

Company registration number: 05254229

Charity registration number: 1106952

The Spark Arts for Children

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

The Spark Arts for Children

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The Spark Arts for Children

Reference and Administrative Details

Trustees	R Lee
	P Bennett
	J Mann
	V Mistry
	S L M Guthrie
	M Reza
Secretary	M E Candler
	T Kidder
Charity Registration Number	1106952
Company Registration Number	05254229
Registered Office	LCB Depot
	31 Rutland Street
	Leicester
	Leicestershire
Independent Examiner	LE1 1RE
	John O'Brien, employee of
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	Santander Business Banking operations
	Sunderland
	SR43 4FW

The Spark Arts for Children

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2023.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	R Lee
	P Bennett (appointed 28 July 2022)
	A Parmar (resigned 14 March 2023)
	J Mann
	V Mistry
	S L M Guthrie
	M Reza
	M E Candler
Secretary:	H J P Roy (resigned 31 March 2023)
	T Kidder (appointed 6 March 2023)

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 8 October 2004. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

To help deliver its public benefit, the charity aims to have an overall balance of skills, aptitude and representation within its Trustees.

The charity maintains a Board of a minimum 8 and maximum 12 trustees. Regular skills audits are undertaken by the Chair, and further recruitment is undertaken where areas are felt to be underrepresented.

An equalities survey is undertaken yearly and any recruitment aims for a balance across gender, ethnicity sexual orientation, disability and lower socio economic groups.

The charity aims to have one "young" Trustee aged between 18-24.

One third (or the number nearest one third) of the Trustees must retire at each AGM, and may be re-elected.

The Spark Arts for Children

Trustees' Report

Objectives and activities

Objects and aims

The charity's objects per the Articles of Association are as follows:

To advance the education and development of children and young people in Leicester, Leicestershire and beyond through a range of activities, including the organisation and promotion of an annual arts festival, consisting of workshops and productions of dance, theatre and other performing arts; presented in theatres, community venues and schools.

Mission, vision and values

Mission

Working in partnership to empower children to thrive, we explore the difference culture makes through arts engagement, creative interactions and cultural connections, enabling children's voices to be heard, their creativity supported, and their cultural values understood.

Vision

Extraordinary experiences for children, sparking creativity and change.

Values

Our values underpin everything we do:

- A fair and safe environment where everyone is valued
- The space for big ideas to grow
- We are curious and love learning
- Empowering children and young people to be amazing

Since 2004, The Spark has played an important role in developing, restoring and maintaining Leicester's and Leicestershire's cultural identity, encouraging children's creative potential in nurseries, schools, playgrounds and homes, libraries, museums, theatres and art centres. We promote children's cultural values and communities through strong partnerships, creative practices and innovation.

A key strength is how we support artists at different stages in their careers and practices. Conceived in 2018, Vital Spark is a movement that addresses the lack of diversity in live and digital performance for young audiences. We provide professional development opportunities and co-commission and produce new work, supporting artists who are underrepresented in the creative and cultural industries. In turn, these artists support us in our capacity to be a more inclusive and accessible organisation.

Our ambition is for our work to be as thought-provoking as it is playful, and for our organisation to be as creative as our festival and cultural programmes are. Our goal is to change as children's communities change and to continue to be relevant to all children.

The Spark Arts for Children

Trustees' Report

Strategic objectives

The following strategic objectives provide continuity during change and the foundations for a structured period of business growth from 2023. Our strategic objectives:

- Commission and produce a high quality and diverse cultural programme for children in cultural venues, schools and libraries, enabling children, their families and communities to experience the richness of the arts.
- Deliver a co-created children's arts festival recognised nationally and connected internationally for the representation, ambition and innovation of the programme, and valued for its contribution to the quality of life for children.
- Champion arts-based learning and teaching for creativity, collaborating to ensure children locally access and influence arts and cultural opportunities, no matter where they start in life, as their right to creativity, agency and play.
- Grow an entrepreneurial culture, where our historic 'projects' are realigned to drive the mission and vision of the organisation: building creativity in strategy towards sustainability; ensuring diverse cultural governance and leadership; and a step change on business development with a growth plan that diversifies income generation.

Our outcomes

Our values and strategies are strongly aligned with Arts Council England's Investment Principles and Outcomes long term. We deliver Creative People, Cultural Communities and A Creative and Cultural Country outcomes, principally:

- Providing high-quality early years activities that reach families from a wider range of backgrounds
- Widening and improving opportunities for children and young people to take part in creative activities inside schools
- Widening and improving opportunities for children and young people to take part in creative activities outside schools
- Supporting children and young people to develop their creative skills and potential
- Improving access to a full range of cultural opportunities wherever people live
- Working with communities to better understand and respond to their needs and interests, resulting in increased cultural engagement and the wide range of social benefits it brings
- Working collaboratively through place-based partnerships to support and involve communities in high quality culture, improve creative and cultural education for children and young people, improve health and wellbeing through creative and cultural activity, build skills and capacity in the cultural sector and grow its economic impact
- Supporting new types of creative practice, new forms of cultural content and new ways of reaching new and existing audiences and participants
- Ensuring people have opportunities to sustain their careers and fulfil their potential in the creative industries, especially those who are currently under-represented

The Spark Arts for Children

Trustees' Report

Significant activities

Organisational change

We implemented a new leadership structure in 2022. We separated artistic and executive functions and created new roles: Artistic Director and Executive Director, which together with Associate Company and Associate Director, form the leadership team. The structure provides Trustees with stronger clarity of purpose and clearer lines of oversight. Artistic Director Christopher Gorry started in July 2022. Securing business continuity and leadership progression, former Trustee/Interim Executive Director, Karen Birch, will step down in July 2023 following handover to the new Executive Director Tara Lopez from May 2023.

Artistic Director Christopher Gorry, an expert in co-creation and child action, drives our equitable model of performing arts production and pedagogy. Executive Director Tara Lopez an expert in diversity, equity, inclusion and belonging practices will drive the integration of artistic, participatory and equality policies and practices, co-constructing and implementing the business plan with primary responsibility for finance, fundraising, operations and governance activities. Associate Director Trina Haldar is responsible for directing the Spark Festival, whilst Associate Company Daryl & Co actions strategies for artist development. Collectively, the leadership team ensure our work is accessible and inclusive, socially responsible, financially and environmentally sustainable.

Systems change

We are committed to understanding lived experience of inequalities in our work. We believe organisation-wide creativity promotes plurality of perspectives, constructive challenge, and innovation. Staff and stakeholder voice, experience, expertise and shared learning informs continuous improvement to ensure our work is more representative, outcomes more equitable and practice more inclusive. 60% or more of our senior leadership self-identify as from an educationally or economically deprived background.

Driven by our Equality Policy and Action Plan, in 2022-23 we tested and implemented a Dynamic Recruitment model to drive access and inclusion in the recruitment of staff and artists (and will use this approach in the recruitment of new trustees in the near future). We encourage applications from people who are underrepresented in the creative and cultural industries, particularly people from Asian, Black or ethnically diverse backgrounds, who are LGBTQIA+, who define as D/deaf, disabled or neurodivergent and/or from low socio-economic backgrounds. 80% of applicants who attended interviews told us they would not ordinarily have applied but did so because of our inclusive approach.

And we are committed to making good data-based decisions to continuously improve our work. Our work is evidence-based and increasingly co-constructed between artists, teachers and children to improve outcomes for children, families, artists and creative practitioners. Co-creating evaluation will be key to our success moving forward. In 2022 we refined our theory of change and implemented a new organisation-wide evaluation framework design to deliver our Quality and Ambition Investment Principle and integrate data on outcomes and outputs across Inclusivity and Relevance, Environmental Responsibility and Dynamism development and activity delivery.

Public benefit

In summary, the main activities The Spark Arts for Children delivers throughout the year for public benefit is a range of activities including artistic skills and capacity building, performing arts, visual arts and digital arts presentations, productions and participation workshops and events. Because these activities take place in schools, libraries, theatres, arts centres, museums, outdoors and online, we help to advance children's learning and development, delivering social, economic and cultural education outcomes for children in Leicester, Leicestershire and the East Midlands.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Spark Arts for Children

Trustees' Report

Achievements and performance

Our headlines for 2022-23 are presented below, starting with a data snapshot and followed by a handful of highlights to demonstrate how our work is reaching new audiences.

Employed 79 artists (compared to 51 in 2021-22)

Programmed 78 performances (compared to 228 in 2021-22)

Engaging 10,184 in person, 12,882 social media + 143 Just Giving supporters as audiences and participants (compared to 14,688 in 2021-22)

And 6,540 children and families (formal & informal learning & participation) actively participating (compared to 11,799 in 2021-22)

OBJECTIVES AND ACTIVITIES

Experiencing the extraordinary

From 13-19 February, we delivered Spark Festival 2023. Over 7 days, 7,600 children and their families experienced 95 events. The festival took place in 9 cultural venues and 7 libraries and community centres. Over 3,500 children saw a performance in their school or local library. We worked with 8 companies, supported 25 artists and involved 20 schools.

We sang, laughed, danced and put the world to rights with the children of Leicester. And we connected communities together in ways that only the arts do. The diverse range of work and access to the work was notable, as well as the future potential of artists supported via Vital Spark.

Building a diverse workforce

Since 2018, 49 artists have engaged in Vital Spark: in development (e.g. go-sees, masterclasses, networking events); with investment in ideas (e.g. ideas fund, fundraising support, R&D, providing and brokering specialist guidance, mentoring); producing full commissions (partnership development, co-commissioning investment); and Seat at the Table events (Code of Care development and peer to peer learning).

In 2022-23, artists Liga Orlovska, Iryna Muha, Bisola Elizabeth Alabi and Chad Taylor shared work in development at the 'Vital Spark Ignites' event during the festival. Our Relationship Artists Brigitte Aphrodite, Naomi Joseph, Siobhan Wedgeworth and Ashley Jordan undertook an artist residency or masterclasses and coaching, attended go and see trips, and joined the festival as part of the delegate programme.

A child's right to play

Leicester experiences significant deprivation. Before Covid-19, some Leicester communities faced inequalities and exclusion - Leicester had the 7th highest poverty rate of 181 urban authorities (Leicester City Council, 2020). It is widely accepted that lockdown had a detrimental effect on the most isolated and vulnerable, particularly children. Our work delivers cultural opportunity and equitable outcomes.

The Spark Arts for Children

Trustees' Report

Small Wonders

We deliver artist-facilitated storytelling and creative play for 0-4 year-olds in libraries and children's centres, improving children's social relationships and self-regulation. A unique partnership with Leicester City Council's Neighbourhood Services and Early Help, we build skills, empower parents and staff and embed creative play in local libraries.

In 2022 we delivered 324 sessions in libraries, nurseries, schools, children's centres, and community spaces, resulting in 7,754 child engagements and 9,542 children and adult attendances. High engagement across Family Play Days and relationship building (word-of-mouth) increased average session attendance by 16% over the project. For parents attending children's centres, 93% of parents involved support their child's communication and language through making sounds whilst 100% of parents provide more opportunity for music play at home. One parent shared: "We love the creativeness, the music, the crafts, the joy all the Spark Arts staff bring to the kids and my child is priceless. She has grown so much over the last year and this kind of stimulation and enjoyment is what is needed".

Small Wonders continues to support exceptional creative pedagogy and practice showing growth potential for training and peer-to-peer learning, particularly for artists new to the industry or work in early years and early years practitioners. We will continue to build our partnerships towards sustainable engagement and funding.

Music Champions

Our musicians training programme, developing craft applicable to early years settings, culminated in Summer 2022 with a knowledge and practice exchange event involving the partnership and creative early years workforce: Leicester City Council Neighbourhood Services and Early Help, Leicestershire Music Hub, De Montfort University, Philharmonia Orchestra, The City Classroom Cultural Education Partnership and The Mighty Creatives.

In 2022 we explored and tested the delivery model underpinned by two key principles: Equal partnership between musician and early years practitioner; and Child led music play leading to the most impact on the child. We now have an established talented and trained pool of local and regional freelance musicians (Music Champions), who work effectively in early years child development. Future improvements include increasing parental engagement, early years Continuing Professional Development and Learning resources for musicians and advocacy for music and the arts in early years practitioner training.

Our track record in partnership working to provide high-quality creative activities for early years children continues to improve, coordinated across libraries, community centres, children's centres, nurseries and schools. Small Wonders 2019-2022 and Music Champions 2022-23 are significant projects strongly aligned with Spark Festival and high-quality performances like Club Origami by Little Big Dance and Four Go Wild in Wellies by Indepen-Dance 4 - successfully balancing quality and access.

Belgrave Families Takeover

Artist Pasha Kincaid and Associate Director Trina Halder co-created a range of cultural activities with local families, promoting everyday creativity. Children and their families taste tested for the best samosas to offer people coming to the library and explore how to make sustainable kites using ancient methods. And a number of local volunteers offered a diverse range of creative activities, including kite and banner making, seed planting, laughter yoga and dance performance and workshop by local company Aakash Odedra.

'Chai and chat' with provocations from the children and storytelling themed around activism providing a platform for children's voices to be heard. 410 people visited the event, sharing 200 samosas and 200 chai's and hot chocolates! The event finale included a walk through Cossington Park with Placards and a seed planting procession, where adults covered the heads of children with saris and children planted seeds, as a symbol of protection and new growth.

The Spark Arts for Children

Trustees' Report

A child's right to creativity

Festival Takeovers

Spark Festival 2023 Takeovers were inspired by the festival vision and the concept of Speakers Corner. We trained children in creative and critical thinking skills and collaborated with artists in residence and creative practitioners to plan and present Festival Family days in arts and cultural venues in the city centre. Children from Creativity Councils co-delivered Takeovers, programming, marketing and evaluating the events through a creative process of training and activity facilitated by artists.

Festival 2023 Takeovers were delivered in partnership with four schools (Ash Field Academy, Falcons Primary School, Mayflower Primary School and Mellor Community Primary School), taking over Curve, Leicester Museum and Arts Gallery and Phoenix.

Library Takeover

Leicester poet Ty'rone Haughton and illustrator Sam Grubb worked with 120 children from Catherine Junior School on a creative writing project, creating a giant placard featuring slogans written by the children about issues they wanted to speak out about. The placard was exhibited at local Belgrave Library during the Festival.

A Venta-Centre filmed by RYF Films featured the children 'venting' about global issues they wanted to improve. The film is available on The Spark's YouTube.

From SparkPlus to Building Brave Spaces

The SparkPlus project completed in 2022/23. Sixteen schools took part in Spark Festival 2023. 90% of teachers told us that children benefit from festival performances. Teachers talked about increased pupil motivation and how enabling choice and empowerment increased children's productivity in class. Data collected since 2018 shows language development and how visual and physical content supports English as an Additional Language (EAL) and Special Educational Needs and Disabilities (SEND) child development whilst increasing confidence in non-specialist teachers, including how new presentation skills developed in a studio environment transfer to practice in the classroom environment.

We recognise that child mental health conditions are more common and increasing, with school closures and disrupted education contributing factors (The Health Foundation, 2022). Socio-demographic conditions deeply affect children: structural inequalities, access to learning, and education outcomes interrelating to increase inequality. Children have lost a sense of personal power, unable to build cultural capital. Our evidence-base indicates our work in schools empowers children and teachers equally - it gives them a voice and memorable experiences, increasing confidence and intrinsic motivation. We will use our learning from SparkPlus to co-create Building Brave Spaces and deliver our performing arts pedagogy in partnership with schools.

The City Classroom

The City Classroom was founded in 2015 by Attenborough Arts Centre, Charnwood Arts, Leicester Print Workshop, Soft Touch Arts, The Mighty Creatives and The Spark, who chaired and co-ordinated the partnership. The shared goal of the partnership is to increase quality cultural activity in schools and communities, resulting in improved cultural education and socio-cultural outcomes. In 2022/23 The Spark transitioned the partnership to a new lead partner, the University of Leicester to secure engagement, financial and partnership sustainability, establishing:

The Spark Arts for Children

Trustees' Report

- Effective strategies for a new operational board accountable to advisory board and aligned to place-based cultural and education policy development
- Coordination capacity and a financial structure with new opportunity for strategic planning and evaluation and potential for in-house research
- Embedded evaluation framework and outcomes plan underpinned by a theory of change and cultural sector leadership commitment
- Foundations to scale the work in Leicester and Leicestershire, secondary education and creative career pathways, aligned to Leicester's creative industry strategy planning.

Regional Library Touring

Established in 2018, our tour circuit of 55 libraries combines library venues experienced in presenting performing arts for children, and libraries new to this work. Our touring work delivers three seasons yearly (subject to funding), a broad and balanced performing arts and participation programme for families (children age 3 to 11) and schools (primary and SEND).

In 2022/23 the Among Ideal Friends touring project promoted 3 productions, delivering 52 performances to an audience of 1,762 (1,075 children and 687 adults). Marvellous Marketing training upskilled 42 library staff across 3 workshops improving creative approaches to marketing, communications and audience development.

Commissioned by Inspire Culture Learning and Libraries, we also promoted 4 productions for libraries across Nottinghamshire, delivering 28 performances to an audience of 824 (364 children and 460 adults). 12 artist facilitated participatory workshops exploring puppet play and story beats engaged 228 children and adults, creating stronger engagement with shows and libraries as cultural spaces.

Funding

The Spark Arts for Children receives National Portfolio Organisation (NPO) funding from Arts Council England, now confirmed for the period 2023 to 2026.

The Spark continues to receive the majority of its income from Arts Council England, Trusts and Foundations and Local Authorities across the breadth of our work in creative workforce development, libraries, schools and communities, including a core funding contribution from Leicester City Council for our annual festival. During the year the charity also received welcome support from corporate partners and individual donors and these continue to be an important component of income generation.

At the beginning of 2023 we implemented the Development Working Group, a team of trustees and external business growth specialists to deliver business development objectives:

- Re-focus the role and responsibilities of the Development Subgroup to ensure strategic direction and future earning aligned to organisational values and growth
- Evaluate the strategic position of The Spark Arts for Children and the business
- Map and test a more enterprising mixed model of income and how risk can be better distributed
- Consider the key staff and systems resources required to deliver our Dynamism ambitions and priorities.

The Spark Arts for Children

Trustees' Report

Financial review

Deferred restricted funds to 2023-24: £48,750 (to 2022-23: £124,691)

Restricted Funds carried forward: £28,686 (2021-22 £30,217)

Unrestricted Funds carried forward: £124,261 (2021-22 £184,225)

Totals reserves carried forward: £152,947 (2021-22 £214,442)

During the 2022/23 fiscal year we invested £87,953 from our unrestricted reserve to provide interim management, while we reviewed and restructured the Company with a particular focus on our senior leadership team. We took this step to strengthen our artistic leadership and programme, to enable us to pivot to a more advanced model of co-creation and to refocus our business model by increasing our executive capacity. To support this step change in our re-organisation we have established a new development group, comprised of a core group of trustees and a new business growth and change specialist. This task and finish group's purpose is to establish, embed and oversee a new fundraising and earning strategy that will replenish our unrestricted reserve to (a minimum) of £97,000 by the end of the 26/27 fiscal year.

The Spark Arts for Children

Trustees' Report

Policy on reserves

The purpose of the Reserves Policy is to ensure the stability of the mission, employment, programmes and ongoing operations of the organisation and to provide a source of internal funds for organisational priorities such as programme opportunity and capacity and skills building. The Reserves Policy is implemented alongside other governance and financial policies, aligned to make sure policies and strategies are joined up to provide the structure, systems and practices to deliver our strategic goals and operational plans.

Reserves are planned to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

Reserves are also intended to provide an internal source of funds where the company permanently ceases charitable activities and must close operations.

Our reserves are used to demonstrate and build resilience. As such, they serve a dynamic role and are regularly reviewed and adjusted in response to both internal and external changes.

The minimum target for reserves to be held is currently established as an amount sufficient to maintain ongoing operations and programmes measured for a set period of three months.

Providing guidance for strategic and financial planning for the transition to a new leadership team in 2022 and the planning and submission of our application to Arts Council for 2023-2026 investment, the Operating Reserves and Contingency and Welfare Reserves have been consolidated.

In 2022, trustees identified that reserves would be reduced to sustain the organisation through the operational staff changes required in 2022-24. As such, at 31 March 2023 unrestricted reserves were £124,261 (compared to £184,225 at 31 March 2022). Our current reserves target is £60,000.

Two key strategies agreed to maintain the reserves are first, to raise the necessary funds in a timely way, and second, to diversify our funding base. These have been implemented to sustain the reserves over 4 years (2022-2026) at £60,000 plus an average £10k operational reserves per year for innovation and growth.

Reviewing and reporting on the Reserves Policy :

The Reserves Policy is regularly reviewed by the leadership team and reviewed on a quarterly basis by the Board of Trustees to make sure we aren't setting aside too much or too little.

We will use our trustees' annual report to tell donors, funders and other stakeholders:

- why we need to keep money aside instead of spending it on our charity's aims
- how much we hold in reserve
- why we need to hold this amount in reserve
- what our reserves can be spent on

Reserves are recorded in the financial records as Unrestricted General Funds. The Funds will be funded and available in cash or cash equivalent funds.

The Spark Arts for Children

Trustees' Report

Statement of Responsibilities

The trustees (who are also the directors of The Spark Arts for Children 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the trustees of the charity on 28/11/23 and signed on its behalf by:



M Reza
Trustee

The Spark Arts for Children

Independent Examiner's Report to the trustees of The Spark Arts for Children ('the Company')

Independent examiner's report to the trustees of The Spark Arts for Children ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 your charity's accounts as 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.

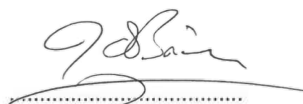
Independent examiner's statement

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 and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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

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

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



John O'Brien MSc, FAIA, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 1/12/2023

The Spark Arts for Children

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	2	181,541	-	181,541	269,417
Charitable activities	3	6,906	363,827	370,733	435,596
Investment income	5	518	-	518	32
Total income		<u>188,965</u>	<u>363,827</u>	<u>552,792</u>	<u>705,045</u>
Expenditure on:					
Raising funds		(143,924)	-	(143,924)	(152,510)
Charitable activities	6	<u>(105,005)</u>	<u>(365,358)</u>	<u>(470,363)</u>	<u>(468,293)</u>
Total expenditure		<u>(248,929)</u>	<u>(365,358)</u>	<u>(614,287)</u>	<u>(620,803)</u>
Net (expenditure)/income		<u>(59,964)</u>	<u>(1,531)</u>	<u>(61,495)</u>	<u>84,242</u>
Net movement in funds		(59,964)	(1,531)	(61,495)	84,242
Reconciliation of funds					
Total funds brought forward		<u>184,225</u>	<u>30,217</u>	<u>214,442</u>	<u>130,200</u>
Total funds carried forward	13	<u>124,261</u>	<u>28,686</u>	<u>152,947</u>	<u>214,442</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for the period is shown in note 13.

The Spark Arts for Children

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	269,417	-	269,417
Charitable activities	3	51,650	383,946	435,596
Investment income	5	32	-	32
Total income		<u>321,099</u>	<u>383,946</u>	<u>705,045</u>
Expenditure on:				
Raising funds		(152,510)	-	(152,510)
Charitable activities	6	<u>(114,564)</u>	<u>(353,729)</u>	<u>(468,293)</u>
Total expenditure		<u>(267,074)</u>	<u>(353,729)</u>	<u>(620,803)</u>
Net income		<u>54,025</u>	<u>30,217</u>	<u>84,242</u>
Net movement in funds		54,025	30,217	84,242
Reconciliation of funds				
Total funds brought forward		<u>130,200</u>	<u>-</u>	<u>130,200</u>
Total funds carried forward	13	<u><u>184,225</u></u>	<u><u>30,217</u></u>	<u><u>214,442</u></u>

The notes on pages 18 to 27 form an integral part of these financial statements.

The Spark Arts for Children

(Registration number: 05254229)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	2,182	3,114
Current assets			
Debtors	10	7,733	22,302
Cash at bank and in hand	11	<u>211,797</u>	<u>348,216</u>
		219,530	370,518
Creditors: Amounts falling due within one year	12	<u>(68,765)</u>	<u>(159,190)</u>
Net current assets		<u>150,765</u>	<u>211,328</u>
Net assets		<u>152,947</u>	<u>214,442</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	13	28,686	30,217
Unrestricted income funds			
Unrestricted funds		<u>124,261</u>	<u>184,225</u>
Total funds	13	<u>152,947</u>	<u>214,442</u>


For the financial year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

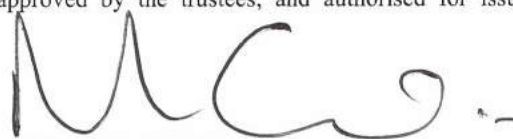
Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 14 to 27 were approved by the trustees, and authorised for issue on 14/09/23 and signed on their behalf by:


M Reza
Trustee


M E Candler
Trustee

The notes on pages 18 to 27 form an integral part of these financial statements.

The Spark Arts for Children

Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(61,495)	84,242
Adjustments to cash flows from non-cash items			
Depreciation		1,617	2,496
Investment income	5	<u>(518)</u>	<u>(32)</u>
		(60,396)	86,706
Working capital adjustments			
Decrease/(increase) in debtors	10	14,569	(1,612)
Decrease in creditors	12	<u>(90,425)</u>	<u>(175,827)</u>
Net cash flows from operating activities		<u>(136,252)</u>	<u>(90,733)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	518	32
Purchase of tangible fixed assets	9	<u>(685)</u>	<u>(2,572)</u>
Net cash flows from investing activities		<u>(167)</u>	<u>(2,540)</u>
Net decrease in cash and cash equivalents		(136,419)	(93,273)
Cash and cash equivalents at 1 April		<u>348,216</u>	<u>441,489</u>
Cash and cash equivalents at 31 March		<u><u>211,797</u></u>	<u><u>348,216</u></u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash		(136,419)	(93,273)
Net funds at 1 April 2022		<u>348,216</u>	<u>441,489</u>
Net funds at 31 March 2023		<u><u>211,797</u></u>	<u><u>348,216</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 18 to 27 form an integral part of these financial statements.

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Spark Arts for Children 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 notes.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant & machinery	20% on cost
Computer equipment	33% on cost

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Restricted income funds are those grants for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	4,994	4,994	7,832
Donations from community groups	176,547	176,547	261,585
	<u>181,541</u>	<u>181,541</u>	<u>269,417</u>

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Grants & donations	-	319,561	319,561	157,605
Sponsorships	4,000	6,650	10,650	4,600
Additional activities	1,686	27,638	29,324	67,622
Gift Aid	1,220	-	1,220	-
Projects	-	-	-	205,769
Membership	-	5,220	5,220	-
Sundry	-	4,758	4,758	-
	<u>6,906</u>	<u>363,827</u>	<u>370,733</u>	<u>435,596</u>

4 Grants & donations

	Unrestricted funds £	Restricted funds £	Total £
ACE	176,047	-	176,047
AIF	-	34,960	34,960
Awards For All	-	10,000	10,000
Braunstone Beats	-	14,804	14,804
Campaign Donations	3,947	-	3,947
Children in Need	500	10,000	10,500
Cultural Life Fund	-	2,500	2,500
Didymus	-	4,000	4,000
George Earnest Ellis	-	1,000	1,000
Inspire	-	38,957	38,957
JRC	-	500	500
LCC	-	82,990	82,990
LCEP investment	-	2,500	2,500
Lottery	-	27,920	27,920
LRCF	-	3,000	3,000
Scop Arts	-	8,500	8,500
The Maud Elkington Trust	-	300	300
The National Found	-	54,539	54,539
The Oakland Foundation	-	2,000	2,000
TMC	-	11,500	11,500
Other	1,047	9,591	10,638
	<u>181,541</u>	<u>319,561</u>	<u>501,102</u>

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	518	518	32

6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Freelance fees and fund raising costs	55,800	-	55,800	18,510
Core activity	199	203,770	203,969	175,613
Projects	-	79,855	79,855	131,607
Direct activity staff costs	-	72,314	72,314	105,498
Wages, social security, pensions	143,924	-	143,924	152,510
Rent and rates	12,029	-	12,029	10,542
Insurance	882	-	882	1,410
Telephone, post and stationery	-	-	-	1,950
Training & hospitality	2,256	-	2,256	2,991
Marketing	15,755	-	15,755	3,012
Sundries	1,124	-	1,124	256
Legal & Professional fees	4,273	-	4,273	2,350
Travelling	4,986	-	4,986	1,354
Repairs & renewals	1,678	-	1,678	1,597
Recruitment costs	-	-	-	5,230
Research & development	1,233	-	1,233	3,877
Plant and machinery	-	-	-	406
I.T & Computing	1,071	-	1,071	2,090
Consultancy & subscriptions	7,273	-	7,273	-
Room hire & hospitality	4,248	-	4,248	-
Overhead allocation	(9,419)	9,419	-	-
Depreciation	1,617	-	1,617	-
	<u>248,929</u>	<u>365,358</u>	<u>614,287</u>	<u>620,803</u>

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	<u>1,617</u>	<u>2,496</u>

8 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	122,475	134,990
Social security costs	17,263	13,092
Pension costs	<u>4,186</u>	<u>4,428</u>
	<u>143,924</u>	<u>152,510</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2023 No	2022 No
Average number of employees	<u>13</u>	<u>13</u>

Contributions to the employee pension schemes for the year totalled £4,186 (2022 - £4,428).

No employee received emoluments of more than £60,000 during the year.

9 Tangible fixed assets

	Computer equipment £	Plant & machinery £	Total £
Cost			
At 1 April 2022	12,217	5,502	17,719
Additions	<u>685</u>	<u>-</u>	<u>685</u>
At 31 March 2023	<u>12,902</u>	<u>5,502</u>	<u>18,404</u>

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

	Computer equipment £	Plant & machinery £	Total £
Depreciation			
At 1 April 2022	9,469	5,136	14,605
Charge for the year	<u>1,251</u>	<u>366</u>	<u>1,617</u>
At 31 March 2023	<u>10,720</u>	<u>5,502</u>	<u>16,222</u>
Net book value			
At 31 March 2023	<u>2,182</u>	<u>-</u>	<u>2,182</u>
At 31 March 2022	<u>2,748</u>	<u>366</u>	<u>3,114</u>

10 Debtors

	2023 £	2022 £
Trade debtors	5,901	11,064
Prepayments	<u>1,832</u>	<u>11,238</u>
	<u>7,733</u>	<u>22,302</u>

11 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	69	-
Cash at bank	<u>211,728</u>	<u>348,216</u>
	<u>211,797</u>	<u>348,216</u>

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	13,247	14,524
Other taxation and social security	4,097	7,430
Other creditors	1,171	738
Accruals & deferred income	<u>50,250</u>	<u>136,498</u>
	<u>68,765</u>	<u>159,190</u>

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
<i>General</i>				
General	124,225	172,910	(232,874)	64,261
<i>Designated</i>				
Festival & Vital Spark	-	16,055	(16,055)	-
Welfare & contingency	60,000	-	-	60,000
	<u>60,000</u>	<u>16,055</u>	<u>(16,055)</u>	<u>60,000</u>
Total unrestricted funds	<u>184,225</u>	<u>188,965</u>	<u>(248,929)</u>	<u>124,261</u>
Restricted funds				
Early Years	1,340	107,150	(108,490)	-
Vital Spark	1,250	8,508	(9,758)	-
Library Projects	-	110,237	(101,312)	8,925
The City Classroom	10,158	42,247	(32,644)	19,761
Festival	8,455	58,716	(67,171)	-
Spark Plus	9,014	36,969	(45,983)	-
	<u>30,217</u>	<u>363,827</u>	<u>(365,358)</u>	<u>28,686</u>
Total restricted funds	<u>30,217</u>	<u>363,827</u>	<u>(365,358)</u>	<u>28,686</u>
Total funds	<u>214,442</u>	<u>552,792</u>	<u>(614,287)</u>	<u>152,947</u>

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

The specific purposes for which the funds are to be applied are as follows:

Festival Projects Fund:

Funds contributing to the delivery of a one-week children's arts Festival of cultural engagement in performing and combined arts in February, including linked school and community projects delivered in the Autumn and Spring. Funded by grants from Leicester City Council, Foyle Foundation, Scop Arts, the Lord Mayor's Charity, Edith Murphy Foundation, Leicestershire & Rutland Community Foundation and other small Trusts and Foundations. This also included the Braunstone Beats project funded by Youth Music and Leicestershire Music.

Spark Plus Fund:

Funded by the Paul Hamlyn Foundation to Explore and Test the impact of the festival shows on schools through curriculum links, learning improvement and teacher skill development, this was the final year of the project, concluded summer 2022.

The City Classroom Fund:

The City Classroom is a strategic cultural education partnership led and managed by The Spark and funded by The Mighty Creatives / Arts Council England. The partnership promotes, coordinates and advocates for cultural education and children and young people's creativity across Leicester and Leicestershire. Coordination of the partnership will be handed over to University of Leicester in April 2023. Therefore remaining funds are held as restricted funds, to handover for planned activity delivered after April.

Early Years Fund:

Funded by the Leicester City Council, Small Wonders is a project in two libraries in Leicester, with artists in residence working with children 0-7 and their families, and included an expansion of the work to two new libraries, and summer booster sessions funded by Children in Need. This project finished in summer 2022.

The other Early Years project is Music Champions, funded by Youth Music and partner organisations, to develop a new Early Years Music network: supporting musicians and early years practitioners; and promoting the role music plays in the development of children aged 0-4 years. This project also finished in summer 2022.

The Spark was successful in receiving funding from Youth Music for a new project of Music Champions, with support from partners Leicestershire Music and Leicester City Council Early Help. This was started in March 2023 and runs until 2025.

Library Fund:

The Spark leads a consortium of five East Midlands Library Services to deliver the Among Ideal Friends programme, funded by Arts Council England Strategic Funding and with participating county and city local authorities contributing funds. Launched in 2016, the aim is to create and establish a range of high quality book and story based performances and workshops for children aged 5-11 years and their families and schools, shared across 55 libraries. Additionally, the Spark was commissioned by Inspire - Culture, Learning, Libraries, to programme work for children and families into other libraries in Nottinghamshire.

Vital Spark Fund:

Vital Spark is a programme and approach which aims to address the gap of diverse led work in the children's performance sector through an artist development programme, ideas fund and the commissioning of new work, and a national partners network. Funds were received from Unlimited to support their artists accessing the Festival Delegate programme, and from partner venues supporting specific artist development.

The Spark Arts for Children

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General	124,225	-	-	-	124,225
<i>Designated</i>					
Welfare & contingency	60,000	-	-	-	60,000
Total unrestricted funds	184,225	-	-	-	184,225
Restricted					
Early Years	-	108,231	(109,891)	3,000	1,340
Vital Spark	(500)	7,750	(6,500)	500	1,250
Library Projects	500	78,967	(78,967)	(500)	-
The City Classroom	-	46,180	(33,022)	(3,000)	10,158
Festival	-	81,497	(77,042)	4,000	8,455
Spark Plus	-	35,302	(22,288)	(4,000)	9,014
General	-	26,019	(26,019)	-	-
Total restricted funds	-	383,946	(353,729)	-	30,217
Total funds	184,225	383,946	(353,729)	-	214,442

14 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus (previously L&S Accountancy services) are analysed as follows:

	2023 £	2022 £
Independent examination	1,250	2,500
	1,250	2,500

15 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

16 Related party transactions

There were no related party transactions in the year.