



Inner Flame

Report and Accounts

31 August 2020

WITH PARTICULAR THANKS TO:



Company Registration Number: 06667150

Charity Registration Number: 1127758

Trustees' Annual Report and Accounts for the year ended 31 August 2020

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Inner Flame

Company Registration Number – 06667150

Trustees' Annual Report and Accounts for the year ended 31 August 2020

The Trustees present their Report and Accounts for the year ended 31 August 2020, which also comprises the Directors' Report required by the Companies Act 2006.

Charity Information

Reference and administrative details

The charity name.

The legal name of the charity is Inner Flame

The charity's areas of operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1127758

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts. The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The trustees are all individuals.

The principal operating address, telephone number, email and web address of the charity are:-

The Shaftesbury Centre, Percy Street, Swindon, Wiltshire, SN2 2AZ

Telephone 01793 862555 Email Address admin@innerflame.org.uk

Web address www.innerflame.org.uk

The registered office of the charity for Companies Act purposes is:-

Stonehaven, Lea, Malmesbury, Wiltshire, SN16 9PG

Inner Flame

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The following persons served as Trustees during the year ended 31 August 2020 :-

David Wreathall (Chair)
Kieron Pollock (Deputy Chair)
Timothy (Tim) Pigott

Trustees in office on the date this report was approved (but appointed since 31/8/2020) also include:

Kathryn (Kat) Wellum-Kent (joined 8 Dec 2020)
Elizabeth (Beth) Gardner (joined 11 Feb 2021)

The trustees who served as a trustee in the reporting period, and, if applicable, their dates of appointment or resignation during the year were:-.

Name	Appointed	Resigned/Retired
Jill Edwards (chair)		5 Dec 2019
Rachael Ross		5 Dec 2019
Caryl Roberts		22 June 2020
Kieron Pollock	22 June 2020	

Bankers 7

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
Lloyds Bank Ltd, (Butler Place branch) 1 Legg Street, Essex, CM1 1JS

Accountants

We have undertaken book keeping and accounting in house, through our administration team, with support from the Finance Trustee. We have not used an external firm of accountants.

Details of The Independent Examiner

Paul Voltzenlogel
1 The Tannery
Winslow
MK18 3FL

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Report from the Chair of Trustees

Inner Flame empowers young people who are at a disadvantage, so they have a greater opportunity to thrive. We help them develop confidence, self-esteem, goals, motivation and mental wellbeing, through training programmes, facilitated groups, and 1-1 support. We work with people aged 16-25 from Swindon and North Wiltshire, helping them change their lives and improve their future.

The need for help increased dramatically when Covid-19 struck. Youth unemployment jumped by 150% within 2 months, impacting their prospects, sense of self-worth and mental health, increasing the incidence of depression and anxiety. I am pleased to say that the staff at Inner Flame rose quickly to the challenge, and thanks to support from our funders, we were able to adapt and extend our programmes.

Financially, our income was reduced (due to the lower participant numbers in the first 6 months than we had been experiencing for 3 years, and the cancellation of our Prince's Trust Team Programme in May 2020), but the cost reduction measures we had been taking, which concluded in November 2019, allowed us to retain a small amount of reserves. Thanks to additional Covid support from our grant funders, increased participant numbers, and new activities, our finances have finally turned the corner since year end. Further commentary is included in the Financial Review later in this report.

Gail, our former CEO, left in September 2020 and Elizabeth Postgate stepped up to become General Manager. I am particularly proud of the steps Elizabeth has taken to strengthen the team and particularly to change the way we work. We have greatly increased our use of volunteers (including former programme participants), and it feels like we are working more in line with our values – Challenge, Achievement, Personal Development, Giving and Fun – to which can be added Partnership. We are actively seeking to build closer partnership with complementary organisations, and are pleased to add 1st for CBT to our list of working partners. Involving young people closely in developing our new mental wellbeing programme, it feels more of a partnership with them as well. We continue to benefit from our partnerships with Prince's Trust and New College (Swindon).

We are very grateful to our grant funders:

- The Masonic Charitable Foundation are supporting our core costs for 3 years
- The new mental wellbeing programme was launched with support from Lloyds Bank Foundation, Awards for All and Nationwide.
- Additional Covid-related financial support was received from Lloyds Bank Foundation, Wiltshire Community Foundation (who have also supported our core costs), The National Lottery and St James Place Foundation. We also benefitted from the government's Covid small business grant, through Swindon Borough Council.

We also benefit from non-financial support such as Lloyds Bank staff (and others) volunteering at Mock Interview and CV days, and from Excalibur supporting our IT systems.

We look forward, together, to building the range of support we can offer for young people in our area in 2020/21 and beyond, particularly in regard to mental wellbeing and employability.

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Objects and activities of the charity

The purpose of the charity

Our core purpose is “To develop young people who are at a disadvantage, so they have a greater opportunity to thrive.”

The main activities undertaken in relation to those purposes during the year.

The Prince's Trust Team Programme is a demanding 12 week, full time course for unemployed people aged 16-25 from disadvantaged backgrounds. It develops employability and team working skills and builds confidence, through a residential activity week, two community projects, and a work placement. Over 75% of participants move onto something positive within 3 months, finding work or a significant volunteering opportunity, or moving on to further their education.

Our plan was to deliver 3 courses in Swindon, but the 3rd one had to be cancelled due to the Covid lockdown. Our participant numbers reduced, therefore to 19 (from 26). Of those, 14 (74%) successfully completed the 12 weeks and achieved a qualification (up from 69%).

Manage Anxiety – Your Way is a brand new 8-week programme aimed at helping young people who are suffering from anxiety to discover how they can address it and take better care of their own mental wellbeing. It is based upon the 5 Ways to Wellbeing, and upon the principles of Cognitive Behavioural Therapy. Although it uses these as a framework for learning, the emphasis is on the facilitator challenging and supporting participants to discover and try out what techniques work for them.

Manage Anxiety was designed with input from our target audience, and guidance from Lindsay Grant from “1st for CBT”, who also provides both the ongoing clinical supervision for our facilitator, and a limited number of therapy sessions for participants who are in more urgent need. We are very grateful to Lindsay for lending her professional expertise to this, and are looking to build further partnerships with organisations such as MIND, who have provided a number of referrals for early intervention.

How we work

Our core values are personal development, challenge, accomplishment, giving and fun. In 2020, we added one more – partnership – reflecting both increasing engagement of young people in designing and delivering programmes, and working increasingly with external organisations as partners.

Our focus is on personal development - attitudes and mindset – rather than formal educational qualifications, which are well served by other providers.

We offer a unique mix of approaches; our training programmes include:

- Learning by experience and facilitated reflection, to build self-belief, manage emotions, set goals, improve communication skills, etc,
- Meeting business people at mock interview days and CV workshops. We have continued with Corporate Volunteering as part of Employability Week in the Team Programme, to deliver the “Mock Interview” and “CV and Self Marketing” days. We have had excellent feedback from both volunteers and course participants. We are grateful for their help and commitment.
- 1-1 support through programme leaders and specialist Information Advice and Guidance to the Matrix standard. Towards the end of the year, we won funding from John Lewis Partnership, to offer greater 1-1 end-to-end support through a new role – our Progress Coach.

Trustees' Annual Report and Accounts for the year ended 31 August 2020

The main activities undertaken during the year to further the charity's purpose for the public benefit.

Measuring our Impact

The UK is one of the most affluent countries in the world, but the wellbeing of our young people is still suffering. The UK was bottom of 21 rich nations for child & adolescent wellbeing, according to Unicef research (2017).

Our aim is to deliver an outstanding experience for participants. One qualitative measure is that we ask how likely participants are to recommend the course to their friends. We use three main approaches to measure the benefits of what we do:

- We use an attitudinal self-completion questionnaire at the start and end of each course.
- We keep in touch with course participants, and hear what positive changes they make, and what they have achieved. We also receive feedback from parents and professionals.
- The Prince's Trust sees around three quarters of its participants move on to employment, college or substantial volunteering opportunities in the 3 months after their programmes, which is a target that we follow.

In addition, our statutory funders undertake follow-up calls to students post programme to establish their satisfaction with both the programme and the tutor. These results are taken into account when looking to improve the quality of our delivery or reflect on good practice.

Who do we help?

Most of our course participants meet one or more indicators of disadvantage, especially on the Team Programme. Our programmes are completely free of charge to participants, and Team Programme participants also receive free bus passes.

Our policy is that no young person who is eligible for the course will be prevented from attending for financial reasons. So far, we have been able to fund every eligible young person who wants to attend our programmes.

The target groups for this programme include young people who:

- Did not get on well at school or college, and under-achieved
- Are in or have left care
- Have offended
- Have mental Health issues including low self-esteem and lack of confidence
- Have learning difficulties

The trustees consider that they have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their powers and duties.

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Governance

The board of trustees is drawn from a range of backgrounds:

- David Wreathall (Chair and Founder). David volunteered as Manager of the charity for its first 7 years until this became a paid role, subsequently became a trustee, and took the chair in January 2020. David has worked in the charity, with young people and in a managing role, part-time for over 6 man-years. His career before setting up Inner Flame was in various roles in retail banking for 20 years, giving him a broad range of senior management experience.
- Kieron Pollock (Deputy Chair). Kieron has a background as a Chief Financial Officer and Chief Operational Officer in various medium sized companies. Kieron brings extensive strategic experience, and a strong focus on delivery, to the trustee board.
- Tim Pigott is an experienced Senior Risk Manager with Nationwide, and is responsible for risk management for the charity.
- Kat Wellum-Kent is Finance Trustee. A Chartered Accountant, Kat is Director of Business Services at MHA Monahans. She brings particular expertise in management accounting.
- Beth Gardner is responsible for Strategy Development and Governance. She is CEO of Swindon MS Neuro & Therapy Centre, with a background in fundraising and corporate social investment.

We aim to return to 6 trustees, when we can find someone to fill gaps in our collective experience.

In addition, our Management Committee includes Elizabeth Postgate as General Manager.

The trustees have regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

Marketing

Youth employment rates improved significantly in recent years, and (prior to Covid), we were finding that our target audience were declining in numbers but increasing in levels of deprivation, and range of needs, including autism. We are expecting an increase in needs for support due to the jump in youth unemployment in early 2020.

It has been clear for a while that we need to build on our experience of helping young people with mental health issues. The rising problem of mental health in young people, and shortfalls in funding and provision, are well publicised. We are delighted to have launched our new mental wellbeing programme "Manage Anxiety – Your Way" in June 2020, after a slight delay while this was converted to online delivery.

Volunteering

We were delighted, during the year, to benefit from increased volunteer involvement in delivery of Team Programme. Alan Archer, in particular, was a constant and reassuring presence, offering experienced mentoring throughout two programmes. Our Team Leader also received more assistance than ever before from previous participants.

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Funding

The Team Programme is funded by the Education and Skills Funding Agency, via New College Swindon. It represented 42% of our income during the year (and 52% of Unrestricted income).

We received £47,500 in grants, of which half were for additional Covid support (from the government small business grants scheme, Lloyds Bank Foundation and Wiltshire Community Foundation). We also received vital core costs support from the Masonic Foundation, as the first part of a 3-year grant. We were delighted to be awarded a further grant from St James Place Charitable Foundation for administrative costs, with further stages to recruit a Progress Coach and to continue funding the Manage Anxiety programme.

We started the year with nearly £30,000 in Restricted Funds from Lloyds Bank Foundation, National Lottery (Awards for All), and Nationwide for development and delivery of our mental wellbeing programme. Much of this was carried forward at year end - due to the lower costs associated with online delivery, we have been able to stretch this funding into 2021 and deliver 10 programmes (as at February 2021).

We are supported in non-financial ways by several businesses, the main ones being:

- Alison Solomon, for her steady oversight of our bookkeeping
- Excalibur Communications support our IT,
- Red Virtual Office handle calls for us
- Lloyds Bank - volunteering

Working Partnerships

We aim to build positive working partnerships to help us fund, deliver and recruit participants to our programmes. Our positive working relationship continued with The Prince's Trust. New College Swindon, Swindon Borough Council, Jobcentre Plus and a number of other referral agencies including several Housing Associations.

We also started a new working partnership with 1st for CBT.

Risk Management

Beyond the financial risks (discussed elsewhere), the main risks that the charity has to consider are:

- Safeguarding children and vulnerable adults. Our Safeguarding policy requires staff and volunteers in contact roles to obtain enhanced DBS checks, and ensures that as far as is practical, volunteers and staff are not put in unsupervised 1-1 situations with young people.
- Risks associated with physical activities and residential courses. We work with established education centres and our "riskier" activities are run by their trained staff. We undertake risk assessments. We have public and employee liability insurance.
- Risks associated with behaviour of young people on our programmes, particularly the Team Programme. We follow The Prince's Trust's policies on violence, drugs and alcohol, and incidents are reported to them. There were concerns, but no major incidents in the year.

Trustees' Annual Report and Accounts for the year ended 31 August 2020**Financial Review**

The financial position of the charity at 31 August 2020 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows: -

Revenue Funds available for the purposes of the charity

	2020 £	2019 £
Net income/(expenditure) – unrestricted revenue funds	(1,139)	(9,796)
Unrestricted Revenue Funds available for the general purposes of the charity	5,067	6,206
Restricted Revenue Funds	33,221	35,257
Total Funds	38,288	41,463

Financial review of the position at the reporting date, 31 August 2020.

The Trustees consider the financial performance of the charity in its twelfth year to have been satisfactory. Our income reduced by some £69,000, due mainly to lower numbers on Team programmes, the end of our Building Bridges partnership involvement, and Covid's impact in the cancellation of one Team and our major fundraiser of the year (Young Champions). Having reduced our cost base, this resulted in only a small (£1,139) reduction in unrestricted reserves.

We received a late claim for £2,734 for a repayment of part of the grant for Building Bridges. We believe we have demonstrated that this was an error, so we have not made provision for it in these accounts, but have the resources to make this payment in 2020/21 if necessary.

Our financial control has shown significant improvement, with scope for more thanks to an active contribution from our new Finance Trustee (post year-end). We are particularly grateful to Alison Solomon for bringing structure and discipline to these processes.

Policies on reserves.

The trustees aim to build an acceptable level of reserves in order to be able to overcome setbacks, to commit to courses in advance, and to grow. The cashflow associated with the Team Programme makes it essential to have cash reserves at the start. This funding also depends upon external funding agencies and upon the achievement of our participants, neither of which is 100% within our control, so it is prudent to have a reasonable reserve to overcome any setbacks.

Our target is to hold 3 months' expenditure in unrestricted reserves, but we unfortunately had to draw heavily on these reserves in 2017/18. We have now brought our costs in line with reduced income levels. Our aim is to get back to a position of annual surplus as soon as possible, and rebuild reserves.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each restricted fund are available and adequate to fulfil its obligations in respect of each fund. The unrestricted reserves are below the level required to manage cashflow comfortably, but we have taken steps to manage this.

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Statement of the Directors' and Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), .

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to:-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 14 to 18.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016)

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 26 May 2020.



David Wreathall
Chair, Director and Trustee

Inner Flame

Company Registration Number – 06667150

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 August 2020

Independent examiner's report to the trustees of Inner Flame Charitable Company ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

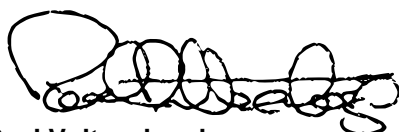
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act').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

Independent examiner's statement

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

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

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



Paul Voltzenlogel
Independent Examiner

1 The Tannery
Winslow
MK18 3FL

This report was signed on 28th May 2021

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Annual Accounts

Statement of Financial Activities for the year ended 31 August 2020

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 August 2020, as required by the Companies Act 2006)

		Current year	Current year	Current year	Prior Year
		Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2020	2020	2020	2019
		£	£	£	£
Income & Endowments from:					
Donations & Legacies	A1	34,233	18,132	52,365	91,676
Charitable activities	A2	41,536		41,536	60,249
Other trading activities	A3	4,276		4,276	15,627
Investments	A4	43		43	8
Total income	A	80,088	18,132	98,220	167,560
Expenditure on:					
Raising funds	B1	96		96	8,011
Charitable activities	B2	87,969	13,330	101,299	134,088
Total expenditure	B	88,065	13,330	101,395	142,099
Net income/(expenditure) for the year		(7,977)	4,802	(3,175)	25,461
Transfers between funds	C	6,838	(6,838)		
Net income after transfers	A-B-C	(1,139)	(2,036)	(3,175)	25,461
Net movement in funds		(1,139)	(2,036)	(3,175)	25,461
Reconciliation of funds:-	E				
Total funds brought forward		6,206	35,257	41,463	16,002
Total funds carried forward		5,067	33,221	38,288	41,463

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All activities derive from continuing operations

The notes attached on pages 19 to 28 form an integral part of these accounts.

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Statement of Financial Activities for the year ended 31 August 2020

Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

		Prior year Unrestricted Funds 2019 £	Prior year Restricted Funds 2019 £	Prior year Total Funds 2019 £
Income & Endowments from:				
Donations & Legacies	A1	24,847	66,829	91,676
Charitable activities	A2	60,249	-	60,249
Other trading activities	A3	15,627	-	15,627
Investments	A4	8		8
Total income	A	100,731	66,829	167,560
Expenditure on:				
Raising funds	B1	8,011	-	8,011
Charitable activities	B2	102,516	31,572	134,088
Total expenditure	B	110,527	31,572	142,099
Net income/(expenditure) for the year		(9,796)	35,257	25,461
Transfers between funds	C	355	(355)	-
Net income after transfers	A-B-C	(9,441)	34,902	25,461
Net movement in funds		(9,441)	34,902.00	25,461
Reconciliation of funds:-	E			-
Total funds brought forward		15,647	355	16,002
Total funds carried forward		6,206	35,257	41,463

All activities derive from continuing operations

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

The notes attached on pages 19 to 28 form an integral part of these accounts.

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Statement of Financial Activities for the year ended 31 August 2020

Movements in revenue and capital funds for the year ended 31 August 2020

	Unrestricted	Restricted	Total	Last year
	Funds	Funds	Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Accumulated funds brought forward	6,206	35,257	41,463	16,002
Recognised gains and losses before transfers	(7,977)	4,802	(3,175)	25,461
	(1,771)	40,059	(38,288)	41,463
(From)/To unrestricted revenue funds	6,838	(6,838)	-	-
Closing revenue funds	5,067	33,221	38,288	41,463

Summary of funds	Unrestricted	Restricted	Total	Last Year
	Funds	Funds	Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Revenue accumulated funds	5,067	33,221	38,288	41,463

The notes attached on pages 19 to 28 form an integral part of these accounts.

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Statement of Financial Activities for the year ended 31 August 2020

Income and Expenditure Account for the year ended 31 August 2020 as required by the Companies Act 2006

	2020	2019
	£	£
Income		
Income from operations	98,177	167,552
Investment income - Interest receivable	43	8
Gross income in the year before exceptional items	98,220	167,560
Gross income in the year including exceptional items	98,220	167,560
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	101,299	133,065
Depreciation and amortisation	-	1,023
Fundraising costs	96	8,011
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	101,395	142,099
Net income before tax in the financial year	(3,175)	25,461
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(3,175)	25,461
Retained surplus / (loss) for the financial year	(3,175)	25,461

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 19 to 28 form an integral part of these accounts.

Inner Flame

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Statement of Financial Position as at 31 August 2020

	Note Ref	SORP	2020 £	2019 £
Fixed assets		A		
Tangible assets	9	A2	-	-
Current assets		B		
Debtors	10	B2	1,703	4,981
Cash at bank and in hand		B4	48,890	51,145
Total current assets			50,593	56,126
Creditors: amounts falling due within one year	12	C1	(12,305)	(14,663)
Net current assets			38,288	41,463
Total assets less current liabilities				41,463
Creditors: amounts falling due after more than one year	13	C2	-	-
The total net assets of the charity			38,288	41,463

The total net assets of the charity are funded by the funds of the charity, as follows: -

Restricted funds			2020	2019
Restricted Revenue Funds	19	D2	33,221	35,257
Unrestricted Funds				
Unrestricted Revenue Funds	19	D3	5,067	6,206
Designated Funds				
Total charity funds			38,288	41,463

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 13.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies' subject to the small companies' regime.



David Wreathall
Chair of Trustees

Approved by the board of trustees on 26 May 2021

The notes attached on pages 19 to 28 form an integral part of these accounts.

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in February 2016), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Policies relating to categories of income and income recognition.

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

Policies relating to expenditure on goods and services provided to the charity.

Policies relating to assets, liabilities and provisions and other matters.

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over estimated useful lives.

Plant and machinery 50% straight line

Debtors are measured at their recoverable amounts at the balance sheet date.

Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

Fund Accounting

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Significance of financial instruments to the charity's position

There are no significant implications.

5 Net surplus before tax in the financial year

	2020	2019
	£	£
The net surplus before tax in the financial year is stated after charging:-		
Depreciation of owned fixed assets	-	1023
Pension costs	860	236

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

6 Staff costs and emoluments

Salary costs

	2020	2019
	£	£
Gross Salaries excluding trustees and key management personnel	65,028	91,442
Employer's National Insurance for all staff	1,647	3,897
Employer's operating costs of defined contribution pension schemes	860	236
Total salaries, wages and related costs	67,535	95,575

Numbers of full-time employees or full-time equivalents

	2020	2019
The average number of total staff employed in the year was	5	10
The average number of part time staff employed in the year was	3	4
The average number of full-time staff employed in the year was	2	6
The estimated full-time equivalent number of all staff employed in the year was	3	8

The estimated equivalent number of full-time staff deployed in different activities in the year was: -

Engaged on charitable activities	1	5
Engaged on publicity activities	-	-
Engaged on fundraising activities	-	-
Engaged on management and administration	2	3
The estimated full time equivalent number of all staff employed as above	3	8

Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

The number of employees whose emoluments including taxable benefits but excluding employer's pension contributions fall into the following bands were: -

	2020	2019
	£	£
£60,001 to £70,000	-	-
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
£90,001 to £100,000	-	-
	-	-

The pension details of such higher paid staff were: -

	£	£
Contributions for the provision of money purchase pension	-	-
	No.	No.
Numbers of such staff to whom benefits are accruing: -		
Under money purchase pension schemes	-	-
Under defined benefits pension schemes	-	-
	-	-

Chief Executive Officer

The remuneration in the year was	22,833	21,560
Pension contributions paid by the employer	618	-
Other benefits paid	-	-
Compensation/Termination payments	-	-
Total remuneration package included in total salaries above	23,451	21,560

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

7 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

8 Deferred income - Unrestricted and designated funds

None

9 Tangible fixed assets

	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2019	-	4,886	-	4,886
Additions	-	-	-	-
At 31 August 2020	-	4,886	-	4,886
Depreciation				
At 1 September 2019	-	4,886	-	4,886
Charge for the year	-	-	-	-
At 31 August 2020	-	4,886	-	4,886
Net book value				
At 31 August 2019	-	-	-	-
At 31 August 2020	-	-	-	-

10 Debtors

	2020 £	2019
Trade debtors	1,453	25
Prepayments and accrued income	-	4,706
Other debtors	250	250
	1,703	4,981

11 Contingent asset

None.

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	8,702	8,332
Accruals	2,745	-
Deferred Income - Unrestricted & designated funds	-	5,610
PAYE, NIC VAT and other taxes	858	721
	12,305	14,663

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

13 Creditors: amounts falling due after one year

None.

14 Loans to trustees included in debtors

None.

15 Guarantees made by the charity on behalf of trustees

None.

16 Revaluation reserve

None.

17 Income and Expenditure account summary

	2020	2019
	£	£
At 1 September 2019	41,463	16,002
Surplus/(loss) after tax for the year	(3,175)	25,461
At 31 August 2020	38,288	41,463

18 Particulars of how particular funds are represented by assets and liabilities

At 31 August 2020	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	-	-	-	-
Current Assets	17,372	-	33,221	50,593
Current Liabilities	(12,305)	-	-	(12,305)
	5,067	-	33,221	38,288

At 1 September 2019	Unrestricted Funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	-	-	-	-
Current Assets	20,869	-	35,257	56,126
Current Liabilities	(14,663)	-	-	(14,663)
	6,206	-	15,647	41,463

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Notes to the Accounts for the year ended 31 August 2020

19 Change in total funds over the year as shown in Note 18 , analysed by individual funds

	Funds brought forward from 2019	Movement in Funds in 2019-20	Transfers between funds in 2019-20	Funds carried forward to 2020-21
		See Note 20	See Note 21	
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	6,206	(7,977)	6,838	5,067
Total unrestricted and designated funds	6,206	(7,977)	6,838	5,067
Restricted funds:-	35,257	4,802	(6,838)	33,221
Total restricted funds	35,257	4,802	(6,838)	33,221
Total charity funds	41,463	(3,175)	-	38,288

20 Analysis of movements in funds over the year as shown in Note 19

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2020	2020	2020	2020
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	80,088	(88,065)	-	(7,977)
Restricted funds	18,132	(13,330)	-	4,802

21 Details of transfers between funds in the year as shown in Note 19

The transfers shown in note 19 above are:	2020
	£
	6,838

This is a transfer of remaining funds from our "Building Bridges" account to unrestricted funds, on the completion of that contract.

22 The purposes for which the funds as detailed in note 19 are held by the charity are: -

Unrestricted and designated funds / Unrestricted Revenue Funds	These funds are held to meet the objectives of the charity, and to provide reserves for future activities. Subject to charity legislation, they are free from all restrictions on their use.
Unrestricted Revaluation Reserve	N/A.
Restricted funds:	This fund represents grant monies received for restricted purposes and as yet unspent. They may only be used for the purposes specified in the grants.

23 Ultimate controlling party

The charity is under the control of its legal members (the trustees). Every member of the charity is obliged to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

Detailed analysis of income and expenditure for the year ended 31 August 2020 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

24 Donations and Legacies

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Small donations individually less than £1000	764	-	764	2,847
The Masonic Charitable Foundation	5,000	-	5,000	-
The Blgrave Trust	-	-	-	15,000
The National Lottery	-	8,756	8,756	-
Garfield Weston Foundation	-	-	-	5,000
Community First	-	4,076	4,076	27,823
Lloyds Bank Foundation	-	-	-	14,983
Other donors	-	-	-	13,118
Wiltshire Community Foundation	10,000	2,800	12,800	5,405
Nationwide	-	-	-	5,000
St James's Palace Charitable Foundation	300	2,500	2,800	2,500
Swindon Borough – Small Business Grant	10,000	-	10,000	-
HMRC – Job Retention Scheme grants	4,069	-	4,069	-
Trustees of Inner Flame	4,100	-	4,100	-
Total donations and gifts from individuals	34,233	18,132	52,365	91,676
Total Donations and Legacies	34,233	18,132	52,365	91,676

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25 Charitable income from funders

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Contractual payments from public bodies to fund charitable activities				
Weston College	-	-	-	56,744
New College Swindon	37,276	-	37,276	4,205
University of West of England	-	-	-	(700)
St Luke's School	4,260	-	4,260	-
Total contractual payments	41,536	-	41,536	60,249
Total Charitable income from funders	41,536	-	41,536	60,249

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Notes to the Accounts for the year ended 31 August 2020

Detailed analysis of income and expenditure for the year ended 31 August 2020 as required by the SORP 2015

26 Income from other, non-charitable, trading activities

		Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Income from fundraising events		4,276	-	4,276	15,627
Total from other activities	A3	4,276	-	4,276	15,627

27 Investment income

	2020	Current year Unrestricted Funds 2020 £	#	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Bank interest receivable		43		-	43	8
Total investment income		43		-	43	8
Total Investment Income	A4	43		-	43	8

28 Expenditure on charitable activities - Direct spending

		Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Gross wages and salaries		20,015	6,650	26,665	52,515
Employers' NI		629	392	1,021	2,424
Defined contribution pension costs		340	26	366	197
Travel and Subsistence		2,927	-	2,927	5,469
Marketing and advertising		-	-	-	-
Cost of providing charitable activities		19,755	6,073	25,828	24,195
Total Direct Spending	B2a	43,666	13,141	56,807	84,603

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

Detailed analysis of income and expenditure for the year ended 31 August 2020 as required by the SORP 2015

29 Support costs for charitable activities

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Employee costs not included in direct costs				
Salaries - Administrative staff	38,174	189	38,363	38,966
Employers' NI - Administrative staff	627	-	627	1,473
Defined contribution pension costs	495	-	495	197
Training and welfare – staff	530	-	530	2,097
Travel and subsistence – staff	306	-	306	302
Premises Expenses				
Rent payable under operating leases	1,771	-		1,771
Administrative overheads				
Telephone, fax and internet	309	-		455
Postage, Stationery and printing	197	-		359
Software licences and expenses	560	-		1,409
Liability and contents insurance	774	-		747
DBS (CRB) checks	104	-		366
Sundry expenses	372	-		13
Professional fees	-	-		186
Financial costs				
Bank charges	85	-		120
Depreciation & Amortisation in total for the year	-	-		1,023
Support costs before reallocation	<u>44,304</u>	<u>189</u>	<u>44,493</u>	<u>49,485</u>
Total Support Costs	B2d <u>44,304</u>	<u>189</u>	<u>44,493</u>	<u>49,485</u>

30 Total Charitable expenditure

		Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Total direct spending	B2a	43,665	13,141	56,806	84,603
Total support costs	B2d	44,303	189.00	44,493	49,485
Total charitable expenditure	B2	<u>87,969</u>	<u>13,330</u>	<u>101,299</u>	<u>134,088</u>

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Trustees' Annual Report and Accounts for the year ended 31 August 2020

Notes to the Accounts for the year ended 31 August 2020

Detailed analysis of income and expenditure for the year ended 31 August 2020 as required by the SORP 2015

31 Expenditure on raising funds and costs of investment management

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Cost of fundraising activities	96	-	96	8,011
Total fundraising costs	B1 96	-	96	8,011

Comment - Our major annual fundraiser (Young Champions Dinner) was postponed due to Covid