

SPARKS OF HOPE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

SPARKS OF HOPE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr. M Gluck
Mr. B Muller
Mr. Y Gluck

Charity number

1160997

Principal address

80b Darenth Road
London
N16 6ED

Independent examiner

Berish Hoffman ACA
Landau Morley LLP
325-327 Oldfield Lane North
Middlesex
UB6 0FX

SPARKS OF HOPE

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SPARKS OF HOPE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their annual report and financial statements for the year ended 30 June 2021.

Background

Sparks of Hope was originally the brainchild of a group of business colleagues, who observed the devastating effects on family life that unfortunately result from deprivation and poverty. Being also residents in one of the most deprived areas of London, they were in a position to scrutinise at close quarters the results of the prevalent unemployment and the failure of individuals without training or qualifications to find suitable work to support themselves and their families. Sparks of Hope was set up in 2015 to endeavour to tackle the underlying challenges and offer the appropriate support to strengthen families and support individuals with their requirements.

Sparks of Hope works with disadvantaged individuals in the Hackney area where poverty and unemployment levels are high. In 2012, Hackney had the highest number of working-age adults in the country receiving out-of-work benefits. The borough was also ranked in 2010 as the second most deprived Local Authority in England.

University and college is a far off dream for many due to lack of funds, cultural/language barriers or inability to receive a scholarship. This leaves many capable, high achieving adults with no qualifications and little chance to achieve a well-paying job. This helps perpetuate the 'poverty trap' creating a cycle of more children growing up in poverty without the chance to qualify in order to earn a respectable living.

Unemployment leads to severe poverty and deprivation, low confidence and self-esteem, increases in crime rates and family breakdowns.

SPARKS OF HOPE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Objectives and activities

The Charity is primarily concerned with the prevention and relief of poverty or financial hardship of individuals residing in North London by the provision to educate or train and give all the necessary support to families and individuals who are in deprivation due to their financial and economic circumstances, who are unable to generate a sustainable income and to enable them to become self-sufficient.

The Charity is also concerned with the relief of the physical and emotional sickness of people residing in North London by the provision of appropriate advice, support, referrals and counselling.

The Trustees have a vision of a "Strengthening Families Approach". They would like to see parental resilience, social connections, concrete support in time of need, social and emotional competence of children and a good knowledge and understanding of parenting. They would like to work with specialist agencies within the community to ensure that every family is well-established and supported.

The objectives and activities of the charity during this fiscal year included:

- Working with other organisations to enable large families who are living in unsuitable conditions to find and move into larger but affordable premises.
- Referring individuals to specialist agencies to provide training to achieve employment skills.
- Public Awareness Campaign – raising the profile of issues, solutions, encouraging people to seek help and de-mystifying processes, assisting those moving on to independent living with their initial expenses to help them set up their lives and become financially secure, unimpeded by the burden of debt.
- A Peer Mentoring Forum – training will be offered to individuals to become a first point of contact on a variety of issues and support referrals between services.
- Working with teenagers to assist in them being able to regulate their behaviour and effectively communicate their feelings.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the Charity's aims and objectives and in planning activities.

SPARKS OF HOPE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

The trustees have continued with the approach of managing the daily operations of the charity with a working group. Their responsibilities involve assessing all applications for assistance; networking with specialist agencies who can support some of the enquiries received. Furthermore, they are responsible for the appointment of therapists that would support families in need. The working group are trained in Safeguarding, Health and Safety, GDPR and ensuring that all volunteers, therapists and staff have up to date DBS checks.

We focused this year on helping 36 low-income families with the following:

For those seeking a profession:

- Basic and advanced training courses in IT, bookkeeping, accounting, web knowledge
- For people with ESL (English as a second language) basic and advanced courses in English language
- Referrals and support in the process of accessing further higher education or training
- Careers guidance and support in job seeking, CV writing and interview skills

For entrepreneurs :

- Training and guidance in business management skills such as financial management, market research, marketing, HR
- Start-up businesses incubation, small scale loans and handholding through the beginning phase

We Worked with 54 teenagers to support them through their emotional turbulence and give them tools to communicate their feelings, encouraging a positive relationship with their family, teachers and peers.

An average of £126 was given per family supporting 52 individuals with grants relating to medical, clothing and extra support with academic studies.

The average grant was £158 supporting 12 married new couples with a grant to enable them to commence on a healthy footing.

The expansion of our Strengthening Families Programme which resulted in 66 couples being supported. This allowed for couples to engage with therapists and attend parental workshops. This was a concrete source in time of need.

The Trustees would like to thank the working group for giving their time to consolidate the work of Sparks of Hope. We salute the Strengthen Families Programme that is offering parents the resilience needed to manage and bounce back from all types of challenges that emerge from daily life.

Despite the Covid 19 pandemic, income remained relatively strong with generous support from its donors. The Trustees continue to review the Charity's operations as a result of the pandemic

Financial review

Details of the financial performance and position of the charity can be found on pages 6 and 7.

At the year end, the Charity had a bank balance of £9,812 and held free reserves of £7,744. The charity's reserves policy is to hold reserves equal to 3 months' expenditure and will continue to raise funds so that the charity has sufficient reserves to continue with its operations.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

SPARKS OF HOPE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Structure, governance and management

The charity was incorporated as a Charitable Incorporated Organisation (CIO) on 20 March 2015 and is governed by a Foundation document dated 20 March 2015.

The power to appoint new Trustees is vested in the present Trustees, who seek to appoint such individuals who can call on their specialist skills and competences, to assist the charity to meet its ends. They will be introduced to the workings of the charity by the existing trustees, and will of course be encouraged to study the various appropriate publications on trustees published by The Charity Commission.

The Trustees have regular quarterly meetings, to which certain competent individuals in the community are invited, who are also engaged in various aspects of community welfare, and who are consulted on the different cases that might arise, for their advice and opinion.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr. M Gluck

Mr. B Muller

Mr. Y Gluck

The trustees' report was approved by the Board of Trustees.

Mr. M Gluck

Trustee

Dated: 29 April 2022

SPARKS OF HOPE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SPARKS OF HOPE

I report to the trustees on my examination of the financial statements of Sparks of Hope (the charity) for the year ended 30 June 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.

Berish Hoffman ACA

Landau Morley LLP
325-327 Oldfield Lane North
Middlesex
UB6 0FX

Dated: 29 April 2022

SPARKS OF HOPE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	78,993	57,662
<u>Expenditure on:</u>			
Charitable activities	4	82,314	47,670
Net (expenditure)/income for the year/ Net movement in funds		(3,321)	9,992
Fund balances at 1 July 2020		12,228	2,236
Fund balances at 30 June 2021		<u>8,907</u>	<u>12,228</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

SPARKS OF HOPE

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		1,163		1,550
Current assets					
Debtors	10	5,000		8,000	
Cash at bank and in hand		9,812		15,713	
		<u>14,812</u>		<u>23,713</u>	
Creditors: amounts falling due within one year	11	<u>(7,068)</u>		<u>(13,035)</u>	
Net current assets			7,744		10,678
Total assets less current liabilities			<u>8,907</u>		<u>12,228</u>
Income funds					
Unrestricted funds			8,907		12,228
			<u>8,907</u>		<u>12,228</u>

The financial statements were approved by the Trustees on 29 April 2022

Mr. M Gluck
Trustee

SPARKS OF HOPE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Charity information

Sparks of Hope is a registered charity in England and Wales and is registered as a charitable incorporated organisation (CIO). The address of the principal office is 80b Darenth Road, London, N16 6ED.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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.

Basic financial liabilities

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 charity 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. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	78,993	57,662

4 Charitable activities

	2021 £	2020 £
Therapy costs	6,030	-
Grant funding of activities (see note 5)	53,636	30,030
Share of support costs (see note 6)	20,638	15,840
Share of governance costs (see note 6)	2,010	1,800
	82,314	47,670

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

5 Grants payable

	2021 £	2020 £
Grants to institutions:		
Yad Vochessed Association	3,600	-
Shir Chesed Beis Yisroel	3,600	
Keren Hatzolas Doros	3,600	
Beis Ahron Trust	3,600	-
Live and Learn	3,600	-
Keren Chochmas Shloma	3,600	-
Inspirations	3,600	-
Friend of Yeshiva Daas Sholem Shotz	3,600	-
Care All Limited	3,600	-
Zlotchiv	3,600	
Beis Aharon TT Activity Centre	2,000	-
Chevrass Mo'oz Ladol	-	3,600
Beth Feige	-	2,400
The Happy and Healthy Trust	-	2,600
Karlin London	-	3,600
Mars Org. Ltd	-	3,600
Ora V'simcha	-	2,000
Other < £2,000	11,332	5,430
Grants to individuals	4,304	6,800
	<u>53,636</u>	<u>30,030</u>

Institutional grants are made to institutions which share the same objectives and ethos as the Charity and include educational grants and grants to provide financial assistance to families.

Grants to individuals consist of grants made to needy families.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	9,450	-	9,450	6,825	-	6,825
Depreciation	388	-	388	517	-	517
Bank charges	189	-	189	126	-	126
Advertising	-	-	-	250	-	250
Accountancy fees	307	2,010	2,317	396	1,800	2,196
General expenses	1,289	-	1,289	285	-	285
Office costs	2,515	-	2,515	1,889	-	1,889
Rent	6,500	-	6,500	5,000	-	5,000
Bad debt	-	-	-	552	-	552
	<u>20,638</u>	<u>2,010</u>	<u>22,648</u>	<u>15,840</u>	<u>1,800</u>	<u>17,640</u>
Analysed between Charitable activities	<u>20,638</u>	<u>2,010</u>	<u>22,648</u>	<u>15,840</u>	<u>1,800</u>	<u>17,640</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration, reimbursement of expenses or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>2</u>	<u>1</u>
Employment costs	2021 £	2020 £
Wages and salaries	<u>9,450</u>	<u>6,825</u>

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

9 Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2020	6,534
At 30 June 2021	6,534
Depreciation and impairment	
At 1 July 2020	4,983
Depreciation charged in the year	388
At 30 June 2021	5,371
Carrying amount	
At 30 June 2021	1,163
At 30 June 2020	1,550

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	5,000	8,000

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	3,258	11,236
Accruals and deferred income	3,810	1,799
	7,068	13,035

12 Analysis of net assets between funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fund balances at 30 June 2021 are represented by:		
Tangible assets	1,163	1,550
Current assets/(liabilities)	7,744	10,678
	8,907	12,228

SPARKS OF HOPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 30 JUNE 2021***

13 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).