

institute of imagination

Annual Trustees' report and financial statements

For the year ended 31 December 2018





CONTENTS

A	TRUSTEES’ REPORT	
	Real change, real impact	2
	Chief executive’s report	4
	iOi vision	6
	2018 highlights	8
	iOi in action	10
	2018 achievements at a glance	12
	Thank you	14
	Legal and administrative information	15
	Structure, governance and management	16
	Objectives and activities	17
	Financial review	18
	Investment policy	18
	Going concern	19
	Disclosure of information to auditor	19
	Auditor	19
B	TRUSTEES’ RESPONSIBILITIES STATEMENT	20
C	INDEPENDENT AUDITOR’S REPORT	21
D	STATEMENT OF FINANCIAL ACTIVITIES	24
E	CONSOLIDATED BALANCE SHEET	25
F	CHARITY BALANCE SHEET	26
G	CONSOLIDATED CASH FLOW STATEMENT	27
H	NOTES TO THE FINANCIAL STATEMENTS	28

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 audited financial statements of the charitable group and company for the year ended 31 December 2018.

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) (effective 1 January 2015). The Trustees have chosen to take advantage of the small companies exemption from preparing a strategic report.

Real change, real impact

Building on our breakout year in 2017, 2018 was a year of extending our reach and cementing our reputation as a charity capable of delivering real change. Through the continued development of our programme at the Imagination Lab in Lambeth, and through our outreach programme across London, we reached 19,228 people (a 16% increase on the previous year) of which 13,592 were children (a 33% increase on the previous year).

Importantly, 98% of those surveyed would both return to an Institute of Imagination event and would recommend us to others and 94% of teachers said the workshops inspired them to rethink the techniques and approaches they used with their students after our Lab Learn sessions for primary school groups.

Our Imagination Lab programme included the roll-out of our coding and robotics programme, RE:CODE London, which we launched at the end of 2017 in partnership with LEGO and the Mayor of London and for which we were delighted to win the Digital Collaboration of the Year award at the DL100 Awards in June. We also hosted our first ever cultural residency, a commission won by an artist collective who developed a 'Super City', which saw participants create a city of ideas made and sculpted out of wire.

Alongside this rich and evolving programme, we continued to deliver new world-class collaborations. This included a takeover of Tate Britain that saw us engage more than 1,500 people, of which 29% were first time visitors to Tate and 54% were from a BAME background. We also partnered with the Wellcome Collection to transform The Hub on the theme of 'Our Brains and Us'. 720 children, young adults, teachers and parents engaged in workshops designed to connect people of different ages, interests and learning abilities.

All of this fantastic work has helped to build further momentum towards opening the iOi campus – a permanent home for the Institute of Imagination. Having signed a head of terms, through the year we developed a robust business model for the campus and continued to grow the exciting process of masterplanning the space. However circumstances didn't allow us to progress this particular site but as you will see below we are taking all the energy and knowledge to a new site.

It has been a privilege to lead the organisation through this period of growth and development. I am keenly aware that everything we do is only possible thanks to the generosity of our supporters and volunteers and the dedication of our staff and Board of Trustees. My sincere thanks to all of you. It is because of you that we are able to make a real difference for children, including one eleven-year-old who attended 'Our Brains and Us' and said, "My day has been fun, exciting and happy. I want to stay here forever."

Ric Lewis
Chair of Trustees



"All of the activities today have allowed the children to come up with their own ideas...I don't have access to these kinds of resources at home but the event has introduced me to them, and as parent I feel better equipped to continue this fun learning and playing at home."

Lee, Parent

Chief Executive's Report

I began 2018 fired up by the immense potential we had to deliver impact for children and families at a time when imagination is needed more than ever. As I look back over everything we have achieved, and the setbacks we have overcome, I am incredibly proud of my team and hugely grateful to our family of supporters for making it all possible. Through the year thousands of people of all ages have been given the opportunity to develop new skills, to explore new ideas and to build their confidence and resilience. We have championed the power of imagination and been part of a growing call for change in how we are all empowered to learn and develop.

We set ourselves four key objectives for 2018:

- Deliver wider impact and broader stakeholder engagement.
- Drive the development of the iOi campus, including experience masterplanning and business modelling.
- Ensure organisational readiness for the next phase of our development.
- Generate the income needed to deliver our goals, including philanthropic and earned income.

We have indeed delivered wider impact and engagement, with a 16% increase in participants at our events, a range of new partnerships and a significant increase in our engagement online. We also standardised our evaluation methodology and have improved our data capture to help us ensure we are making the greatest possible difference to the greatest number.

With a Heads of Terms agreement on a location for the iOi campus in place, we worked closely with the developer and architect throughout the year to design an iconic home. Much work was undertaken on masterplanning, project management and experience design. However as the developer faced Brexit headwinds across the whole development and increasing uncertainty, at the end of the year we came to an agreement with them to cease negotiations on that particular site. Due to increasing commercial pressures, we feel this was the best decision for the Institute of Imagination, our funders and our beneficiaries. Our energy and commitment continue to be focused on delivering a permanent home for the iOi in order to deliver the greatest impact for the greatest number of people, and at time of writing we have meetings and visits with fantastic site options and are actively discussing terms.

Despite this setback we made substantial progress on planning for the iOi campus. We worked with Barker Langham, leading cultural planners and strategists, to develop a sophisticated business model that ensures the campus will be financially self-sustainable. We also worked with Heatherwick Studio and one of our international advisors to develop our experience masterplan thinking and approach and are excited by the ideas that have emerged and continue to evolve. The iOi campus will truly be a one-of-a-kind space. All this valuable work is portable and will be taken forward to the new campus location which we plan to secure in 2019.

In order to ensure organisational readiness, we have continued to develop team capacity, from embedding systems such as accounting software XERO to upskilling existing team members and bringing in additional team resource. We have also brought in targeted external expertise as required to ensure we are always working to best and next practice in everything we do, from business planning to fundraising strategy.

Fundraising was a big focus for us through the year, as our ambitious goals will only be possible with the shared vision and generosity of our funders. We were delighted to receive significant support from a range of philanthropists, foundations and companies both for our ongoing work at the Imagination Lab and towards development of the iOi campus. We also increased the amount of earned income generated from our programmes, moving us further towards our ultimate goal of financial sustainability.

In 2019 we will be focusing on delivering five key objectives:

- Progress development of the iOi campus, including securing a new location and further developing our experience masterplan.
- Grow our audience and deliver wider impact.
- Continue to grow our organisational capacity.
- Secure the income and pledged income we need to deliver our goals.
- Continue to deliver an innovative and engaging Imagination Lab programme.

As we have moved into 2019, I am pleased to say that we have been approached by a number of developers and site owners who are keen to explore the potential of the iOi campus at their locations and following a series of site visits, we are in conversation on terms. The year looks set to be one of further innovation, growth and engagement and I'm excited by the enormous potential we have to deliver ever greater impact. A big part of this will be the opening of the Imagination Lab for the whole of August where we will expand across the 12,000 sq feet of The Engine Hall within The Workshop and welcome thousands of visitors. I look forward to continuing to work with our team, our Board, our partners and our supporters and to creating space to re-imagine our world, together.



Gareth Binns
Chief Executive

iOi vision



In 2016 the World Economic Forum (WEF) estimated that 65% of children entering primary school today will ultimately end up working in completely new job types that don't yet exist. In the 2018 update to their Future of Work report they found that the fundamental pace of change had only accelerated.

Developments in fields such as artificial intelligence, nano technology and 3D printing are already causing widespread disruption, and the skill sets people need to thrive are also experiencing enormous change. Creativity, critical thinking and problem-solving have rapidly emerged as the most essential skills for the future.

Crucially, the WEF suggests the transformations brought about by technological breakthroughs, if managed wisely, could lead to a new age of good work, good jobs and improved quality of life for all, but if managed poorly, pose the risk of widening skills gaps, greater inequality and broader polarisation. They have called on governments, businesses, educators and individuals alike to take advantage of a rapidly closing window to make the necessary changes to create a bright future for everyone.

The Institute of Imagination exists to bring about that change.

We believe imagination is the cornerstone of creativity, problem-solving and innovation. It is

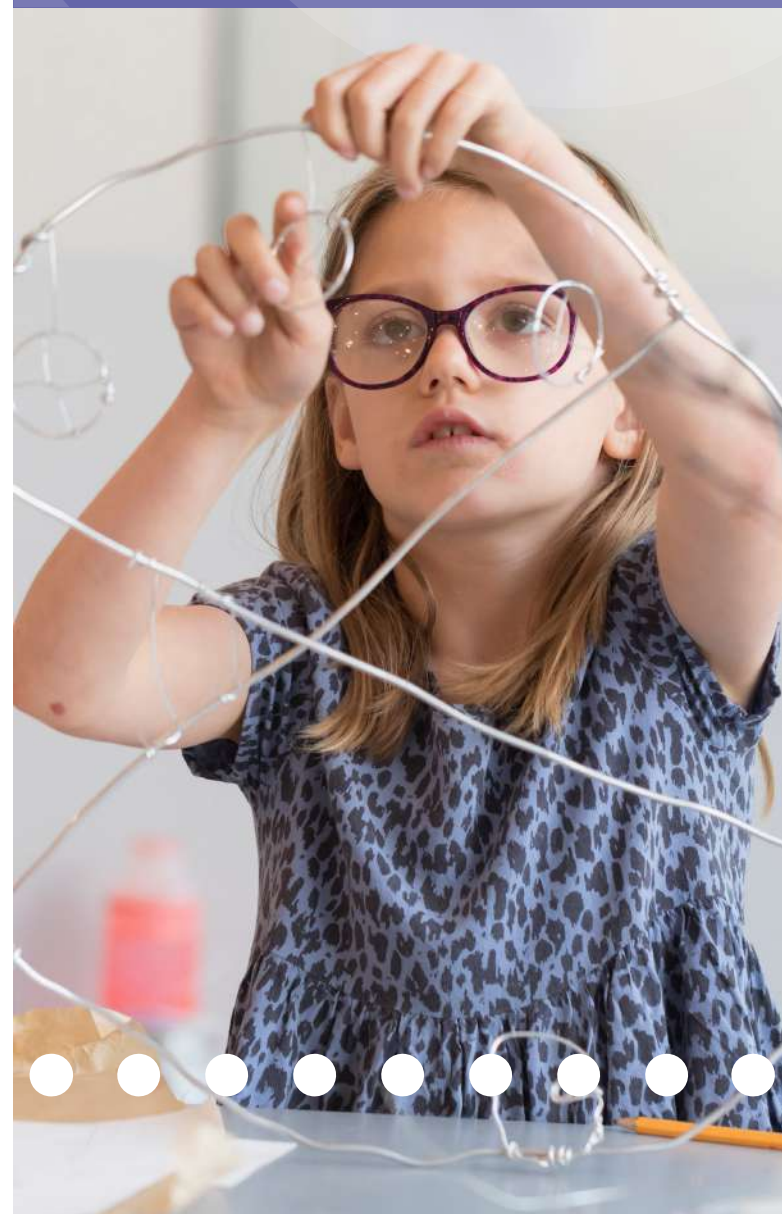
also vital for wellbeing and empathy. It's nothing short of a 21st Century survival skill. Despite this, there is little focus on imagination in the curriculum, little space is given to its development in industry and increasingly busy schedules are squeezing freedom of imagination from the home. Children and adults alike are suffering from its absence.

The Institute of Imagination is a UK registered charity set up to create space for imaginations to grow. We deliver accessible and inclusive activities, events and training for children, families and adults that blend the arts, sciences and digital technologies. To date we have directly engaged more than 45,000 people. We are also developing a radical research agenda to better understand and promote the power of imagination for everyone.

To continue our work, we need a public space that prioritises imagination. That's why we're creating the Institute of Imagination campus – a new, world-class cultural space in London. This space will give the development, application and research of imagination a home worthy of its fundamental importance to humanity. It will be a space in which ideas can thrive. A space where international collaborations can be forged and nurtured. A space where creative thinking, experimentation and learning will be encouraged to flourish. A space with children and families at its heart.

"It was fantastic. It's the best event we've been to...since we've had kids. It was a wonderful day. What stood out to me? The variety and focus on science, future, imagination, and the many different ways for different children to exercise that imagination. It was really well put together and the individual activities were fantastic."

Parent, Lab Live: Future Me





Mayoral endorsement

In February we were thrilled to welcome Mayor of London, Sadiq Khan, to the growing group of supporters championing the power of imagination through our Imagination Matters campaign. The Mayor, who is an advocate for the importance of imagination in driving the creative energy of London, said "Creativity and imagination are at the heart of why London is a leading global city where business, education and culture can flourish. To remain a great world city, we need to keep the best ideas flowing. That's why I'm backing the Imagination Matters campaign, it will fire up the imaginations of the next generation and help keep London at the top of its game."



Photo by Alex Wojcik

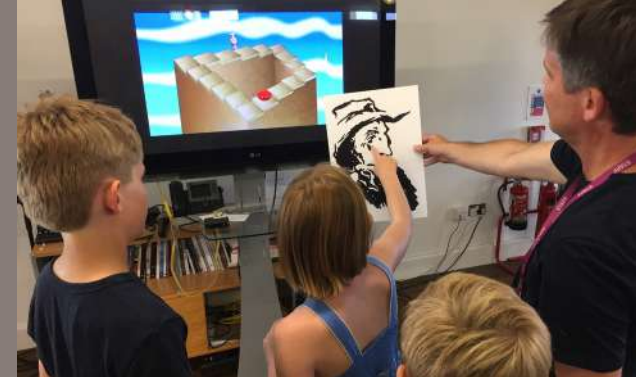
Tate takeover

We partnered with Tate Britain in March to deliver digital activities and interventions throughout their galleries, with the aim of engaging children and their families with iconic artworks and creating an inclusive and hands-on experience for younger visitors. Artists, children and families responded to artworks through a variety of digital interventions from creating audio soundscapes to coding live visual art. The day was the most popular digital family day Tate have ever held in their space, with over 1,500 people taking part in activities. From virtual reality and tinkering with motors to building temporary cities, children were inspired by art and imagination.



Winning awards

In 2017, we launched RE:CODE London, a partnership with the Mayor of London and LEGO® Group. At these school sessions, young Londoners aged 9-11 take on a real-world coding challenge at the Imagination Lab, learning to code and move a LEGO prototype robot. This exciting partnership continued throughout 2018, including a focus on students with Special Educational Needs and Disabilities (SEND). In June 2018, we were incredibly proud to be awarded a Digital Leaders 100 Award, for the best Cross-Sector Digital Collaboration of the Year for this programme. We continue to evolve sessions, with more planned throughout 2019 and beyond.



iOi and Wellcome

In July, we took up residence at The Hub at Wellcome Collection for two weeks of school and family sessions. The Hub at Wellcome Collection is a dynamic, interdisciplinary research space where people from a range of backgrounds collaborate on projects exploring medicine, life and art. We helped open up the Hub to children and young people for the first time, working with the team at Wellcome to explore neurodiversity in a programme of events called 'Our Brains and Us'. The programme was designed to be inclusive for all ages and abilities to collaborate together. We engaged 450 children and adults, of which 33% had SEND and worked with 270 schoolchildren and teachers local to Wellcome Collection.

FEBRUARY

MARCH

JUNE

JULY

2018

Highlights

DECEMBER

NOVEMBER

OCTOBER

AUGUST

A Living Wage

In December, we were accredited a Living Wage Employer. This means that every member of staff working for the iOi now and in the future will earn a real Living Wage. 1 in 5 employees in the UK earn below the Living Wage – two thirds of children living in poverty have a parent at work. We feel that introducing the Living Wage is more than just an investment in our staff, it's an investment in future generations too. As we work towards creating the iOi campus, we want to ensure that we always have children and families at our heart. Implementing the Living Wage for our staff is just one way we will ensure this, and we're pleased to join a community of over 4,700 other employers across the UK, who have also committed to paying a Living Wage.



Rolls-Royce at the Lab

We were delighted to continue our partnership with Rolls-Royce in November, with a programme of events aimed to inspire new generations about the challenges and possibilities presented by our future energy demands, as well as introduce the role that electrification can play. The Lab was transformed into an immersive test space that encouraged a range of STEAM skills, from coding drones to testing aerodynamics with tumbling gliders and junk modelling. As a legacy from the partnership, we created resources in the form of three activity videos and a work pack for Rolls-Royce STEM Ambassadors, to be used to inspire creative learning.



Lab Live with OKIDO

In October, we reached our biggest numbers to date with a bumper two-day Lab Live extravaganza in partnership with OKIDO Magazine, the monthly science and art magazine for children – known for their CBeebies TV show, Messy goes to OKIDO. The event demonstrated how combining STEAM subjects can help children to use and stretch their imaginations for creative and inventive outcomes. Working with 20 partner makers we welcomed over 1,300 visitors to the Lab and brilliant feedback. "The kids had an absolutely amazing time! We could have easily spent another whole day there!". We are working with OKIDO again in 2019.



Super City

Super City, a project by artists' collective Jim Bond, Helaina Sharpley and Samantha Bryan, was the winning concept for our first cultural residency at the Imagination Lab. The residency, funded by the ICF, responded to the Imagination Matters theme 'Places to Imagine'. Through a series of workshops, a mini-city of buildings populated by people, transport and infrastructure was built collaboratively by children, families, adults and school groups. Each workshop built on the work of the last, growing Super City through many hands over time. The residency happened over four months and in August a rigging system was installed at the Lab so Super City can be enjoyed and explored by future visitors.



iOi in action

A closer look at one of our 2018 projects



Thanks to the generous support of the Rangoonwala Foundation, we launched the Lambeth Community Programme in September 2017. This two-year programme offers supported activities at the Imagination Lab to local Lambeth residents through Lab Life events, a Tinkering Club, Lab Learn sessions for schools and sponsored tickets through the Lambeth Accessibility Programme to our wider programme of events. In September 2018 we reached the halfway point of the programme and were delighted with its impact in the first year.

From the start of the programme to September 2018, 2,986 visits were made to the Imagination Lab as part of the Lambeth Community Programme. Of the 2,986 visits, 1,781 were made by children, of which 244 had Special Educational Needs and Disabilities (SEND). Munira, a Lambeth parent, said "a lot of the activities are things I have never seen or tried before myself, so it has been a great opportunity for me to explore and play too."

The original target was to reach 2,170 visits to the Imagination Lab each year, throughout the duration of the two-year grant. We were proud to have surpassed this initial impact target

by 816 in September 2018, the end of the first year of the programme.

Each Lambeth-specific workshop has been designed with the community at its heart, ensuring that all members of the local community, regardless of background or ability, are encouraged to interact with one another. The aim was to create a community around the Lab. Lambeth is an ethnically diverse borough, 41% of residents are BAME (London Assembly data, 2018). 55% of attendees surveyed at Lambeth Community Programme events described their ethnicity as other than White British. The beneficiaries accessing the Lambeth Community Programme are representative of Lambeth's complex cultural and ethnic mix.

The programme has gone from strength to strength, evidenced by the success of Tinkering Clubs. Tinkering Clubs run every four to six weeks on a Saturday and encourage open-ended experiments to develop inquisitiveness. An iOi Tinkering Club is a space for children to interact and engage with their peers and to meet other young people from the local area. Each 2.5 hour workshop follows a unique theme and provides children with new and exciting skills through the exploration of circuits, coding and crafts.

"I love the idea of combining different subjects, this is something that I can bring home with me."

Natalie, a Lambeth parent



In 2018 we delivered seven Tinkering Clubs. These sessions were among the most popular events in the programme, consistently sold out in advance of the event and continue to be. Omarion, aged 11, came to Tinkering Club: Tinkering with Flight and described it as "techy, fun and interactive" while Natalie, a Lambeth parent, said "I love the idea of combining different subjects, this is something that I can bring home with me."

As part of the Lambeth Community Programme we created a Volunteer Programme that welcomes individuals from Lambeth and other local boroughs. We would not be able to achieve our impact without the fantastic support and enthusiasm of our volunteers. The aim of the programme is to help up-skill local residents by offering them volunteer training at the Imagination Lab. Volunteer Evenings are an opportunity for people to use new technologies and learn new skills, which simultaneously supports employability and up-skills them as iOi volunteers. With these skills, individuals are able to support events and activities at the Imagination Lab, further strengthening our work with the local community.

In the first year of the programme we welcomed 64 new volunteers, surpassing our initial target of 40 for each year of the programme. We currently have a strong community of 227 active volunteers and Ashna, an iOi Volunteer, reflected "volunteering with the iOi has allowed me to hone back in to my creative skills set and has reignited my love for science and the arts."

Without the support of the Rangoonwala Foundation we would not be able to deliver the Lambeth Community Programme. This programme has allowed the iOi to successfully create and nurture relationships within the local community. We will continue to do this after the Rangoonwala grant comes to a close this year and look forward to demonstrating the impact our work continues to make for the children, young people, and adults in Lambeth.



2018 Achievements at a glance

- Won a Digital Leaders 100 award for RE:CODE London
- Ran our first cultural residency
- Established our Founding Circle of donors
- Increased our reach by 16%
- Delivered a series of amazing takeovers and outreach activities with world renowned partners, including Tate Britain and the Wellcome Collection.
- 98% of visitors would both return to an Institute of Imagination event and would recommend us to others
- 85% of children felt more positive about their talents and potential after visiting an iOi event
- Over 80% of children said they used their imagination more than they usually would
- Over 94% of teachers said the workshops inspired them to rethink the techniques and approaches they used with their students, an increase on last year

90
volunteers

5,598
parents and teachers

207
school workshops

891

children with Special Educational Needs and Disabilities (SEND)

13,540

children in school and family groups

268

workshops delivered

105

partners across education, science, technology and the arts

Thank you

Our success and continued development in 2018 were made possible thanks to the generosity of our Imagineers. 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 organisations and individuals for their generous support in 2018:

- Alta Advisers Limited
 - Aviva
 - Charles Skey Charitable Trust
 - Adrian Clarke
 - D'Oyly Carte Charitable Trust
 - DK UK
 - Graham-Pelton
 - John Lyon's Charity
 - Millennium Global Charitable Trust
 - Postcode Community Trust
- Rolls-Royce plc
 - Rosemarie Nathanson Charitable Trust
 - Santander Foundation
 - Stavros Niarchos Foundation
 - Tech Trust
 - The Friends of the Livesey Museum for Children
 - The Rangoonwala Foundation
 - Walcot Foundation
 - Dixons Carphone
 - Arts Council England

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

Legal and administrative information

Trustees

B J Demeroutis
M Dorion
K Grussing
R Lewis
J Quinn (resigned
31 January 2019)
M Reilly
D Uehlein
N Viner

Chief Executive

G Binns

Charity number

1109276

Company number

04921852

Principal address

Second Home
68 Hanbury Street
London
E1 5JL

Registered office

Second Home
68 Hanbury Street
London
E1 5JL

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Lawyers

Brown Rudnick LLP
8 Clifford Street
London
W1S 2LQ

Auditor

Peter Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA



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 a comprehensive activity programme for the Charity and other parties.

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

B J Demeroutis	J Quinn
M Dorion	M Reilly
K Grussing	D Uehlein
R Lewis	N Viner

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 the nominations committee and ratified by the board of Trustees. Trustees hold office for a 4 year fixed term and one third of Trustees are considered for reappointment at the annual general meeting. 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 Trustees have assessed the major risks to which the Charity is exposed. The principal risks and uncertainties are in respect of developing the chosen site and being successful in our capital campaign. We have instructed a professional advisor and are in the process of reviewing a shortlist of potential sites. The capital campaign is being supported by the Trustees and managed by an experienced fundraising team. Trustees are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity's approach to fundraising is to work with our Trustees and existing supporters to identify new potential donors and then engage and inspire them with our work. Our focus is on corporates, trusts and foundations and major donors. We seek to build long standing relationships with our supporters, growing trust and respect and building the reputation of the Charity. For that reason, we do not currently use commercial participators or external fundraisers. We are registered with the Fundraising Regulator and follow applicable law and recognised standards.

Day to day management responsibilities are delegated to the Chief Executive and other key management personnel in the Director group, who are rewarded at rates competitive for the sector.

Levels of delegated authority, from Trustees to management have been detailed in a policy document. Commitment levels have been set as follows:

- Up to £25,000 approved by the Chief Executive
- £25,001 to £100,000 approved by a Trustee who is a member of the Finance Committee
- Over £100,000 approved by the Board of Trustees.

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

Objectives and activities

The Charity's objective is to develop a new, world-class cultural space in London and there has been no change in this objective during the year.

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

Over the next five years, our focus will be directed towards delivering a site for the iOi campus. In support of this we will: continue to shape our experience and operational business plans; develop the design and deliver the fit-out of the campus building; scale up our operational capacity; and deliver a successful fundraising campaign.

Our Imagination Lab has rolled out a comprehensive programme of activities through 2018 for a range of audiences. Through this period, we have also continued to initiate new approaches to engagement and build a considerable number of new partnerships. Our aim is to once again directly engage around 20,000 people through the course of 2019 Imagination Lab programme.



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 month's expenditure. 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. This level of reserves has been exceeded at the year-end whilst the Charity progresses a suitable site for development. At the end of the year, reserves of £1,085,261 (2017: £787,955) were held including restricted funds of £116,752 (2017: £89,043).

During the year, the principal source of funding was donations. Total income of £1,639,571 (2017: £641,718) included donations of £1,571,373 (2017: £577,306) used to fund our programmes and our operating costs.

Expenditure of £1,342,265 (2017: £1,314,148) consisted of raising funds £340,998 (2017: £492,614) which is due to a reduction in events compared to the prior year but maintained resources in the fundraising team to support grant applications and the capital campaign programme launched in 2016. Charitable activities of £1,001,267 (2017: £821,534) relates to increased campus related and outreach activity.

Investment Policy

On occasions, the charity invests 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 Investment 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.

At the end of 2018, all investments were held in cash.

Going Concern

The Trustees assess whether the use of the going concern basis of preparation is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees believe that the Charitable Company is financially secure for the foreseeable future, thus continue to adopt the going concern basis of preparing the annual financial statements.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Peters Elworthy & Moore have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



R Lewis
Chair of Trustees

20 May 2019

B TRUSTEES' RESPONSIBILITY 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.



C INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Institute of Imagination (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor’s 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 Auditor’s 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 Auditor’s Report.

Use of our report

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company’s Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an Auditor’s Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jayne Anne

Jayne Rowe
(Senior statutory auditor)
7 June 2019

For and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditor

Salisbury House
Station Road
Cambridge
CB1 2LA

D STATEMENT OF FINANCIAL ACTIVITIES

Consolidated statement of financial activities, including income and expenditure account For the year ended 31 December 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
Donations	3	1,176,242	395,131	1,571,373	436,676	140,630	577,306
Other trading activities	4	65,606	-	65,606	64,412	-	64,412
Investment income		2,592	-	2,592	-	-	-
Total income		1,244,440	395,131	1,639,571	501,088	140,630	641,718
Expenditure on:							
Trading and raising funds	5	(336,424)	(4,574)	(340,998)	(482,845)	(9,769)	(492,614)
Charitable activities	5	(638,419)	(362,848)	(1,001,267)	(705,975)	(115,559)	(821,534)
Total expenditure		(974,843)	(367,422)	(1,342,265)	(1,188,820)	(125,328)	(1,314,148)
Net gains on investments		-	-	-	2,677	-	2,677
Net (expenditure)/income for the year		269,597	27,709	297,306	(685,055)	15,302	(669,753)
Reconciliation of funds:							
Total funds brought forward	17, 18	698,912	89,043	787,955	1,383,967	73,741	1,457,708
Total funds carried forward		968,509	116,752	1,085,261	698,912	89,043	787,955

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 28 to 45 form part of these financial statements.

E CONSOLIDATED BALANCE SHEET

As at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	13	25,459	18,867
Current assets			
Debtors	14	54,582	113,226
Cash at bank and in hand		1,136,492	731,744
		1,191,074	844,970
Creditors: amounts falling due within one year	15	(131,272)	(75,882)
Net current assets		1,059,802	769,088
Total assets less current liabilities		1,085,261	787,955
The funds of the Charity			
Restricted funds	17, 18	116,752	89,043
Unrestricted funds:	17, 18	968,509	698,912
		1,085,261	787,955

The surplus of the parent charity for the year for Companies Act purposes is £344,580 (2017: £787,955). As permitted by section 408 of the Companies Act, no separate statement of financial activities is presented in respect of the parent charity.

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 20 May 2019. They were signed on its behalf by:



R Lewis
Chair of Trustees

The notes on pages 28 to 45 form part of these financial statements.

F CHARITY BALANCE SHEET

As at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Investment in subsidiary	11	10	10
Tangible assets	13	10,347	18,867
		10,357	18,877
Current assets			
Debtors	14	90,827	113,226
Cash at bank and in hand		1,117,128	731,744
		1,207,955	844,970
Creditors: amounts falling due within one year	15	(85,777)	(75,892)
Net current assets		1,122,178	769,078
Total assets less current liabilities		1,132,535	787,955
The funds of the Charity			
Restricted funds	17, 18	116,752	89,043
Unrestricted funds	17, 18	1,015,783	698,912
		1,132,535	787,955

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 20 May 2019. They were signed on its behalf by:



R Lewis
Chair of Trustees

The notes on pages 28 to 45 form part of these financial statements.

G CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2018

	Notes	2018 £	2017 £
Net cash flows from operating activities	21	353,304	(829,405)
Cash flows from investing activities			
Investment income		2,592	-
Gains on investment		-	2,677
Other income		65,606	64,412
Purchase of tangible fixed assets		(16,754)	(713)
Income transfers from investment		-	1,361,970
Acquisition of subsidiary		-	(10)
Net cash flows from investing activities		51,444	1,428,336
Net increase in cash and cash equivalents in the year		404,748	598,931
Cash and cash equivalents at the beginning of the year		731,744	132,813
Total cash and cash equivalents at the end of the year		1,136,492	731,744
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		1,136,492	731,744
Cash and cash equivalents		1,136,492	731,744

The notes on pages 28 to 45 form part of these financial statements.

H NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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:

Second Home
68 Hanbury Street
London
E1 5JL

The nature of the Charity's operations and its principal activities are set out in the Trustees' report on pages 2 to 19.

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), and the Companies Act 2006.

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

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 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.

1. Accounting policies (continued)

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.

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.

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.

1. Accounting policies (continued)

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

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.

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.

1. Accounting policies (continued)

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 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.

3. Income from donations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
Donations and gifts	1,176,242	395,131	1,571,373	436,676	140,630	577,306
Unrestricted funds:						
Donations			1,035,742			267,708
Gift Aid			62,500			43,839
Donated services			78,000			125,129
			1,176,242			436,676

Donations and gifts are derived from targeted fundraising by the organisation. Donated services are provided pro-bono from Katten Munchin Rosenman UK LLP £nil (2017: £45,179), Lego Education £nil (2017: £1,800), Microbit Foundation £nil (2017: £150), and U+I £78,000 (2017: £78,000).

U+I provided pro bono rental to the workspaces used for the company's workshops.

4. Analysis of income from trading activities

	2018 £	2017 £
Public admissions	34,735	53,949
Retail sales	1,995	2,454
Corporate sales	5,760	2,238
School and partnership sales	20,864	1,730
Other trading income	2,252	4,041
	65,606	64,412

5. Expenditure

	2018 £	2017 £
Raising funds	340,998	492,614
Charitable activities		
Activities undertaken directly	698,525	414,967
Support costs (note 7)	268,676	365,311
Governance costs (note 7)	34,066	41,256
Total	1,001,267	821,534
	1,342,265	1,314,148

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 and Govern- ance costs £	Total 2018 £	Cost of raising funds £	Charitable activities £	Support and Govern- ance costs £	Total 2017 £
Management and governance	253,118	438,381	34,066	725,565	153,470	557,721	41,256	752,447
Fundraising costs	51,110	-	-	51,110	31,394	-	-	31,394
Property costs	-	78,000	-	78,000	-	4,750	-	4,750
Marketing and PR	36,770	-	-	36,770	307,750	-	-	307,750
Experience and learning	-	450,820	-	450,820	-	217,807	-	217,807
Total income	340,998	967,201	34,066	1,342,265	492,614	780,278	41,256	1,314,148

6. Net (income)/expenditure for the year

	2018 £	2017 £
Net (income)/expenditure is stated after charging:		
Depreciation of owned assets	10,162	6,485
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's annual financial statements	10,046	8,000
Fees payable to the charity's auditor for other services to the group	16,372	19,650

7. Analysis of governance and support costs

	2018 £	2017 £
Administration costs		
Before creditor write off	32,196	10,112
Aged creditor write off in the year	-	(11,812)
	32,196	(1,700)
Staff costs	224,205	296,541
IT expenses	12,275	70,470
Total support costs	268,676	365,311
Audit and professional costs	34,066	39,875
Directors and officers insurance	-	1,381
Total governance costs	34,066	41,256
	302,742	406,567

7. Analysis of governance and support costs (continued)

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.

Administration costs at the year end are in a credit position due to the write off of aged creditors.

8. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year (2017: nil).

9. Employees

The payroll costs were as follows:

	2018 £	2017 £
Group and Charity		
Wages and salaries	501,959	407,399
Social security costs	52,613	42,725
Other pension costs	18,347	19,286
	572,919	469,410

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

	2018 Number	2017 Number
Group and Charity		
Management	4	4
Support	8	6
	12	10

9. Employees (continued)

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

	2018 Number	2017 Number
£90,001 to £100,000	1	1
£60,001 to £70,000	1	0

Key management personnel are defined as the Director Group. Previously this included only the Chief Executive. The Director Group now includes the Chief Executive, Director of Development & Communications, Director of Finance and Enterprise and Director of Experience and Learning. The total employment benefits paid to key management personnel (including pension contributions) during the year was £289,020 (2017: £97,850) which included redundancy costs of £nil (2017: £nil).

Key management personnel are remunerated at market rate.

10. Tax on profit of trading subsidiary

	2018 £	2017 £
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 (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Loss before tax	47,274	-
Loss multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	8,982	-
Deferred tax not recognised	(8,982)	-
	-	-

10. Tax on profit of trading subsidiary (continued)

Factors that may affect future tax charges

From 1 April 2020, the UK corporate tax rate will reduce further to 17%. A current tax rate of 19% has been applied to the year ended 31 December 2018.

11. Investment in subsidiary

Charity	Total £
Cost	
At 1 January 2018	10
Additions	-
At 31 December 2018	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 a comprehensive programme of activities for a range of audiences.

12. Principal subsidiary

IOI Enterprise Limited	
Subsidiary name	IOI Enterprise Limited
Company registration number	11069407
Basis of control	100% ownership
Total assets as at 31 December 2018	£45,128
Total liabilities as at 31 December 2018	£92,392
Total deficit as at 31 December 2018	£47,264
Turnover for the year ended 31 December 2018	£188,806
Expenditure for the year ended 31 December 2018	£236,080
Loss for the year ended 31 December 2018	£47,274

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018 (continued)

13. Tangible fixed assets

Group	Computer equipment £	Fixtures, fittings, and equipment £	Total £
Cost			
At 1 January 2018	20,383	27,413	47,796
Additions	16,754	-	16,754
At 31 December 2018	37,137	27,413	64,550
Accumulated depreciation			
At 1 January 2018	18,100	10,829	28,929
Charge for the year	3,309	6,853	10,162
At 31 December 2018	21,409	17,682	39,091
Net book value			
At 31 December 2018	15,728	9,731	25,459
At 31 December 2017	2,283	16,584	18,867

13. Tangible fixed assets (continued)

Charity	Computer equipment £	Fixtures, fittings, and equipment £	Total £
Cost			
At 1 January 2018	20,383	27,413	47,796
Additions	822	-	822
At 31 December 2018	21,205	27,413	48,618
Accumulated depreciation			
At 1 January 2018	18,100	10,829	28,929
Charge for the year	2,489	6,853	9,342
At 31 December 2018	20,589	17,682	38,271
Net book value			
At 31 December 2018	616	9,731	10,347
At 31 December 2017	2,283	16,584	18,867

14. Debtors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Debtors after more than one year				
Amounts owed from subsidiary undertaking	-	-	43,377	-
Debtors within one year				
Other debtors	19,661	59,800	16,920	59,800
Prepayments and accrued income	34,921	53,426	30,530	53,426
	54,582	113,226	90,827	113,226

15. Creditors: amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	53,391	17,386	39,870	17,386
Taxes and social security costs	12,577	22,374	12,577	22,374
Other creditors	2,983	3,127	2,494	3,127
Accruals	62,321	32,995	27,320	32,995
Amounts owed to subsidiary undertaking	-	-	3,516	10
	131,272	75,882	85,777	75,892

16. Called-up share capital

The Charity is limited by guarantee without share capital.

17. Commitments under operating leases

At 31 December 2018 neither the Group nor the Charity has any future lease payments under non-cancellable operating leases.

18. Analysis of charitable funds

Current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
Unrestricted Funds				
Institute of Imagination	698,912	1,055,634	(740,140)	1,014,406
IOI Enterprise Limited	-	188,806	(234,703)	(45,897)
	698,912	1,244,440	(974,843)	968,509
Restricted Funds				
Cultural residency	34,000	34,830	(34,000)	34,830
Next generation	12,011	-	(12,011)	-
Lambeth Community Programme	40,032	42,577	(45,033)	37,576
Outreach Programme	3,000	52,724	(11,378)	44,346
Innovation Programme	-	15,000	(15,000)	-
Capital Projects	-	250,000	(250,000)	-
	89,043	395,131	(367,422)	116,752
	787,955	1,639,571	(1,342,265)	1,085,261

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018 (continued)

18. Analysis of charitable funds (continued)

Prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Unrestricted Funds				
Institute of Imagination	1,383,967	503,765	(1,188,820)	698,912
IOI Enterprise Limited	-	-	-	-
	1,383,967	503,765	(1,188,820)	698,912
Restricted Funds				
Cultural residency	-	34,000	-	34,000
Next generation	-	12,011	-	12,011
Lambeth Community Programme	48,657	91,196	(99,821)	40,032
Other Outreach Programmes	25,084	3,423	(25,507)	3,000
	73,741	140,630	(125,328)	89,043
	1,457,708	644,395	(1,314,148)	787,955

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

Restricted fund income of £395,131 (2017: £89,043) relates to donations for the following activities:

The Cultural Residency fund supports an annual artistic competition and collaboration.

The Next Generation fund supports future-focussed projects including EdTech initiatives.

Lambeth Community Programme fund supports activities at the Imagination Lab directed towards local Lambeth residents.

The Outreach Programme fund supports other community-based activities outside the Imagination Lab.

The Innovation Programme fund supports invention and technology programmes.

The Capital Projects fund supports the planning and realisation of major capital projects.

19. Analysis of net assets between funds

Current year

	Unrestricted – General funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2018:			
Investments	-	-	-
Tangible assets	15,112	10,347	25,459
Current assets	1,011,238	179,836	1,191,074
Creditors: amounts falling due within one year	(57,841)	(73,431)	(131,272)
	968,509	116,752	1,085,261
Charity			
Fund balances at 31 December 2018:			
Investments	10	-	10
Tangible assets	-	10,347	10,347
Current assets	1,028,119	179,836	1,207,995
Creditors: amounts falling due within one year	(12,346)	(73,431)	(85,777)
	1,015,783	116,752	1,132,535

19. Analysis of net assets between funds (continued)

Prior year

	Unrestricted – General funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2017:			
Investments	-	-	-
Tangible assets	-	18,867	18,867
Current assets	746,725	98,245	844,970
Creditors: amounts falling due within one year	(47,813)	(28,069)	(75,882)
	698,912	89,043	787,955
Charity			
Fund balances at 31 December 2017:			
Investments	10	-	10
Tangible assets	-	18,867	18,867
Current assets	746,735	98,245	844,980
Creditors: amounts falling due within one year	(47,823)	(28,069)	(75,892)
	698,912	89,043	787,955

20. Related party transactions

There were no transactions with any party who would be deemed related in the current or preceding year with the exception of the subsidiary undertaking IOI Enterprise Ltd.

During the year, IOI Enterprise Ltd charged the Institute of Imagination £123,248 for services relating to the delivery of Imagination Lab and other outreach programmes. A trading balance of £3,516 due from the parent was outstanding at the year end.

20. Related party transactions (continued)

During the year, Institute of Imagination made a loan to IOI Enterprise Ltd of £42,000. The loan accrues interest at a rate of Bank of England base rate plus 3% and at the end of the year a balance of £43,177 was outstanding.

In 2017, donations were received from 8 Trustees amounting to £24,616. No donations were received from Trustees during the year.

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

	Group 2018 £	Group 2017 £
Net income/(expenditure) per statement of financial activities	297,306	(669,753)
Add back depreciation charge	10,162	6,485
Deduct investment income	(2,592)	-
Deduct gain on investment	-	(2,677)
Deduct other income	(65,606)	(64,412)
Decrease/(increase) in debtors	58,654	(31,841)
Increase/(decrease) in creditors	55,380	(67,207)
Cash generated by operating activities	353,304	(829,405)


22. 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 2018 was £15,459 (2017: £19,286). Contributions of £712 (2018 – £nil) were outstanding at the balance sheet date.



 Twitter: @ImaginationLdn

 Facebook: /instituteofimagination

 Instagram: @instituteofimagination

