promote, and seek out support and opportunities for the delivery of the proposed model of transition from child to adult services across the region;
- Continue to develop and implement robust performance management and monitoring systems to support the needs of a growing and successful charity;
- Continue to develop and implement quality control frameworks and strategy to ensure that all children, young people and their families receive an equitable and high quality service from Sparkle;
- Continue to recruit, train and retain regular volunteers, without whom we wouldn't be able to carry out our work.

Structure, governance and management

This Trustees' Report and Final Accounts covers the year from 1 April 2018 to 31 March 2019.

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.

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

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Trustees' Report

Recruitment and appointment of trustees

New trustees are recruited by personal introduction, and 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 chair person is responsible for making new trustees aware of their responsibilities under charity law, and arranging appropriate induction and training, to include safeguarding training. The Office Manager will ensure that disclosure and barring checks are undertaken where required.

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 achieving and sustaining fundraising income targets at this unprecedented time, manage expectations and deliver enhanced services within the Nevill Hall Children's Centre geographical catchment.

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 25 June 2020 and signed on its behalf by:


.....
Dr S Maguire
Trustee

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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 25 June 2020 and signed on its behalf by:


Dr S Maguire
Trustee

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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 2020 which are set out on pages 11 to 27.

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.

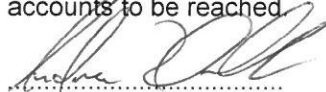
Independent examiner's statement

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

25 June 2020

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Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Donations and legacies	2	51,680	433,984	485,664	555,134
Charitable activities	3	63,395	826	64,221	57,246
Other trading activities	4	3,679	94	3,773	5,148
Investment income	5	2,178	-	2,178	1,552
Total Income		<u>120,932</u>	<u>434,904</u>	<u>555,836</u>	<u>619,080</u>
Expenditure on:					
Raising funds	6	(17,888)	-	(17,888)	(28,860)
Charitable activities	7	<u>(148,084)</u>	<u>(375,225)</u>	<u>(523,309)</u>	<u>(504,052)</u>
Total Expenditure		<u>(165,972)</u>	<u>(375,225)</u>	<u>(541,197)</u>	<u>(532,912)</u>
Net (expenditure)/income		<u>(45,040)</u>	<u>59,679</u>	<u>14,639</u>	<u>86,168</u>
Net movement in funds		(45,040)	59,679	14,639	86,168
Reconciliation of funds					
Total funds brought forward		<u>291,921</u>	<u>467,560</u>	<u>759,481</u>	<u>673,313</u>
Total funds carried forward	18	<u><u>246,881</u></u>	<u><u>527,239</u></u>	<u><u>774,120</u></u>	<u><u>759,481</u></u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2019 is shown in note 18.

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(Company registration number: 04238990)

Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Current assets			
Debtors	15	36,477	26,480
Cash at bank and in hand		<u>751,084</u>	<u>758,739</u>
		787,561	785,219
Creditors: Amounts falling due within one year	16	<u>(13,441)</u>	<u>(25,738)</u>
Net assets		<u>774,120</u>	<u>759,481</u>
Funds of the charity:			
Restricted funds		527,239	467,560
Unrestricted income funds			
Unrestricted funds		<u>246,881</u>	<u>291,921</u>
Total funds	18	<u>774,120</u>	<u>759,481</u>

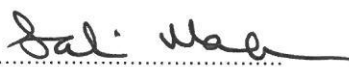
For the year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 11 to 27 were approved by the trustees, and authorised for issue on 25 June 2020 and signed on their behalf by:


.....
Dr S Maguire
Trustee

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Cash Flow Statement for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income		14,639	86,168
Adjustments to cash flows from non-cash items			
Depreciation	6	-	257
Investment income	5	(2,178)	(1,552)
		12,461	84,873
Working capital adjustments			
Increase in debtors	15	(9,997)	(14,163)
(Decrease)/increase in creditors	16	(12,297)	13,056
Decrease in deferred income		-	(16,985)
Net cash flows from operating activities		(9,833)	66,781
Cash flows from investing activities			
Interest receivable and similar income	5	2,178	1,552
Net (decrease)/increase in cash and cash equivalents		(7,655)	68,333
Cash and cash equivalents at 1 April		758,739	690,406
Cash and cash equivalents at 31 March		751,084	758,739
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash		(7,655)	68,333
Net funds at 1 April 2019		758,739	690,406
Net funds at 31 March 2020		751,084	758,739

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

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Notes to the Financial Statements for the Year Ended 31 March 2020

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 2020

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.

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Notes to the Financial Statements for the Year Ended 31 March 2020

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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Notes to the Financial Statements for the Year Ended 31 March 2020

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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Notes to the Financial Statements for the Year Ended 31 March 2020

2 Income from donations and legacies

	Unrestricted funds		Total Period ended 2020	Total 2019
	General £	Restricted funds £	£	£
Donations and legacies;				
Donations from companies, trusts and similar proceeds	16,777	233,546	250,323	117,088
Donations from individuals	33,471	3,614	37,085	57,184
Gift aid reclaimed	1,332	6,250	7,582	2,424
Grants, including capital grants;				
Grants from trusts and other funders	-	53,732	53,732	71,656
Grants from other organisations	100	96,301	96,401	301,123
Grants from companies	-	40,541	40,541	5,659
	<u>51,680</u>	<u>433,984</u>	<u>485,664</u>	<u>555,134</u>

3 Income from charitable activities

	Unrestricted funds		Total Period ended 2020	Total 2019
	General £	Restricted funds £	£	£
Clubs, activities and cafe sales	<u>63,395</u>	<u>826</u>	<u>64,221</u>	<u>57,246</u>

4 Income from other trading activities

	Unrestricted funds		Total Period ended 2020	Total 2019
	General £	Restricted funds £	£	£
Events income;				
Fundraising events	<u>3,679</u>	<u>94</u>	<u>3,773</u>	<u>5,148</u>

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Notes to the Financial Statements for the Year Ended 31 March 2020

5 Investment income

	Unrestricted funds		Total Period ended 2020	Total 2019
	General £	Restricted funds £	£	£
Interest receivable and similar income;				
Interest receivable on bank deposits	<u>2,178</u>	<u>-</u>	<u>2,178</u>	<u>1,552</u>

6 Expenditure on raising funds

	Direct costs £	Allocated support costs £	Total Period ended 2020 £	Total 2019 £
Costs of generating donations and legacies	<u>17,888</u>	<u>-</u>	<u>17,888</u>	<u>28,860</u>

Of the above costs £nil (2019 - £9,321) were attributable to restricted funds and £17,888 (2019 - £19,539) were attributable to unrestricted funds.

7 Charitable activities

	Activity undertaken directly £	Activity support costs £	Total Period ended 2020 £	Total 2019 £
Centre maintenance and upkeep and play equipment	82,004	674	82,678	77,564
Clubs, activities and cafe sales	384,217	52,874	437,091	423,237
Governance	<u>-</u>	<u>3,540</u>	<u>3,540</u>	<u>3,251</u>
	<u>466,221</u>	<u>57,088</u>	<u>523,309</u>	<u>504,052</u>

Of the above costs £375,225 (2019 - £441,663) were attributable to restricted funds and £148,084 (2019 - £62,389) were attributable to unrestricted funds.

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Notes to the Financial Statements for the Year Ended 31 March 2020

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 2020	Total Period ended 31 March 2019
		£	£	£	£
Employment costs	Hours spent	-	50,724	50,724	41,019
Legal and professional fees	Hours spent	-	2,150	2,150	1,854
Governance	% of total activity costs	674	3,540	4,214	3,852
		<u>674</u>	<u>46,124</u>	<u>57,088</u>	<u>46,725</u>

Governance costs

	Centre and play equipment maintenance and upkeep	Clubs, activities and cafe sales	Total Period ended 31 March 2020	Total Year ended 31 March 2019
	£	£	£	£
Independent examiners' remuneration	330	1,734	2,064	1,998
Legal and professional fees	344	1,806	2,150	1,854
	<u>674</u>	<u>3,540</u>	<u>4,214</u>	<u>3,852</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020 £	2019 £
Depreciation of fixed assets	<u>-</u>	<u>257</u>

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Notes to the Financial Statements for the Year Ended 31 March 2020

10 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.

11 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	322,977	331,138
Social security costs	15,374	15,385
Pension costs	14,978	14,960
Other staff costs	6,953	10,052
	<u>360,282</u>	<u>371,535</u>

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

	2020 No	2019 No
Administration	3	3
Charitable activities	70	57
Governance	7	7
	<u>80</u>	<u>67</u>

6 (2019 - 8) of the above employees participated in the Defined Contribution Pension Scheme.

Contributions to the employee pension schemes for the year totalled £14,978 (2019 - £14,960).

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 £47,294 (2019 - £5,000).

The average number of full time staff employed in the period was 10, and the average number of part time staff employed was 70. The equivalent number of full time staff employed would be estimated as 16.

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Notes to the Financial Statements for the Year Ended 31 March 2020

12 Independent examiner's remuneration

	2020 £	2019 £
Other fees to examiners		
The examining of accounts of any associate of the charity	<u>2,064</u>	<u>1,998</u>

13 Taxation

No tax was charged in the year (2019 - £nil) . As disclosed in the accounting policies, the company is a registered charity and is, therefore, exempt from taxation.

14 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 April 2019	<u>5,487</u>	<u>5,487</u>
At 31 March 2020	<u>5,487</u>	<u>5,487</u>
Depreciation		
At 1 April 2019	<u>5,487</u>	<u>5,487</u>
At 31 March 2020	<u>5,487</u>	<u>5,487</u>
Net book value		
At 31 March 2020	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>-</u>

15 Debtors

	2020 £	2019 £
Prepayments	185	185
Other debtors	<u>36,292</u>	<u>26,295</u>
	<u>36,477</u>	<u>26,480</u>

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Notes to the Financial Statements for the Year Ended 31 March 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	18,351
Other taxation and social security	3,893	5,440
Other creditors	7,229	-
Pension scheme creditor	2,319	1,947
	<u>13,441</u>	<u>25,738</u>

17 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 2020

18 Funds

	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				
Frontier Medical Group Limited	245,407	93,000	(52,325)	286,082
NCC Family First Play Club	-	38,541	(38,541)	-
NCC Family First Youth Club	-	12,000	(12,000)	-
Children In Need	-	30,000	(28,234)	1,766
Ordinary 2 Extraordinary Clubs	87,859	25,000	(79,113)	33,746
Holiday Club	3,989	-	(882)	3,107
Barclays	46,691	-	(13,154)	33,537
NCC - Families First	-	10,000	(10,000)	-
Trust for Sick Children in Wales	19,249	-	(19,249)	-
The Waterloo Foundation	27,360	-	(23,312)	4,048
ISCAN	24,728	-	(1,453)	23,275
DM Thomas Foundation	10,000	-	(10,000)	-
Tesco Bags of Help Funding	2,277	1,000	(3,277)	-
Headley Foundation	-	2,500	(2,500)	-
Skipton	-	3,000	(3,000)	-
ABUHB Recharge Costs	-	29,558	(29,558)	-
ALN Parents Engagement	-	5,000	(652)	4,348
Covid 19 Emergency Appeal Campaign	-	99,864	-	99,864
Garfield Weston Foundation	-	25,000	(25,000)	-
TVA Third Sector ICF Funding	-	7,808	-	7,808
Les Mills	-	1,000	(1,000)	-
Nevill Hall	-	50,639	(20,981)	29,658
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><u>759,481</u></u>	<u><u>555,836</u></u>	<u><u>(541,197)</u></u>	<u><u>774,120</u></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 purchase a swing set for young people alongside funding the delivery of Sparkle activities.

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

The Trust of Sick Children in Wales - donated money to provide hoisting equipment for as many therapy rooms as possible.

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

NCC Family First - The grant was to cover projects to provide play and youth clubs for children and young people to have fun and socialise in a safe environment.

DM Thomas Foundation - The grant was awarded for the enhancement of the hoist system at Sparkle which will be extended into 5 new rooms.

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 is the transfer of funds, following the closure of the Umbrella Trust charity, the previous charity partner of Nevill Hall Children's Centre. This fund is ring-fenced to support Nevill Hall services.

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

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

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

Headley Foundation - was granted to the charity to contribute to the overall costs of delivering a Continuing Care club for children and young people with complex needs.

Skipton - grant secured to contribute to the overall costs of the purchase and installation of five overhead hoists.

ABUHB Recharge Costs - donated to the charity to facilitate the delivery of the Helping hands service.

Garfield Weston Foundation - was grant funds awarded to support the delivery of our family support services.

Les Mills - was granted to the charity to contribute to the overall costs of delivering a Continuing Care club for children and young people with complex needs.

Swim Costs - are funds restricted for the ongoing maintenance cost associated with the hydrotherapy pool.

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General		
	£	£	£
Current assets	253,128	534,433	787,561
Current liabilities	(6,247)	(7,194)	(13,441)
Total net assets	<u>246,881</u>	<u>527,239</u>	<u>774,120</u>

20 Analysis of net funds

	At 1 April 2019	Cash flow	At 31 March 2020
	£	£	£
Cash at bank and in hand	758,739	(7,655)	751,084
Net debt	<u>758,739</u>	<u>(7,655)</u>	<u>751,084</u>

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Notes to the Financial Statements for the Year Ended 31 March 2020

21 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 £93,000 (2019 - £16,985) to Sparkle (South Wales) Limited. Frontier Medical Group Ltd also approved a grant of nil (2019 - £93,000). At the balance sheet date the amount due Frontier Medical Group Ltd was £nil (2019 - £nil).