

Company No: 2634037
Charity No: 1003825
Scottish Charity No: SC039482



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**



Sparks Charity Officers and Advisers

Trustees Diana Dunstan OBE (Chair)
Margaret Ewing
Mark Sartori

Registered Number 1003825

Registered Office 40 Bernard Street
London WC1N 1LE

Principal Bankers Barclays Bank
London Business Banking
7th Floor United Kingdom House
London W1D 1EA

Solicitors Stone King
91 Charterhouse Street
London EC1M 6HR

Independent Auditor PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Investment managers Ruffer LLP
80 Victoria Street
London SW1E 5JL

Heartwood Investment Management
12 Henrietta St
London WC2E 8LH

Note: the Charity's investments were sold during reporting period and the investment managers terminated.

Sparks Charity Trustees' Report

The Trustees (who are also directors of Sparks Charity ("the Charity" or "Sparks") for the purposes of company law) present their Annual Report and audited Financial Statements of the Charity for the two months ended 31 March 2017. The Financial Statements are presented in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Statement of Financial Activities on page 8 also comprises the Income and Expenditure Account, which the Charity is required to produce under the Companies Act 2006.

Nature of Governing Document

Sparks is a registered charity and a company limited by guarantee, not having a share capital. The Charity is governed by its Memorandum and Articles of Association adopted on 9th May 1991, amended on 18th January 2011 and last amended on 1st February 2017.

Organisational Structure

On 1 February 2017, Sparks merged with Great Ormond Street Hospital Children's Charity ("GOSH Charity"). As a result, the day-to-day accounting and administration work is carried out by staff working for GOSH Charity, working within policies and procedures laid down by the Trustees.

Prior to the 31st January, the Acting Chief Executive of Sparks and the senior management team were responsible for the day-to-day management of the Charity's affairs and for implementing policies agreed by the then Board of Trustees. Since the merger, oversight, governance and management of the Charity has been consolidated into the organisational structure of GOSH Charity. More details can be found in the GOSH Charity group consolidated Financial Statements.

Description of the Charity's Principal Objects

Sparks believes that all children should be given the best start in life and that by funding pioneering child health research across the UK it will help to find new treatments and cures for children who desperately need them. The Charity funds research that will have the greatest impact in diagnosing, treating and curing childhood conditions, which affect children during pregnancy or childhood.

As a member of the Association of Medical Research Charities (AMRC), the Charity has a very robust process for ensuring it funds research of the highest quality. All grants awarded in the period were awarded by the Trustees who have taken into account a number of factors, the most important of which are assessed by peer review.

Financial Review and Performance

The Statement of Financial Activities, set out on page 8, shows that gross income for the two month period was £57,845 (year to 31 January 2017: £2,858,160). Expenditure on charitable activities was £1,234,949 (year to 31 January 2017: £1,108,941). Total expenditure of £1,279,374 (year to 31 January 2017: £2,730,003) resulted in a net deficit (year to 31 January 2017: surplus) for the period of £1,220,528 (year to 31 January 2017: surplus of £128,158). After taking into account gains/losses on investments, total funds (deficit) for the two month period was £1,217,249 (year to 31 January 2016: surplus of £397,513). Total funds held as at the end of the year were £180,114 (year to 31 January 2017: £1,397,363).

During the 2 month period, a GOSH Charity steering group consisting of senior management from all areas of GOSH Charity, was set-up to set direction and monitor performance. The Charity's focus was on full integration with GOSH Charity's systems, procedures and staff. Having achieved this, the focus is now on re-engaging with donors and realising cost synergies within the GOSH Charity group. In addition the £2million joint national call for research funding was launched in April 2017.

Public Benefit

The Trustees have given due regard to the Charity Commission guidance on public benefit when reviewing the Charity's aims and objectives and are proud of the major contribution that Sparks has made in delivering public benefit.

Our investment in paediatric research has made a significant contribution to child health since we became a registered Charity in 1991, funding more than 300 novel research projects in over 90 hospitals, universities and research institutions in the UK and around the world.

Through our research, Sparks has helped improve the quality of life for children, suffering from a range of complex conditions. Some of our world-class research, such as our combination therapy of brain cooling and xenon gas, is having a major impact on child health.

Sparks Charity

Trustees' Report (continued)

Statement of Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Trustees

The Trustees who were in office during the two month period and to the date of this report were:

Diana Dunstan OBE

Margaret Ewing

Mark Sartori

Trustees will follow the induction and training programme of GOSH Charity.

Related Parties

During the period there were no transactions with related parties.

Risk Management

All activities undertaken by the Charity are monitored closely by the Executive Directors of GOSH Charity, who regularly review and update the risk register. The register is also reviewed at regularly at the Finance and Audit Committee and the recently constituted Governance, Reputation and Risk Committee of GOSH Charity. The full Board of Trustees undertakes a review of the risk register at least annually. The key risk that has been identified for 2017/18 is the fundraising environment, that may have a potential negative impact on income as a result of both increasing competition for donations and the developing fundraising regulations and public expectations, including the EU data processing legislation. The Trustees of the Charity and the Directors of GOSH Charity will continue to monitor this closely.

Reserves Policy

Restricted Funds

The Charity has a number of different funds to support specific activities chosen by donors, which fall within the objectives of the Charity. At the period ended 31 March 2017 there was a deficit of £462,447 (31 January 2017: surplus £410,093) in restricted funds (see note 14).

Unrestricted funds

These are funds that are expendable at the discretion of the Trustees to further the Charity's objectives. The present target range for general reserves is £350,000 to £400,000, approximately equivalent to three months' cash working capital to enable us to cope with any emergencies. The Charity's unrestricted funds at 31 March 2017 were £642,146 (31 January 2017: £987,271) and included £250,000 (31 January 2017: £603,091) of designated funds (see note 14). Each year, the Trustees decide whether to designate unrestricted funds to specific projects to be spent in future years. This helps to provide financial stability for vital areas of research.

Designated Funds

A designated fund of £3,091 was established in the prior year to ensure funds were available for the office move which took place in February 2017. At the period ended 31 March 2017 this has been released as the move has taken place.

A further designated fund of £600,000 was established in the prior year (31 January 2017) to ensure funds were available for future research projects. After commitments in the two month period, £250,000 remained in designated funds.

Going Concern

The Trustees have considered the period at least 12 months from the date of this report and assessed whether the charity is

Sparks Charity Trustees' Report (continued)

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Sparks for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 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.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees and signed on behalf of the Board on 18 July 2017.

Diana Dunstan
Chair

Sparks Charity

Independent auditors' report to the members of Sparks Charity

Report on the audit of the Financial Statements

Opinion

In our opinion, Sparks Charity's Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources, and application of resources, including its income and expenditure and cash flows for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the Financial Statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2017; the statement of financial activities (incorporating an income and expenditure account); the accounting policies; and the notes to the Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 and ISAs (UK) require us also to report certain opinions and matters as described below.

Sparks Charity

Independent auditors' report to the members of Sparks Charity

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the period ended 31 March 2017 is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the Financial Statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee are also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the Financial Statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee are also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the Financial Statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jill Halford (Senior Statutory Auditor)

for and on behalf of **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

18 July 2017

Sparks Charity

Statement of financial activities for the period ended 31 March 2017

(Incorporating an Income and Expenditure Account)

| | Note | Unrestricted funds £'000 | Restricted Funds £'000 | Period ended 31 March 2017 £'000 | Unrestricted funds £'000 | Restricted Funds £'000 | Year ended 31 January 2017 £'000 |
|---|------|--------------------------------|------------------------------|---|--------------------------------|------------------------------|---|
| Income and endowments from: | | | | | | | |
| Donations and legacies | 2.1 | 31 | - | 31 | 298 | 504 | 802 |
| Other trading activities | 2.2 | 27 | - | 27 | 1,828 | 206 | 2,034 |
| Investments | 2.3 | - | - | - | 22 | - | 22 |
| Total | | 58 | - | 58 | 2,148 | 710 | 2,858 |
| Expenditure on: | | | | | | | |
| Raising funds | 3.1 | 44 | - | 44 | 1,621 | - | 1,621 |
| Charitable activities | 3.2 | 13 | 1,222 | 1,235 | 703 | 406 | 1,109 |
| Total | | 57 | 1,222 | 1,279 | 2,324 | 406 | 2,730 |
| Net (expenditure)/income before gains on investments | | 1 | (1,222) | (1,221) | (176) | 304 | 128 |
| Net gains on investments | | 4 | - | 4 | 260 | 10 | 270 |
| Net (expenditure)/income | | 5 | (1,222) | (1,217) | 84 | 314 | 398 |
| Transfers between funds | 14 | (350) | 350 | - | 91 | (91) | - |
| Net movement in funds | | (345) | (872) | (1,217) | 175 | 223 | 398 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward 1 February | | 987 | 410 | 1,397 | 812 | 187 | 999 |
| Total funds carried forward 31 March | | 642 | (462) | 180 | 987 | 410 | 1,397 |

Notes 1 to 18 form part of these financial statements.

All income relates to continuing activities.

Sparks Charity

Balance sheet

As at 31 March 2017

| | | Total as at 31 March 2017 £000 | Total as at 31 January 2017 £000 |
|---|----|--------------------------------------|--|
| Fixed assets | | | |
| Investments | 8 | - | 2,403 |
| Total fixed assets | | - | 2,403 |
| Current assets | | | |
| Inventories | 9 | 9 | 16 |
| Debtors | 10 | 493 | 436 |
| Cash | | 2,829 | 371 |
| Total current assets | | 3,331 | 823 |
| Creditors: amounts falling due within one year | 11 | 1,928 | 1,429 |
| Net current assets | | 1,403 | (606) |
| Total assets less current liabilities | | 1,403 | 1,797 |
| Creditors: amounts falling due after more than one year | 12 | 1,223 | 400 |
| Total net assets | | 180 | 1,397 |
| The funds of the charity | | | |
| Restricted funds | 14 | (462) | 410 |
| Unrestricted income funds: | | | |
| General | 14 | 392 | 384 |
| Designated | 14 | 250 | 603 |
| Total charity funds | | 180 | 1,397 |

The Financial Statements on pages 8 to 18 were approved by the Board of Trustees on 18 July 2017 and signed on its behalf by

Diana Dunstan

Chair

Sparks Charity

Notes to the financial statements

1. Accounting Policies

The Financial Statements are prepared in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. These accounting policies were applied consistently throughout the Financial Statements.

Company information

Sparks Charity is a charitable company incorporated in England and Wales (company number 2634037) and is a charity registered with the Charity Commission in England and Wales (registration number 1003825) and with the Office of the Scottish Charity Regulator (registration number SC039482). The registered office is 40 Bernard Street, London, WC1N 1LE.

Basis of Preparation

The Financial Statements of the Charity have been prepared under the historical cost convention. The Trustees have a reasonable expectation that the Charity has adequate resources to continue activities for the foreseeable future, as stated within the Trustees' report (see page 3). Accordingly they continue to adopt the going concern basis in preparing the Financial Statements.

A cash flow statement has not been prepared on the grounds that the Charity is exempt from preparing such a statement under FRS102 as a wholly owned subsidiary of GOSH Charity.

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Charity's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Recognition of legacy income

Legacy income is recognised when three criteria are met. Entitlement is established, receipt of the income is probable and it can be reliably measured.

- Entitlement is established when we receive notification of an interest in an estate
- Income receivable is probable when the statement of assets and liabilities is received
- Measurement criteria is considered met once the final estate accounts are received

Only when these criteria have been met is income from legacies recognised in the Financial Statements.

(ii) Provisions (note 15)

Provisions are made for future obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Income

Income from non-exchange transactions are donations of money, goods, facilities or services which are given freely to the charity by a donor. All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and the receipt of the income is probable. The following specific policies apply to categories of income:

Legacies:

Legacies are accounted for as income when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. This is in line with the requirements under FRS102 and SORP 2015.

Sparks Charity

Notes to the financial statements

1. Accounting Policies (continued)

Income (continued)

Direct Gifts:

General donations are recognised on receipt

Investment Income

Investment income is recognised on receipt.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds', 'expenditure on charitable activities' and 'other expenditure'. The expenditure on raising funds comprise of the costs incurred in generating donations and legacy income including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on delivering charitable activities including apportioned support costs.

Full provision is made within the Financial Statements for grant expenditure at the point when an unconditional commitment is made and the liability can be quantified with reasonable certainty.

Support costs, which include the central functions of Finance, IT, HR, Administration, Business Support, Governance and Supporter Services, are allocated across the categories of expenditure of raising funds, expenditure on charitable activities and other expenditure. The basis of the cost allocation is set out in note 4.

Grants

Grants towards specific purposes are treated as expenditure in the year in which the grant is made available. If by agreement a grant is not used, the funds allocated are credited back to the Charity's funds. Certain grants towards recurring costs including some of those detailed in note 3 will arise in future years.

Taxation

As a registered charity, Sparks is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Financial instruments

The charity has chosen to adopt Section 11 of FRS102 in respect of financial instruments.

Financial assets

Fixed asset investments consisted of a long-term portfolio comprising of quoted stocks and shares, included in the balance sheet at market value.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and the market value at the start of the year (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and market value at the start of the period/year (or date of purchase if later).

Sparks Charity

Notes to the financial statements

2. Income

| | Unrestricted Funds £000 | Restricted Funds £000 | Period ended 31 March 2017 £000 | Year ended 31 January 2017 £000 |
|--|-------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Income from: | | | | |
| 2.1 Donations and legacies | | | | |
| Direct gifts from individuals and trusts | 3 | - | 3 | 316 |
| Legacies | - | - | - | 1 |
| Community fundraising | 15 | - | 15 | 73 |
| Partnerships, campaigns, events and other income | 13 | - | 13 | 412 |
| Total | 31 | - | 31 | 802 |
| 2.2 Other trading activities | | | | |
| Auctions, tickets, sponsorship and other income | 27 | - | 27 | 2,034 |
| Total | 27 | - | 27 | 2,034 |
| 2.3 Investments | | | | |
| Investments and fixed portfolio income | - | - | - | 22 |
| Total | - | - | - | 22 |
| Total income | 58 | - | 58 | 2,858 |

3. Expenditure on:

| | Direct costs £000 | Support costs £000 | Period ended 31 March 2017 £000 | Year ended 31 January 2017 £000 |
|--|----------------------|-----------------------|---------------------------------------|---------------------------------------|
| 3.1 Raising funds: | | | | |
| Direct gifts from individuals and trusts | - | 12 | 12 | - |
| Legacies | - | 1 | 1 | - |
| Community fundraising | 6 | 9 | 15 | 519 |
| Partnerships, campaigns, events and other income | 7 | 9 | 16 | 1,093 |
| Investment management costs | - | - | - | 9 |
| Total | 13 | 31 | 44 | 1,621 |
| 3.2 Charitable activities: | | | | |
| Research | 1,222 | 13 | 1,235 | 1,109 |
| Total | 1,222 | 13 | 1,235 | 1,109 |
| Total expenditure | 1,235 | 43 | 1,279 | 2,730 |

| | Period ended 31 March 2017 £000 | Year ended 31 January 2017 £000 |
|---|---------------------------------------|---------------------------------------|
| 3.3 Expenditure includes charges for: | | |
| Lease rentals | 21 | 76 |
| Fees payable to the charity's auditors for the audit of the annual Financial Statements | 6 | 14 |
| Depreciation | - | 3 |

Lease rentals includes the rental costs for the use of 6 & 8 Tinworth Street premises. These premises were unoccupied during the period from 1 February to 21 March 2017. The GOSH Charity is actively seeking to sublet this space. Fees payable to the Charity's auditors for the audit of the Charity's Financial Statements of £6,000 (2015/16: £14,000).

Sparks Charity

Notes to the financial statements

4. Support costs

| | Staff costs | IT and Comms | Other | Period ended 31 March 2017 | Year ended 31 January 2017 |
|--------------------------------------|-------------|--------------|-----------|-------------------------------|-------------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost of expenditure on raising funds | (3) | 11 | 23 | 31 | 329 |
| Research | (2) | 4 | 10 | 12 | 86 |
| Total | (5) | 15 | 33 | 43 | 415 |

Support costs include the costs of the following departments and activities: Governance, Finance, Technology, Human Resources, Administration, Office Running Costs, Business Support, Brand Marketing, Communications and Supporter Services. These are allocated using a Full-Cost model, which is calculated using drivers from each departments activities during the year.

5. Grant-funded activities

| | Period ended 31 March 2017 | Year ended 31 January 2017 |
|--|-------------------------------|-------------------------------|
| | £000 | £000 |
| Name of recipient: | | |
| Erasmus MC – Sophia Children’s Hospital, The Netherlands | 149 | - |
| Institute of Child Health | 14 | 62 |
| UZ Leuven, Belgium | 149 | - |
| Queen Mary University of London | 149 | 2 |
| Royal Hospital for Children, Glasgow | 150 | - |
| University of Bath | 147 | - |
| University of Birmingham | 147 | - |
| University College London | 317 | 150 |
| Brunnell University | - | 107 |
| University of Zurich | - | 50 |
| Radboudumc Amalia Children’s Hospital | - | 93 |
| Neurosciences Centre | - | 19 |
| Kings College London | - | 12 |
| Dr Manish Sadarangani and University of Oxford | - | 1 |
| POPSY Charity | - | 2 |
| FROM Foundation, Italy | - | 2 |
| Manchester University | - | 2 |
| Total | 1,222 | 502 |

Sparks Charity

Notes to the financial statements

6. Details of staff costs

| | Period ended 31 March 2017 | Year ended 31 January 2017 |
|--|-------------------------------|-------------------------------|
| | No. of staff | No. of staff |
| The full-time equivalent average number of employees is split as follows: | | |
| Support | - | 10 |
| Fundraising | - | 13 |
| Charitable expenditure | - | 3 |
| Total | - | 26 |

6.1 Analysis of staff costs

| | Period ended 31 March 2017 | Year ended 31 January 2017 |
|--------------------------------------|-------------------------------|-------------------------------|
| | £000 | £000 |
| Salaries and wages | - | 946 |
| Social security costs | - | 89 |
| Pension costs | - | 13 |
| Total emoluments of employees | - | 1,048 |

6.2 Senior employees

The following number of senior employees received emoluments falling within the following ranges (excluding pension contributions):

| | Period ended 31 March 2017 | Year ended 31 January 2017 |
|-------------------|-------------------------------|-------------------------------|
| | No. of staff | No. of staff |
| £90,000 - £99,999 | - | 2 |

Key management personnel emoluments, comprising wages and salaries, pension contributions and other benefits:

| | Period ended 31 March 2017 | Year ended 31 January 2017 |
|---------------------------------|-------------------------------|-------------------------------|
| | £000 | £000 |
| Key management personnel | - | 377 |

After the merger with GOSH Charity, Sparks no longer has any employees. All staff and management are employed by the GOSH Charity, who undertake activities and the management of the Charity on its behalf. More detail on staff costs are available in the group consolidated Financial Statements. For the year ended 31 January 2017, the Charity had 5 key management personnel.

7. Trustee remuneration

None of the Trustees received any remuneration from the Charity during the current or previous financial year. No Trustees were reimbursed for expenses incurred while carrying out their responsibilities for the Charity during the year (year to 31 January 2017: none).

Sparks Charity

Notes to the financial statements

8. Investments

8.1 Analysis of fixed asset investments

| | Total at 31 March 2017 £000 | Total at 31 January 2017 £000 |
|--------------------------------------|--------------------------------------|--|
| Fixed asset investments: | | |
| Market value at 1 February 2017 | 2,403 | 2,151 |
| Less: | | |
| Disposals at carrying value | (2,403) | (1,071) |
| Acquisitions at cost | - | 1,602 |
| Net (loss)/gain on revaluation | - | (279) |
| Market value at 31 March 2017 | - | 2,403 |
| Historic cost at 31 March 2017 | - | 2,020 |

Represented by:

Listed investments:

| | | |
|---------------------------------------|----------|--------------|
| Ruffer LLP Portfolio | - | 1,269 |
| Heartwood Wealth Management Portfolio | - | 1,133 |
| Access Intelligence Shares | - | 1 |
| Total | - | 2,403 |

9. Inventories

| | | |
|--------------------|----------|-----------|
| Goods for resale | 9 | 16 |
| Inventories | 9 | 16 |

10. Debtors

| | | |
|--|------------|------------|
| Trade debtors | 32 | 67 |
| Other debtors | 1 | 1 |
| Prepayments | 268 | 173 |
| Accrued income | 192 | 195 |
| Debtors falling due within one year | 493 | 436 |

Sparks Charity

Notes to the financial statements

| | Total at 31 March 2017 £000 | Total at 31 January 2017 £000 |
|---|--------------------------------------|--|
| 11. Creditors: amounts falling due within one year | | |
| Trade creditors | 23 | 22 |
| Amounts owed by group undertakings | 179 | - |
| Grants awarded (Note 13) | 1,588 | 1,328 |
| Other creditors | 5 | 13 |
| Accruals | 24 | 22 |
| Deferred income | 109 | 44 |
| Creditors falling due within one year | 1,928 | 1,429 |
| 12. Creditors: amounts falling due after more than one year | | |
| Grants awarded (Note 13) | 1,223 | 400 |
| Creditors falling due after one year | 1,223 | 400 |
| 13. Grants awarded | | |
| Outstanding liabilities brought forward at 1 February 2017/1 April 2016 | 1,728 | 2,877 |
| Awarded during the period/year | | |
| Research | 1,222 | 502 |
| Awarded during the period/year | 1,222 | 502 |
| Paid during the period/year | | |
| Research | (139) | (1,597) |
| Paid during the period/year | (139) | (1,597) |
| Adjustments in the period/year | | |
| Research | - | (54) |
| Adjustments in the period/year | - | (54) |
| Outstanding liabilities at 31 March/31 January | 2,811 | 1,728 |
| Amounts falling due within one year | 1,588 | 1,328 |
| Amounts falling due after more than one year | 1,223 | 400 |
| Outstanding liabilities at 31 March/31 January | 2,811 | 1,728 |

Liabilities for grants awarded represent the unpaid balance on grants awarded by the Charity as at the balance sheet date. They relate to current activities funded by the Charity to which it is firmly committed.

Sparks Charity

Notes to the financial statements

14. Funds

| | 31 January 2017 £000 | Incoming resources £000 | Resources expended £000 | Transfers between funds £000 | Gains and losses £000 | 31 March 2017 £000 |
|-------------------------------------|----------------------------|-------------------------------|-------------------------------|------------------------------------|-----------------------------|--------------------------|
| 14.1 Restricted funds | | | | | | |
| Medical Research Fund | 238 | - | (588) | 350 | - | - |
| Rare Disease Fund | 36 | - | (36) | - | - | - |
| Innovation Fund | 31 | - | (31) | - | - | - |
| Rooney Foundation | 55 | - | (55) | - | - | - |
| Rooney Foundation Innovation Fund | 37 | - | (37) | - | - | - |
| Regional Fundraising | 2 | - | (2) | - | - | - |
| Steel Charitable Trust | 1 | - | (1) | - | - | - |
| Unrealised Loss on Foreign Exchange | 10 | - | (10) | - | - | - |
| CDHUK | - | - | (462) | - | - | (462) |
| Total restricted funds | 410 | - | (1,222) | 350 | - | (462) |
| 14.2 Unrestricted funds | | | | | | |
| General funds | 384 | 58 | (57) | 3 | 4 | 392 |
| Designated funds | 603 | - | - | (353) | - | 250 |
| Total unrestricted funds | 987 | 58 | (57) | (350) | 4 | 642 |
| Total funds | 1,397 | 58 | (1,279) | - | 4 | 180 |

Unrestricted, restricted and designated funds

Transfers between funds represent:

- General funds may be designated for a particular purpose should the Trustees decide this to be appropriate.
- Designated funds may be used against a particular restricted fund should the Trustees decide this to be appropriate.

Sparks Charity

Notes to the financial statements

15. Commitments, liabilities and provisions

There are no commitments, liabilities or provisions requiring disclosure other than those included in the financial statements (year to 31 January 2017: £ nil).

16. Annual commitments under non-cancellable operating leases

| | Total at 31 March 2017 £000 | Total at 31 January 2017 £000 |
|--------------------------------|--|--|
| Operating leases which expire: | | |
| Within one year | 109 | 109 |
| Between one and five years | 327 | 327 |
| Total | 436 | 436 |

The leases relate to 6 & 8 Tinworth Street. Following the merger with GOSH Charity, the property is currently unoccupied and the Charity is seeking to sublet it.

17. Related party transactions

During the financial period, there have been no payments for services to any related parties.

Income received during the financial period from related parties totalled £Nil (year to 31 January 2017: £83,945).

18. Ultimate controlling party

The sole member and controlling party of Sparks Charity is GOSH Charity (charity registration no 1160024), which is a company limited by guarantee (company number 09338724). Group Financial Statements have been prepared for the financial year ended 31 March 2017 which consolidates the results of Sparks for the two month period.

The Charity has taken advantage of the exemption under Section 33.11 of FRS102 to not disclose transactions between members of a group where the subsidiary undertaking is wholly owned by a member of that group.

The parent undertaking of the group which includes the Charity and for which group Financial Statements are prepared is GOSH Charity. Copies of the GOSH Charity consolidated annual report can be obtained from www.gosh.org