

# Annual Report & Accounts 2019-20



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**WE ARE PROUD OF OUR AMBITIOUS VISION**  
*A world without prisons.*



## 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.*

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2020

### Trustees

- R Hooper, Chair (resigned 23 July 2020)
- E Handling, Chair (appointed 29 October 2020)
- T Akinlemibola, Treasurer (resigned 29 October 2020)
- R D Ferguson, Vice Chair
- M Conway (appointed 30 April 2019)
- T Currie (appointed 30 April 2019)
- K Imafidon (appointed 30 April 2019)
- H MacLellan (appointed 30 April 2019)
- J Lyseight, Treasurer (appointed 29 October 2020)
- S Ruddock (appointed 29 October 2020)
- S Davin (appointed 29 October 2020)
- B Leon (resigned 30 April 2019)

### Company registered number

07984016

### Charity registered number

1148420

### Registered office

Free Churches Group, 27 Tavistock Square, London, WC1H 9HH

### Chief executive officer

Baillie Aaron Resigned February 2020  
Vicki Cardwell Appointed January 2020

### Independent auditors

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

### Principal bankers

CAF Bank Ltd, West Malling, Kent, ME19 4JQ

### Solicitors

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



# Introduction

The Trustees present their annual report together with the audited financial statements of the company for the year 1 April 2019 to 31 March 2020. 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) (second edition effective October 2019).

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.





## A Message from our Board Chair

Having been Spark Inside's Board Chair for six years, I am deeply proud of how much we have achieved. And this year has been no different. The clear impact of our work on those living and working in prison is the reason we have incredible supporters and are able to attract talented and passionate staff and coaches.

This year, we bid farewell to Baillie Aaron, who founded the organisation in 2012, and has passed the baton to Vicki Cardwell at the beginning of 2020 who has already led the team through the uncharted territory of COVID-19. Under Vicki's leadership, the team and our expert coaches will continue to achieve transformations across the prisons we work in, despite the prison environment remaining highly complex and challenging.

This year we have been able to celebrate some key successes, and also learnt a lot along the way, keeping people in our prisons at the very core of what we do. And none of that would have happened without our invaluable supporters and funders. To them, I would like to say a heart-felt thank you.

As I come to the end of my term as Board Chair, I am delighted to leave behind a strong and robust organisation that has grown and matured since I first began. We have an exceptional board who are making an outstanding contribution and who I am confident will support Vicki and the team as the organisation moves forward. We also have a very impressive team who I owe a huge debt of gratitude to for all the very hard work and energy they put into ensuring that our young people and those who support them get the very best from us.

Coaching is a unique and life changing programme. I am as convinced now as I was back in 2013 that coaching should be in every prison. It is, without doubt, transformative, and everlasting. We are only as good as the young people who respond to our coaching programmes and I am so grateful to them for all the time and hard work they put in.

**Roma Hooper**  
**Chair, Board of Trustees**

*After six successful years as Chair, Roma Hooper stood down on 23 July 2020. The Board are delighted that Erica Handling was appointed as new Chair on 29 October 2020 following an open and robust recruitment process.*



# Welcome

## A Message from our CEO

It has been a privilege to have the opportunity to continue Baillie's legacy and I feel very lucky to be working with such a dedicated and resilient staff team and coaches. As we navigate uncertain times with the outbreak of a global pandemic, we keep the people in prisons that we coach at the heart of all of our decisions.

I am committed to this period of growth and to advocating for coaching and rehabilitation, and I'm deeply proud of the work the team has put into developing the in-prison advisory boards, which will inform all of our strategic decisions. The people with lived experience will guide us in what will be a new world post-COVID-19, but a world in which our coaching programmes will be more important than ever.

Seeing the impact that the coaching programmes have on the lives of people in prison drives us to keep striving for innovation and I'm delighted we have piloted the Hero's Journey™ from a Black Perspective this year, which addresses the specific experiences of young black men in prison. This programme is more pertinent now, during one of the biggest civil rights movements – Black Lives Matter – and I feel honoured to be working with a team that has brought this programme into fruition.

I want to thank our supporters, funders and partners who continue to believe in our work, allowing us to increase our reach and impact – including for the first time ever, outside of London. Inspired by people around me at Spark Inside, in prisons and across the criminal justice system, I look forward to being an advocate and to playing a part in creating some meaningful change.

**Vicki Cardwell**  
CEO



# Our achievements & performance during 2019 - 20

## WHAT WE DO

Spark Inside runs coaching programmes in prisons across London and the South East, to encourage rehabilitation and contribute towards a reduction in reoffending. We are one of the first organisations to take life coaching to 15-to-25-year-old boys and men in prison and to use systems coaching to bring together officers/staff and prisoners in UK prisons. Our expert coaches are qualified and trained professionals.

**Hero's Journey™** is our award-winning structured life coaching programme for young men in prison and 'through-the-gates' into the community, that encourages them to change their lives and create a crime-free future.

**The Conversation** is our award-winning 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.

In addition to developing and delivering innovative coaching programmes, we are also committed to working with parliamentarians and government officials to influence criminal justice policy, and shift the perception of people in prison, platforming their voices and highlighting their unlocked potential.

## STRATEGIC DIRECTION

With a year left on our three-year Business Plan, we are proud of what has been achieved this year, with Spark Inside's values ('Spark, Heart, Impact, Learning, Stickability and Innovation') at the heart of our decisions and responses. Here are the key highlights, against our five strategic aims:

### **Innovation – create and pilot new programmes using coaching in prison**

We have dedicated time listening to the young men in prison through our new In-Prison Advisory Boards and are using their insight to innovate. In February 2020, we piloted the tailored version of the Hero's Journey™ life coaching programme, which was specifically designed for young black men, to address their unique experiences and needs.

### **Reach – reach people in prison using coaching interventions, changing lives and achieving proof of impact**

The Social Investment Consultancy have been evaluating the impact of Hero's Journey™ since 2016 and the final report released in late 2019 shows that across the three years, Spark Inside has made a clear, positive impact on the lives of over 350 young men in prison.

### **Replication – expand beyond our own delivery by inspiring and enabling others to deliver our proven coaching programmes**

We have spent time reviewing and making improvements to our existing systems and have secured a partnership with the Lincolnshire Action Trust to pilot the delivery of the Hero's Journey™ life coaching programme at HMP Lincoln. The prison is fully committed to the pilot, which will extend our reach and impact beyond London and the South-East, and we have recruited a lead coach to train other coaches for the pilot.



### **Influence – influence others to recognise and value coaching approaches in prisons**

Our influencing and advocacy work has moved on considerably, being driven by the new CEO, who began her tenure by making the case for rehabilitation live on BBC One's The Big Questions. We have increased our presence in several influential policy networks, including the 'RR3' Reducing Reoffending Special Interest Group on COVID-19, chaired by Clinks.

### **Sustainability – be a strong, motivated and sustainable organisation**

This year saw a new CEO take over leadership of the team, from the Founder Baillie Aaron. The staffing structure has been strengthened by creating an impact and innovation arm, and placing a stronger emphasis on policy and advocacy. The structure also allows the delivery team to focus on commissioned contracts directly with the prisons and continue to strengthen and deepen our work. Over £60,000 was raised by individual donors as part of the Big Give, as we made a concerted effort this year to bolster philanthropic giving and individual donors, alongside our grant funding, which remains a priority.

## **CHALLENGES**

Delivering in prisons remains a challenge, as we navigate the chaotic environment, underfunded staffing levels and poor living conditions, which all impact the mental health of those we work with in prison. As we continue to work hard to ensure the young men are coached effectively and campaign to ensure the voices of young people living in prison are heard, we are confident that we can continue to make a difference.

We have unfortunately been unable to obtain our reoffending rate via the Ministry of Justice's 'Justice Data Labs' team (due to delays being experienced by all charities), but we are set to submit our data in the first quarter of 2020/2021.

Delivery of our systems coaching programme this year temporarily paused, as we learned that elements of the programme needed improvements, based on participant feedback. We employed a project manager to take this forward, who has been reviewing and redeveloping the programme and redesigning the content. We are reflecting on the learnings and aim to pilot an upgraded and more effective version of The Conversation in 2020/21.

In addition, as expected this year, there was a delay in prisons being able to commission our programmes, due to the introduction of a new prison education contracting system, which started in April 2019. This resulted in an inevitable hiatus in delivery, which we were able to quickly recover from due to our strong relationships with the prisons.

The year ended in the most unexpected and devastating way, with the outbreak of the COVID-19 virus. This resulted in us having to pause delivery of the coaching programme, due to a nationwide lockdown. We are set to use the time to innovate and advocate, so that when we can return into prisons, our team and our pool of dedicated coaches will be ready to support the people living and working in prisons when they will need us the most.

**"Having worked as a coach to business leaders and executives for many years, I can honestly say that the coaching I have done with the young men in prison has been the most humbling and rewarding I have ever experienced."**

**It is a privilege to be in the room when someone who previously felt lost, gains a spark of insight and clarity that sets them on a journey to a brighter future. The added bonus for me is that it has helped me become a better coach."**

**Louis Collins, Hero's Journey™ coach**



# HERO'S JOURNEY

## LIFE COACHING PROGRAMME

Our innovative and award winning Hero's Journey™ 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 contributing towards a reduction in reoffending post release.

It is a structured life coaching programme, consisting of group workshops for up to eight young people, followed by one to one coaching sessions. The coaching sessions start in prison and can continue in the community on participants' release through the gates. Our life coaches don't tell participants what to do; instead the young people are empowered to make different choices for themselves.

Hero's Journey™ life coaching has been proven to improve vital life skills, such as confidence, decision making, problem solving, resilience and empathy, as well as participant wellbeing and future outlook.



**"My coach made me think about what I want to do with my life. It taught me how we bounce back from a knock back. I'm quite resilient, my coach said. I got a stronger mind to not commit crime again and to build a business from nothing."**

**David, 19 (name and age has been changed), Hero's Journey™ participant**

## Highlights for 2019-20 Hero's Journey™

### Our key achievements this year include:

- Delivered 27 Hero's Journey™ programmes in five establishments: HMP Belmarsh, HMYOI Feltham A side and B side, HMP Wormwood Scrubs, HMYOI Cookham Wood and HMPYOI Isis
- 139 young men attended 63 Hero's Journey™ workshops.
- 113 young people accessed one to one coaching sessions.
- We inducted a new cohort of skilled and professional life coaches, who began coaching young men in prison this year, supported by the expert, dedicated and qualified coaches that have worked for Spark Inside for years.
- Our Service Delivery Managers continued to put the young people in prison at the heart of their work, by effectively engaging with them in prison wings around London, and then successfully navigating the logistics of delivering coaching workshops and sessions in prisons. Their resilience and their strong relationships with prison staff and our pool of life coaches has ensured our success this year.

## FROM A BLACK PERSPECTIVE

This year we secured further funding from the Garfield Weston Foundation (in addition to the donations from the Big Give 2018) to enable us to design and pilot a specialist version of our Hero's Journey™ life coaching programme, focusing on young black men in prison. Co designed with young black men with lived experience of prison, the programme has been adapted to address the specific experiences of young black men in the prison system.

Two of our specially trained professional life coaches worked with young black men aged 15–25 in HMPYOI Isis, delivering our Hero's Journey™ life coaching programme, and after workshop one, a participant shared his experience with five people on his wing, resulted in young men asking to be enrolled onto the workshops, which was hugely encouraging.

Working alongside Dr Bianca Bailey Wilson and an esteemed advisory board, including Dr Patrick Williams, Dr Remi Joseph Salisbury, Cassandra Beckford and Adrian Stretch from Her Majesty's Prison & Probation Service (HMPPS), the aim is to have a positive impact on young black men in prison, who are over represented in the prison system (The Lammy Review, 2017). The pilot was set to also run in HMPYOI Isis and HMP Wormwood Scrubs, before we had to pause all delivery due to the COVID 19 crisis. However, we are looking forward to continuing the delivery of the pilot when we can gain access in the next financial year, allowing us then to review the outcomes, learning what worked well and what can be improved upon, with the ultimate aim to take it beyond a pilot in 2020/21.

**"I am excited and honoured to be part of the Spark Inside HJBP [Hero's Journey™ from a Black Perspective] programme.**

**Just witnessing the positive energy shift in these young men as they navigated their individual Hero's Journey™ should remind us all to never, ever doubt the awesome potential lying dormant within every human being"**

**Michael Roper, Hero's Journey™ and Hero's Journey™ from a Black Perspective coach**





## Social licensing for UK expansion

Through social licensing, we are set to inspire and enable others to adopt our effective models of coaching in other prisons. Funded by a generous philanthropist, this project will allow us to reach more young people and positively impact their lives.

This year our Expansion & Partnerships Manager has been working hard on reviewing and making improvements to our existing systems, as well as identifying potential partners, and in late 2019 we secured the Lincolnshire Action Trust as our first partner to pilot the delivery of the Hero's Journey™ life coaching programme. A lead coach has been recruited to train other coaches to deliver the pilot at HMP Lincoln, who are fully committed to the initiative.

Due to the COVID 19 crisis, the pilot will take place in 2020/21, when we will run, manage and evaluate. We are excited about recruiting partners from outside of London and the South East who will become 'licensees' and deliver our Hero's Journey™ programme to hundreds more young people in prisons around the country. We are in a strong position to move forward next year, and we have had expressions of interest from several others prisons.

**"We are delighted to be working with Spark Inside on this project that will enable coaching to reach young people outside of London and the South East.**

**We are looking forward to be the first partner in moving forward this pioneering approach to rehabilitation and have already developed a positive and fruitful collaborative relationship."**

**Alison Goddard, CEO of Lincolnshire Action Trust**



# THE CONVERSATION

## SYSTEMS COACHING PROGRAMME®

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

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. Importantly, it also helps to improve the wellbeing and job satisfaction of prison staff.

The programme gives all people living and working in a prison wing a voice and creates the space for open and honest conversations about how daily life can improve for everyone. 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.

This year, we paused the delivery of the programme after feedback, primarily from The Conversation participants in prison, showed that there were aspects of the programme that needed to change. As we continue to listen and reflect on what we've learned, we are planning on piloting an improved systems coaching programme next year.



**Our main activities and who we try to help are described above. All our charitable activities focus on the encouragement of rehabilitation and contribution towards a reduction in reoffending through the running of coaching programmes in prisons. Spark Inside provide coaching programmes to 15 to 25 year old boys and men in prison. The services are provided in London and the South East. This geographical area is limited so as not to duplicate work being carried out by similar charities in neighbouring districts.**

**The Trustees confirm that they have had due regard to Charity Commission guidance on public benefit in setting the Charity's objectives and activities.**



## Our impact

We take measuring our impact seriously. Spark Inside evaluates our programmes using independent, external evaluators to ensure our coaching programmes are as effective as possible. We always respond to feedback and adjust delivery accordingly, with the young people at the centre of all decisions.

### HERO'S JOURNEY™

During 2019/20 we continued our relationship with The Social Investment Company (TSIC) who are analysing the impact of the programme on our participants. In keeping with our objective to put our participants at the heart of our services, we have sustained our user led approach to research and evaluation, adjusting the research to incorporate feedback from the qualitative interviews conducted by TSIC in previous years.

This year we received the results of TSIC's consolidated report covering 2016 – 2019, which is published on our website. The report is a result of questionnaire data from all three years, which have been amalgamated, in order to measure the programme outcomes with greater confidence and indicate areas for future evaluation development. The report shows that across the three years, Spark Inside has made a clear, positive impact on the lives of over 350 young men in prison. The report indicates that when young people in prison participated in the Hero's Journey™ programme, they experienced positive changes in the following areas:

- Wellbeing
- Future outlook
- Decision making and problem solving skills
- Empathy and emotional intelligence
- Resilience and confidence

We believe that positive changes in these areas will lead to a positive shift in life choices and life chances, and we are confident that the results will be bolstered by the reoffending data from the Justice Data Labs in 2020/2021.

The quantitative element of the evaluation relates to group workshops, with questionnaire data obtained both pre and post sessions. Feedback from the young people was that they didn't trust the questionnaires, due to the repeat questions and wording. Therefore, this year, we changed our approach and are now Outcomes Star (Youth Star) to assess the full impact of the Hero's Journey™, including the impact of the one to one sessions.

### EVALUATING THE IMPACT OF OUR PILOTS

We are committed to evaluating the new and improved version of The Conversation after it's been piloted, as well as the Hero's Journey™ from a Black Perspective and the Hero's Journey™ in HMP Lincoln, using our internal monitoring and evaluation methods alongside external, independent evaluators.

**"To me coaching means finding and identifying things you never knew and that can help you progress in life. It gives you a wider understanding what goes on around you and helps you understand how you got yourself in this situation. If the situation would happen again it would give you the chance to be able to avoid it in the future."**

**Tommy, 23 (name and age has been changed), Hero's Journey™ participant**

## Participant voices

Our work continues to respond to and be informed by our participants – those who live and work in prison – and we are committed to beneficiary engagement. This year, EP:IC consultants began their work to pilot the in-prison advisory boards. Funded by The Listening Fund, the in-prison advisory boards allows us to listen to the young people in prison in shaping our strategy, delivery and campaigns, according to their feedback. The young people will have this platform to voice their opinions, which matters to us the most. For example, we consulted the in-prison advisory board to design the Hero's Journey™ from a Black Perspective, which we are very proud of.

The young people we coach told us that they felt it was important to have senior Spark Inside staff present at the in-prison advisory boards – especially those who can implement any changes recommended by them. We therefore have ensured a member of the Senior Management Team has been present at every Board, including the CEO and members of Spark Inside's Board of Trustees.

Some of the things the in-prison advisory boards have told us so far are:

- 1.** We have had feedback from the in-prison advisory board that young black men face specific issues and experience these issues more acutely. It was felt that by acknowledging some of the specific challenges young black men face (e.g. in our workshops) could be beneficial. This informed our thinking on the Hero's Journey™ from a Black Perspective.
- 2.** The young people told us that our evaluation process in its current format wasn't liked or, more crucially, wasn't trusted by them (the language, tone and repetitiveness were some of the reasons why). This informed our decision to move to the Outcomes Star evaluation method.
- 3.** The young people we coach in prison were very interested in becoming coaches themselves, and coaching other young men in a 'peer to peer' coaching model. Overwhelmingly, people felt this was a positive idea and people recognised the benefits for those who could train to be coaches and those that could be coached. There was a sense people can 'get stuck' mentally in prison and coaching could help to 'shift thinking' and help people with direction, make the best use of their time in prison and support future thinking beyond jail. This is something we will be considering in the next financial year.
- 4.** The young people identified that having an elected 'wing rep' (a young man in prison that had been through our coaching programme and was influential on their wing) would allow Spark Inside to gather views and feedback from more young people in a meaningful way. Therefore, we recruited these young people as 'ambassadors' on their wing.



**5.** The young people in prison told us that they would be happy to be involved in a media campaign to raise issues that they felt were important, such as staff relations. We are aiming to set up a small group of people (similar to an alumni), who we will work closely and carefully with, and explore ways we can platform their voices in media campaigns to influence policy and affect change.

**6.** The feedback gathered from the young people that focused on our systems coaching programme 'The Conversation' was hugely informative in shaping what the programme will look like moving forwards. For example, it was suggested work needed to be done to collect the information prior to the main workshop, as it would mean the sharing of prisoners' views remain confidential. This is something we will be building into the next iteration of the programme, which is currently being designed.

The in-prison advisory boards and 'wing reps'/ambassadors have come out of pilot stage and are being implemented as a fundamental part of Spark Inside, that has a structure and dedicated resource. This will be a core part of our work going forward and will inform all major decisions. The voices of the young people we coach in and out of prison will, as a result, be formally at the heart of what we do.

In 2020/21, we will be building capacity in the team dedicated to run and manage the in-prison advisory boards, wing reps/ambassadors and to ensure that listening to the young people in prison is central to what we do



# Raising profile & influencing

Our Communications Team have been implementing the plan to raise our profile and influence policy, by focusing on nurturing key relationships across the criminal justice system, attending events and bolstering our media presence. Towards the end of the financial year, the team placed an even greater emphasis on strengthening our media activity and policy networks, so that during the COVID 19 outbreak (and subsequent lockdown) we are able to advocate effectively for the people in prison.

We continued our memberships with Clinks, Criminal Justice Alliance, National Association of Youth Justice, Prisoner Education Trust's Prisoner Learning Alliance and The Corbett Network, as well as maintaining strong relationships with other criminal justice policy organisations, such as CREST Advisory, International Committee of the Red Cross, Switchback, Unlocked Graduates and Zahid Mubarek Trust. Vicki Cardwell also joined the RR3 special interest group on COVID 19, led by Clinks, which channels policy suggestions directly into MoJ and HMPPS.



To help increase our profile, the events attended this year included being on the judging panel of the Stephen Lloyd awards in May (as won by Spark Inside in 2015); panel discussions such as the Harvard W3D discussion on mental health in the charity sector in June; conference sessions and speeches, including a session on coaching in prison at Paris Peace Forum in November 2019 and a speech at Pentland Brands about our work in July.

The media coverage this year was primarily gained in specialist publications, while we ready ourselves for targeting more mainstream media next year. Baillie Aaron's tenure as the CEO ended with an article in Third Sector magazine, and Vicki Cardwell's time at Spark Inside began with a live appearance on BBC One's The Big Questions. Vicki appeared as the panel expert making the case for rehabilitation and it was the first live television appearance for Spark Inside, generating further media interest and social media engagement.



With the foundations now laid to begin approaching more mainstream media, we look forward to ramping up our influencing, advocacy and profile raising work – particularly during the COVID 19 pandemic, which is when the young people in prison will need to be heard the most. We will be using our platform to amplify their voice.



## COVID 19

The unprecedented outbreak of COVID 19 in early 2020 led to the extremely difficult reality of having to temporarily pause the delivery of our coaching programmes in prison. With this came the horrifying realisation that the people in prison were stripped of all their support and interventions, including visits from family and friends. The young people we coach need us more now than ever before, as the mental toll that lockdown is having on those in prison is alarming.

Prioritising the young people we coach, we acted fast to reach out to them as much as we could, including setting up 'Email a Prisoner', which allowed our life coaches to email the young people directly. We sent letters to the young people, set up a free telephone number for young people to get in touch with us as soon as they are released, and we have been coaching in the community (virtually). We also developed a three month long radio campaign with National Prison Radio, which were voiced by our life coaches.

While we continued to ensure that the young people knew we had not forgotten about them and were ready to coach them as soon as we could gain access, we began to innovate other ways in which we could put our skilled coaches to use within the prisons we work on. We quickly developed a programme in response to the crisis that would coach prison officers virtually, with the aim of supporting the front line workers as our 'justice heroes' during one of the most difficult times of their careers. The life coaching sessions were oversubscribed, as prison staff were keen to develop their mind set through coaching and therefore be better able to cultivate a more supportive environment and culture on their wings, and be better able to support the young people at a time when they would be the only human contact the young people will have. Anecdotal feedback so far has been encouraging, and we look forward to reflecting on the success of the project.

During the crisis, we have pledged to bolster our advocacy and influencing work, so that we can amplify the voices of those people in prison and create some meaningful change in prison policy. We are very grateful to our funders for their understanding and support, allowing us to flex and innovate.

### LOOKING FORWARD IN LIGHT OF COVID-19

Trustees remain confident in Spark Inside's ability to deliver our mission in the near future as we navigate COVID 19. Based on HMPPS guidance; engagement with civil servants and Prison Governors, we anticipate re starting our work inside prisons in the Autumn. We have also adapted our in prison model to be able offer one-to-one coaching prior to group workshops so that we can access young people rapidly as prisons start to ease lockdown measures. This will enable us to start sooner during phases of social distancing and ongoing restrictions.

We will continue to offer virtual coaching after prison to any new young person we work with, meaning we can continue despite social distancing. We are set to work with young people in the community in partnership with Youth Offending Teams so we can reach more young people, even if prisons need to re restrict access for periods in the future. This will be a blend of face to face and virtual delivery, but with the ability to deliver majority virtually as needed.

We are designing interactive digital coaching materials that can be used by young people while in prison in their cells, allowing us to make a tangible difference at this time and offering flexibility for the future.

# Financial review

## GOING CONCERN

COVID 19 will impact on our commissioned income from prisons in the 2020/21 financial year. Prison contract income was expected to be 5% of our income overall as Spark Inside is primarily grant funded and therefore this income loss can be managed. However, to offset any potential reduction in income, two members of staff have been furloughed, and we have delayed the recruitment to replace our Head of Programmes role. All our coaches are freelance and therefore they are only paid for coaching work they undertake, thus enabling the charity to manage its finances effectively in this time of uncertain delivery, flexing our costs to match our delivery. At this point, we do not anticipate COVID 19 will impact on our ability to fundraise from grants and foundations. We have been unable to host Hero's Journey™ Taster sessions which help build relationships with a small number of potential donors and grant giving trusts. However, we have adapted with webinars that offer virtual means to meet coaches and hear from CEO and people we work with.

After assessing the impact of COVID 19, the trustees have a reasonable expectation that the charity 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.

## 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 several years. Reserves for restricted funds therefore represent monies for programmes that are currently on going or due to start. 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 £396,034 at the year end (2019: £373,524) including unrestricted designated funds of £43,500 (2019: £341). The free reserves of Spark Inside consist of those reserves which aren't already tied up to other costs and are freely available for the general purposes of the charity. The free reserves at 31 March 2020 amounted to £348,600 (2019: £373,183). The free reserves at the year end represented 4.5 months' reserves based on budgeted expenditure for the following year. Restricted funds amounted to £207,022 at the year end (2019: £80,673). These are held in order to further the charity's objectives; descriptions of these can be found in note 17 to the accounts.

## OVERALL REVIEW OF ACTIVITIES

The statement of financial activities is shown on page 29. The surplus for the year was £148,859 (2019: £46,739) and net assets amounted to £603,056 (2019: £454,197) at the year end. The net assets were made up of: restricted funds of £207,022, designated funds of £43,500 and general unrestricted funds of £352,534.

## CONTRACTED INCOME POLICY

Wherever a contract is completed and there are funds remaining, any outstanding funds are transferred to unrestricted general funds, if the donor approves such a transfer.

# Structure, governance and management

## CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 24/02/2012. The company is constituted under a Memorandum of Association dated 24/02/2012 and is a registered charity number 1148420.

## 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.

## POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are introduced to the work of the charity through meetings with staff, taking part in a taster session of The Hero's Journey™ and attending as a guest at two Trustees' meetings. New Trustees have an induction day run by other Trustees and the Senior Leadership Team. Each new Trustee is also given a buddy from the existing Trustee Board to answer their questions and get them to learn more about the charity and criminal justice sector. An induction pack containing the Memorandum and Articles of Association, strategy, vision, mission, 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.

## PAY POLICY FOR KEY MANAGEMENT PERSONNEL

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 Committee, plus the Chair. The CEO submits a proposal to the Remuneration Committee with recommendations for salary increases in line with salary bandings.

## ORGANISATIONAL STRUCTURE AND DECISION MAKING

In March 2020 Spark Inside had 7 Trustees. There are three Board Committees: the Finance Committee, the Programmes Committee and the Philanthropy Board.

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 three months for Board meetings. Trustees are recruited through a range of methods including online advertising on Trustee recruitment websites.



## 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 Senior Management Team
- The establishment of systems and procedures, designed to minimise any potential impact on the charity should any of those risks materialise.

## Our priorities for the future

This year we will renew our organisational strategy, setting out our direction for the next three years. While our coaching delivery inside prisons was temporarily paused at the end of the last financial year, we are pleased to see that HMPPS has published a National Framework outlining plans to ease restrictions in prisons over the Summer of 2020. Based on HMPPS guidance; engagement with civil servants and Prison Governors, we anticipate re starting our work inside prisons in the Autumn. We are adapting our model to offer one-to-one coaching for young people without the prerequisite of workshop participation. This will ensure we can reach young people this coming year, and allow us to coach flexibly and safely across several prisons and YOIs with different regimes and different restriction levels. We have a strong team of coaches ready to do this work.

The following outlined plans for 2020/2021 reflect this adapted approach:

## INNOVATION

- Following a successful pilot, we will now embed our in prison advisory boards into Spark Inside core work, ensuring voices of young people in prisons shape all of our work and co design new programmes.
- We will review and refresh our Hero's Journey™ programme content.
- We will undertake research and scope the potential for a 'peer to peer' coaching programme in prisons.
- We will review our coaching prison staff scheme (implemented during COVID 19), to evaluate and share its impact and learning.

## REACH

- Coaching over 100 people this year through our two existing coaching programmes, plus a specialist version of our Hero's Journey™ focusing on Black and dual heritage participants. While coaching inside prisons was temporarily paused, we anticipate regaining entry to prisons in the Autumn.
- We will continue to adapt our coaching offer, to enable more young people to receive coaching virtually on release from prison in the community.
- We will maintain positive contact with young people in prison through Email a Prisoner, letters and via Prison Radio.
- We will work with partner organisations and statutory bodies in the community (such as Youth Offending Teams and Probation) to offer coaching to young people at risk of entering prison.

## REPLICATION

- Piloting a partnership delivery model of our Hero's Journey™ programme outside London in HMP Lincoln with Lincolnshire Action Trust – with the view to develop our licensing approach.
- Identify and agree a second partnership for our expansions of Hero's Journey™.

## INFLUENCE

- Continuing to influence prison policy through advocacy work, including advocating for people in prison experiencing the impacts of lockdown during COVID 19, and the need for rehabilitation programmes
- Implement media and social media strategy – increase our profile and make case for rehabilitation and coaching as an approach.
- Establish a new Champions programme with young people formerly in prison to shape our policy and advocacy work; amplify young people's voices.
- Engaging new donors, supporters and influencers

## SUSTAINABLE

- Maintaining funder relationships and continuing our outreach to potential new funders.
- Invest in business development function and seek to increase our commissioned income in a sustainable way.
- Further strengthening our organisational infrastructure and improve our monitoring, CRM and office systems.

# Our supporters and funders

It is with thanks to our longstanding – and our new – supporters and funders, that we continue to grow, and we are very grateful for their support.

This year we have received £152,000 individual donations. Almost £69,000 came from The Big Give Christmas Challenge 2019. Furthermore, we received £83,000 in philanthropic donations, and we aim to continue to strengthen relationships with these generous individuals, who support our innovative spirit.

We are thankful to our grant funders, who have allowed our work to develop and have given us the space and expertise to learn and become stronger. It is with their support that we can remain agile and resilient. You can see a list of our grant funders in the financial review section, and we will continue to nurture these relationships and learn from other grant funded organisations across the sector.

Many of our supporters have engaged with our programmes by participating in a 'taster session' of the Hero's Journey™, led by our esteemed life coaches, which we will continue to offer.



# How to make a difference

In addition to making a financial donation, there are many ways you can support Spark Inside to coach young people in prison, such as:

- Advocating for our work within your networks
- Introducing influential people to our work
- Hosting a fundraising event/dinner
- Inviting staff to deliver presentations and workshops about our work
- Providing pro bono specialist services, including print/production and event support. For example, we are grateful to receive pro bono consultancy from Arnold & Porter LLP
- Donating new equipment and office supplies
- Donating advertising space
- Featuring articles within your publication/ newsletter/journal

“For me the coaching sessions felt therapeutic. It helped me offload some things and gave me the opportunity to tell things to someone from the outside who didn’t know me. It was easier to open up.”

“My coach would ask me questions to probe me and to have conversations that I needed to get off my chest. I was holding it in for so long. Coaching felt good, much better. During coaching we spoke about family, how to be there for my little ones, what I want to do when I get out and more. We also spoke about opening a business as I want to be a barber. The Hero’s Journey™ has helped me to focus more on my goals and to make my goals clearer. So, I now know what I want. I now think more about things before making decisions.”

Mike, 24 (name and age has been changed), Hero’s Journey™ participant





# Trustees' responsibility 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;
- 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.

## Disclosure of information to auditors

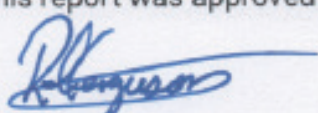
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees on **29 October 2020** and signed on their behalf by:



**R D Ferguson, Vice Chair  
Trustee**

# Independent auditors' report to the members of Spark Inside

## Opinion

We have audited the financial statements of Spark Inside (the 'charitable company') for the year ended 31 March 2020 set out on pages 29 - 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

### In our opinion the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.



## **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other matters

In the previous accounting periods the trustees of the charity took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

## Use of our report

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

Alison Jones FCA (Senior statutory auditor)  
for and on behalf of  
**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
Brighton  
Date:



## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	2	401,970	486,444	888,414	494,904
Charitable activities	4	-	45,454	45,454	230,537
Investments	5	5,712	-	5,712	4,160
Other income		252	-	252	714
<b>Total income</b>		<b>407,934</b>	<b>531,898</b>	<b>939,832</b>	<b>730,315</b>
<b>Expenditure on:</b>					
Raising funds		30,458	-	30,458	20,851
Charitable activities	8	354,966	405,549	760,515	662,725
<b>Total expenditure</b>	9	<b>385,424</b>	<b>405,549</b>	<b>790,973</b>	<b>683,576</b>
<b>Net income before other recognised gains and losses</b>		<b>22,510</b>	<b>126,349</b>	<b>148,859</b>	<b>46,739</b>
<b>Net movement in funds</b>		<b>22,510</b>	<b>126,349</b>	<b>148,859</b>	<b>46,739</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		373,524	80,673	454,197	407,458
<b>Total funds carried forward</b>		<b>396,034</b>	<b>207,022</b>	<b>603,056</b>	<b>454,197</b>

The notes on pages 32 to 45 form part of these financial statements.

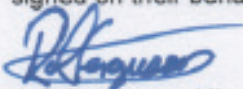
**Spark Inside**  
(A company limited by guarantee)  
Registered number: 07984016

**Balance sheet**  
**As at 31 March 2020**

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	13		3,934		11,094
<b>Current assets</b>					
Debtors	14	10,914		14,414	
Cash at bank and in hand		698,153		606,031	
		<u>709,067</u>		<u>620,445</u>	
<b>Creditors:</b> amounts falling due within one year	15	(109,945)		(171,648)	
<b>Net current assets</b>			<u>599,122</u>		<u>448,797</u>
<b>Total assets less current liabilities</b>			<u>603,056</u>		<u>459,891</u>
<b>Creditors:</b> amounts falling due after more than one year	16		-		(5,694)
<b>Net assets</b>			<u>603,056</u>		<u>454,197</u>
<b>Charity Funds</b>					
Restricted funds	17		207,022		80,673
Unrestricted funds	17		396,034		373,524
<b>Total funds</b>			<u>603,056</u>		<u>454,197</u>

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

The financial statements were approved and authorised for issue by the Trustees on 29 October 2020 and signed on their behalf, by:

  
R D Ferguson, Vice Chair

The notes on pages 32 to 45 form part of these financial statements.

**Spark Inside**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 March 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<b>86,410</b>	(59,259)
<b>Cash flows from investing activities:</b>			
Interest received		<b>5,712</b>	4,160
Purchase of tangible fixed assets		-	(11,800)
<b>Net cash provided by/(used in) investing activities</b>		<b>5,712</b>	(7,640)
<b>Change in cash and cash equivalents in the year</b>		<b>92,122</b>	(66,899)
Cash and cash equivalents brought forward		<b>606,031</b>	672,930
<b>Cash and cash equivalents carried forward</b>	20	<b>698,153</b>	606,031

The notes on pages 32 to 45 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 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 2019) (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.

#### 1.2 Company status

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

The registered office and principal place of business of the charity is:

Free Churches Group  
27 Tavistock Square  
London  
WC1H 9HH

#### 1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the COVID 19 pandemic has been assessed by the trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the charity's future activities. However, taking into consideration the charity's level of reserves, the trustees believe that the charity will be able to continue in operational existence 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 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.

All expenditure is inclusive of irrecoverable VAT.

### 1.6 Tangible fixed assets and depreciation

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

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

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
CRM Software	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 after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## **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 or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

## **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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## **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.

## **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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 2. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	93,218	66,937	160,155	52,041
Grants	308,752	419,507	728,259	442,863
Total donations and legacies	401,970	486,444	888,414	494,904
Total 2019	494,904	-	494,904	

### 3. List of grants (listed in order of donation date)

	2020 £	2019 £
Dawes Trust	60,000	-
Bernard Lewis	74,229	71,348
Blagrove Trust	20,000	20,000
Comic Relief	2,917	35,000
Futures Lab	26,531	13,265
City Bridge Trust	37,500	30,000
Triangle Trust	22,084	25,833
Paul Hamlyn Foundation	130,000	2,500
Esmee Fairbairn (£4,163 deferred to 20/21)	50,420	50,417
Charles Hayward Foundation (£1,667 deferred to 20/21)	20,000	20,000
AB Charitable Trust	15,000	-
Garfield Weston	50,000	-
Henry Smith Charity (£10,000 deferred to 20/21)	40,000	30,000
29th May 1961 Charitable Trust	5,000	5,000
Leathersellers (£5,835 deferred to 20/21)	9,998	10,000
DCR Allen Trust	4,000	10,000
Thomas Sivewright Catto Charitable Trust	750	-
Prudential PLC	1,500	-
St James Place (£29,169 deferred to 20/21)	49,997	20,833
Tony and Sheelagh William Trust	10,000	10,000
Goldsmiths Company	20,000	-
Highway One Trust	10,000	10,000
Ghandi (£5,695 deferred to 20/21)	68,333	68,333
Wates Foundation	-	5,834
Woodward Trust	-	1,000
Garden Court Chambers	-	2,500
NESTA	-	1,000
Total	728,259	442,863

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	-	45,454	45,454	230,537
Total 2019	230,537	-	230,537	

### 5. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	5,712	-	5,712	4,160
Total 2019	4,160	-	4,160	

### 6. Direct costs

	Charitable activities £	Total 2020 £	Total 2019 £
Training and events	3,670	3,670	2,322
Coaching and programme	101,434	101,434	110,838
Evaluation	22,616	22,616	19,942
Marketing	15,844	15,844	15,218
Travel expenses	1,808	1,808	4,073
Rent and office costs	20,649	20,649	19,345
Sundry and subscriptions	4,091	4,091	3,019
Legal and professional	-	-	6,430
User involvement costs	17,502	17,502	12,051
Sub contractor costs	46,378	46,378	10,500
Wages and salaries	394,135	394,135	338,658
National insurance	39,225	39,225	32,712
Pension cost	22,641	22,641	35,061
	689,993	689,993	610,169
Total 2019	610,169	610,169	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 7. Support costs

	Charitable activities £	Total 2020 £	Total 2019 £
Legal and professional	7,440	7,440	4,980
Recruitment	25,622	25,622	6,023
Computer costs	11,490	11,490	17,028
Insurance	3,194	3,194	2,965
Bank fees	65	65	60
Other staff costs	7,019	7,019	7,170
Licencing	877	877	-
Depreciation	7,161	7,161	7,160
	<b>62,868</b>	<b>62,868</b>	45,386
Total 2019	45,386	45,386	

During the year ended 31 March 2020, the company incurred the following Governance costs:

### 8. Governance costs

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Governance Independent Examination costs	-	-	-	2,580
Governance Auditors' remuneration	4,500	-	4,500	-
Governance Auditors' non audit costs	3,154	-	3,154	4,590
	<b>7,654</b>	<b>-</b>	<b>7,654</b>	7,170



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 9. Analysis of Expenditure by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising voluntary income	-	-	30,458	30,458	20,851
<b>Costs of raising funds</b>	-	-	30,458	30,458	20,851
Charitable activities	456,001	7,161	289,699	752,861	655,555
Expenditure on governance	-	-	7,654	7,654	7,170
	<b>456,001</b>	<b>7,161</b>	<b>327,811</b>	<b>790,973</b>	<b>683,576</b>
Total 2019	406,431	7,160	259,485	673,076	

### 10. Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	7,160	7,161
Auditors' remuneration - audit	4,500	-
Operating lease rentals	14,000	14,000

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

3 Trustees received reimbursement of expenses amounting to £250 in the current year, (2019 - nil Trustees - £NIL). This includes £230 for travel expenses and £20 for training expenses.

### 11. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £4,500 (2019 - £ -), and other accounting services of £3,154 (2019 - £7,170).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 12. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	394,135	338,658
Social security costs	39,225	32,712
Other pension costs	22,641	35,061
	<b>456,001</b>	<b>406,431</b>

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

	2020 No.	2019 No.
Staff	10	10

The number of higher paid employees was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1

In 2020 Spark Inside consider their key management personnel to consist of:

Baillie Aaron, Chief Executive to February 2020; Vicki Cardwell, Chief Executive from January 2020; Ihona Hirving, Head of Programme Operations; Indy Cross, Head of Communications; David Fisher, Head of Finance to October 2019; Nic Shoults, Head of Finance and Resources from September 2019; Omar Mehtar, Interim Head of HR to October 2019.

In 2019 Spark Inside considered their key management personnel to consist of:

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

These seven (2019: 4) key management personnel received total aggregate remuneration of £241,796 (2019: £200,079) made up of salaries of £227,668 (2019: £173,143) and employers pension contributions of £14,128 (2019: £26,936).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 13. Tangible fixed assets

	Computer equipment £	CRM software £	Total £
<b>Cost</b>			
At 1 April 2019 and 31 March 2020	9,682	11,800	21,482
<b>Depreciation</b>			
At 1 April 2019	6,455	3,933	10,388
Charge for the year	3,227	3,933	7,160
At 31 March 2020	9,682	7,866	17,548
<b>Net book value</b>			
At 31 March 2020	-	3,934	3,934
At 31 March 2019	3,227	7,867	11,094

### 14. Debtors

	2020 £	2019 £
Prepayments and accrued income	10,914	14,414

### 15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	20,586	5,713
Other taxation and social security	11,782	9,930
Other creditors	5,355	2,421
Accruals and deferred income	72,222	153,584
	109,945	171,648

#### Deferred income

Deferred income at 1 April 2019	134,862
Resources deferred during the year	50,839
Amounts released from previous years	(129,172)
Deferred income at 31 March 2020	56,529

Deferred income arises from grants received in the financial year that also relate to subsequent financial years.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Accruals and deferred income	-	5,694

### 17. Statement of funds

#### Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
<b>Designated funds</b>					
Project specific designated funds	341	60,000	(60,379)	38	-
Coaching prison officers	-	-	-	12,000	12,000
Office move	-	-	-	11,000	11,000
IT upgrade	-	-	-	14,500	14,500
Recruitment of chair	-	-	-	6,000	6,000
	<u>341</u>	<u>60,000</u>	<u>(60,379)</u>	<u>43,538</u>	<u>43,500</u>
<b>General funds</b>					
General Funds - all funds	373,183	347,934	(325,045)	(43,538)	352,534
Total Unrestricted funds	<u>373,524</u>	<u>407,934</u>	<u>(385,424)</u>	<u>-</u>	<u>396,034</u>
<b>Restricted funds</b>					
Bernard Lewis	33,818	74,229	(65,122)	-	42,925
Black Perspective	44,984	50,000	(37,503)	-	57,481
Gandhi	1,871	68,333	(60,705)	-	9,499
Big Give December	-	66,937	(8,134)	-	58,803
City Bridge Trust	-	37,500	(37,500)	-	-
Comic Relief	-	2,917	(2,917)	-	-
Futures Lab	-	26,531	(26,531)	-	-
Henry Smith	-	40,000	(30,134)	-	9,866
Hero's Journey™	-	20,000	(17,115)	-	2,885
Listening Fund	-	20,000	(17,528)	-	2,472
Paul Hamlyn Foundation	-	30,000	-	-	30,000
St James Foundation	-	49,997	(49,997)	-	-
Care UK Feltham	-	20,454	(20,635)	-	(181)
Care UK Scrubs	-	25,000	(31,728)	-	(6,728)
	<u>80,673</u>	<u>531,898</u>	<u>(405,549)</u>	<u>-</u>	<u>207,022</u>
Total of funds	<u>454,197</u>	<u>939,832</u>	<u>(790,973)</u>	<u>-</u>	<u>603,056</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### **Designated funds**

Project specific designated funds - fund to ensure coaching in prisons was maintained for the 2019/20 financial year.

Coaching prison officers - fund to ensure coaching prison officers is maintained for the 2020/21 financial year.

Office move - fund for office move in the 2020/21 financial year.

IT upgrade - fund for IT upgrade in the 2020/21 financial year.

Recruitment of chair - fund for recruitment of a new chair of trustees in the 2020/21 financial year.

### **Restricted funds**

Bernard Lewis - a fund from the Bernard Lewis Family Charitable Trust towards developing the expansion of our programmes via a social licensing approach.

Black Perspective - a fund for development of a culturally-specific version of our Hero's Journey™ life coaching programme for Black and Minority Ethnic young men in prison.

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

Big Give - a restricted fund for the project 'The Conversation'.

City Bridge Trust - a fund to contribute to infrastructure costs of the charity and to contribute to the salary of the Chief Executive.

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

Futures Lab - a fund from the Comic Relief Futures Lab project for projects to develop the sustainability of the charity.

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

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

Listening Fund - a fund from the Blagrove Trust's Listening Fund for development of mechanisms for listening to feedback and ideas from our participants.

Paul Hamlyn Foundation - a fund to support access to an Expert Support Package.

St James Foundation - a fund from the St James' Place Charitable Foundation to contribute to the salaries of Spark Inside's Service Delivery Managers.

Care UK Feltham - a fund to provide the Hero's Journey™ programme and life coaching sessions at Feltham prison. At the year end the fund is in deficit of £181 (2019: £nil) due to timing differences between income and expenditure.

Care UK Scrubs - a fund to provide the Hero's Journey™ programme and life coaching sessions at Wormwood Scrubs prison. At the year end the fund is in deficit of £6,728 (2019: £nil) due to timing differences between income and expenditure.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
<b>Designated funds</b>					
Project specific desingnated funds	4,086	230,537	(238,469)	4,187	341
Continuation of coaching delivery	90,000	-	-	(90,000)	-
	<u>94,086</u>	<u>230,537</u>	<u>(238,469)</u>	<u>(85,813)</u>	<u>341</u>
<b>General funds</b>					
General Funds - all funds	295,078	126,681	(146,614)	98,038	373,183
Total Unrestricted funds	<u>389,164</u>	<u>357,218</u>	<u>(385,083)</u>	<u>12,225</u>	<u>373,524</u>
<b>Restricted funds</b>					
Bernard Lewis	-	71,348	(37,530)	-	33,818
Black Perspective	-	44,984	-	-	44,984
City Bridge Trust	-	30,000	(30,029)	29	-
Comic Relief	-	35,000	(35,288)	288	-
Henry Smith Charity	-	30,000	(30,042)	42	-
Futures Lab	-	13,265	(13,353)	88	-
Gandhi	18,294	68,333	(72,956)	(11,800)	1,871
Hero's Journey™	-	36,834	(35,255)	(1,579)	-
Listening Fund	-	20,000	(20,465)	465	-
Paul Hamlyn Foundation	-	2,500	(2,512)	12	-
St James Foundation	-	20,833	(21,063)	230	-
	<u>18,294</u>	<u>373,097</u>	<u>(298,493)</u>	<u>(12,225)</u>	<u>80,673</u>
Total of funds	<u>407,458</u>	<u>730,315</u>	<u>(683,576)</u>	<u>-</u>	<u>454,197</u>

### Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	341	60,000	(60,379)	43,538	43,500
General funds	373,183	347,934	(325,045)	(43,538)	352,534
	<u>373,524</u>	<u>407,934</u>	<u>(385,424)</u>	<u>-</u>	<u>396,034</u>
Restricted funds	80,673	531,898	(405,549)	-	207,022
	<u>454,197</u>	<u>939,832</u>	<u>(790,973)</u>	<u>-</u>	<u>603,056</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

### 17. Statement of funds (continued)

#### Summary of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds	94,086	230,537	(238,469)	(85,813)	341
General funds	295,078	126,681	(146,614)	98,038	373,183
	<u>389,164</u>	<u>357,218</u>	<u>(385,083)</u>	<u>12,225</u>	<u>373,524</u>
Restricted funds	18,294	373,097	(298,493)	(12,225)	80,673
	<u>407,458</u>	<u>730,315</u>	<u>(683,576)</u>	<u>-</u>	<u>454,197</u>

### 18. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,934	-	3,934
Current assets	709,067	-	709,067
Creditors due within one year	(34,884)	(75,061)	(109,945)
	<u>396,034</u>	<u>207,022</u>	<u>603,056</u>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	11,094	-	11,094
Current assets	419,077	201,368	620,445
Creditors due within one year	(50,953)	(120,695)	(171,648)
Creditors due in more than one year	(5,694)	-	(5,694)
	<u>373,524</u>	<u>80,673</u>	<u>454,197</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2020

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

	2020 £	2019 £
Net income for the year (as per Statement of Financial Activities)	148,859	46,739
<b>Adjustment for:</b>		
Depreciation charges	7,161	7,160
Interest received	(5,712)	(4,160)
(Increase)/decrease in debtors	3,500	(12,642)
Decrease in creditors	(67,398)	(96,356)
<b>Net cash provided by/(used in) operating activities</b>	<b>86,410</b>	<b>(59,259)</b>

### 20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	698,153	606,031
Total	698,153	606,031

### 21. 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 £22,641 (2019: £35,061). At the balance sheet date there were contributions of £5,355 due to the fund (2019: £2,421).

### 22. Operating lease commitments

At 31 March 2020 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
<b>Land and buildings:</b>		
Within 1 year	8,523	7,019

### 23. Related party transactions

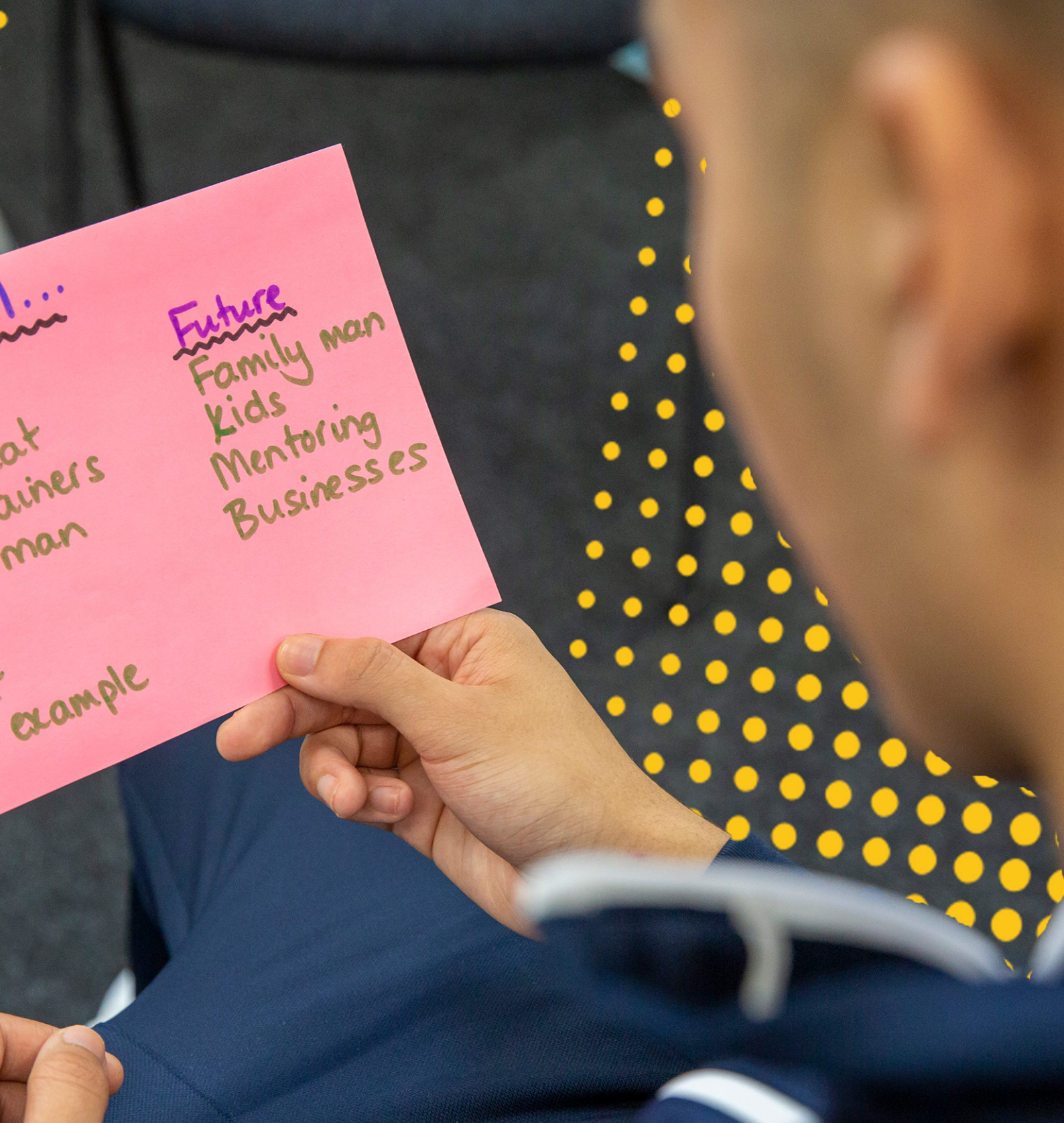
Roma Hooper is also a trustee of Clinks. During the year the charity paid Clinks £120 (2019: £80) for membership to Clinks. There are no amounts due to Clinks at the balance sheet date.

There were no other disclosable related party transactions during the year.

### 24. Controlling party

The trustees who are also directors control the charity.





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To find out more about Spark Inside and the work we do, please visit our website or contact us below.

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