

Company Registration No. 09741508 (England and Wales)

SPARKLE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

SPARKLE MULTI-ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 - 16
Independent reporting accountant's report on regularity	17 - 18
Statement of financial activities including income and expenditure account	19
Balance sheet	20
Statement of cash flows	21
Notes to the accounts including accounting policies	22 - 40

SPARKLE MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr I G Chilvers (Director of Finance and Administration) Mr G Christie (Staff Trustee) Mr D J M Humphreys (Chair) Dr P M Jones (Headteacher and Accounting Officer) Mr I N Nash (Vice Chair) Mr R J Chute Mr J W Adams Mr P Neale Mrs S L Baker (Appointed 20 October 2020)
Members	The Reverend J K Gavigan Mr P J Papps Mr I N Nash Mr H Stringer
Senior management team	
- Headteacher	Dr P M Jones
- Deputy Headteacher	Mr S Hall
- Deputy Headteacher	Mrs F McCarthy
- Director of Finance	Mr I G Chilvers
Company secretary	Mr I G Chilvers
Company registration number	09741508 (England and Wales)
Principal address and registered office	Orchards Junior School Nelson Road Worthing West Sussex BN12 6EN
Independent auditor	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1RL
Bankers	Lloyds Bank South Street Worthing BN11 3AU
Solicitors	Paris Smith Number 1 London Road Southampton SO15 2AE

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 7 to 11 serving a catchment area in Goring and Durrington. It has a pupil capacity of 620 and had a roll of 517 in the school census at October 2021. The September 2020 intake was significantly smaller than the cohort who left in July 2020, but we have historically seen the year groups grow as they progress through the school, with children joining in years 4, 5 and 6.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Sparkle Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The academy trust is covered under membership to the Department of Education's Risk Protection Arrangement ('RPA').

Method of recruitment and appointment or election of trustees

The effectiveness of the board is fundamentally linked to the quality of the people involved. The appointment of trustees has to be agreed by the chair and the headteacher jointly. New trustees are recruited on the basis of a skills audit and if necessary an interview process is held to ascertain which candidate will be the best appointment to take the school forward.

The process is undertaken by the chair, headteacher and at least one other member. It can be summarised as follows:

1. Assess skills gaps on current board
2. Agree aims of recruitment
3. Agree process and specification
4. Start recruitment process
5. Informal conversations and school visits by prospective trustees
6. Formal interviews
7. Formal appointment

Policies and procedures adopted for the induction and training of trustees

The induction of new trustees is co-ordinated by the headteacher who will arrange for a meeting with the chair and a tour of the school. Training for new and existing trustees is co-ordinated through the meeting process.

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

As a one school multi-academy trust we have members and a board of directors / trustees serving The Orchards Junior School. The members of the trust are responsible for the ultimate control over the academy trust, with the ability to appoint some of the trustees and the right to amend the trust's articles of association.

The trustees are responsible for setting the direction, holding the headteacher to account and ensuring financial probity. The main responsibilities of the trustees include:

- Determining the aims, ethos and priorities of the school;
- Delegating the power to run the school to the Headteacher;
- Agreeing the school improvement plan;
- Approving and monitoring the budget and monitoring the impact of spending;
- Approving whole school policies;
- Monitoring teaching standards;
- Approving the staffing structure, ratifying the appraisal process and undertaking the Headteacher performance management process with the support of an external adviser;
- Ratifying the statutory pay policy and approving teacher salaries.

All other duties are delegated to the Headteacher who also undertakes the role of Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration is set using the School Teachers Pay and Conditions document and our pay policy outlines the approach undertaken by the academy trust. Headteacher pay is considered by the governing body under the recommendations from the Headteacher Performance Management Panel overseen by an accredited external adviser. Other senior staff pay awards are recommended by the Headteacher to the Governing Body.

Trade union facility time

During the year one employee was a relevant trade union official but none of their time has been spent on trade union activities and therefore there is no associated cost or time spent during the year.

Related parties and other connected charities and organisations

Sparkle Multi Academy Trust has developed a link with two other multi-academy trusts, Downview Primary and the Oak Academy Trust (Barnham Primary), to mutually develop the strengths of the schools involved. This link has no impact upon operating policies. The trust is also a member of the West Sussex Coastal MATS that is led by Schoolworks.

Objectives and activities

Objects and aims

The Sparkle Multi Academy Trust has been set up to run The Orchards Junior School as an operating academy. The aims of the school are best summed up as 'Being the best we can be'. In summary we aim to:

- Make The Orchards the best place for the children to attend;
- Make The Orchards the best place for people to work so that:
 - All pupils are making progress;
 - The school achieves above average attainment across the range of areas; and
 - The school is full of happy, confident people.

Our distinctive ethos is driven by our unique 'SPARKLE' approach

Smile Pay Attention Ask Questions React Positively Keep Trying Love Learning Enjoy School

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

- To provide consistently good or better teaching and learning opportunities for all children that are inspirational, imaginative and engaging
- The Leadership Team are strategic and relentless in securing effective teaching, learning and challenge for all learners modelling best practice and developing staff
- Performance Management & Development process to be an integrating feature of high levels of pupil progress and high achievement
- All children will enjoy their learning and make expected or better progress in all areas including reading, writing and mathematics.

Public benefit

The academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Achievements this year have to be considered against the effects of the pandemic resulting in schools being closed to pupils other than those children of key workers for the majority of the spring term. The actions taken to facilitate the return to school ensured the school was making good progress towards the achievement of its objectives from the 2020/2021 school improvement plan notably:

- All children received consistently good quality learning experiences as evidenced by evaluation processes. The evaluation process undertaken forms part of a systematic Total Quality Management process involving triangulation of evidence from lesson observations, work scrutiny and school processes – 95% of teaching was judged to be in line with expectations or better. This was augmented by the remote learning offer.
- PESS outcomes excellent
- Further improvements in assessment process
- New Intent, Implementation and Impact (3i) Curriculum Process maintained
- Improved behaviour outcomes

Key performance indicators

- The Ofsted inspection dashboard shows the school needs to improve the performance of reasoning in maths
- No end of key stage 2 tests
- Pupil attendance data was just below national averages up to March but greater than national from then
- Pupil recruitment is positive with 25% of the school roll from outside the catchment area
- Financial and Investment Performance: Monitoring staff costs, currently at 85% of total income and monitoring and maintaining levels of surplus funds.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The principal source of funding for the Academy Trust is the General Academy Grant (GAG) obtained from the Education and Skills Funding Agency (ESFA). The grants received from the ESFA and the associated expenditure is shown as restricted funds within the Statement of Financial Activities. The expenditure in the year of which a large part related to salary costs, has been used to advance the education of children attending the Academy. Expenditure has effectively supported the key objectives of the Academy Trust.

Restricted fund income for educational operations amounts to £2,819,062 (2020: £2,769,504) during the period. Restricted expenditure on educational operations amounted to £2,887,853 (2020: £2,808,289). There was a surplus on unrestricted funds for the year that amounted to £6,038 (2020: £2,095). The general restricted fund surplus for the year (excluding pension reserve movements) amounted to £16,394 (2020: £123,286). The actuarial loss on the Local Government Pension Scheme amounted to £44,000 (2020: £116,000 gain)

The restricted fixed asset fund primarily arose from the introduction of the leasehold buildings and land at fair value on conversion of the school to academy status, together with capitalised costs incurred during the year. The fund is reduced by annual depreciation charges over the expected useful life of the assets concerned. The assets were used exclusively for providing education and the associated support services to the children of the Academy Trust.

Reserves policy

To ensure that there is always enough reserve cash to finance one month's salary plus £50,000. This is achieved by regular monitoring of the bank account, month by month salary costs and ensuring best value when making purchases of school resources. Available reserves (being total funds less the amount held in fixed assets and pension deficit) amounted to £383,136 (2020: £361,159) at the balance sheet date. The continued fluctuation of pupil numbers in the Worthing and Durrington locality makes it prudent to plan for the scenario of a number of years with lower intake. This then allows us to manage the staff in a more proactive and sympathetic way. We have ambitious plans for the development of the playground and the upgrade of the heating system should these funds remain available to us in the next academic year.

Investment policy

In our sixth year as an academy it is not a consideration at present, as we hold no material investments, but will create one should the trust agree to invest monies for future projects.

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

Our three key approaches

1. A leadership team that anticipates change and challenge
2. Awareness that risk exists and is a key factor in accountability
3. Quality systems that calculate risks and mitigates them

Present Risks:

Risk	Risk level	Mitigation
Effects of long term loss of schooling for majority of pupils in Summer 2021	High	Clear strategic planning and thorough risk assessment undertaken. The development of the COBRA team The experiences gained in Summer 2020
External economic and political factors including significant changes to the academy agenda	Medium	Monitor the political climate Engage in networking with other academies Maintain FLOW group
Outcomes fall below expectations	Medium / High	Regular review of progress and attainment each half term across the school with interventions based on analysis. Use of catch up fund to increase number of interventions delivered Adapted curriculum to meet specific issues / learning loss
Pupil numbers do not meet predictions	High	The re-organisation of schools in Worthing has placed this high on the agenda but patterns of pupils joining are strong. Staffing structures have been developed with flexibility built in and budgets set accordingly to manage the school over the uncertainty of the next 2/3 years. As we were unable to host our annual open evening for prospective parents, the school produced a promotional video giving a virtual tour of key areas and celebrating the many achievements of the children. The film has been promoted via our own website along with other online platforms.
Budget reduction	High	The effective budget management means we can staff at excellent levels and will also support us through the unknown future of the next 2/3 years in relation to school funding Flexibility in staffing allows us to manage the main costs Reserves in place to allow for oscillation of factors
Capital building budget demands	Low	The continued upkeep of the school by the premises team, an annual condition review and a focus on continually improving the learning environment protect us against any large unknown costs occurring.
School is deemed to require improvement	Low	Continued focus on ensuring standard of provision by the school is at least good – referenced to the changing requirements of Ofsted
Succession planning	Medium	Each role in the organization has a member or role identified as potential replacement. This is reviewed with the Chair, Business Manager and Headteacher at least annually
Recruitment & retention	Low	The school has developed its ITT approach to ensure a steady stream of well trained teachers. Retention levels are exceptionally high and this is due to the reward & recognition process that motivates staff.

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Long term absence of staff	Low	In line with the succession planning, the staffing structure has been developed to ensure there is cover immediately available for all key roles and the capacity to recruit is developed through in house training and work placements for potential candidates.
Public image	Low	The school marketing momentum team is proactive in celebrating the strengths of the school and the transparency of its processes contributes towards a mitigation of this risk.

Fundraising

Any fundraising undertaken by the Sparkle Multi-Academy Trust will be done so in accordance with the Charities (Protection and Social Investments) Act 2016 and by following the guidance as issued in The essential trustee: what you need to know, what you need to do (CC3) published by The Charity Commission. The main points being:

- acting in the best interests of your charity
- managing your charity's resources responsibly, which includes protecting and safeguarding its reputation
- acting with reasonable care and skill

Plans for future periods

The stakeholders of the Sparkle Multi Academy Trust after a successful sixth year with Orchards Junior School are now keen to share our skills and experience in order to improve the education of children at schools who would benefit from our guidance and leadership. As well as facilitating the improvement of educational outcomes for pupils at other schools we also believe that it would be beneficial to the continued development of our leaders and potential leaders at Orchards.

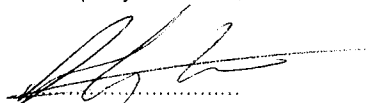
Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Carpenter Box be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27/2/21 and signed on its behalf by:


Mr D J M Humphreys
Chair

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Sparkle Multi-Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sparkle Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr I G Chilvers (Director of Finance and Administration)	6	6
Mr G Christie (Staff Trustee)	6	6
Mr D J M Humphreys (Chair)	5	6
Dr P M Jones (Headteacher and Accounting Officer)	6	6
Mr I N Nash (Vice Chair)	5	6
Mr R J Chute	5	6
Mr J W Adams	5	6
Mr P Neale	6	6
Mrs S L Baker (Appointed 20 October 2020)	5	6

We have successfully maintained a strong board of nine that has a range of skills and an extensive stake in the school. Mr Humphreys has proved to be an erudite and efficient Chairman. The governing body has worked effectively across the year to discharge its statutory duties and to continually improve its range of knowledge. The board has been reflective across the year and in addition to the formal meetings have engaged in a range of in school activities such as the governors' in-school day and strategic planning meetings. There was no negative impact on governance as we developed new strategies and reporting systems to mitigate against in person meetings. The replacement of the governors in-school day with a comprehensive series of reports and responses on every aspect of school practice was an example of this change. In line with previous targets, the governing body has improved its questioning of school data.

The Governing Body have also been prevalent in their support of school events such as performances, presentations and sporting tournaments.

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Governance reviews

Leadership and management has been viewed as good by external reviews with the following comments made about the performance of the governors:

- Leaders and governors ensure that pupils' progress is tracked with increasing rigour.
- Leaders and governors have a strong vision and know the school well.
- Leaders and governors have created a very rich curriculum with a broad range of first-hand experiences. Pupils make good progress in a wide range of subjects, including physical education, music and art

The key development point was: governors continue to refine their skills of holding the school to account in order to accelerate the rise in standards further which we have been developing through increased questioning.

The strategic development of the Governing Body is an agenda item at each meeting and ensures a continuous review of practice. The trust will carry out a review of governance against national benchmarking and guidance each academic year.

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Structuring the staffing framework to enable low pupil:teacher ratio whilst staying within budgetary guidelines
- Delivering an exceptional PE and School Sports programme through dedicated use of PE funding
- Ensuring the allocation of Pupil Premium funds has been effective in bringing about improvements in opportunities for this group of pupils

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sparkle Multi-Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal scrutiny and has decided to buy in an internal audit service from Auguste & Auguste to undertake the work required according to the Academies Financial Handbook 2020.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems and other systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account / bank reconciliations
- Testing of control of Income procedures

On a yearly basis, the auditor reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress

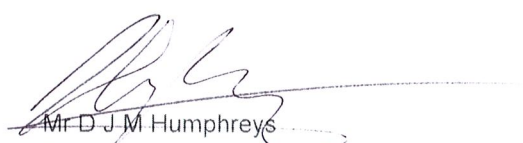
Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been performed by:

- the work of the external and internal auditor
- the oversight of the Board of Trustees
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the Director of Finance and Administration within the academy trust who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the external auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 8/2/21 and signed on its behalf by:


Mr D J M Humphreys
Chair


Dr P M Jones
Headteacher and Accounting Officer

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Sparkle Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook September 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



Dr P M Jones
Accounting Officer

8/12/21

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Sparkle Multi-Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education Funding Agency, 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:

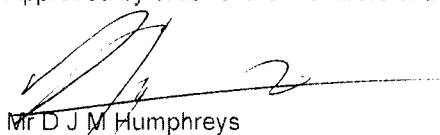
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 accounts 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.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 31/2/21 and signed on its behalf by:



M D J M Humphreys
Chair

SPARKLE MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARKLE MULTI-ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Sparkle Multi-Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SPARKLE MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARKLE MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

SPARKLE MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARKLE MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charitable company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud;
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the charitable company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: employment law and compliance with the UK Companies Act, Academies Accounts Direction 2020 to 2021 and the 2020 Academies Financial Handbook.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulation, fraud or any actual or potential litigation and claims against the charitable company;
- Reviewing minutes of meetings of the board of trustees, senior management and the audit committee;
- Reviewing internal scrutiny reports for the academic year;
- Reviewing financial statement disclosures to assess compliance with applicable laws and regulations;
- Reading correspondence with regulators;
- Review and assess compliance with the Academies Financial Handbook 2020 and issue a separate report on compliance with regularity requirements;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the local government pension scheme; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SPARKLE MULTI-ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARKLE MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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



Robin Evans BA FCA CTA (Senior Statutory Auditor)
for and on behalf of Carpenter Box
Chartered Accountants
Statutory Auditor
Worthing

10/12/21

Carpenter Box is a trading name of Carpenter Box

SPARKLE MULTI-ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPARKLE MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 16 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sparkle Multi-Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sparkle Multi-Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sparkle Multi-Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sparkle Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sparkle Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sparkle Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 21 September 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

SPARKLE MULTI-ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPARKLE MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- Consideration of the evidence supporting the accounting officer's statements on regularity, propriety, and compliance;
- Review of procedures and controls ensuring their adequacy, compliance and appropriateness;
- Analytical procedures on the general activities of the academy trust;
- Planning of assurance procedures including identifying key risk areas;
- Further testing and review of the areas identified through the risk assessment including the testing and identification of control processes and examination of supporting evidence as well as additional verification and substantive testing on individual transactions.
- A review of minutes of committees and board meetings which may be relevant to regularity;
- Consideration of discussions with key personnel including the accounting officer and governing body.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Carpenter Box

Reporting Accountant

Carpenter Box
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1RL

Dated: 10/12/21

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	1,474	-	10,345	11,819	10,446
Charitable activities:						
- Funding for educational operations	4	32,862	2,819,062	-	2,851,924	2,813,417
Other trading activities	5	-	-	-	-	57,611
Investments	6	45	-	-	45	179
Total income and endowments		34,381	2,819,062	10,345	2,863,788	2,881,653
Expenditure on:						
Raising funds	7	-	20,815	-	20,815	9,540
Charitable activities:						
- Educational operations	8	28,343	2,887,853	79,148	2,995,344	2,909,776
Total expenditure	7	28,343	2,908,668	79,148	3,016,159	2,919,316
Net income/(expenditure)		6,038	(89,606)	(68,803)	(152,371)	(37,663)
Transfers between funds		-	(455)	455	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes		-	(44,000)	-	(44,000)	116,000
Net movement in funds		6,038	(134,061)	(68,348)	(196,371)	78,337
Reconciliation of funds						
Total funds brought forward		73,390	(277,231)	4,938,610	4,734,769	4,656,432
Total funds carried forward		79,428	(411,292)	4,870,262	4,538,398	4,734,769


SPARKLE MULTI-ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		4,902,560		4,981,708
Current assets					
Debtors	13	185,540		207,732	
Cash at bank and in hand		340,420		321,392	
		525,960		529,124	
Current liabilities					
Creditors: amounts falling due within one year	14	(175,122)		(211,063)	
Net current assets			350,838		318,061
Total assets less current liabilities			5,253,398		5,299,769
Net assets excluding pension liability			5,253,398		5,299,769
Defined benefit pension scheme liability	17	(715,000)		(565,000)	
Net assets			4,538,398		4,734,769
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,870,262		4,938,610
- Restricted income funds			303,708		287,769
- Pension reserve			(715,000)		(565,000)
Total restricted funds			4,458,970		4,661,379
Unrestricted income funds	16		79,428		73,390
Total funds			4,538,398		4,734,769

The accounts were approved by the trustees and authorised for issue on 23/12/21 and are signed on their behalf by:


Mr D J M Humphreys
Chair

Company Number 09741508

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		8,638		88,132
Cash flows from investing activities					
Dividends, interest and rents from investments		45		179	
Capital grants from DfE Group		10,345		10,446	
Purchase of tangible fixed assets		-		(55,364)	
Net cash provided by/(used in) investing activities			10,390		(44,739)
Net increase in cash and cash equivalents in the reporting period			19,028		43,393
Cash and cash equivalents at beginning of the year			321,392		277,999
Cash and cash equivalents at end of the year			340,420		321,392

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The charity is a company limited by guarantee and has no share capital.

1.2 Going concern

The trustees assess whether the use of going concern 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The COVID-19 pandemic and the ensuing lockdown measures have had an impact on the academy trust's operations. However, the UK government considers the ongoing provision of education throughout the pandemic as a key priority and ongoing funding, and the ongoing operation of schools, appears to be assured. In addition the trustees have reviewed the trust's three year budget forecast return which demonstrates the trust's ongoing viability over that period. Within this context the trustees have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Capital grants

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Capital grants are received for capital purposes and must be spent in line with the terms and conditions of the grant.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	125 years
Computer equipment	3 years
Fixtures, fittings & equipment	10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost, as detailed in note 13. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost, as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Taxation

The academy trust 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 academy trust 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.

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	10,345	10,345	10,446
Other donations	1,474	-	1,474	-
	<u>1,474</u>	<u>10,345</u>	<u>11,819</u>	<u>10,446</u>

The income from donations and capital grants was £11,819 (2020: £10,446) of which £1,474 was unrestricted (2020: £nil), £nil was restricted (2020: £nil) and £10,345 (2020: £10,446) was in relation to restricted fixed assets funds.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	2,257,357	2,257,357	2,199,374
Other DfE/ESFA grants:				
Pupil premium	-	226,330	226,330	215,936
Others	-	94,515	94,515	94,999
	-	2,578,202	2,578,202	2,510,309
Other government grants				
Local authority grants	-	173,268	173,268	232,533
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	47,360	47,360	-
Other DfE/ESFA COVID-19 funding	-	10,163	10,163	11,472
	-	57,523	57,523	11,472
Other incoming resources	32,862	10,069	42,931	59,103
Total funding	32,862	2,819,062	2,851,924	2,813,417

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

The funding received for coronavirus exceptional support covers £10,163 (2020: £11,472) of premises and staff costs. These costs are included in notes 7 and 8 below as appropriate.

The academy received £47,360 of funding for catch-up premium and costs incurred in respect of this funding totalled £47,360.

Following the reclassification in the Academies Accounts Direction 2020/21 of grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The income from funding for educational operations was £2,819,062 (2020: £2,813,417) of which £32,862 (2020: £43,913) was unrestricted and £2,819,062 (2020: £2,769,504) was restricted.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Parental contributions	-	-	-	57,611

All income from other trading activities in the prior year was restricted.

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	45	-	45	179

All income from investments in the prior year was unrestricted.

7 Expenditure

	Staff costs £	Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	-	-	20,815	20,815	9,540
Academy's educational operations					
- Direct costs	2,090,842	-	135,280	2,226,122	2,198,458
- Allocated support costs	362,474	236,769	169,979	769,222	711,318
	<u>2,453,316</u>	<u>236,769</u>	<u>326,074</u>	<u>3,016,159</u>	<u>2,919,316</u>

The expenditure on raising funds was £20,815 (2020: £9,540) of which was all restricted.

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	7,000	7,000
- Other services	3,350	3,350
- Taxation	270	260
- Teachers' pension audit	780	870
Operating lease rentals	26,157	18,035
Depreciation of tangible fixed assets	65,474	59,490
Loss on disposal of fixed assets	13,674	-
Net interest on defined benefit pension liability	10,000	12,000

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	6,365	2,219,757	2,226,122	2,198,458
Support costs				
Educational operations	21,978	747,244	769,222	711,318
	<u>28,343</u>	<u>2,967,001</u>	<u>2,995,344</u>	<u>2,909,776</u>
			2021 £	2020 £
Analysis of support costs				
Support staff costs			362,474	344,811
Depreciation			79,148	59,490
Premises costs			157,621	154,968
Legal costs			65,123	47,289
Other support costs			93,565	92,994
Governance costs			11,291	11,766
			<u>769,222</u>	<u>711,318</u>

The expenditure on educational operations was £2,995,344 (2020: £2,909,776) of which £28,343 was unrestricted (2020: £41,997) £2,967,001 was restricted (2020: £2,867,779) and £nil was restricted fixed assets (2020: £nil).

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	1,797,623	1,749,838
Social security costs	170,298	162,444
Pension costs	485,395	473,646
Total staff expenditure	<u>2,453,316</u>	<u>2,385,928</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2021 Number	2020 Number
Teachers	32	32
Administration and support	33	33
Management	3	3
	<u>68</u>	<u>68</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 Number	2020 Number
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>3</u>	<u>3</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contribution) received by key management personnel for their services to the academy trust was £469,773 (2020: £447,221).

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

During the year, expenses totalling £36 (2020: £161) were reimbursed to 2 trustees (2020: 2 trustees).

The value of trustees' remuneration and other benefits was as follows:

Dr P Jones (Headteacher)

Remuneration: £105,000 - £110,000 (2020: £95,000 - £100,000)

Employer's pension contributions: £25,000 - £30,000 (2020: £20,000 - £25,000)

Mr I Chilvers (Staff)

Remuneration: £50,000 - £55,000 (2020: £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2020: £10,000 - £15,000)

Mr G Christie (Staff)

Remuneration: £40,000 - £45,000 (2020: £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2020: £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 22.

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2020	5,072,000	103,951	108,510	5,284,461
Disposals	-	-	(30,417)	(30,417)
At 31 August 2021	5,072,000	103,951	78,093	5,254,044
Depreciation				
At 1 September 2020	199,496	55,442	47,815	302,753
On disposals	-	-	(16,743)	(16,743)
Charge for the year	40,569	17,908	6,997	65,474
At 31 August 2021	240,065	73,350	38,069	351,484
Net book value				
At 31 August 2021	4,831,935	30,601	40,024	4,902,560
At 31 August 2020	4,872,504	48,509	60,695	4,981,708

13 Debtors

	2021 £	2020 £
Trade debtors	133	-
VAT recoverable	24,208	33,860
Other debtors	88,198	80,467
Prepayments and accrued income	73,001	93,405
	185,540	207,732

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	18,159	68,994
Other taxation and social security	42,632	40,017
Other creditors	47,945	42,426
Accruals and deferred income	66,386	59,626
	175,122	211,063

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	53,791	47,544
Deferred income at 1 September 2020	47,544	68,534
Released from previous years	(47,544)	(68,534)
Resources deferred in the year	53,791	47,544
Deferred income at 31 August 2021	53,791	47,544

At the balance sheet date the Academy Trust was holding funds received in advance for Special Educational Needs funding which relate to the 2021/22 academic year.

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	198,176	2,257,357	(2,216,612)	(455)	238,466
Pupil premium	4,158	226,330	(214,043)	-	16,445
Catch-up premium	-	47,360	(57,131)	9,771	-
Other DfE/ESFA COVID-19 funding	-	10,163	(10,163)	-	-
Other DfE/ESFA grants	29,903	94,515	(95,408)	-	29,010
Other government grants	20,405	173,268	(173,269)	(617)	19,787
Other restricted funds	35,127	10,069	(36,042)	(9,154)	-
Pension reserve	(565,000)	-	(106,000)	(44,000)	(715,000)
	<u>(277,231)</u>	<u>2,819,062</u>	<u>(2,908,668)</u>	<u>(44,455)</u>	<u>(411,292)</u>
Restricted fixed asset funds					
Inherited on conversion	4,893,844	-	(42,202)	-	4,851,642
DfE group capital grants	25,742	10,345	(17,467)	-	18,620
Capital expenditure from GAG	19,024	-	(19,479)	455	-
	<u>4,938,610</u>	<u>10,345</u>	<u>(79,148)</u>	<u>455</u>	<u>4,870,262</u>
Total restricted funds	<u>4,661,379</u>	<u>2,829,407</u>	<u>(2,987,816)</u>	<u>(44,000)</u>	<u>4,458,970</u>
Unrestricted funds					
General funds	<u>73,390</u>	<u>34,381</u>	<u>(28,343)</u>	<u>-</u>	<u>79,428</u>
Total funds	<u>4,734,769</u>	<u>2,863,788</u>	<u>(3,016,159)</u>	<u>(44,000)</u>	<u>4,538,398</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	110,323	2,199,374	(2,111,521)	-	198,176
Pupil premium	-	215,936	(211,778)	-	4,158
Other DfE/ESFA grants	-	106,471	(76,568)	-	29,903
Other government grants	29,581	232,533	(241,709)	-	20,405
Other restricted funds	24,579	72,801	(62,253)	-	35,127
Pension reserve	(567,000)	-	(114,000)	116,000	(565,000)
	<u>(402,517)</u>	<u>2,827,115</u>	<u>(2,817,829)</u>	<u>116,000</u>	<u>(277,231)</u>
Restricted fixed asset funds					
Transfer on conversion	4,939,084	-	(45,240)	-	4,893,844
DfE group capital grants	24,501	10,446	(9,205)	-	25,742
Capital expenditure from GAG	24,069	-	(5,045)	-	19,024
	<u>4,987,654</u>	<u>10,446</u>	<u>(59,490)</u>	<u>-</u>	<u>4,938,610</u>
Total restricted funds	<u>4,585,137</u>	<u>2,837,561</u>	<u>(2,877,319)</u>	<u>116,000</u>	<u>4,661,379</u>
Unrestricted funds					
General funds	<u>71,295</u>	<u>44,092</u>	<u>(41,997)</u>	<u>-</u>	<u>73,390</u>
Total funds	<u>4,656,432</u>	<u>2,881,653</u>	<u>(2,919,316)</u>	<u>116,000</u>	<u>4,734,769</u>

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

- GAG funds are restricted to providing education
- Pupil premium funding is provided to improve education outcomes for disadvantaged pupils.
- Catch-up premium is provided to help pupils and disadvantaged young people catch up on missed education due to COVID-19.
- Other DfE / EFA grants relate to reimbursement for specific services
- Other government grants are in relation to the growth funding and local authority SEN funding received
- Other restricted funds are held to provide trips and other activities for students and the provision of education
- Capital grants are received for capital purchases and must be spent in line with the terms and conditions of the grant.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Sussex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £45,389 (2020: £40,158) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £292,220 (2020: £283,209)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2021 was £122,034 (2020: £105,664), of which employer's contributions totalled £96,590 (2020: £81,524) and employees' contributions totalled £25,444 (2020: £24,140). The agreed contribution rates for future years are 22.5% for employers and 5.5 to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The estimated pension liabilities at the 31 August 2020 include an allowance for the impact of the McCloud judgement.

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.4	2.8
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.7

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021 Years	2020 Years
Retiring today		
- Males	22.1	22.2
- Females	24.4	24.2
Retiring in 20 years		
- Males	23.1	23.3
- Females	26.1	25.9

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate + 0.1%	(55.0)	(43.8)
Discount rate - 0.1%	55.0	43.8
Mortality assumption + 1 year	102.0	2.6
Mortality assumption - 1 year	(102.0)	(2.6)
CPI rate + 0.1%	51.0	40.6
CPI rate - 0.1%	(51.0)	(40.6)

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	950,560	795,420
Bonds	658,080	500,820
Cash	146,240	73,650
Property	73,120	103,110
Total market value of assets	1,828,000	1,473,000

The actual return on scheme assets was £280,000 (2020: £138,000).

Amount recognised in the Statement of Financial Activities	2021 £	2020 £
Current service cost	184,000	209,000
Interest income	(26,000)	(23,000)
Interest cost	36,000	35,000
Total amount recognised in the SOFA	194,000	221,000

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	2,038,000	1,831,000
Current service cost	184,000	209,000
Interest cost	36,000	35,000
Employee contributions	23,000	27,000
Actuarial loss/(gain)	298,000	(1,000)
Benefits paid	(36,000)	(63,000)
At 31 August 2021	2,543,000	2,038,000

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2021 £	2020 £
At 1 September 2020	1,473,000	1,264,000
Interest income	26,000	23,000
Actuarial gain	254,000	115,000
Employer contributions	88,000	107,000
Employee contributions	23,000	27,000
Benefits paid	(36,000)	(63,000)
At 31 August 2021	1,828,000	1,473,000
Defined benefit pension scheme asset/(liability) at 31 August 2020	(715,000)	(565,000)

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	4,902,560	4,902,560
Current assets	79,428	478,830	(32,298)	525,960
Creditors falling due within one year	-	(175,122)	-	(175,122)
Defined benefit pension liability	-	(715,000)	-	(715,000)
Total net assets	79,428	(411,292)	4,870,262	4,538,398
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	4,981,708	4,981,708
Current assets	73,399	498,823	(43,098)	529,124
Creditors falling due within one year	(9)	(211,054)	-	(211,063)
Defined benefit pension liability	-	(565,000)	-	(565,000)
Total net assets	73,390	(277,231)	4,938,610	4,734,769

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	15,372	26,157
Amounts due in two and five years	19,655	16,056
	<u>35,027</u>	<u>42,213</u>

20 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(152,371)	(37,663)
Adjusted for:		
Capital grants from DfE and other capital income	(10,345)	(10,446)
Investment income receivable	(45)	(179)
Defined benefit pension costs less contributions payable	96,000	102,000
Defined benefit pension scheme finance cost	10,000	12,000
Depreciation of tangible fixed assets	65,474	59,490
Loss on disposal of fixed assets	13,674	-
Decrease/(increase) in debtors	22,192	(48,875)
(Decrease)/increase in creditors	(35,941)	11,805
Net cash provided by operating activities	<u>8,638</u>	<u>88,132</u>

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	<u>321,392</u>	<u>19,028</u>	<u>340,420</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and the the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transaction took place in the period of account:

Simon McCarthy Electrical, (a company in which Mrs F McCarthy's (Deputy Headteacher) close family member, is the owner), undertook various electrical repairs on behalf of the trust totalling £1,555 (2020: £300) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil)

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.