

Institute of Imagination

Charity Registration No. 1109276
Company Registration No. 04921852

Annual Trustees' report and financial statements **For the year ended 31 December 2022**



Institute of Imagination

Annual report and financial statements For the year ended 31 December 2022

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Institute of Imagination

Legal and administrative information

Trustees

Lady A Shaw-Scott Adjaye (resigned 22 March 2023)

B J Demeroutis

M Dorion

T Gilbert

A Greenberg

K Grussing (resigned 31 December 2022)

Dr L Guyton (resigned 22 March 2023)

B Koby

C Metcalfe

M Reilly (resigned 31 December 2022)

S Sotomey

C Tavernier

D Uehlein

L Watson

CEO

M Allen

Charity number

1109276

Company number

04921852

Principal address and Registered office

School 360

5 Sugar House Lane

London

E15 2QS

Bankers

Coutts & Co

440 Strand

London

WC2R 0QS

Lawyers

Joelson JD LLP

2 Marylebone Road

London

NW1 4DF

Accountants

Peters Elworthy & Moore

Salisbury House

Station Road

Cambridge

CB1 2LA

Institute of Imagination

Trustees' report

Introduction by the Chair of Trustees

2022 was an important year for the Institute of Imagination (iOi) as our team redoubled their commitment to create the space, tools and opportunities for creativity to thrive.

I hope this report gives you an insight into the results achieved by the charity and how in the face of acute challenges for children in our society we have developed, scaled and are becoming a force for change for children's learning.

Basil Demeroutis,
Chair of Trustees

Report from the CEO

The Institute of Imagination (iOi) is a well-established education charity. We work with parents, teachers, youth and community leaders and academics. We design and deliver creative learning experiences across the arts, sciences and digital technologies for marginalised and disadvantaged children. These experiences empower children today to believe they can build a just, fair and sustainable world tomorrow.

Through our vital work with primary school-aged children, we are delivering practical, scalable and transformative solutions. We have engaged with over 140,000 children since our charity was formed, and with many more parents, teachers, community leaders and other educators in England and in selected countries around the world helping transform children's lives with fundamental skills which can help them navigate a rapidly changing world.

Supporting children to develop creativity and aspiration must be a priority for everyone. It is especially vital for those with the poorest opportunities. Unlocking the innovator and entrepreneur within each child, and their imagination, should be a child's right. We understand the power of creativity, so now more than ever, we are working hard to scale our reach and be a force for change within the education system. With access to creative learning, our children will be prepared for an uncertain future and be equipped with the confidence and ambition to thrive.

So I hope this report gives you a snapshot into our 2022 results and how we have evolved and developed to enable us to be well placed for the road ahead.

Martin Allen Morales,
CEO

2022: Summary of our activities

The financial year 2022 saw a range of initiatives aimed at positively impacting children's education and well-being. Through STEAM activities and fostering creativity, these programs contributed to empowering the next generation and paving the way for a brighter and more equitable future.

iOi Schools Programme

During the year, the iOi Schools Programme made a significant impact on children's education and learning. The programme successfully reached 9,450 children through 95 schools and provided crucial support to 656 educators and teachers. Through live broadcasts directly to classrooms, the iOi Schools Programme delivered highly engaging STEAM activities and supportive workshop materials, resources and equipment. This initiative not only enhanced the learning experience for the children but also encouraged their curiosity and creativity across multiple subjects.

RE:CODE

The RE:CODE programme offered educational resources and opportunities in areas facing challenges, this initiative aimed to provide equal learning prospects for children irrespective of their background. Through RE:CODE, these children had access to quality digital education, which can have far-reaching effects on their future prospects and socio-economic mobility. The programme used LEGO Education kits and a highly successful mentor approach to engage primary schools through a local University Technical College (UTC). Over the course of the 12 week programme, young mentors aged 16-19 from the UTC supported Key Stage 2 children on creating innovative prototypes for future eco homes and eco cities. The programme worked with 6 school classes, 1124 children, 18 teachers and 28 young mentors.

Institute of Imagination

Trustees' report

Lambeth Digital Heroes

The iOi continued to build deep impact, working alongside hyper local communities. In Lambeth we worked in partnership with community hubs including Millennium Community Solutions and The Baytree Centre and with Local Authority services like Lambeth's virtual schools to provide digital creative experiences to children who would not normally have access to these learning opportunities. Over 5 weeks we ran immersive workshops using innovative tools and technologies before handing the Digital Heroes club onto the hub to continue legacy work (with some capacity and training support). We worked with over 300 children directly through the clubs but many hundreds more participated through legacy workshops. We also loaned out over 500 digital devices to children and families. Digital Heroes legacy workshops continue to thrive.

Micro:bit international workshops – India

Working internationally, the iOi was commissioned by The micro:bit Educational Foundation and The British Council in India to support over 100 teachers in the creative training of micro:bit. Linked to the Sustainable Development Goals and the Foundation's 'do your bit' challenge, we supported teachers through live online workshops, empowering the teachers to deploy micro:bit classes in their regional schools.

Imagination Box

The Imagination Box initiative touched the lives of 4,069 children and their families during the year. This program focused on nurturing creativity and imagination among children by providing them with hands-on and interactive activities. By involving families, the initiative sought to strengthen the bond between parents and children and create a supportive learning environment at home. Encouraging creativity from a young age can significantly impact a child's cognitive and emotional development, laying the foundation for a well-rounded personality.

iOi at Home

The iOi's digital content platform, iOi at Home, continued to support educators and families with on demand activities which enables participants to engage in iOi at their own pace. The growing repository of videos and downloadable content supports our programmes with additional material.

Disney Nordics

The iOi continued to provide consultancy services to a range of businesses including Disney where we collaborated with the Nordics Team to design and deliver a highly interactive workshop for social media influencers in Copenhagen. The aim of the workshop was to promote the power of imagination and play to parents. The resulting content from the workshop reached 1,498,769 users and had 1,525,407 impressions through social media channels.

Key Statistics for the Year

The charity reached 23,132 children and young people across the year through programmes, events and other activities. In addition a total of 736 teachers and educational professionals were enrolled in programmes.

The focus of work in the Schools Programme was 9 London Boroughs, supporting marginalised and disadvantaged children in areas of high indices of deprivation. A total of 9,450 children were reached in 314 classes at 95 schools.

Charitable Objectives

The charity's objective is to champion opportunities for children and young people of all backgrounds, focused on developing their imaginations, a quality that is vital to creativity and the ability to adapt and thrive in a rapidly changing world.

The Trustees have paid due regard to the public benefit guidance published by the Charity Commission.

In the coming years, the charity will focus on marginalised 5 to 11 year old children in London's disadvantaged boroughs, with a plan to grow our work in regionally in areas of disadvantage in England to follow.

Institute of Imagination

Trustees' report

If we have already started work internationally, we will complete this but carefully consider future work internationally so that we can focus on England as a priority in the near future.

Provision of annual report and basis of preparation

The Trustees, who are directors for the purposes of company law, provide the annual report together with the financial statements of the charitable group and company for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition - October 2019) (effective 1 January 2019). The Trustees have chosen to take advantage of the small company's exemption from preparing a strategic report.

Structure, governance and management

The Charity is a company limited by guarantee without share capital and is governed by its memorandum and articles of association. The charity owns the entire share capital of IOI Enterprise Limited, the principal activity of which is the delivery of commercial programmes that ultimately benefit the charity financially and reputationally.

The Trustees who served during the year and at the date of signing, were:

Lady A Shaw-Scott Adjaye (resigned 22 March 2023)

B J Demeroutis

M Dorion

T Gilbert

A Greenberg

K Grussing (resigned 31 December 2022)

Dr L Guyton (resigned 22 March 2023)

B Kobay

C Metcalfe

M Reilly (resigned 31 December 2022)

S Sotomey

C Tavernier

D Uehlein

L Watson

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

New Trustees are appointed with a view to maintaining an appropriate balance of skills and experience. Appointments of Trustees are reviewed by a senior sub-committee of the Board together with members of Management and Leadership and ratified by the Board of Trustees. Trustees hold office for a fixed term of 3 years and one third of Trustees are considered for reappointment at annually. All Trustees receive information about their responsibilities as a part of their induction. Training is provided to existing Trustees as and when the need arises.

The Charity's approach to fundraising is to work with our Trustees and existing supporters to identify new sources of funds and then engage and inspire them with our work. Our focus is on statutory, corporates, trusts and foundations, and major donors as well as generating income from events. We seek to build long-term relationships with our supporters demonstrating a high social return on investment. We do not currently use commercial participants or external fundraisers. We are registered with the Fundraising Regulator and follow applicable law and recognised standards.

The Trustees have paid due regard to the public benefit guidance published by the Charity Commission.

Day to day management responsibilities in 2022 were carried out by the CEO and other key management personnel in the Director group, who are rewarded at rates competitive for the sector.

Institute of Imagination

Trustees' report

Levels of delegated authority, from Trustees to management have been detailed in the Financial Policies and Procedures document. Commitment levels have been set as follows:

- Over £100,000 by the Board of Trustees
- £25,001 to £100,000 by a Trustee who is a member of the Finance and Advancement (FAC) Committee
- £1,000 to £25,000 by the CEO
- Under £1,000 by a Head of Department

The authority limits were reviewed by the Finance Committee and approved by the Trustees.

Principal risks and mitigations

The Trustees have assessed the major risks to which the Charity is exposed. The principal risk for the organisation is in respect to the weaker UK economy and economic instability arising from other global factors that might have a long-term effect on both programming and fundraising. Reputational damage from a failure in safeguarding or health and safety, and inadequate financial reserves disrupting future plans remain the other major risks for the organisation in 2023.

These risks have been mitigated in part by careful planning in the context of a thorough strategic review completed in 2022. Better planning, market research and fundraising development have strengthened the organisation already.

The Trustees remain confident about levels of annual income and funding targets. Expenditure is closely managed to ensure liquidity remains satisfactory.

In lower income scenarios, the Trustees have determined that expenditure could be postponed or cancelled without permanent detriment to the organisation's ability to meet its charitable purpose.

Thanks to our Supporters

Our success and continued development in 2022 were made possible thanks to the generosity of our supporters. On behalf of the Trustees and staff at the Institute of Imagination and all those who are impacted by our work, we would like to thank the following for their generous support in 2022:

- AG Manly Charitable Trust
- Aspers Good Causes Fund
- Charles Skey Charitable Trust
- The Childhood Trust
- Lego Company Ltd
- Paul Hamlyn Foundation
- Re-Tek UK Ltd
- Royal Docks
- Walcot Foundation
- Young Londoners Fund
- ZVM Rangoonwala Foundation UK

And all those who made a donation but who wish to remain anonymous.

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months of expenditure, estimated to be between £250,000 and £500,000 at 31 December 2022. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

At the end of the year, reserves of £439,925 (2021: £487,073) were held including restricted funds of £129,822 (2021: £51,659) leaving free reserves of £310,103. This level of reserves is therefore consistent with the policy.

Institute of Imagination

Trustees' report

The Trustees, having reviewed the income and expenditure forecasts for at least one year from the date of approval of the financial statements, and having considered future planned activities, consider that the charity has adequate resources for its operations. The Trustees therefore continue to adopt the going concern basis of preparing the annual financial statements.

During the year, the principal source of funding was donations. Total income of £826,425 (2021: £1,151,191) included donations of £615,713 (2021: £966,884) used to fund our programmes and our operating costs. Expenditure of £873,573 (2021: £926,612) consisted of raising funds £ 206,836 (2021: £151,106) and charitable activities of £666,737 (2021: £775,506) relating to programme activity.


Investment Policy

At the end of 2022 and 2021, all investments were held in cash.

When funds allow, the charity may invest in a portfolio of investment products. The charity will not invest directly in sectors that it deems in conflict with its charitable mandate and objectives, notably arms, pornography, and tobacco. The charity, through investments in fixed income and equity mutual funds, exchange traded funds (ETFs) and/or other investment products, recognises that it may have indirect exposure to some, or all, of these sectors. However, further to consultation with its investment advisers and in the context of the overall holdings of these investment products, the charity is of the view that its exposure to these sectors, to the extent it exists, is very small.

The charity will continually revalue its portfolio and be vigilant against exposure to sectors it deems inappropriate. Once the capital base of the charity allows for it, the Finance & Advancement Committee will consider dedicated Socially Responsible Investing (SRI) products and assess whether these are appropriate for the portfolio in terms of diversification, costs, and risk profile. Long term, it is the ambition of the Institute of Imagination to move closer towards "pure" SRI products.

Approved by the Board of Trustees
and signed on behalf of the Board of Trustees



B J Demeroutis
Chair of Trustees

Date: 28 September 2023

Institute of Imagination

Trustees' responsibilities statement

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Institute of Imagination

Independent examiner's report to the trustees of institute of imagination ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2022

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act'):

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed 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 the accounts 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) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the 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 accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

Institute of Imagination

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

Nikki Loan (Examiner)

For and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Independent Examiner
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 28 September 2023

Institute of Imagination

Consolidated Statement of Financial activities, including income and expenditure account for the year ended 31 December 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations	3	285,817	329,896	615,713	765,802	201,082	966,884
Other trading activities	4	209,683	-	209,683	184,183	-	184,183
Investment income		1,029	-	1,029	124	-	124
Total income		<u>496,529</u>	<u>329,896</u>	<u>826,425</u>	<u>950,109</u>	<u>201,082</u>	<u>1,151,191</u>
Expenditure on:							
Trading and raising funds	5	(206,836)	-	(206,836)	(151,106)	-	(151,106)
Charitable activities	5	(415,004)	(251,733)	(666,737)	(568,254)	(207,252)	(775,506)
Total expenditure		<u>(621,840)</u>	<u>(251,733)</u>	<u>(873,573)</u>	<u>(719,360)</u>	<u>(207,252)</u>	<u>(926,612)</u>
Net movement in funds		<u>(125,311)</u>	<u>78,163</u>	<u>(47,148)</u>	<u>230,749</u>	<u>(6,170)</u>	<u>224,579</u>
Reconciliation of funds:							
Total funds brought forward	18	<u>435,414</u>	<u>51,659</u>	<u>487,073</u>	<u>204,665</u>	<u>57,829</u>	<u>262,494</u>
Total funds carried forward		<u><u>310,103</u></u>	<u><u>129,822</u></u>	<u><u>439,925</u></u>	<u><u>435,414</u></u>	<u><u>51,659</u></u>	<u><u>487,073</u></u>

There were no other recognised gains or losses other than those listed above and net (expenditure)/ income for the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 27 form part of these financial statements.

Institute of Imagination

Consolidated Balance sheet As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	13	9,032	23,994
Current assets			
Debtors	14	25,053	153,421
Cash at bank and in hand		575,942	620,203
		600,995	773,624
Creditors: amounts falling due within one year	15	(170,102)	(310,545)
Net current assets		430,893	463,079
Total assets less current liabilities		439,925	487,073
The funds of the Charity:			
Restricted funds	18	129,822	51,659
Unrestricted funds	18	310,103	435,414
		439,925	487,073

The deficit of the parent charity for the year for Companies Act purposes is £41,634 (2021: surplus of £169,253). As permitted by section 408 of the Companies Act, no separate statement of financial activities is presented in respect of the parent charity.


The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

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

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 28 September 2023. They were signed on its behalf by:



B J Demeroutis
Chair of Trustees

The notes on pages 14 to 27 form part of these financial statements.

Institute of Imagination

Charity Balance sheet As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Investment in subsidiary	11	10	10
Tangible assets	13	9,019	18,472
		<u>9,029</u>	<u>18,482</u>
Current assets			
Debtors	14	221,849	54,327
Cash at bank and in hand		336,159	617,937
		<u>558,008</u>	<u>672,264</u>
Creditors: amounts falling due within one year	15	<u>(127,085)</u>	<u>(209,155)</u>
Net current assets		<u>430,923</u>	<u>463,109</u>
Total assets less current liabilities		<u>439,952</u>	<u>481,591</u>
The funds of the Charity:			
Restricted funds	18	129,822	51,659
Unrestricted funds	18	310,130	429,932
		<u>439,952</u>	<u>481,591</u>

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 28 September 2022. They were signed on its behalf by:



B J Demeroutis
Chair of Trustees

The notes on pages 14 to 27 form part of these financial statements.

Institute of Imagination

Consolidated Cash flow statement For the year ended 31 December 2022

	Note	2022 £	2021 £
Net cash flows from operating activities	21	(43,112)	258,147
Cash flows from investing activities			
Investment income		1,029	124
Purchase of tangible fixed assets		(2,178)	(13,093)
Net cash flows from investing activities		(1,149)	(12,969)
Net (decrease)/increase in cash and cash equivalents in the year		(44,261)	245,178
Cash and cash equivalents at the beginning of the year		620,203	375,025
Total cash and cash equivalents at the end of the year		575,942	620,203
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		575,942	620,203
Cash and cash equivalents		575,942	620,203

The notes on pages 14 to 27 form part of these financial statements.

Institute of Imagination

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

General information and basis of accounting

Institute of Imagination is a Charity incorporated in the United Kingdom and registered in England and Wales under the Companies Act. The address of the registered office is:

School 360
5 Sugar House Lane
London
E15 2QS

The nature of the Charity's operations and its principal activities are set out in the Trustees' report on pages 2 to 16.

Basis of preparation

The financial statements are prepared under the historical cost basis of accounting except for investments held at revalued amounts, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition - October 2019) (effective 1 January 2019), and the Companies Act 2006.

The functional currency of the Institute of Imagination is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

The Institute of Imagination meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The financial statements have been prepared in respect of the Charity and its wholly owned subsidiary undertaking IOI Enterprise Limited, a company incorporated and registered in England and Wales. These financial statements have been consolidated on a line-by-line basis and the results of the subsidiary undertaking are disclosed in note 12. The consolidated entity is referred to as 'the Group'. The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activities.

Statement of cash flows

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

Going concern

The Trustees, after preparing financial plans annually, have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Fund accounting

Unrestricted funds are those which are available for the general purposes of the Charity at the discretion of the Trustees.

Restricted funds are those which have been received for undertaking an activity specified by the donor. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Institute of Imagination

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Income

Income is recognised in the statement of financial activities when it becomes receivable, and the entitlement, measurement and probable principals are met.

Income is deferred only to the extent that it has been received in advance for specific conditions to be met.

Donated services are included at their estimated open market value to the charity.

Expenditure

All expenses are recognised when an invoice is received. Provisions are included in the statement of financial activities to the extent that goods and services have been contracted for but not yet received.

Raising funds are costs related to the generation of voluntary income for the Charity.

Expenditure on charitable activities is any that relates directly to fulfilling the charitable objects of the Charity.

Governance costs relate to the direct running of the Charity, allowing the Charity to operate and generate the information required for public accountability.

Staff costs and support costs are analysed and apportioned on the basis of management's estimation of the time spent on each activity.

Investment and bank deposits

Fixed asset investments are stated at market value. Gains and losses arising from either the change in market value or on sale are included in the Statement of Financial Activities including the income and expenditure account. Income from listed investments is accrued when due for payment. In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment. Interest on deposits is accrued on a daily basis.

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% straight-line basis
Fixtures, fittings and equipment	25% straight-line basis
Library Equipment	50% straight line basis

Tangible fixed assets are tested only for impairment when an indicator exists. Fixed assets below £1,000 are not capitalised.

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

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.

Institute of Imagination

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Defined pension contribution scheme

The Charity runs a defined contribution pension scheme whereby the amount charged to the statement of financial activities is in respect of the pension contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The parent company is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part II, section 466 onwards) or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Current tax for the subsidiary company, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing difference that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Monetary assets and liabilities are translated into sterling at the exchange rate ruling on the balance sheet date. Foreign exchange gains are recognised as other income and foreign exchange losses are recognised within the relevant category of charitable activity expenditure for the period in which they are incurred.

Operating leases

Expenditure on operating leases is accounted for on a straight-line basis over the life of a lease.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there to be any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

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Notes to the financial statements
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3. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	285,817	329,896	615,713	765,802	201,082	996,884
Total	285,817	329,896	615,713	765,802	201,082	996,884

Donations and gifts are derived from targeted fundraising by the organisation. There were no donated services in 2022 or 2021.

4. Analysis of income from trading activities

	2022 £	2021 £
Corporate sales	204,224	184,183
School and partnership sales	5,459	-
	<u>204,683</u>	<u>184,183</u>

All income from trading activities in 2022 and 2021 was unrestricted.

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2022

5. Expenditure

	2022 £	2021 £
Raising funds	206,836	151,106
Charitable activities		
Activities undertaken directly	393,446	551,220
Support costs (note 7)	259,936	212,201
Governance costs (note 7)	<u>13,355</u>	<u>12,855</u>
Total	666,737	775,506
	<u>873,573</u>	<u>926,612</u>

Charitable activities undertaken directly primarily constitute research and development in the Imagination Labs and finding a suitable site to establish a permanent centre.

Cost of raising funds includes salaries and other direct fundraising costs.

	Cost of raising funds £	Charitable activities £	Support costs £	Total 2022 £	Cost of raising funds £	Charitable activities £	Support costs £	Total 2021 £
Management and governance	56,995	79,794	203,274	340,063	47,373	42,555	225,057	404,194
Fundraising costs	139,154	-	-	139,154	94,098	-	-	94,098
Marketing and PR	10,687	46,309	70,017	127,013	9,635	40,949	89,210	50,584
Experience and learning	-	267,343	-	267,343	-	377,736	-	377,736
	<u>206,836</u>	<u>393,446</u>	<u>273,291</u>	<u>873,573</u>	<u>151,106</u>	<u>461,240</u>	<u>314,267</u>	<u>926,612</u>

6. Auditors' remuneration

	2022 £	2021 £
Auditor's remuneration:		
- Fees payable for audit of the charity's annual financial statements	-	11,300
- Fees payable for the Independent examination of the charity's annual financial statements	10,950	-
- Fees payable for other services to the group	<u>1,422</u>	<u>850</u>

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Notes to the financial statements
For the year ended 31 December 2022

7. Analysis of governance and support costs

	2022	2021
	£	£
Administration costs	126,863	78,208
Staff costs	108,292	120,303
IT expenses	24,781	15,689
Total support costs	259,936	212,201
Legal and professional costs (governance)	13,355	12,855
Total governance and support costs	273,291	225,056

Support costs are those which allow charitable activities to be carried out but which do not relate directly to an activity.

Governance costs are those which are attributable to the Charity's compliance with constitutional and statutory requirements, including audit. Governance costs have been allocated to charitable activities as they relate directly to fulfilling the objects of the Charity.

8. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year (2021: nil).

Institute of Imagination
Notes to the financial statements
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9. Employees

The payroll costs were as follows:

	2022	2021
	£	£
Group and Charity		
Wages and salaries	488,243	451,366
Social security costs	47,491	45,884
Other pension costs	14,365	12,816
	<u>550,099</u>	<u>510,066</u>

The average monthly number of full time and part time employees during the year was:

	2022	2021
	No.	No.
Group and Charity		
Management	4	4
Support	8	7
	<u>12</u>	<u>11</u>

The number of employees whose employee benefits (including redundancy costs but excluding employers pension costs) was £60,000 or more was:

	2022	2021
	No.	No.
£90,001 to £100,000	1	-
£60,001 to £70,000	<u>1</u>	<u>2</u>

Key management personnel are defined as the Director Group that includes the CEO and Executive Co-Directors. The total employment benefits paid to key management personnel (including pension contributions) during the year was £220,864 (2021: £272,518).

Key management personnel are remunerated at market rate.

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Notes to the financial statements
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10. Tax on profit of trading subsidiary

	2022 £	2021 £
Analysis of tax charge on current activities		
UK corporation tax at 19% based on profit for the year	-	-
Factors affecting tax charge for the year		
The tax assessed for the year is the same as (2021: the same as) the standard rate of corporation tax in the UK of % (2021: 19%). The differences are explained below:		
	2022 £	2021 £
(Profit) before tax	(203)	(118)
Profit multiplied by standard rate of corporation tax in the UK of 19%	(38)	(22)
Use of losses	-	11
Qualifying charitable donations	38	11
	-	-

11. Investment in subsidiary

Charity	Total £
Cost	
At 1 January 2022	10
Additions	-
At 31 December 2022	10

The Charity owns the entire issued ordinary share capital of IOI Enterprise Limited. The registered office of the subsidiary is the same as that of the Charity. The principal activity of the company is the delivery of programmes to commercial partners.

12. Principal subsidiary

Subsidiary name	IOI Enterprise Limited
Company registration number	11069407
Basis of control	100% ownership

	2022	2021
Total assets as at 31 December 2022	£245,520	£167,070
Total liabilities as at 31 December 2022	£245,552	£161,588
Total funds as at 31 December 2022	(£32)	£5,482
Turnover for the year ended 31 December 2022	£204,224	£169,915
Expenditure for the year ended 31 December 2022	£209,738	£114,588
(Deficit) / Surplus for the year ended 31 December 2022	(£5,514)	£55,327

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Notes to the financial statements
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13. Tangible fixed assets

Group	Library Equipment £	Computer Equipment £	Total £
Cost			
At 1 January 2022	19,841	28,730	48,571
Additions	-	2,178	2,178
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2022	19,841	30,908	50,749
Accumulated depreciation			
At 1 January 2022	10,706	13,871	24,577
Charge for the year	8,337	8,803	17,140
	<hr/>	<hr/>	<hr/>
At 31 December 2022	19,043	22,674	41,717
Net book value			
At 31 December 2022	798	8,234	9,032
	<hr/>	<hr/>	<hr/>
At 31 December 2021	9,135	14,589	23,994
	<hr/>	<hr/>	<hr/>
Charity	Library Equipment £	Computer equipment £	Total £
Cost			
At 1 January 2022	19,841	12,145	31,986
Additions	-	2,178	2,178
	<hr/>	<hr/>	<hr/>
At 31 December 2022	19,841	14,323	34,164
Accumulated depreciation			
At 1 January 2022	10,706	2,808	13,514
Charge for the year	8,337	3,294	11,631
	<hr/>	<hr/>	<hr/>
At 31 December 2022	19,043	6,102	25,145
Net book value			
At 31 December 2022	798	8,221	9,019
	<hr/>	<hr/>	<hr/>
At 31 December 2021	9,135	9,337	18,472
	<hr/>	<hr/>	<hr/>

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2022

14. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Debtors after more than one year				
Amounts owed from subsidiary undertaking	-	-	-	-
Debtors within one year				
Trade debtors	-	136,199	-	16,200
Other debtors	66	11,376	66	11,376
Prepayments and accrued income	24,987	5,846	19,262	5,846
Amounts owed from subsidiary undertaking	-	-	202,521	20,905
	<u>25,053</u>	<u>153,421</u>	<u>221,849</u>	<u>54,327</u>

15. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	80,818	81,656	80,818	80,068
Taxes and social security costs	21,085	34,911	14,155	34,911
Other creditors	6,921	15,728	6,834	16,641
Accruals	61,278	178,250	25,278	38,252
Amounts owed to subsidiary undertaking	-	-	-	39,283
	<u>170,102</u>	<u>310,545</u>	<u>127,085</u>	<u>209,155</u>

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Deferred income at 1 Jan 2022	105,000	-	-	-
Resources deferred during the year	-	105,000	-	-
Amounts released from previous periods	(105,000)	-	-	-
	<u>-</u>	<u>105,000</u>	<u>-</u>	<u>-</u>

16. Called-up share capital

The Charity is limited by guarantee without share capital.

17. Commitments under operating leases

At 31 December 2022 the Group and Charity had £nil non-cancellable operating leases commitment which falls within less than one year.

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2022

18. Analysis of group charitable funds – Current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Unrestricted Funds				
Institute of Imagination	429,922	292,305	412,092	310,135
IOI Enterprise Limited	5,492	204,224	209,748	(32)
	<u>435,414</u>	<u>496,529</u>	<u>621,840</u>	<u>310,103</u>
Restricted funds				
Outreach Programme	51,550	140,074	(191,624)	-
Local Government funded programmes	5,029	-	(5,029)	-
Community Programme responding to COVID	(4,920)	-	4,920	-
Funding for Imagination Boxes	-	173,072	(60,000)	113,072
Schools Programme	-	16,750	-	16,750
	<u>51,659</u>	<u>329,896</u>	<u>251,733</u>	<u>129,822</u>
	<u>487,073</u>	<u>826,425</u>	<u>873,573</u>	<u>439,925</u>

The charity only reserves comprise the unrestricted Institute of Imagination fund and the Restricted funds.

Analysis of group charitable funds – Prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted Funds				
Institute of Imagination	254,500	780,194	(604,772)	429,922
IOI Enterprise Limited	(49,835)	169,915	(114,588)	5,492
	<u>204,665</u>	<u>950,109</u>	<u>(719,360)</u>	<u>435,414</u>
Restricted funds				
Lambeth Community Programme	16,719	-	(16,719)	-
Black Heart Foundation	-	25,000	(25,000)	-
Lerek Foundation	-	30,000	(30,000)	-
Outreach Programme	8,470	51,550	(8,470)	51,550
Local Government funded programmes	1,385	47,923	(49,308)	5,029
Community Programme responding to COVID	31,255	46,500	(77,755)	(4,920)
	<u>57,829</u>	<u>201,082</u>	<u>(207,252)</u>	<u>51,659</u>
	<u>262,494</u>	<u>1,151,191</u>	<u>(926,612)</u>	<u>487,073</u>

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Notes to the financial statements

For the year ended 31 December 2022

18. Analysis of charitable funds – Current year (continued)

Unrestricted funds are those which are available for the general purposes of the Charity at the discretion of the Trustees.

Restricted fund income of £329,896 (2021: £201,082) relates to donations for the following activities:

- The Schools Programme Fund supports in-school learning activities
- The Imagination Box Fund supports the production and distribution of activity boxes to children and families
- The Outreach Programme Fund that supports selected community-based activities throughout London.

Restricted fund in the prior year supported:

- Lambeth Community Programme Fund supported activities directed towards local Lambeth residents.
- The Outreach Programme Fund supported selected community-based activities throughout London.
- Local Government Funded Programmes were supported by grants provided by local authorities and other government bodies.
- The 'Community Programme responding to COVID' supported home programming.
- The Black Heart Foundation supported an Imagination Box programme
- The Lerak Foundation supported a community art installation and programme

19. Analysis of net assets between funds – Current year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2022:			
Investments	-	-	-
Tangible assets	9,032	-	9,032
Current assets	471,173	129,822	600,995
Creditors: amounts falling due within one year	(170,102)	-	(170,102)
	<u>310,103</u>	<u>129,822</u>	<u>439,925</u>
Charity			
Fund balances at 31 December 2022:			
Investments	10	-	10
Tangible assets	9,019	-	9,019
Current assets	428,186	129,822	558,008
Creditors: amounts falling due within one year	(127,085)	-	(127,085)
	<u>310,130</u>	<u>129,822</u>	<u>439,952</u>

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Notes to the financial statements
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Analysis of net assets between funds – Prior year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2021:			
Investments	-	-	-
Tangible assets	23,994	-	23,994
Current assets	721,965	51,659	773,624
Creditors: amounts falling due within one year	(310,545)	-	(310,545)
	<u>435,414</u>	<u>51,659</u>	<u>487,073</u>
Charity			
Fund balances at 31 December 2021:			
Investments	10	-	10
Tangible assets	18,472	-	18,472
Current assets	620,605	51,659	672,264
Creditors: amounts falling due within one year	(209,155)	-	(209,155)
	<u>429,932</u>	<u>51,659</u>	<u>481,591</u>

20. Related party transactions

No donations were received from Trustees during the year.

In 2021, a donation received from Black Heart Foundation, a party related to a trustee, amounted to £25,000 and a donation from John Lyons Charity, a party with a mutual Trustee, amounted to £25,900.

There were no other related party transactions.

21. Reconciliation of net (expenditure)/income to cash generated by operating activities

	Group 2022 £	Group 2021 £
Net income/(expenditure) per statement of financial activities	(47,148)	224,579
Add back depreciation charge	17,140	13,409
Deduct investment income	(1,029)	(124)
(Increase)/decrease in debtors	128,368	(130,020)
Increase/(decrease) in creditors	(140,443)	150,303
Cash (used)/generated by operating activities	<u>(43,112)</u>	<u>258,147</u>

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22. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	473,422	518,258
Notice Deposits (up to 3 months)	102,520	101,945
Total cash and cash equivalents	575,942	620,203

Analysis of changes in net debt

	At 1 Jan 2022	Cash Flows	At 31 Dec 2022
Cash at bank and in hand	620,203	(44,261)	575,942

23. Employee benefits

Defined contribution schemes

The Charity operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the statement of financial activities in the year ended 31 December 2022 was £12,555 (2021: £12,816). Contributions of £3,056 (2021 - £ Nil) were outstanding at the balance sheet date.

24. Other commitments

As at 31 December 2022, the Company was committed to payments of £9,600 (2021 - £6,400) under a license agreement for premises.