

Registered number: 07984016
Charity number: 1148420

SPARK INSIDE

(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2018

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

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**Reference and administrative details of the company, its trustees and advisers
For the year ended 31 March 2018****Trustees**

P Lodder

J R Owen

B Leon

R Hooper, Chair

T Akinlemibola

R D Ferguson (appointed 22 November 2017)

J Russell (resigned 25 July 2018)

N Bartlett-Twivey (resigned 22 November 2017)

Company registered number

07984016

Charity registered number

1148420

Principal & Registered office

27 Tavistock Square, London, WC1H 9HH

Independent Examiners

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

Bankers

CAF Bank Ltd, 25 Kings Hill Ave, West Malling, Kent, ME19 4JQ

Solicitors

Arnold & Porter LLP, Tower 42, 25 Old Broad Street, London, EC2N 1HQ

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Trustees' report

For the year ended 31 March 2018

The Trustees, who are also directors for the purpose of company law, present their annual report together with the financial statements of the company for the 1 April 2017 to 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

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.

b. Activities for achieving objectives

Coaching in prisons

Spark Inside runs coaching programmes in prisons – The Conversation and Hero's Journey – across London and the South East to encourage rehabilitation and reduce reoffending.

The Conversation is our systems coaching programme that brings together large groups of prison staff and prisoners in a facilitated group coaching process to enhance their relationships, improve empathy, and support sustained, positive cultural change on prison wings.

Hero's Journey^(TM) is our structured life coaching programme for young people aged 15-25, in prison and through-the-gates, building their motivation to change, decreasing in-prison violence and creating a pro-social identity away from crime to reduce reoffending.

Hero's Journey^(TM)

Our Hero's Journey^(TM) programme for 15-to-25-year-old boys and men builds their motivation to create a positive future-self, away from crime, reducing in-prison violence, and reoffending post release. It is a structured life coaching programme, consisting of group workshops for up to 8 young people, followed by one-to-one coaching sessions. Through Hero's Journey^(TM), young men in prison navigate their personal cycle of change, and create a pro-social identity away from crime, using steps on the Hero's Journey^(TM) model.

The coaching sessions start in prison and can continue in the community, on participants' release through-the-gates, and our life coaches don't tell the young people what to do instead the young people are empowered to make different choices for themselves.

Hero's Journey^(TM) life coaching has been proven to improve vital life skills, such as confidence, decision-making, problem-solving, resilience and empathy, as well as their wellbeing and outlook on the future. On finishing the programme, young people leaving custody have developed a skillset and motivation to create a crime-free future.

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Trustees' report (continued)

For the year ended 31 March 2018

The Conversation

The Conversation focuses on creating systemic change in prison, where large groups of prison staff and prisoners build a more rehabilitative prison environment. A safe and decent prison environment provides the foundation for people in prison to turn their lives around, making them less likely to reoffend.

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. The Conversation promotes positive interactions between prisoners and prison staff. It has been proven to improve their empathy, understanding, and ultimately, their relationship and wing culture, and it also helps to improve the wellbeing and job satisfaction of prison staff, for them to become more efficient and effective.

It gives all people living and working on a prison wing a voice and creates the space for open and honest conversations about how daily life can improve for everyone living and working on the wing, and collaboration around ideas to make change happen.

Prisoners and prison staff decide what issues they want to prioritise and commit to solving them together during the workshops, ending with tangible actions that they can implement.

Achievements and performance

a. Review of activities

Coaching in prisons

This year, we celebrated our six-year anniversary, giving us a great opportunity to reflect on our work to date and explore what our business plan and our vision for the charity should be. Over the past year, we have worked to develop these areas, as well as continuing to grow our coaching programmes in prison. Our highlights this year include:

Strategic direction

We developed Spark Inside's three-year Business Plan, which outlines our five strategic goals: Innovation, Reach, Replication, Influence and Sustainability. The team will be working to this document as a blueprint for success. Alongside this vital piece of work, we formed the Spark Inside vision ('A world without prison and without crime'), our mission ('We run coaching programmes in prisons that encourage rehabilitation and reduce reoffending. We help make transformational changes in prisons and unlock the potential of people in prison to ultimately lead fulfilling lives') and our values ('Spark, Heart, Impact, Learning, Stickability, Innovation'). Together, this work has provided strong direction for the charity and the team.

Programmes

This year, our two coaching programmes reached 194 people living and working in prisons in London and the South-East. In addition:

- We recruited and trained 6 new life coaches, making a total of 15;
- We worked with six prisons/YOIs'
- We delivered Hero's JourneyTM for the first time in HMP Belmarsh and HMP YOI Isis; and,
- We delivered The Conversation for the first time in HMP Belmarsh, HMP Wormwood Scrubs and HMP Brixton.

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Trustees' report (continued)

For the year ended 31 March 2018

Evaluation

Evaluation remains a priority area for Spark Inside. We maintain our relationship with the external evaluators The Social Investment Company (TSIC) who robustly evaluate Hero's Journey™. They predominantly use pre- and post-questionnaires, which the Service Delivery Managers are charged with collating, to conduct statistical analyses on the efficacy of the programme. This work, accompanied by qualitative evidence, has further proven our impact, as we await the final full report containing the reoffending data from central government.

This year we have newly partnered with Ratio Research, an external evaluator for The Conversation. We aim to be presented with a full and final report next year, which we can use to prove our impact and to make improvements.

Both partnerships are being overseen by our Research Assistant, who is also supporting them with collecting the data, rethinking the theories of change and translating the evaluation results into adjustments to our programmes.

Social Licensing

We explored the social licensing model and found it to be a suitable way for us to scale our Hero's Journey™ programme, and therefore further our impact. We worked in partnership with Spring Impact (formerly International Centre of Social Franchising) to design our approach and have reached the exciting stage where we are able to recruit an Expansion & Partnerships Manager to drive forward this project in the next financial year. The person in this role will recruit partners from outside of London and the South-East who will become 'licensees' and deliver the programme to more young people in prisons around the country. The entire project, including the new role, has been funded in full by a generous philanthropist who believes in our work.

Participant voices

This year we have furthered our efforts to listen to and include the voices of programme participants to shape the work and direction of the charity. We have held focus groups in the prisons we work in to gain insight and ideas from the prisoners. Ideas from the young prisoners at one of the focus groups at HMPYOI Isis resulted in our entire suite of in-prison promotional materials for Hero's Journey™ being designed. In another focus group at HMP Brixton, the participants named our untitled systems coaching programme – The Conversation.

Raising profile and advocating

This year we hired a Head of Communications to raise our public profile and strengthen our advocacy work. Since being on board, Spark Inside's branding and messaging has been finessed and we are working towards a more robust communications strategy to raise awareness and increase understanding of our work. As we look at implementing a media strategy in the next financial year, this year we have been strengthening our public profile through memberships/partnerships, events and relationships with the Ministry of Justice.

This year we joined the LVSC Safer Future Communities Reducing Reoffending VCSE Group, and The Corbett Network, a new network of rehabilitation charities that aims to bridge the gap from custody to community by improving routes to employment. We also continued our membership with Clinks, Criminal Justice Alliance, Standing Committee for Youth Justice, and the National Association of Youth Justice. We have met with parliamentarians and ministers, including prominent criminal justice figures Lord David Ramsbotham and Lord Thomas McNally, and Parliamentary Under Secretary of State, Lucy Frazer QC MP. We continued to strengthen our relationship with Ministry of Justice and Her Majesty's Prison and Probation Service, meeting with Heads of Department in the Justice, Analysis and Offender Policy Group, and HMPPS Chief Executive, Michael Spurr.

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Trustees' report (continued)

For the year ended 31 March 2018

Members of the team have also been actively sharing our messages by speaking at events, such as:

- May 2017 – Baillie Aaron's latest TEDx talk 'What if being 'soft on crime' is good for society?' at TEDxLBS (London Business School);
- May 2017 – Baillie Aaron and Louis Collins (coach) on the power of coaching for young people and our Hero's JourneyTM programme at the Rotary Conference in Bristol;
- June 2017 – Hannah Pittaway and Baillie Aaron on 'The prison crisis: what to do next?' at Goodenough College, London;
- June 2017 – Naina Oliver (coach) and Baillie Aaron on Hero's JourneyTM and its impact at the Association of Members of Independent Monitoring Boards (AMIMB) annual conference on violence reduction in prison;
- July 2017 – Bonnie Chiu (evaluator) 'Evaluation of Life Coaching as an Innovative, Rehabilitative Approach for Young People Leaving Prison' at Building Bridges in a Complex World in Crete, Greece;
- September 2017 – Baillie Aaron on the coaching approach to young people in prison at the Standing Committee for Youth Justice members' meeting;
- October 2017 – Louis Collins and Tony Phillips (coaches) at the Rotary District 1130 Conference 2017;
- October 2017 – Bonnie Chiu (evaluator) 'Evaluation of Life Coaching as an Innovative, Rehabilitative Approach for Young People Leaving Prison' at the International Corrections and Prisons Association (ICPA)'s 19th AGM and conference, 'Innovation in Rehabilitation: Building Better Futures';
- January 2018 – Indy Cross presented Spark Inside's work at the Gandhi Memorial Trust's ceremony, to commemorate the 70th anniversary of Gandhi's assassination.

Awards

We are delighted to have been awarded the Business Innovator Awards 2017 – Best Youth Development Charity for our Hero's JourneyTM programme (July 2017) and a Commendation in the Robin Corbett Awards for Prisoner Re-integration 2018 for our systems coaching programme, The Conversation, at HMP Belmarsh (March 2018). Both awards have been encouraging and motivating for the team and we are confident that the recognition will continue.

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Trustees' report (continued)

For the year ended 31 March 2018

Supporters and Funders

Our supporters and funders continue to help us prosper as an organisation. This year, our volunteers included Anar Bata, who donated her time to support the charity's administration and Tamsyn Hanrahan, a marketing specialist, who donated her time to support the Communications Team with their messaging. We have also continued to receive pro bono consultancy from Arnold & Porter LLP. Our coaches this year have run Hero's JourneyTM 'taster sessions' at Spark Inside HQ, which gave our funders and supporters an experience of the workshops, helping to keep them engaged and excited about the work.

"Listening to some of the challenges that my fellow attendees have faced and weaving these into anecdotes about the young men in prison really brought to life how this approach can help individuals find the answers inside themselves, and have the confidence to make better choices.

I'm so grateful that I had the opportunity to deepen my understanding of the Hero's JourneyTM programme and the experience has reinforced my belief in what Spark Inside is trying to achieve.

The fact that we all wished we could have had longer together in the session says it all!"

- Supporter, taster session participant

Alongside our earned revenue, we continue to be grateful to and foster strong relationships with our funders, who have allowed our work to go from strength to strength. The full list of grant funders is in the accounts, below. We are also thankful to have received 71 individual donations this year, which is an increase from last year, as a result of raising our profile.

Learning

We continue to face challenges working in the prison environment, which, although we are accustomed to them, still require management and resilience. Understaffing in prisons, ever-changing prison policy, confusion within the sector around commissioning, and the prison conditions worsening are all still very real problems. The reoffending data we are seeking to obtain from central government is not as simple or quick to access as we had hoped, but we remain unwavering in our quest to access the data, as well as in our efforts to demonstrate our impact and outcomes to our stakeholders, beyond reoffending statistics. Despite these challenges, we are proud to have used our grit and determination, built strong relationships and continued our growth and innovation.

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Trustees' report (continued)

For the year ended 31 March 2018

Hero's Journey^(TM)

Our key achievements for Hero's Journey^(TM) this year include:

- Delivered 13 Hero's Journey^(TM) programmes in five establishments: HMP Belmarsh, HMP Wormwood Scrubs, HMP Wandsworth and HMP YOI Isis;
 - 50 young men attended 32 Hero's Journey^(TM) workshops;
 - Delivered 124 one-to-one sessions to 49 participants;
 - Two Service Delivery Managers (SDMs) effectively managed all logistics of delivering coaching workshops and sessions in the prisons, built relationships with prison staff and prisoners, and managed the pool of coaches. They also successfully engaged with the young people and promoted the programmes in the prisons to ensure a good level of self-referrals.
 - In addition, they took charge of completing pre and post-questionnaires with the participants, to enable us to evaluate and measure impact, with our questionnaire return rate at an impressive 84%. They also regularly accessed and efficiently pulled data from P-NOMIS, in support of gaining further evidence.
 - A Research Assistant was recruited (inducted and coached by the outgoing Impact Manager), who is taking the lead with our independent evaluators, supporting them with the data and the challenges of data collection in the prison environment.
 - As we await the final report, the interim report for the independent evaluation of Hero's Journey^(TM) programme by The Social Investment Consultancy mirrored the results of the previous interim report, which showed increases in the following outcomes:
 - o Mental well-being
 - o Social experience
 - o Decision-making and problem-solving skills
 - o Empathy and emotional intelligence
 - o Resilience and confidence
 - Following a rigorous recruitment, vetting and training process, 6 new life coaches joined the team.
- "The coaches saw the spark in me that I hadn't seen in myself for a long time, and it gave me hope that it wasn't too late to change things.*
- I had lost belief in myself, but the whole programme restored the belief that I can do anything I want if I put my mind to it.*
- I would love to see this course delivered to every incarcerated person in the country."*
- The Hero's Journey^(TM) participant

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Trustees' report (continued)
For the year ended 31 March 2018

The Conversation

Our key achievements for The Conversation this year include:

- Delivered five The Conversation workshops in three establishments: HMP Belmarsh, HMP Wormwood Scrubs and HMP Brixton.
- 119 participants attended The Conversation workshops; 84 were prisoners and 35 were prison staff.
- The role of our Service Delivery Managers expanded to include supporting the delivery of The Conversation workshops.

"It was good for staff to think, or maybe understand a bit, why prisoners sometimes react in certain ways. For me it was more a benefit for staff than the prisoners – although the prisoners definitely took a benefit out of it because they could understand where we come from, and how our day is so time-bound."

We haven't had any issues on the wing since with any of the prisoners who attended The Conversation. I'm sure the prisoners definitely took something anyway from it, and are displaying the skills they learn from it."

- *Systems Coaching participant, Prison Officer*

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Overall review of activities

The statement of Financial Activities is shown on page 13. The surplus for the year was £147,589 (2017: surplus of £26,139) and net assets amounted to £407,458 (2017: £259,869) at the year end.

The net assets were made up of: Restricted funds of £18,318; Designated funds of £94,086; and General Unrestricted funds of £295,054.

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Trustees' report (continued)

For the year ended 31 March 2018

c. 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 (based on budgeted expenditure for the following year.) 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 £389,140 at the year end (2017: £259,869) including Unrestricted Designated funds of £94,086 (2017: £15,313). Restricted funds amounted to £18,318 at the year end (2017: £nil). These are held in order to further the charity's objectives, descriptions of these can be found in note 17 to the accounts.

Contracted Income Policy

Wherever a contract is completed and there are funds remaining, if it is not a restricted fund then the outstanding amount is transferred to unrestricted general funds.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 09/03/2012.

The company is constituted under a Memorandum of Association dated 09/03/2012 and is a registered charity number 1148420.

b. Method of appointment or election of Trustees

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

c. Policies adopted for the induction and training of Trustees

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 two 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 skills 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 a biennial basis.

d. Pay policy for senior staff

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.

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Trustees' report (continued)

For the year ended 31 March 2018

e. Organisational structure and decision making

Spark Inside currently has 6 Trustees. There is one Board Committee, the Finance Committee, chaired by the Treasurer.

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.

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.

f. 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.

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Trustees' report (continued)

For the year ended 31 March 2018

Plans for future periods

a. Future developments

With a strong sense of strategic direction outlined in our business plan, Spark Inside plans to:

- Reach 500 people through our coaching programmes.
- Set up in-prison advisory boards, to support us (and other partners) to be better listeners to our participants and to respond to what we hear. These boards will replace our Youth Advisory Board.
- Create and pilot new coaching programmes in prisons, based on feedback and ideas from people living and working in prison.
- Begin the process of expanding beyond our own delivery by recruiting an Expansion & Partnerships Manager to inspire and enable others to deliver our proven coaching programmes, using the Social Licensing approach. The person in the role will identify partners to pilot the project before establishing the model as one that transforms lives around the country.
- With a Senior Communications role in place, influence others to recognise and value coaching approaches in prisons, via robust media and digital activity. We will also work to influence criminal justice policy through advocacy work, to ensure that the coaching approach is recognised as a powerful intervention in prisons, aiming for at least one face to face meeting with the prisons minister.
- Be a strong, motivated and sustainable organisation, by continuing to strengthen our organisational infrastructure.
- Make improvements to our coaching programmes by listening to people in prison, via in-prison advisory boards, ensuring the feedback received from our participants in prison is reported back to Spark Inside, to be acted on.
- Recruit, vet, induct and train systems coaches for The Conversation.
- Continue our partnership with our external evaluators, The Social Investment Consultancy, for the Hero's Journey.
- Drive forward our partnership with our independent, external evaluators, Ratio Research, to complete a full and comprehensive evaluation of The Conversation, in order to clearly demonstrate impact. In addition, we aim to make full and better use of our Salesforce platform in order to strengthen our internal monitoring.
- Maintain funder relationships and continue our outreach to potential new funders.
- Build stronger partnerships with vision-aligned corporations.
- Strengthen our Board of Trustees by recruiting new Board members, 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).

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Trustees' report (continued)

For the year ended 31 March 2018

Trustees' responsibilities statement

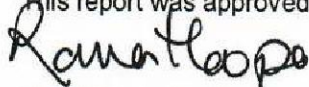
The Trustees (who are also directors of Spark Inside for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 30/10/18 and signed on their behalf by:



Ms Roma Hooper
Chair

SPARK INSIDE

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Independent examiner's report For the year ended 31 March 2018

Independent examiner's report to the Trustees of SPARK INSIDE (the 'company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2018.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

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

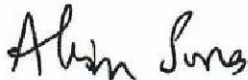
Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I can 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.

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.

Signed:



Dated:

27/11/18

Alison Jones FCA

One Jubilee Street
Brighton
East Sussex
BN1 1GE

SPARK INSIDE**(A company limited by guarantee)****Statement of financial activities incorporating income and expenditure account
For the year ended 31 March 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	247,852	255,722	503,574	409,190
Charitable activities	4	117,463	-	117,463	76,967
Investments	5	2,261	-	2,261	1,953
Other income		730	-	730	7
Total income		368,306	255,722	624,028	488,117
Expenditure on:					
Raising funds		16,200	-	16,200	16,310
Coaching in prisons	7,11	222,190	238,049	460,239	445,668
Total expenditure	6	238,390	238,049	476,439	461,978
Net income before transfers		129,916	17,673	147,589	26,139
Transfers between Funds	18	(621)	621	-	-
Net movement in funds		129,295	18,294	147,589	26,139
Reconciliation of funds:					
Total funds brought forward		259,869	-	259,869	233,730
Total funds carried forward		389,164	18,294	407,458	259,869

The notes on pages 17 to 29 form part of these financial statements.

SPARK INSIDE**(A company limited by guarantee)****Registered number: 07984016****Balance sheet****As at 31 March 2018**

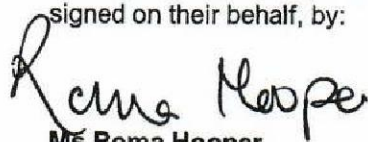
	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		6,455		-
Current assets					
Debtors	15	1,771		12,076	
Cash at bank and in hand		672,930		377,663	
		<u>674,701</u>		<u>389,739</u>	
Creditors: amounts falling due within one year	16	(199,670)		(129,870)	
Net current assets			475,031		259,869
Total assets less current liabilities			481,486		259,869
Creditors: amounts falling due after more than one year	17		(74,028)		-
Net assets			<u>407,458</u>		<u>259,869</u>
Charity Funds					
Restricted funds	18	18,294			-
Unrestricted funds	18	389,164			259,869
Total funds			<u>407,458</u>		<u>259,869</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

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

The financial statements were approved and authorised for issue by the Trustees on 30/10/18 and signed on their behalf, by:


Ms Roma Hooper
Trustee

The notes on pages 17 to 29 form part of these financial statements.

SPARK INSIDE**(A company limited by guarantee)****Statement of cash flows****For the year ended 31 March 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>304,949</u>	<u>99,701</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(9,682)</u>	<u>-</u>
Net cash used in investing activities		<u>(9,682)</u>	<u>-</u>
Change in cash and cash equivalents in the year		295,267	99,701
Cash and cash equivalents brought forward		<u>377,663</u>	<u>277,962</u>
Cash and cash equivalents carried forward	21	<u>672,930</u>	<u>377,663</u>

The notes on pages 17 to 29 form part of these financial statements.

SPARK INSIDE

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Spark Inside meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts have been prepared in pounds sterling and are rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Going concern

These accounts are prepared on the going concern basis, there are no material uncertainties that exist that would suggest that the charity was unable to continue for the foreseeable future.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

SPARK INSIDE

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	- 3 years straight line
--------------------	-------------------------

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

SPARK INSIDE

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies (continued)

1.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	133,102	-	133,102	218,690
Grants	114,750	255,722	370,472	190,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	247,852	255,722	503,574	409,190
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	324,190	85,000	409,190	
	<hr/>	<hr/>	<hr/>	

SPARK INSIDE**(A company limited by guarantee)****Notes to the financial statements
For the year ended 31 March 2018****3. List of grants (listed in order of donation date)**

	2018	2017
	£	£
Triangle Trust	32,083	30,000
Esmee Fairbairn Foundation	10,000	30,000
Esmee Fairbairn - Grants Plus	2,500	2,500
Comic Relief	34,583	27,500
Paul Hamlyn Foundation	30,000	27,500
City Bridge Trust	30,000	15,000
Henry Smith Charity	15,000	15,000
Anonymous Trust	-	10,000
Garden Court Chambers	-	3,000
Garfield Weston Foundation	-	30,000
Crispin Davis Trust	24,000	-
Goldsmiths Company Charity	30,000	-
Ellis Campbell Foundation	5,000	-
Stanley Foundation	10,000	-
Gandhi Statue Memorial Trust (£216,000 received, £142,361 deferred)	73,639	-
Charles Hayward Foundation (£20,000 received, £1,667 deferred)	18,333	-
29 May 1961 Trust	5,000	-
Rayne Foundation	10,000	-
Highway One Trust	10,000	-
Leathersellers Company Charitable Fund (£10,000 received, £5,833 deferred)	4,167	-
Wates Foundation (£10,000 received, £5,833 deferred)	4,167	-
Steel Charitable Trust	15,000	-
Donald Forrester Trust	5,000	-
Prudential plc Small Donations Fund	1,000	-
Robin Corbett Awards	1,000	-
Total	370,472	190,500

Deferred income is income received during the period but relating to future periods

4. Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
Contract income	117,463	-	117,463	76,967
Total 2017	76,967	-	76,967	

SPARK INSIDE
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	2,261	-	2,261	1,953
Total 2017	1,953	-	1,953	

6. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	16,200	16,200	16,310
Costs of raising funds	-	-	16,200	16,200	16,310
Coaching in prisons	341,003	3,227	112,869	457,099	441,988
Expenditure on governance	-	-	3,140	3,140	3,680
	341,003	3,227	132,209	476,439	461,978
Total 2017	328,173	-	133,805	461,978	

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Coaching in prisons	219,050	238,049	457,099	441,988
Total 2017	328,731	113,257	441,988	

SPARK INSIDE
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

8. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities	437,117	19,982	457,099	458,298
Total 2017	451,258	7,040	458,298	

9. Direct costs

	Charitable activities £	Total 2018 £	Total 2017 £
Training and events	5,063	5,063	9,672
Coaching and programme	44,864	44,864	61,821
Evaluation	7,687	7,687	8,734
Marketing	8,281	8,281	8
Travel expenses	2,908	2,908	2,015
Rent and office costs	19,903	19,903	19,920
Sundry and subscriptions	4,622	4,622	4,185
Legal and professional	2,786	2,786	420
Wages and salaries	301,086	301,086	301,648
National insurance	24,807	24,807	26,525
Pension cost	15,110	15,110	-
	437,117	437,117	434,948
Total 2017	451,258	451,258	

SPARK INSIDE
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

10. Support costs

	Charitable activities £	Total 2018 £	Total 2017 £
Legal and professional	3,140	3,140	-
Recruitment	1,861	1,861	1,242
Computer costs	9,454	9,454	3,875
Insurance	2,034	2,034	1,871
Bank fees	66	66	52
Other staff costs	200	200	-
Depreciation	3,227	3,227	-
	<u>19,982</u>	<u>19,982</u>	<u>7,040</u>
Total 2017	<u>7,040</u>	<u>7,040</u>	

11. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Governance Independent Examination costs	2,580	-	2,580	3,320
Governance Examiners other costs	560	-	560	360
	<u>3,140</u>	<u>-</u>	<u>3,140</u>	<u>3,680</u>

12. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	<u>3,227</u>	<u>-</u>

During the year, no Trustees received any remuneration (2017 - £NIL).
During the year, no Trustees received any benefits in kind (2017 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

SPARK INSIDE**(A company limited by guarantee)****Notes to the financial statements
For the year ended 31 March 2018****13. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	301,086	301,648
Social security costs	24,807	26,525
Other pension costs	15,110	-
	<u>341,003</u>	<u>328,173</u>

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

	2018 No.	2017 No.
Staff	8	8

No employee received remuneration amounting to more than £60,000 in either year.

Spark Inside consider their Key Management Personnel to consist of;

Baillie Aaron, Chief Executive; David Fisher, Head of Finance; Ihona Hirving, Head of Programme Operations and Indy Cross, Head of Communications.

These four Key Management Personnel received total aggregate remuneration of £161,448 made up of salaries of £150,879 and Employer's Pension contributions of £10,569.

14. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2017	-
Additions	9,682
At 31 March 2018	<u>9,682</u>
Depreciation	
At 1 April 2017	-
Charge for the year	3,227
At 31 March 2018	<u>3,227</u>
Net book value	
At 31 March 2018	<u>6,455</u>
At 31 March 2017	<u>-</u>

SPARK INSIDE
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

15. Debtors

	2018 £	2017 £
Contract income receivable	-	11,000
Prepayments and accrued income	1,771	1,076
	<u>1,771</u>	<u>12,076</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	13,132	3,344
Other taxation and social security	7,716	6,999
Accruals and deferred income	178,822	119,527
	<u>199,670</u>	<u>129,870</u>

	£
Deferred income	
Deferred income at 1 April 2017	97,500
Resources deferred during the year	244,315
Amounts released from previous years	(97,500)
Deferred income at 31 March 2018	<u>244,315</u>

Of the deferred income £74,028 relates to income to be recognised in more than one year from the balance sheet date.

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Accruals and deferred income	<u>74,028</u>	<u>-</u>

SPARK INSIDE**(A company limited by guarantee)****Notes to the financial statements
For the year ended 31 March 2018****18. Statement of funds****Statement of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds					
Project specific designated funds	15,313	147,463	(158,690)	-	4,086
Continuation of coaching delivery	-	-	-	90,000	90,000
	<u>15,313</u>	<u>147,463</u>	<u>(158,690)</u>	<u>90,000</u>	<u>94,086</u>
General funds					
General Funds - all funds	244,556	220,843	(79,700)	(90,621)	295,078
Total Unrestricted funds	<u>259,869</u>	<u>368,306</u>	<u>(238,390)</u>	<u>(621)</u>	<u>389,164</u>
Restricted funds					
Paul Hamlyn Foundation	-	30,000	(30,059)	59	-
Henry Smith Charity	-	15,000	(15,391)	391	-
Comic Relief	-	34,583	(34,625)	42	-
City Bridge Trust	-	30,000	(30,066)	66	-
Crispin Davis Family Trust	-	24,000	(24,022)	22	-
'Gandhi Statue Memorial Fund	-	73,639	(55,345)	-	18,294
Hero's Journey (TM)	-	38,500	(38,541)	41	-
Rayne Foundation	-	10,000	(10,000)	-	-
	<u>-</u>	<u>255,722</u>	<u>(238,049)</u>	<u>621</u>	<u>18,294</u>
Total of funds	<u>259,869</u>	<u>624,028</u>	<u>(476,439)</u>	<u>-</u>	<u>407,458</u>

The funds of the charity include restricted funds comprising of the following;

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

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.

'Gandhi Statue Memorial Fund - A fund to support management salaries and external evaluation costs across three years.

Hero's Journey(TM) - A fund (supported by multiple grant funders) for delivery of the Hero's Journey Life Coaching Programme in prisons.

SPARK INSIDE**(A company limited by guarantee)****Notes to the financial statements
For the year ended 31 March 2018****18. Statement of funds (continued)**

Rayne Foundation - A fund to support pilot delivery of Systems Coaching in prisons.

The charity also holds designated funds representing contract income for delivery of coaching programmes in specific prisons.

Transfers in the year represent unrestricted funds used to finance deficits on restricted funds (£621) plus a transfer of £90,000 into a new designated funds for increasing coaching delivery in prisons.

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated Funds - all funds	116,712	76,967	(183,418)	5,052	15,313
General Funds - all funds	89,606	326,150	(165,303)	(5,897)	244,556
Restricted funds					
National Offender Management Service	6,372	-	(6,696)	324	-
St James' 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	-
	27,412	85,000	(113,257)	845	-

19. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	6,455	-	6,455
Current assets	656,407	18,294	674,701
Creditors due within one year	(199,670)	-	(199,670)
Creditors due in more than one year	(74,028)	-	(74,028)
	389,164	18,294	407,458

SPARK INSIDE**(A company limited by guarantee)****Notes to the financial statements
For the year ended 31 March 2018****19. Analysis of net assets between funds (continued)****Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Current assets	332,185	57,554	389,739
Creditors due within one year	(72,316)	(57,554)	(129,870)
	<u>259,869</u>	<u>-</u>	<u>259,869</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	147,589	26,139
Adjustment for:		
Depreciation charges	3,227	-
Decrease in debtors	10,305	29,165
Increase in creditors	143,828	44,397
Net cash provided by operating activities	<u>304,949</u>	<u>99,701</u>

21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	672,930	377,663
Total	<u>672,930</u>	<u>377,663</u>

22. Pension commitments

The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £15,110 (2017: £0). There were no contributions payable to the fund at the balance sheet date.

SPARK INSIDE

(A company limited by guarantee)

**Notes to the financial statements
For the year ended 31 March 2018****23. Operating lease commitments**

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	-	14,000

24. Controlling party

The trustees who are also directors control the charity.