

Company registration number 09741508 (England and Wales)

SPARKLE MULTI-ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

SPARKLE MULTI-ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Statement of trustees' responsibilities	15
Independent auditor's report on the financial statements	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements including accounting policies	24 - 44

SPARKLE MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr I G Chilvers
Mr G Christie (Staff Trustee)
Mr D J M Humphreys
Dr P M Jones (Headteacher and Accounting Officer)
Mr I N Nash (Vice Chair)
Mr R J Chute (Resigned 31 January 2024)
Mr J W Adams (Resigned 31 December 2023)
Mr P J Neale (Chair)
Mrs S L Baker
Mr R C Matthews (Appointed 1 December 2023 and resigned 13 May 2024)
Mrs A L Slade (Appointed 1 January 2024)
Miss D Wilkinson (Appointed 1 January 2024)
Mrs B U J Allcock (Director of Finance and Administration) (Appointed 15 August 2024)
Mr T J Rollings (Appointed 31 January 2024)
Mr S J Hall (Appointed 15 October 2024)
Ms J Gavigan (Appointed 1 January 2024 and resigned 13 November 2024)

Members

The Reverend J K Gavigan
Mr P J Papps
Mr I N Nash
Mr M Gurney (Appointed 1 January 2024)
Ms A Matthews (Appointed 1 January 2024)

Senior management team

- Headteacher	Dr P M Jones
- Deputy Headteacher	Mr S Hall
- Deputy Headteacher	Mrs F McCarthy
- Chief Financial Officer	Mrs B U J Allcock

Company secretary

Mrs B U J Allcock

Company registration number

09741508 (England and Wales)

Principal address and registered office

Orchards Junior School
Nelson Road
Worthing
West Sussex
BN12 6EN

Academies operated

Orchards Junior School
Orchards Infant School

Location

Nelson Road, Worthing, West Sussex, BN12 6EN
Nelson Road, Worthing, West Sussex, BN12 6EN

Headteacher

Paul Jones
Paul Jones

Independent auditor

Sumer Audit
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1RL

SPARKLE MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 2024

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates two schools; Orchards Infant and Nursery for pupils aged 3 to 7 and Orchards Junior for pupils aged 7 to 11 serving a catchment area in Goring and Durrington. They have a pupil capacity of 480 and 620 respectively and had a roll of Infant 250 and Junior 465 in the school census at October 2023. The September 2023 intake for the Junior School was significantly smaller than the cohort who left in July 2023, 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 financial statements 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 executive headteacher / CEO 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 2024

Organisational structure

As a two school multi-academy trust we have members and a single board of directors / trustees serving the Orchards Infant School & Nursery and 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.

Objectives and activities

Objects and aims

The Sparkle Multi Academy Trust has been set up to run The Orchards Infant School & Nursery and Orchards Junior School (together 'The Orchards') as operating academies. The aims of the schools 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 schools achieves above average attainment across the range of areas; and
 - The schools are 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 2024

Objectives, strategies and activities

- To continue to incorporate Field Place into the Sparkle Academy trust as Orchards Infant school and nursery
- 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

Attainment in Phonics this year remained in line with national expectations for the Infant School. Attainment at the end of Key Stage 2 maintained a national level reflecting the excellent work undertaken to catch up lost learning as a result of the pandemic. Attainment is in line with the national average and progress is also higher than the national average despite the fact that most Junior Schools struggle with this metric. The schools have achieved a significant amount of their objectives from the 2023/2024 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.
- Physical education and school sports (PESS) outcomes excellent
- Coherent assessment processes have facilitated improved attainment across both schools
- Intent, Implementation and Impact (3i) Curriculum Process further developed to a very high standard
- Partnership with Orchards Infant has been cemented with them undertaking the conversion process to join the Sparkle Academy Trust

Key performance indicators

- The Ofsted inspection of April 2024 confirmed the Junior school remains a good one
- Pupil attendance data was lower than national averages in both schools.
- Pupil recruitment is positive with 20% (2023: 20%) of the Junior school roll from outside the catchment area
- Financial and Investment Performance: Monitoring staff costs, currently at 80% (2023: 80%) 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The principal source of funding for the Academy Trust is the General Annual 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 Trust. Expenditure has effectively supported the key objectives of the Academy Trust.

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Restricted fund income for educational operations amounts to £4,132,555 (2023: £2,944,289) during the period. Restricted expenditure on educational operations amounted to £4,500,015 (2023: £3,022,742). There was a surplus on unrestricted funds for the year that amounted to £107,549 (2023: £5,961). The general restricted fund surplus for the year (excluding pension reserve movements) amounted to a deficit of £403,859 (2023: £11,360 surplus). The actuarial loss on the Local Government Pension Scheme amounted to £89,000 (2023: £26,000).

The restricted fixed asset fund primarily arose from the introduction of the leasehold buildings and land at fair value on conversion of the schools 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 for both schools. 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 £519,092 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 invested significantly in improving the school environment at the Junior School and plan to do the same at the Infant School.

Investment policy

We investigated the possibility of investing a part of our reserves but came to the decision that we would want to stabilise the financial partnership with the Infant school before committing to this venture. Therefore, it is not a consideration at present but we will further investigate one should the trust agree to invest monies for future projects.

Principal risks and uncertainties

Our three key approaches

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

Risk	Risk level	Mitigation
Managing the growth of the trust incorporating Orchards Infant	High	Clear strategic plan Enhanced Trust leadership and management- succession planning Recruitment & retention
Effects of diminishing numbers of children in the locality	High	Leadership of Orchards Infant to increase pupil numbers at infant level Maintained and developed level of provision to attract new pupils. Flexible staffing structure to absorb potential loss without redundancy
Cyber attacks – increasingly more aggressive and more frequent	High	Trust has developed a strong filtering and monitoring approach Associated professional development for staff Continued partnership with JSPC as technology providers
Taking advantage of advances in technology against the cost of investment	Medium	Clear strategic plan for ICT investment Continued monitoring throughout the year Continued partnership with JSPC as technology providers

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 – with particular reference to lost schooling time	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 Stronger Together partnership with Orchards Infant gives us the best opportunity to positively influence pupil intake 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. The new parents evening in November is key in our approach to encourage families to join the school
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
Rising costs	High	Effective budget management and procurement of cost-effective services are at the core of our approach. Strong reserves protect us against any dramatic or unexpected cost rises
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. Systematic plan for capital spend Utilization of a professional bid writer to enhance opportunities of capital grants
School is deemed to require improvement	Low	Continued focus on ensuring standard of provision by the school is at least good School2School work provides a benchmark Continued recruitment of high quality staff
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. High level of outside interest for roles
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. Improved website Visibility at ingress and egress

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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. Systematic plan for capital spend Utilization of a professional bid writer to enhance opportunities of capital grants
School is deemed to require improvement	Low	Continued focus on ensuring standard of provision by the school is at least good School2School work provides a benchmark Continued recruitment of high quality staff
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. High level of outside interest for roles
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. Improved website Visibility at ingress and egress

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 ninth year with Orchards Junior School and a promising start to the incorporation of the Infant school into the trust in January 2024 are 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 the Trust.

SPARKLE MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 Sumer Audit 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 and signed on its behalf by:

.....

Mr P J Neale

Chair

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

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	5	5
Mr G Christie (Staff Trustee)	5	5
Mr D J M Humphreys	3	5
Dr P M Jones (Headteacher and Accounting Officer)	5	5
Mr I N Nash (Vice Chair)	3	5
Mr R J Chute (Resigned 31 January 2024)	1	1
Mr J W Adams (Resigned 31 December 2023)	1	1
Mr P J Neale (Chair)	5	5
Mrs S L Baker	4	5
Mr R C Matthews (Appointed 1 December 2023 and resigned 13 May 2024)	3	3
Mrs A L Slade (Appointed 1 January 2024)	3	3
Miss D Wilkinson (Appointed 1 January 2024)	3	3
Mrs B U J Allcock (Director of Finance and Administration) (Appointed 15 August 2024)		
Mr T J Rollings (Appointed 31 January 2024)	3	3
Mr S J Hall (Appointed 15 October 2024)		
Ms J Gavigan (Appointed 1 January 2024 and resigned 13 November 2024)	4	5

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

We have successfully maintained a strong board that has a range of skills and an extensive stake in the school. Mr Neale is 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.

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

The academy manages conflicts of interest through maintaining an up-to-date and complete register of interests which is reviewed at each governing body meeting. The information on the register is used in the day-to-day management and governance of the academy trust through reference in any school activity or purchase.

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

No key development points were raised at the Ofsted inspection. 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 carries out a review of governance against national benchmarking and guidance each academic year.

Audit and Risk committee

The trust has an established audit and risk committee which meets regularly to review the risk register and financial status of the trust. The risks are also considered during the full governing body meetings.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr I G Chilvers	6	6
Mr D J M Humphreys	6	6
Dr P M Jones (Headteacher and Accounting Officer)	6	6
Mr P J Neale (Chair)	6	6

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 as well as estates safety and management, achieved in return for the taxpayer resources received.

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 by using a framework 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 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

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 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 decided to buy in an internal audit service from Auguste & Auguste to undertake the work required according to the Academies Financial Handbook 2023.

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 month end / control account
- Testing of procurement
- Testing of control of Income procedures
- Testing of fixed assets

SPARKLE MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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 a 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.
- Correspondence from ESFA e.g. financial notice to improve/notice to improve (FNtl/Ntl) and 'minded to' letters.

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

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the board of trustees on and signed on its behalf by:

Dr P M Jones
Chair

Mr P J Neale
Chair

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of Sparkle Multi-Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Trust Handbook 2023, including responsibilities for estates safety and management.

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 Trust Handbook 2023.

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 ESFA.

Dr P M Jones
Accounting Officer

.....

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with Academies Accounts Direction published by Education and Skills 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 2019 and the Academies Accounts Direction 2023 to 2024;
- 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 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.

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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on and signed on its behalf by:

Mr P J Neale
Chair

SPARKLE MULTI-ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the financial statements of Sparkle Multi-Academy Trust ('the charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities including the income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, 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 2023 to 2024.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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 2024

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 for the financial year for which the financial statements are prepared which includes the directors report prepared for the purpose of company law is consistent with the financial statements; 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 charitable company 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 financial statements 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 who are also the directors of the charitable company for the purpose of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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; and
- 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.

SPARKLE MULTI-ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 and the Academies Trust Handbook 2023.

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 and Risk 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 Trust Handbook 2023 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Robin Evans BA FCA CTA DChA (Senior Statutory Auditor)

for and on behalf of Sumer Audit

Chartered Accountants

Statutory Auditor

Worthing

Sumer Audit is the trading name of Sumer Auditco Limited

.....

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 2024

In accordance with the terms of our engagement letter dated 17 December 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 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 Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 2024

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;
- A review of the internal scrutiny reports undertaken;
- 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 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Sumer Audit
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1RL

Dated:

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and capital grants	3	-	-	16,627	16,627	31,130
Donations - transfer from local authority on conversion	25	-	(116,828)	2,669,657	2,552,829	-
Charitable activities:						
- Funding for educational operations	4	132,538	4,132,555	-	4,265,093	3,151,997
Other trading activities	5	-	111,069	-	111,069	98,623
Investments	6	70	-	-	70	71
Total income and endowments		<u>132,608</u>	<u>4,126,796</u>	<u>2,686,284</u>	<u>6,945,688</u>	<u>3,281,821</u>
Expenditure on:						
Raising funds	7	-	30,640	-	30,640	8,810
Charitable activities:						
- Educational operations	8	25,059	4,500,015	85,376	4,610,450	3,297,533
Total expenditure	7	<u>25,059</u>	<u>4,530,655</u>	<u>85,376</u>	<u>4,641,090</u>	<u>3,306,343</u>
Net income/(expenditure)		107,549	(403,859)	2,600,908	2,304,598	(24,522)
Transfers between funds	17	-	(27,625)	27,625	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	18	-	89,000	-	89,000	26,000
Net movement in funds		107,549	(342,484)	2,628,533	2,393,598	1,478
Reconciliation of funds						
Total funds brought forward		82,922	575,106	4,823,487	5,481,515	5,480,037
Total funds carried forward		<u>190,471</u>	<u>232,622</u>	<u>7,452,020</u>	<u>7,875,113</u>	<u>5,481,515</u>

SPARKLE MULTI-ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		7,555,801		4,950,239
Current assets					
Debtors	13	219,903		172,833	
Cash at bank and in hand		543,213		551,821	
		<u>763,116</u>		<u>724,654</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(338,817)		(193,378)	
Net current assets			424,299		531,276
Total assets less current liabilities			7,980,100		5,481,515
Creditors: amounts falling due after more than one year	15		(8,987)		-
Net assets excluding pension liability			7,971,113		5,481,515
Defined benefit pension scheme liability	18		(96,000)		-
Net assets			<u>7,875,113</u>		<u>5,481,515</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			7,452,020		4,823,487
- Restricted income funds			328,622		575,106
- Pension reserve			(96,000)		-
Total restricted funds			<u>7,684,642</u>		<u>5,398,593</u>
Unrestricted income funds	17		190,471		82,922
Total funds			<u>7,875,113</u>		<u>5,481,515</u>

The financial statements were approved by the trustees and authorised for issue on and are signed on their behalf by:

.....
Mr P J Neale
Chair

Company Number 09741508

SPARKLE MULTI-ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash used in operating activities	22	(97,953)		(12,324)	
Cash funds transferred on conversion	25	84,987		-	
			<u>(12,966)</u>		<u>(12,324)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		70		71	
Capital grants from DfE Group		16,627		31,130	
Purchase of tangible fixed assets		(28,096)		(155,213)	
			<u>(11,399)</u>		<u>(124,012)</u>
Cash flows from financing activities					
Repayment of other loan		15,757		-	
			<u>15,757</u>		<u>-</u>
Net decrease in cash and cash equivalents in the reporting period					
			<u>(8,608)</u>		<u>(136,336)</u>
Cash and cash equivalents at beginning of the year		551,821		688,157	
			<u>543,213</u>		<u>551,821</u>
Cash and cash equivalents at end of the year					
			<u><u>543,213</u></u>		<u><u>551,821</u></u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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 financial statements 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 2023 to 2024 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 trustees have reviewed the trust's three year budget forecast return which demonstrates the trusts ongoing viability over that period, taking into account rising cost pressures and inflationary impacts. Within this context the trustees have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Orchards Infant School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in charitable expenditure - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1.4 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 2024

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.

1.5 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.

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.

All resources expended are inclusive of irrecoverable VAT.

1.6 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.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 Leased assets

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

1.9 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.

1.10 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.

1.11 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.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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.

If the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. A plan surplus, as a defined benefit plan asset, is only recognised to the extent that it can be recovered either through reduced contributions in the future or through refunds from the plan.

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

1.12 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 2024

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 18, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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 2024 £	Total 2023 £
Capital grants	-	16,627	16,627	31,130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The income from donations and capital grants was £16,627 (2023: £31,130) of which £nil was unrestricted (2023: £nil) and £16,627 (2023: £31,130) was in relation to restricted fixed assets funds.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,248,335	3,248,335	2,306,789
Other DfE/ESFA grants:				
UIFSM	-	54,960	54,960	-
Pupil premium	-	300,146	300,146	226,800
Others	-	216,252	216,252	218,775
	-	3,819,693	3,819,693	2,752,364
Other government grants				
Local authority grants	-	278,792	278,792	157,050
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	31,464	31,464	26,032
Other incoming resources	132,538	2,606	135,144	216,551
Total funding	132,538	4,132,555	4,265,093	3,151,997

The income from funding for educational operations was £4,265,093 (2023: £3,151,997) of which £132,538 (2023: £207,708) was unrestricted and £4,132,555 (2023: £2,944,289) was restricted.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Parental contributions	-	111,069	111,069	98,623

All income from other trading activities in the current and prior year was in relation to restricted funds.

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Short term deposits	70	-	70	71

All income from investments in the current and prior year was unrestricted.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2024 £	Total 2023 £
Expenditure on raising funds					
- Direct costs	-	-	30,640	30,640	8,810
Academy's educational operations					
- Direct costs	3,251,387	-	400,087	3,651,474	2,610,674
- Allocated support costs	325,273	381,431	252,272	958,976	686,859
	<u>3,576,660</u>	<u>381,431</u>	<u>682,999</u>	<u>4,641,090</u>	<u>3,306,343</u>

The expenditure on raising funds was £30,640 (2023: £8,810) all of which was restricted.

The expenditure on educational operations was £4,610,450 (2023: £3,297,533) of which £3,576,660 (2023: £2,643,588) related to staff costs, £381,431 (2023: £239,273) related to premises and equipment, and £652,359 (2023: £414,672) related to other costs.

Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease rentals	22,341	-
Depreciation of tangible fixed assets	85,376	72,973
Fees payable to auditor for:		
- Audit	12,120	10,900
- Other services	8,215	5,200
- Taxation	320	300
- Teachers' pension audit	2,425	925
Net interest on defined benefit pension liability	(5,000)	1,000
	<u>(5,000)</u>	<u>1,000</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Direct costs				
Educational operations	24,009	3,627,465	3,651,474	2,610,674
Support costs				
Educational operations	1,050	957,926	958,976	686,859
	<u>25,059</u>	<u>4,585,391</u>	<u>4,610,450</u>	<u>3,297,533</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Charitable activities

(Continued)

	2024	2023
	£	£
Analysis of support costs		
Support staff costs	325,273	253,046
Depreciation	85,376	72,973
Premises costs	296,055	166,300
Legal costs	116,205	55,818
Other support costs	116,459	121,555
Governance costs	19,608	17,167
	<u>958,976</u>	<u>686,859</u>

The expenditure on educational operations was £4,610,450 (2023: £3,297,533) of which £25,059 was unrestricted (2023: £201,818) and £4,585,391 was restricted (2023: £3,095,715).

9 Staff

Staff costs

Staff costs during the year were:

	2024	2023
	£	£
Wages and salaries	2,689,945	1,982,802
Social security costs	262,522	200,186
Pension costs	624,193	460,600
Total staff expenditure	<u>3,576,660</u>	<u>2,643,588</u>

Staff numbers

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

	2024	2023
	Number	Number
Teachers	35	31
Administration and support	47	28
Management	7	4
	<u>89</u>	<u>63</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

9 Staff

(Continued)

Higher paid staff

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

	2024 Number	2023 Number
£80,001 - £90,000	2	2
£70,001 - £80,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u> </u>	<u> </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 contributions) received by key management personnel for their services to the academy trust was £611,962 (2023: £466,917).

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.

During the year, costs of £171 (2023: £430) were reimbursed in relation to expense claims consisting of teaching resources, office suppliers and subsistence costs to 3 trustees (2023: 3 trustees).

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

Dr P Jones (Headteacher)

Remuneration: £140,000 - £145,000 (2023: £130,000 - £135,000)

Employer's pension contributions: £35,000 - £40,000 (2023: £25,000 - £30,000)

Mr I Chilvers (Staff)

Remuneration: £55,000 - £60,000 (2023: £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2023: £10,000 - £15,000)

Mr G Christie (Staff)

Remuneration: £50,000 - £55,000 (2023: £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2023: £10,000 - £15,000)

Mrs D Wilkinson (Staff - appointed 1 January 2024)

Remuneration: £45,000 - £50,000 (2023: n/a)

Employer's pension contributions: £10,000 - £25,000 (2023: n/a)

Mrs B Allcock (Staff - appointed 15 August 2024)

Remuneration: £0 - £5,000 (2023: n/a)

Employer's pension contributions: £0 - £5,000 (2023: n/a)

Other related party transactions involving the trustees are set out in note 23.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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.

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2023	5,072,000	123,579	244,558	5,440,137
Transfer on conversion	2,662,842	-	-	2,662,842
Additions	-	19,945	8,151	28,096
At 31 August 2024	<u>7,734,842</u>	<u>143,524</u>	<u>252,709</u>	<u>8,131,075</u>
Depreciation				
At 1 September 2023	321,211	111,154	57,533	489,898
Charge for the year	54,775	7,256	23,345	85,376
At 31 August 2024	<u>375,986</u>	<u>118,410</u>	<u>80,878</u>	<u>575,274</u>
Net book value				
At 31 August 2024	<u>7,358,856</u>	<u>25,114</u>	<u>171,831</u>	<u>7,555,801</u>
At 31 August 2023	<u>4,750,789</u>	<u>12,425</u>	<u>187,025</u>	<u>4,950,239</u>

13 Debtors

	2024 £	2023 £
Trade debtors	-	16,176
VAT recoverable	67,458	58,571
Prepayments and accrued income	152,445	98,086
	<u>219,903</u>	<u>172,833</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other loans	6,770	-
Trade creditors	61,614	31,423
Other taxation and social security	67,114	48,161
Other creditors	83,567	49,027
Accruals and deferred income	119,752	64,767
	<u>338,817</u>	<u>193,378</u>

Included within other loans above is the current remaining portion of £6,770 of a local authority school solar loan granted to Field Place Infant School (now Orchards Infant School) in May 2018 from West Sussex County Council, which was initially granted for £32,682. The loan was inherited from the local authority on conversion. There are instalments of £3,385 due annually on 30 July every year. No interest is charged on the loan. The remaining balance of £8,987 is shown within creditors falling due after more than one year.

15 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Other loans	8,987	-
	<u>8,987</u>	<u>-</u>

Analysis of loans	2024	2023
	£	£
Wholly repayable within five years	15,757	-
Less: included in current liabilities	(6,770)	-
Amounts included above	<u>8,987</u>	<u>-</u>

Loan maturity		
Debt due in one year or less	6,770	-
Due in more than one year but not more than two years	3,385	-
Due in more than two years but not more than five years	5,602	-
	<u>15,757</u>	<u>-</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

16 Deferred income

	2024 £	2023 £
Deferred income is included within:		
Creditors due within one year	93,757	48,285
Deferred income at 1 September 2023	48,285	70,137
Released from previous years	(48,285)	(70,137)
Resources deferred in the year	93,757	48,285
Deferred income at 31 August 2024	93,757	48,285

At the balance sheet date the Academy Trust was holding funds received in advance for Special Educational Needs funding which relate to the 2024/25 academic year.

17 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	299,538	3,248,335	(3,584,317)	(27,625)	(64,069)
UIFSM	-	54,960	(55,936)	-	(976)
Pupil premium	8,127	300,146	(307,623)	-	650
Catch-up premium	-	31,464	(31,464)	-	-
Other DfE/ESFA grants	262,828	200,053	(107,149)	-	355,732
Other government grants	970	318,094	(342,252)	-	(23,188)
Other restricted funds	3,643	168,744	(111,914)	-	60,473
Pension reserve	-	(195,000)	10,000	89,000	(96,000)
	575,106	4,126,796	(4,530,655)	61,375	232,622
Restricted fixed asset funds					
Inherited on conversion	4,767,363	2,669,657	(55,796)	-	7,381,224
DfE group capital grants	56,124	16,627	(1,955)	-	70,796
Capital expenditure from GAG	-	-	(27,625)	27,625	-
	4,823,487	2,686,284	(85,376)	27,625	7,452,020
Total restricted funds	5,398,593	6,813,080	(4,616,031)	89,000	7,684,642
Unrestricted funds					
General funds	82,922	132,608	(25,059)	-	190,471
Total funds	5,481,515	6,945,688	(4,641,090)	89,000	7,875,113

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds

(Continued)

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 / ESFA 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.

The academy trust is not subject GAG carried forward limits.

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	439,361	2,306,789	(2,415,671)	(30,941)	299,538
Pupil premium	11,406	226,800	(230,079)	-	8,127
Catch-up premium	-	26,032	(26,032)	-	-
Other DfE/ESFA grants	115,920	218,775	(71,867)	-	262,828
Other government grants	-	157,050	(158,080)	2,000	970
Other restricted funds	-	107,466	(103,823)	-	3,643
Pension reserve	-	-	(26,000)	26,000	-
	<u>566,687</u>	<u>3,042,912</u>	<u>(3,031,552)</u>	<u>(2,941)</u>	<u>575,106</u>
Restricted fixed asset funds					
Transfer on conversion	4,809,440	-	(42,077)	-	4,767,363
DfE group capital grants	26,949	31,130	(1,955)	-	56,124
Capital expenditure from GAG	-	-	(28,941)	28,941	-
	<u>4,836,389</u>	<u>31,130</u>	<u>(72,973)</u>	<u>28,941</u>	<u>4,823,487</u>
Total restricted funds	<u>5,403,076</u>	<u>3,074,042</u>	<u>(3,104,525)</u>	<u>26,000</u>	<u>5,398,593</u>
Unrestricted funds					
General funds	<u>76,961</u>	<u>207,779</u>	<u>(201,818)</u>	<u>-</u>	<u>82,922</u>
Total funds	<u>5,480,037</u>	<u>3,281,821</u>	<u>(3,306,343)</u>	<u>26,000</u>	<u>5,481,515</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds (Continued)

Total funds analysis by academy

	2024	2023
	£	£
Fund balances at 31 August 2024 were allocated as follows:		
Orchards Junior School	572,355	658,028
Orchards Infant School	45,760	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	618,115	658,028
Restricted fixed asset fund	7,452,020	4,823,487
Pension reserve	(96,000)	-
	<hr/>	<hr/>
Total funds	<u>7,974,135</u>	<u>5,481,515</u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£	£	£	£	£	£
Orchards Junior School	2,444,517	247,147	238,133	517,230	3,447,027	3,233,370
Orchards Infant School	866,877	78,126	69,550	154,134	1,168,687	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,311,394</u>	<u>325,273</u>	<u>307,683</u>	<u>671,364</u>	<u>4,615,714</u>	<u>3,233,370</u>

18 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 2020 and of the LGPS to the period ended 31 March 2022.

Contributions amounting to £83,567 (2023: £49,027) were payable to the schemes at 31 August 2024 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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI.

The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration levy. This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028

The employer's pension costs paid to the TPS in the period amounted to £484,606 (2023: £339,399)

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and 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.

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 2024 was £187,891 (2023: £121,482), of which employer's contributions totalled £144,587 (2023: £95,154) and employees' contributions totalled £43,304 (2023: £26,328). The agreed contribution rates for future years are 22.5% for employers and 5.5 to 12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, including the employees transferred as part of the conversion from the maintained school, Orchard Infants, and new employees who joined the scheme in the period from either Orchard Infants or Orchard Junior school. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2024	2023
	£	£
Employer's contributions	145,000	90,000
Employees' contributions	41,000	24,000
	<u>186,000</u>	<u>114,000</u>
Total contributions	<u>186,000</u>	<u>114,000</u>

Principal actuarial assumptions	2024	2023
	%	%
Rate of increase in salaries	4.2	4.5
Rate of increase for pensions in payment/inflation	2.7	3.0
Discount rate for scheme liabilities	5.0	5.2
	<u>5.0</u>	<u>5.2</u>

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

	2024	2023
	Years	Years
Retiring today		
- Males	20.5	21.6
- Females	23.5	25.0
Retiring in 20 years		
- Males	21.9	20.8
- Females	25.0	25.5
	<u>25.0</u>	<u>25.5</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

Sensitivity analysis

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

	2024	2023
	£'000	£'000
Discount rate + 0.1%	(49)	(29)
Discount rate - 0.1%	49	29
Mortality assumption + 1 year	100	64
Mortality assumption - 1 year	(100)	(64)
CPI rate + 0.1%	49	28
CPI rate - 0.1%	(49)	(28)

The academy trust's share of the assets in the scheme

	2024	2023
	Fair value	Fair value
	£	£
Equities	1,473,120	961,950
Bonds	872,960	562,650
Cash	54,560	36,300
Property	327,360	254,100
Total market value of assets	<u>2,728,000</u>	<u>1,815,000</u>

The actual return on scheme assets was £236,000 (2023: £56,000).

Amount recognised in the statement of financial activities

	2024	2023
	£	£
Current service cost	140,000	115,000
Interest income	(113,000)	(73,000)
Interest cost	108,000	74,000
Total amount recognised	<u>135,000</u>	<u>116,000</u>

Changes in the present value of defined benefit obligations

	2024	2023
	£	£
At 1 September 2023	1,815,000	1,698,000
Obligations acquired on conversion	745,000	-
Current service cost	140,000	115,000
Interest cost	108,000	74,000
Employee contributions	41,000	24,000
Actuarial loss/(gain)	34,000	(43,000)
Benefits paid	(59,000)	(53,000)
At 31 August 2024	<u>2,824,000</u>	<u>1,815,000</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Pension and similar obligations

(Continued)

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

	2024 £	2023 £
At 1 September 2023	1,815,000	1,698,000
Assets acquired on conversion	550,000	-
Interest income	113,000	73,000
Actuarial (gain)/loss	123,000	(17,000)
Employer contributions	145,000	90,000
Employee contributions	41,000	24,000
Benefits paid	(59,000)	(53,000)
	<u>2,728,000</u>	<u>1,815,000</u>
At 31 August 2024	<u>2,728,000</u>	<u>1,815,000</u>

As at 31 August 2024 the trust's West Sussex Pension Fund for Orchard Junior School was in a surplus of £325,000 (2023: £207,000). However the criteria for the recognition of the surplus as an asset as described in accounting policy 1.11 was not met. The scheme's liability have therefore been adjusted by £325,000 (2023: £207,000) so as to not recognise the surplus. This has been reflected in the actuarial loss figure of £34,000 (2023: gain of £43,000).

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	7,555,801	7,555,801
Current assets	190,471	676,426	(103,781)	763,116
Current liabilities	-	(338,817)	-	(338,817)
Non-current liabilities	-	(8,987)	-	(8,987)
Pension scheme liability	-	(96,000)	-	(96,000)
	<u>190,471</u>	<u>232,622</u>	<u>7,452,020</u>	<u>7,875,113</u>
Total net assets	<u>190,471</u>	<u>232,622</u>	<u>7,452,020</u>	<u>7,875,113</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	4,950,239	4,950,239
Current assets	82,922	768,484	(126,752)	724,654
Current liabilities	-	(193,378)	-	(193,378)
	<u>82,922</u>	<u>575,106</u>	<u>4,823,487</u>	<u>5,481,515</u>
Total net assets	<u>82,922</u>	<u>575,106</u>	<u>4,823,487</u>	<u>5,481,515</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Long-term commitments

Operating leases

At 31 August 2024 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £	2023 £
Amounts due within one year	52,932	22,204
Amounts due in two and five years	72,401	58,240
	<u>125,333</u>	<u>80,444</u>

21 Analysis of changes in net funds

	1 September 2023 £	Cash flows £	31 August 2024 £
Cash	551,821	(8,608)	543,213
Loans falling due within one year	-	(6,770)	(6,770)
Loans falling due after more than one year	-	(8,987)	(8,987)
	<u>551,821</u>	<u>(24,365)</u>	<u>527,456</u>

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,304,598	(24,522)
Adjusted for:		
Net surplus on conversion to academy	(2,552,829)	-
Capital grants from DfE and other capital income	(16,627)	(31,130)
Investment income receivable	(70)	(71)
Defined benefit pension costs less contributions payable	(5,000)	25,000
Defined benefit pension scheme finance (income)/cost	(5,000)	1,000
Depreciation of tangible fixed assets	85,376	72,973
(Increase)/decrease in debtors	(47,070)	9,831
Increase/(decrease) in creditors	138,669	(65,405)
Net cash used in operating activities	<u>(97,953)</u>	<u>(12,324)</u>

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

23 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. 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 £475 (2023: £430) during the period. There were no amounts outstanding at 31 August 2024 (2023: £nil)

G Jones, spouse of P Jones, a trustee, is employed by the academy trust as a teacher. G Jones' appointment was made in open competition and whilst P Jones was involved in the interview process, sufficient and appropriate safeguards were maintained to ensure a fair and unbiased selection. G Jones is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

A Chilvers, daughter of I Chilvers, a trustee, is employed by the academy trust as a teaching assistant. A Chilvers' appointment was made in open competition and I Chilvers was not involved in the decision-making process regarding appointment. A Chilvers is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

24 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.

25 Conversion to an academy

On 1 January 2024 the Field Place Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sparkle Multi-Academy Trust from the West Sussex Local Authority for £nil consideration. On conversion, the name of the school was changed to Orchards Infant School.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as charitable activities – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Orchards Infant School	Nelson Road, Worthing, West Sussex, BN12 6EN	1 January 2024

SPARKLE MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

25 Conversion to an academy

(Continued)

	Unrestricted funds £	Restricted funds:		Total 2024 £
		General £	Fixed asset £	
Net assets transferred:				
Leasehold land and buildings	-	-	2,662,842	2,662,842
Cash	-	62,415	22,572	84,987
Borrowing obligations	-	15,757	(15,757)	-
Pension scheme deficit	-	(195,000)	-	(195,000)
	-	(116,828)	2,669,657	2,552,829
	Unrestricted funds £	Restricted funds:		Total 2024 £
		General £	Fixed asset £	
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	2,669,657	2,669,657
LGPS pension funds	-	(195,000)	-	(195,000)
Other funds	-	78,172	-	78,172
	-	(116,828)	2,669,657	2,552,829

The leasehold land and buildings transferred into the trust on conversion have a remaining lease of 125 years.

Orchards Junior School was contracted into a solar panel loan with West Sussex County Council that has been transferred to the academy on conversion. This has been disclosed further within note 14.