

SPARK INSIDE  
(A company limited by guarantee)

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CHARITY NO: 1148420

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**SPARK INSIDE**  
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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2017**

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**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

**Reference and administrative details**

<b>Directors</b>	P Lodder J R Owen R Hooper N Bartlett-Twivey A Scott (resigned July 2016) J Russell B Leon T Akinlembola
<b>Charity Number</b>	1148420
<b>Company Number</b>	07984016
<b>Registered Office</b>	27 Tavistock Square London WC1H 9HH
<b>Independent Examiner</b>	Alexander Spofforth BA FCA Kreston Reeves LLP One Jubilee Street Brighton East Sussex BN1 1GE
<b>Business Address</b>	27 Tavistock Square London WC1H 9HH
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Ave Kings Hill West Malling Kent ME19 4JQ
<b>Solicitors</b>	Arnold & Porter LLP Tower 42 25 Old Broad Street London EC2N 1HQ

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**TRUSTEES' REPORT**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**Introduction**

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements for the year ended 31 March 2017.

**Reference and Administrative Details**

Please refer to the company information on page 1.

**Structure, Governance and Management**

Spark Inside has 7 Trustees. There is one Board Committee, the Finance/Audit Committee, chaired by the Treasurer.

**Recruitment and Appointment of Management Committee**

Board members are appointed by majority vote for three-year terms. They can be re-appointed once, by majority vote.

**Trustee Induction and Training**

Trustees are introduced to the work of the charity through taking part in a taster session of The Hero's Journey and attending as a guest at a Trustees' meeting. New Trustees are taken through an induction by the Chair and CEO. An induction pack containing the Memorandum and Articles of Association, budgets and other relevant information including minutes of recent Trustees' meetings is provided.

In an effort to maintain the broad skill mix, a review is regularly undertaken to ensure that should a member resign, an appropriate replacement is found. All Trustees are appraised by the Chair on an annual basis.

**Risk management**

In the current year the Trustees carried out a review of the Charity's activities and considered the risks to which the charity is exposed. As part of this process the Trustees have implemented a risk management strategy that comprises:

- A quarterly review by the trustees of the risks that the Charity may face
- A monthly review by the management team
- The establishment of systems and procedures, designed to minimise any potential impact on the Charity should any of those risks materialise.

**Governing document**

Spark Inside is a company limited by guarantee and without share capital. It was incorporated on 9 March 2012 under the Companies Act 2006 and has been authorised to dispense with the word 'Limited' from its name. It is a registered charity (number 1148420) which is governed by its memorandum of association and articles dated 9 March 2012.

**Delegation of Authority**

Spark Inside has a delegation of authority policy in place which outlines how the charity makes decisions. The policy covers decision making in all areas of the charity, clarifying which decisions are reserved to the board and the scope of decisions are delegated to the Chief Executive. In addition, the charity has a Finance Policy which sets out limits and conditions whereby the Chief Executive and senior staff are authorised to commit the charity to incur expenditure within the approved annual budget plan.

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**TRUSTEES' REPORT**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**Public Benefit**

The Trustees regularly review the aims, objectives and activities of the charity. This report shows what the charity has achieved and the outcomes of its work within the last twelve months, including the success of each key activity and the benefits the charity has brought to the groups of people that it is set up to help.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

**Related Parties (partnerships)**

There were no related party transactions.

**Organisation**

Spark Inside's Trustees have a fiduciary responsibility for Spark Inside and provide strategic oversight and direction. Trustees are volunteers and receive no remuneration or financial benefits. They convene every two months for Board meetings. Founding Trustees were recruited through pre-existing relationships with the CEO (e.g. member of the Advisory Board or volunteer), and online advertising on Trustee recruitment websites.

Spark Inside's management team consists of Chief Executive Baillie Aaron, Head of Finance David Fisher, Head of Programme Operations Ihona Hirving, and Head of Communications Indy Cross.

**Objectives and Activities**

Spark Inside's main objective is to use professional life coaching to facilitate a more fulfilling, productive and rehabilitative prison culture. Our two programmes, the Hero's Journey Life Coaching programme and the systems coaching workshop, support young people aged 15 to 25 in/nearing release from prison and groups of Prison Officers and prisoners, respectively.

The strategies we used to meet these objectives included;

- Providing the Hero's Journey Life Coaching workshop and one-to-one life coaching to young people in custody or under supervision ("through the gates", in custody, or in the community)
- Facilitating the systems coaching workshop for large groups of Prison Officers and prisoners
- Working in partnership with other agencies, including prisons, Young Offender Institutions, Youth Offending Teams and other government agencies, to strengthen the continuum of care available to young people leaving custody
- Convening a Youth Advisory Board to support the development and delivery of Spark Inside's programmes
- Adhering to best practice in life coaching.

Spark Inside's goals during this financial year were to:

- Pilot its systems coaching workshop
- Strengthen the evaluation process and Theory of Change
- Continue to build the financial model of contracting
- Secure the finances and people to sustain the charity
- Develop its organisational infrastructure

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**TRUSTEES' REPORT**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**Major Programmes**

***Coaching in prisons***

Spark Inside provides professional coaching programmes in prisons that tackle violence, improve the prison environment and reduce reoffending. Coaching is a set of transformative tools and methods that enable individuals to change harmful behaviours, negative beliefs, identify sense of purpose and direction, and develop and achieve goals.

Grounded in the principle that people must be empowered to help themselves, The Hero's Journey for 15- to 25-year-olds and Systems Coaching for large groups of prisoners and prison officers are Spark Inside's two uniquely powerful interventions that can transform lives.

Over the past year, we have continued to develop and see the impact of our coaching programmes in prison and although we still face the same challenges (for example, prison conditions are worsening and prisons remain under-staffed, and the government's prison policy is in a constant state of flux), we continue to learn, innovate and grow, as we look forward to our five-year milestone next year.

Spark Inside's highlights this year include:

- Worked with six prisons/YOIs in London and the South-East
- Supported 170 young men through The Hero's Journey coaching programme with our pool of 12 qualified and passionate life coaches
- Partnered with The Social Investment Consultancy to conduct an independent evaluation, bringing us closer to achieving proof of concept for The Hero's Journey; the final report is due in early 2018
- Started successful pilots of Systems Coaching at HMPs Belmarsh and Wormwood Scrubs, commissioned directly by the prisons
- Collaborated with CRR Global (who run ORSC) to deliver 'fundamentals' Systems Coaching training for our life coaches and Spark Inside staff
- Successfully partnered with Care UK, the North-East London Resettlement Consortium and the South London Resettlement Consortium to deliver The Hero's Journey at various prison establishments
- Convened the Youth Advisory Board for regular meetings
- Further strengthened the organisation's infrastructure to include an Impact Manager, two Service Delivery Managers and a Head of Finance, who have established new and robust internal systems
- Continued our membership within Clinks, the Standing Committee on Youth Justice, National Association for Youth Justice and the Criminal Justice Alliance
- Built upon our relationship with the Government by our CEO's appointment as a Policy Fellow 'at Large' for the Ministry of Justice, and by attending relevant events and Academy on Justice Commissioning sessions.
- Delivered key speeches including TEDx SWPS, Property Investors Network Annual Dinner, Rathbones Christmas Carol and the International Peace Conference
- Submitted evidence and a case study, which were published in three policy reports and papers
- Recognised with the Scoot Headline Awards 2016 Charity Silver, Charity Times Awards 2016 Best New Charity (Shortlisted), Robin Corbett Award for Prisoner Rehabilitation 2016 (Nominated).



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**TRUSTEES' REPORT**  
-continued-

**FOR THE YEAR ENDED 31 MARCH 2017**

***The Hero's Journey***

The Hero's Journey works with 15- to 25-year-olds in prison and post-release in the community, to reduce reoffending and equip participants to make smarter, healthier and more fulfilling life choices. Incorporating Joseph Campbell's renowned 'Hero's Journey' narrative into verified coaching techniques and tools, Spark Inside's programmes uses present-day cultural references and is delivered by qualified, experienced and professional coaches.

The programme begins with three practical workshops, during which up to eight participants apply the 'Hero's Journey' model to their own lives. Through exercises and reflections, they gain insight into their current life stage, past decisions and consequences, and potential future options. By the end of the workshops, participants have developed improved self-awareness, built a more positive self-identity, explored goal-setting and considered alternative futures. Participants are subsequently offered the opportunity to receive one-to-one life coaching in prison and post-release in the community ('through-the-gates'). Participants are empowered to determine the frequency and duration of coaching sessions and Spark Inside works closely with prison staff to share information and holistically support participants.

This year we expanded, improved and finessed The Hero's Journey, incorporating learnings from the evaluations, as well as feedback from our clients, coaches and other stakeholders. Our key achievements for The Hero's Journey include:

- Delivered 37 workshops in six establishments: Feltham and Cookham Wood YOIs, HMPs Wormwood Scrubs, Pentonville and Wandsworth, and Medway STC
- Worked with 170 young men
- Delivered 416 one-to-one sessions
- One-to-one sessions had a 75% attendance rate
- Two Service Delivery Managers successfully conducted pre-engagement with the prisoners at every prison we worked with, managing referral lists and supporting prison staff to escort clients to the workshops
- Regularly accessed and efficiently pulled data from P-NOMIS, in support of gaining evidence to achieve proof of concept
- The Impact Manager's work significantly improved our communications with independent evaluators and reinforced the credibility of their findings, helping to alleviate the challenges of conducting research in prisons

***Impact***

The interim report for the independent evaluation of The Hero's Journey programme in 2016/17 by The Social Investment Consultancy showed statistically significant increases in the following outcomes, as measured through pre- and post-programme questionnaire responses:

- Mental well-being
- Social experience
- Decision-making and problem-solving skills
- Empathy and emotional intelligence
- Resilience and confidence.

***"I need to do what's best for myself. Understanding that I was once a Caterpillar but now I'm a butterfly with goals and achievements."***

*– The Hero's Journey participant*

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**TRUSTEES' REPORT**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

***Systems Coaching***

Systems Coaching is a catalyst for culture change on prison wings, creating environments that are more conducive to rehabilitation. The programme consists of two 2.5 hour workshops held one month apart, for up to 60 prison staff and prisoners, facilitated by up to six specialist systems coaches and assistants. Recognising that both prison staff and prisoners make up the culture of a wing, they come together as one group to identify the problems and underlying causes that damage the environment they share and they then co-create sustainable solutions to improve the culture. Together, the group democratically lays foundations for a healthier environment that will support rehabilitation and reduce conflict and violence between prisoners, and prisoners and staff.

This year, we continued to pilot Systems Coaching for large groups of prison staff and prisoners, after our experience last year of inharmonious prison wings harming rehabilitation efforts, including the effectiveness of interventions like The Hero's Journey. Our key achievements for the programme include:

- Delivered successful first sessions of workshops at HMP Belmarsh and Wormwood Scrubs with approximately 50 prisoners and prison officers.

***"The young people are taking a more relaxed approach, they have a whole new attitude, which is a good thing. It's calmer and more relaxed. Now we have a greater understanding about how to make things better within the community we live in. It's made an impact and relieved tension."***

*– Systems Coaching participant, Prison Officer*

**Supporters and Funders**

Alongside our dedicated staff team, life coaches and consultants, our supporters and volunteers have been instrumental to our growth. This year, our volunteers included Laura Salesa, who donated her design time; Steven Gunputrav, who supported our website design and development; and Steve Griffin, who contributed to our communications. We continued this year to receive pro bono consultancy from Arnold & Porter LLP and a BeyondMe team from Deloitte (Above and Beyond Me). We were also fortunate to receive a heavily subsidised office refurbishment from Third Way to accommodate our growing team.

Together with our contracted income, we are hugely grateful to our funders, without who, we would not have achieved our success this year. We have received numerous grants which are listed in the accounts. We are also thankful to have received 64 individual donations this year and we are hoping this will increase next year, as we plan to raise our profile.

We continue to build and strengthen our partnerships with complementary charities and companies, including Arnold & Porter LLP; the Coaches Training Institute; the Ministry of Entrepreneurship; and PACT.

This year we organised for our coaches to run four taster sessions of The Hero's Journey at Spark Inside HQ, for our funders and supporters, which were well-attended and gave our valued funders and supporters a real sense of coaching and how it is applied in prisons

***"The Hero's Journey taster session was one of the most powerful experiences I have ever had. Never had I contextualised temporally or visually at what point I was in my life, what I wanted to achieve in the future and what past failures I wanted to never repeat. Thank you for taking me on this journey."***

*– Lansdowne Partners, taster session participant*



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**TRUSTEES' REPORT**  
-continued-

**FOR THE YEAR ENDED 31 MARCH 2017**

**Future Plans**

Reflecting in the lead-up to our five-year anniversary, during the 2017/18 financial year, Spark Inside plans to:

- Partner with The Social Investment Company to complete a full and thorough independent evaluation and fully achieve proof of concept for The Hero's Journey
- Continue to make improvements and reach a minimum of 250 young people in prison through The Hero's Journey next year
- Complete a full and comprehensive independent evaluation of the Systems Coaching programme
- Finesse and deliver a minimum of seven Systems Coaching workshops
- Raise our public profile, by investing in a senior communications role
- Strengthen our organisational infrastructure, by hiring a full-time Office Manager with human resources experience and by investing in necessary IT
- Influence criminal justice policy, to ensure that the coaching approach is understood and recognised as a powerful intervention
- Maintain existing funder relationships through thorough reporting and stewardship, as well as outreach to potential new funders, with a view to secure a substantial grant of more than £100,000
- Build stronger partnerships with vision-aligned corporations
- Explore social licensing as a model for increasing impact
- Strengthen and increase our Board of Trustees with a continued focus on diversity; re-establish the Board Fellows programme for one year (non-voting terms for young leaders under 30 years old.)

**Financial review**

The statement of Financial Activities is shown on page 10. The surplus for the year was £26,139 (2016: surplus of £32,282) and net assets amounted to £259,869 (2016: £233,730) at the year end.

**Reserves Policy**

It is the aim of the Trustees to hold reserves on the unrestricted general fund equivalent to between three to six months of operating expenditure. Any reserves on restricted funds are set aside to fund the specific project or programmes for which the funds were granted. It is common for income to be received in one year, yet programme expenditure straddle one or two years. Reserves for restricted funds therefore represent monies for programmes that are currently on-going. In the unlikely event that at the end of the programme a surplus exists we will contact the donor to confirm whether funds should be returned or whether they can be re-designated.

Unrestricted funds amounted to £244,556 at the year end (2016: £89,606). Unrestricted Designated funds amounted to £15,313 (2016: £116,712). Restricted funds amounted to £nil at the year end (2016: £27,412). These are held in order to further the charities objectives.

**Contracted Income Policy**

Wherever a contract is completed and there are funds remaining, the outstanding amount is transferred to unrestricted general funds.

**Remuneration Committee**

An annual remuneration committee is held to review staff pay and proposed increases. The remuneration committee is made up of the Trustees who sit on the finance/audit committee, plus the Chair. The CEO submits a proposal to the remuneration committee with recommendations for salary increases in line with salary bandings.

**The Trustees**

The Trustees (who are also directors for the purpose of company law) who served during the period are set out in the Trustees' Annual Report on page 1.

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**TRUSTEES' REPORT**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**Public benefit reporting**

In planning activities for the period, the Trustees were mindful of the Charity Commission's guidance on public benefit. The Trustees were and remain committed to continuing the principle objectives of the charity.

**Statement as to Disclosure of Information to Auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Spark Inside) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees, to prepare financial statements for each financial year which give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these the Trustees, who are also directors for the purposes of company law, are also required to;

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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' report has been prepared taking advantage of the small companies exemption in Section 415A of the Companies Act 2006.

Approved by the Trustees on 22-11-17 and signed on their behalf by;

**Ms Roma Hooper**  
**Chair**

*Roma Hooper*

Date:

22-11-17

**INDEPENDENT EXAMINERS REPORT  
TO THE TRUSTEES OF SPARK INSIDE**

I report on the accounts of the charity for the year ended 31 March 2017 which are set out on pages 10 to 19.

**Respective responsibilities of the Trustees and the examiner**

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

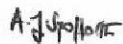
In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Alexander Spofforth BA FCA**

Kreston Reeves LLP  
One Jubilee Street  
Brighton  
East Sussex  
BN1 1GE

Date: 27.11.2017

**SPARK INSIDE**  
**(A company limited by guarantee)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	NOTE	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Total Funds 2016
		£	£	£	£
<b>Income from:</b>					
Donations		218,690	-	<b>218,690</b>	109,106
<u>Charitable activities:</u>					
Contract income		76,967	-	<b>76,967</b>	78,583
Grants and prizes		105,500	85,000	<b>190,500</b>	172,258
Other income		7	-	<b>7</b>	2,271
<u>Investment income:</u>					
Bank interest		1,953	-	<b>1,953</b>	1,434
<b>Total Income</b>		<b>403,117</b>	<b>85,000</b>	<b>488,117</b>	<b>363,652</b>
<b>Expenditure on:</b>					
Charitable activities	<b>3</b>	348,721	113,257	<b>461,978</b>	331,370
<b>Total Expenditure</b>		<b>348,721</b>	<b>113,257</b>	<b>461,978</b>	<b>331,370</b>
<b>Net income</b>		54,396	(28,257)	<b>26,139</b>	32,282
<b>Transfers between funds</b>	<b>10</b>	(845)	845	-	-
<b>Net movement in funds for year</b>		53,551	(27,412)	<b>26,139</b>	32,282
Balance brought forward as at 1st April 2015		206,318	27,412	<b>233,730</b>	201,448
<b>Balance carried forward as at 31st March 2016</b>		<b>259,869</b>	<b>-</b>	<b>259,869</b>	<b>233,730</b>

Comparative data for Restricted Funds as detailed in note 14 to these financial statements.

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**COMPANY NO: 07984016**

**BALANCE SHEET AS AT 31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Current Assets</b>					
Cash at bank and in hand		<b>377,663</b>		277,962	
Debtors	<b>6</b>	<b>12,076</b>		41,241	
		<u><b>389,739</b></u>		<u>319,203</u>	
<b>Current liabilities</b>	<b>7</b>	<b>(129,870)</b>		<b>(85,473)</b>	
Net current assets		<u><b>259,869</b></u>		<u>233,730</u>	
<b>Total assets less current liabilities</b>		<u><b>259,869</b></u>		<u>233,730</u>	
<b>Funds</b>					
<b>Restricted</b>	<b>10</b>	-		27,412	
<b>Unrestricted</b>		<u><b>259,869</b></u>		<u>206,318</u>	
		<u><b>259,869</b></u>		<u>233,730</u>	

For the year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the Trustees on 22-11-17 and signed on their behalf by:

**Ms Roma Hooper**  
Trustee

*Roma Hooper*

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies**

**Basis of preparation**

The accounts have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, and the Charities SORP (FRS 102).

**Incoming resources**

The charity's income recognition is dependent upon the nature of the income being either an exchange or non-exchange transaction. Income is only recognised when it can be reliably measured and receipt is probable.

Exchange transactions are those which the charity delivers goods or services under a contract and as such are recognised on an accruals basis including contracts and grants with time related conditions.

Non-exchange transactions are those which are given freely to the charity by a donor and as such are recognised on a receipts basis as and when they are received.

**Expenditure**

Expenditure is included on an accruals basis and is recognised inclusive of any VAT which cannot be recovered when a legal or constructive obligation arises. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

Expenditure is allocated according to category. Any costs incurred in relation to a specific contract or grant is allocated directly to that fund and matched against income. Any costs relating to the overall running of the organisation is allocated to the Unrestricted General Fund. Periodically, and if the Grant Restriction allows, the proportion of overhead and core costs, which relate directly to the delivery of the Contract or Programme are allocated to ensure that the true costs of delivering that contract is represented.

Support costs are those that assist the work of the charity but do not directly represent charitable activities. The allocation of support costs which includes, office costs, governance costs, administrative payroll costs overheads and governance costs is analysed in note 3 to the accounts.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies – continued**

**Fund accounting**

Fund accounts held by the charity are:

Unrestricted funds – Designated

Unrestricted designated funds relate to income and expenditure for contracts undertaken with a number of secure estate contractors, namely prisons and young offenders institutions. The Trustees have designated these funds separately from unrestricted General funds in order to track this specific income and expenditure. Any surpluses that are generated from these contracts will be transferred to Unrestricted General Fund at the discretion of the Trustees to support the ongoing work of Spark Inside.

General Fund

this represents the core cost of operating the Charity. Income comes from fundraising including specific grant funding, from events and from contractual income.

Restricted funds

Restricted funds, which comprise either a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest or b) donations or grants received for a specific object or invited by the Trustees of Spark Inside for a specific object. The funds may only be expended on the specific object for which they were given.

**Tangible fixed assets**

Individual items of equipment costing £2,000 or less are written off when the asset is acquired.

**2 List of Grants and Prizes**

	2017	2016
	£	£
Triangle Trust	30,000	35,000
Esmee Fairbairn Foundation	30,000	30,000
Esmee Fairbairn - Grants Plus (£5,000 received, £2,500 deferred)	2,500	-
Comic Relief (£30,000 received, £2,500 deferred)	27,500	-
Paul Hamlyn Foundation (£30,000 received, £2,500 deferred)	27,500	-
City Bridge Trust (£22,500 received, £7,500 deferred)	15,000	-
Henry Smith Charity (£30,000 received, £15,000 deferred)	15,000	-
Anonymous Trust	10,000	-
Garden Court Chambers	3,000	-
Garfield Weston Foundation	30,000	-
Crispin Davis Trust (£24,000 received and deferred)	-	-
St James's Place Foundation	-	10,000
Stephen Lloyd Awards	-	22,000
Dawes Trust	-	90,000
	<b>190,500</b>	<b>187,000</b>

Deferred income is income received during the period but relating to a future period.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**3 Charitable activities**

	<b>Note</b>	<b>Unrestricted Funds 2017</b>	<b>Restricted Funds 2017</b>	<b>Total Funds 2017</b>	<i>Total Funds 2016</i>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Provision of charitable activities</b>					
Salaries		243,193	101,290	<b>344,483</b>	208,759
Training and events		4,949	4,723	<b>9,672</b>	35,716
Coaching and programme		60,795	1,026	<b>61,821</b>	20,854
Evaluation		8,120	614	<b>8,734</b>	24,044
Advertising		8	-	<b>8</b>	1,486
Travel expenses		2,012	3	<b>2,015</b>	3,448
Rent and office costs		14,319	5,601	<b>19,920</b>	15,782
Sundry and subscriptions		4,185	-	<b>4,185</b>	778
Legal and professional		420	-	<b>420</b>	3,636
Support costs	<b>4</b>	10,720	-	<b>10,720</b>	16,867
		<b>348,721</b>	<b>113,257</b>	<b>461,978</b>	<b>331,370</b>

**4 Support costs for charitable activities**

	<b>2017</b>	<i>2016</i>
	<b>£</b>	<b>£</b>
Independent examiners fee	<b>3,320</b>	2,360
Bookkeeping and accountancy	<b>360</b>	3,552
Recruitment	<b>1,242</b>	2,425
Computer costs	<b>3,875</b>	6,833
Insurance	<b>1,871</b>	1,697
Bank fees	<b>52</b>	-
	<b>10,720</b>	<b>16,867</b>

**SPARK INSIDE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**5 Staff costs and Trustee Remuneration**

No trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year.

During the year no Trustees were reimbursed for expenses nor did they receive any remuneration. The staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	301,648	191,111
Employers NI	26,525	17,648
	<u>328,173</u>	<u>208,759</u>

The average number of staff employed by the charity during the financial year was 8 (2016: 6)

There were no employees whose annual remuneration was £60,000 or more.

**6 Debtors**

	2017	2016
	£	£
Contract income receivable	11,000	40,750
Prepayments	1,076	-
Other debtors	-	491
	<u>12,076</u>	<u>41,241</u>

**7 Creditors: amounts due within one year**

	2017	2016
	£	£
Trade creditors	3,334	-
Other taxes and social security costs	6,999	6,390
Accruals	22,027	2,674
Deferred income	97,500	69,167
Other creditors	10	7,242
	<u>129,870</u>	<u>85,473</u>

**SPARK INSIDE**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**8 Deferred income**

	<b>Under 1 year £</b>
At 1 April 2016	<b>69,167</b>
Additions during the year	<b>89,500</b>
Amounts released to income	<b>(61,167)</b>
At 31 March 2017	<b>97,500</b>

There is no deferred income over one year.

**9 Operating leases**

	<b>2017 £</b>	<b>2016 £</b>
Total future minimum finance lease payments are as follows:		
Operating leases which expire:		
Not later than one year	14,000	-
Later than one and not later than five years	-	28,000

**SPARK INSIDE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**10 Funds**

	Balance at 1 April 2016	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 March 2017
	£	£	£	£	£
<b>Restricted Funds</b>					
National Offender Management Service	6,372		(6,696)	324	-
St James's Place Foundation	3,088		(3,160)	72	-
Paul Hamlyn Foundation	-	27,500	(27,576)	76	-
Stephen Lloyd Awards	17,952		(18,119)	167	-
Henry Smith Charity	-	15,000	(15,124)	124	-
Comic Relief	-	27,500	(27,508)	8	-
City Bridge Trust	-	15,000	(15,074)	74	-
	<u>27,412</u>	<u>85,000</u>	<u>(113,257)</u>	<u>845</u>	<u>-</u>
<b>Unrestricted - Designated Funds</b>	116,712	76,967	(183,418)	5,052	<b>15,313</b>
<b>Unrestricted - General</b>	89,606	326,150	(165,303)	(5,897)	<b>244,556</b>
Unrestricted funds sub-total	206,318	403,117	(348,721)	(845)	<b>259,869</b>
	<u><b>233,730</b></u>	<u><b>488,117</b></u>	<u><b>461,978</b></u>	<u>-</u>	<u><b>259,869</b></u>

The income funds of the charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

National Offender Management Service – a fund to deliver coaching to up to 160 young people in prison.

St James's Place Foundation – a fund for the Programme Director and Manager salaries to enable work within Young Offender Institutions.

Paul Hamlyn Foundation – a fund to contribute to the cost of the Chief Executive salary.

Stephen Lloyd Awards – awarded for the development of new programmes.

Henry Smith Charity - a fund to contribute to the running costs of the charity including salaries of the management team.

Comic Relief - a fund to contribute to the salaries of the management team of the charity.

City Bridge Trust - a fund to contribute to infrastructure costs of the charity.

Crispin Davis Family Trust - a fund for the delivery of two runs of the Hero's Journey Life Coaching programme.

**SPARK INSIDE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
-continued-

**FOR THE YEAR ENDED 31 MARCH 2017**

**Funds continued**

The charity also holds material designated funds as follows:

South London Resettlement Consortium A and B- contract income for the delivery of the Hero's Journey Life Coaching Programme.

North East London Resettlement Consortium – contract income for the delivery of the Hero's Journey Life Coaching Programme.

Care UK – contract income for the delivery of the Hero's Journey Life Coaching Programme.

The small deficit balances on Restricted Funds were brought to nil by a transfer of £845 from General Funds.

**11 Analysis of net assets by fund**

	Bank	Debtors	Creditors	Net assets
	£	£	£	£
<b>Restricted Funds</b>				
National Offender Management Service	-	-	-	-
St James Place Foundation	-	-	-	-
Paul Hamlyn Foundation	2,500	-	(2,500)	-
Stephen Lloyd Awards	3,334	-	(3,334)	-
Henry Smith Charity	16,360	-	(16,360)	-
Comic Relief	3,860	-	(3,860)	-
City Bridge Trust	7,500	-	(7,500)	-
Crispin Davis Family Trust	24,000	-	(24,000)	-
<b>Unrestricted – Designated funds</b>	50,650	11,000	(46,337)	15,313
<b>Unrestricted funds</b>	269,459	1,076	(25,979)	244,556
	<b>377,663</b>	<b>12,076</b>	<b>(129,870)</b>	<b>259,869</b>



**SPARK INSIDE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

**12 Company limited by guarantee**

Spark Inside is a company limited by Guarantee and not having share capital. It was incorporated on 09 March 2012 under the Companies Act 2006 and has been authorised to dispense with the word 'Limited' in its name. It is a registered charity (number 1148420).

The liability of each member in the event of winding-up is limited to £10.

**13 Control**

Control is held jointly by the Trustees.

**SPARK INSIDE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**14 Comparative statement of financial activity**

	NOTE	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Total Funds 2015
		£	£	£	£
<b>Income from:</b>					
Donations		109,106	-	<b>109,106</b>	81,033
<u>Charitable activities:</u>					
Event income		-	-	-	-
Contract income		78,583	-	<b>78,583</b>	30,850
Grants and prizes		147,500	24,758	<b>172,258</b>	218,679
Other income		2,271	-	<b>2,271</b>	2,886
<u>Investment income:</u>					
Bank interest		1,434	-	<b>1,434</b>	784
<b>Total Income</b>		<b>338,894</b>	<b>24,758</b>	<b>363,652</b>	334,232
<b>Expenditure on:</b>					
Charitable activities		308,533	22,837	<b>331,370</b>	180,029
<b>Total Expenditure</b>		<b>308,533</b>	<b>22,837</b>	<b>331,370</b>	180,029
<b>Net income</b>					
Transfers between funds		1,319	(1,319)	-	-
<b>Net movement in funds for year</b>		<b>31,680</b>	<b>602</b>	<b>32,282</b>	154,203
Balance brought forward as at 1st April 2015		174,638	26,810	<b>201,448</b>	47,245
<b>Balance carried forward as at 31st March 2016</b>		<b>206,318</b>	<b>27,412</b>	<b>233,730</b>	201,448