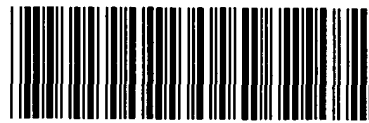


Institute of Imagination

Charity Registration No. 1109276
Company Registration No. 04921852

Annual Trustees' report and financial statements **For the year ended 31 December 2021**

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Institute of Imagination

Annual report and financial statements For the year ended 31 December 2021

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Legal and administrative information

Trustees

Lady A Shaw-Scott Adjaye
B J Demeroutis
M Dorion
T Gilbert (appointed 13 June 2022)
A Greenberg (appointed 13 June 2022)
K Grussing
Dr L Guyton
B Koby
C Metcalfe
M Reilly
S Sotomey (appointed 13 June 2022)
C Tavernier (appointed 13 June 2022)
D Uehlein
L Watson

Management and Leadership

M Allen
T Doust
S Dittmer (resigned 24 May 2022)

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

Auditor

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

Institute of Imagination

Trustees' report

Introduction by the Chair of Trustees

Like with many organisations, 2021 was an exceptional year for the Institute of Imagination (iOi) in so many ways. On the one hand, our purpose has never been clearer, or more essential within the communities we serve. And of course on the other hand, organisations of all forms have faced never before seen challenges across every aspect of their work – from people, to strategy, to funding – creating fundamental shifts in the very nature of their existence.

For so many of us, it is clear that this last year has had the most acute impact on the children in our society. Marginalised in numbers that is perhaps unmatched in living memory, children have been threatened with losing access to education, family, friends and other social and support structures, even food and shelter. The essence of what defines childhood, and the means of growth and development that every child, everywhere, deserves as an inalienable right.

The mission of the iOi has never been more relevant and needed.

I am extremely proud of the team who, often through their own personal challenges, re-doubled their commitment to this mission. As described below, the pivot to on-line accelerated during 2021 and we delivered programs to more than 33,000 people including 27,000 children through virtual and hybrid experiences. Organisationally, we faced these challenges head on by growing our capabilities with key new team members, who quickly got up to speed and helped to develop and grow our programmes in both scope and reach. Together, the team has dynamically evolved our strategy to enable us to lean into our impact objectives.

And through this work, we saw with clarity that while the challenges of this past year prevented much for our children, the one thing these events could not slow was their insatiable imaginations, the gift intrinsic in every young person's mind, everywhere. I hope this report gives you a thorough insight into the great work we achieved during this year.

I encourage you to join us in our mission, and support our belief that "imagination is the source of all human achievement". Sir Ken Robinson (1950 – 2020), iOi Founding Patron.

Basil Demeroutis,
Chair of Trustees

Report from the CEO

Children today face an uncertain future and that uncertainty is compounded for marginalised and disadvantaged children. 65% of children entering primary school today will ultimately end up working in completely new job types that don't yet exist and education systems are failing to prepare them for the future of work. Children set their aspirations as young as 7 but according to the OECD, by that age they are already facing limits on their future aspirations in work.

Through our vital work, we are delivering a practical, scalable and transformative solution. The Durham Commission of 2019 states "Through engaging in opportunities for creative learning, grounded in subject-knowledge and understanding, students' creative capacity will be nurtured, and their (children's) personal, social and academic development is greatly enriched." So our work is focused on ensuring that imagination and creativity are prioritised by creating the space, tools, and opportunities for creativity to thrive so that every child has the equal opportunity and skills to imagine and achieve their fullest potential.

We design and deliver creative learning experiences across the arts, sciences, and digital technologies. Through these we offer vital life skills, such as problem solving, collaboration, critical thinking and curiosity. These enhance children's development, increasing their creativity, get them ready for the foundational skills that prepare them for the future of work and raise their aspirations for the future.

Despite the ongoing challenges of the Covid-19 pandemic, during 2021 at the Institute of Imagination we continued to thrive and grow our offer to thousands of children, their teachers and families across London and internationally. We

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Trustees' report

have emerged from the pandemic with expertise in blended learning, combining live programmes with digital delivery alongside creating toys and tools to reach those without technology.

In July of 2021, I was delighted to join the iOi as our new Chief Executive and began further developing our strategic review, worked on strengthening our processes and policies as well as our team with greater digital, project management and campaign development experience. We brought in new Trustees with deeper experience in education, digital and finance and together began to strategically position the iOi for our next important steps forward.

We started by asking what our beneficiaries urgently need and want from us. Then we developed our new Purpose, Mission and Vision statements. We looked back to our work in the last 10 years and analysed over a hundred of our activities alongside devising growth plans for those we had started the previous year. This proved pivotal as these helped evolve our work into digital, products and programmes that are deeply embedded in local disadvantaged communities.

We identified key focus parameters so as to achieve greater impact. These now include a focus on:

1. Marginalised 5 to 11 year old children as a critical age group.
2. Prioritising London's disadvantaged boroughs, with a plan to grow our work regionally in areas of disadvantage in England to follow. If we had already begun work internationally, we would then complete this but have carefully considered future work internationally so that we can focus on England as a priority in the near future.
3. Parents, carers, teachers, community leaders as key partners in our work.
4. A two channel approach of
 - a) Doing and delivering: programmes, products and platforms.
 - b) Catalysing and convening: developing thought-leadership and building a movement of educators championing our imagination through collaborative research and community building initiatives.

The above has transformed our initial idea of a big central London cultural institution to a far reaching vision where a greater number of marginalised children are prepared for the future of work.

To achieve this we are now working on more focused and longer term objectives than in recent years. So as part of our strategy, at the end of 2021 we began to scale our key Schools Programme, delivered more Imagination Boxes and grew our RE:CODE and Digital Heroes programmes. We are now also developing our research capabilities in collaboration with key academic partners and organisations and are firmly focused on impact breadth as well as depth with the support of our Trusts & Foundations, Corporates and high net worth philanthropic champions. As we enter into our next stage of growth, we want to thank all our partners and funders including Paul Hamlyn Foundation, John Lyons Charity, Lego and Charles Skey Charitable Trust for their support this last year and we look forward to working with them and new partners in the coming year.

Martin Allen Morales,

CEO

2021: Summary of our activities

iOi's blended learning approach for schools and parents

Following the rapid transition to online and remote learning in 2020, the iOi continued to develop opportunities for digital content and live broadcast, leading to the emergence of a more blended approach in the delivery of our activities. The approach, which used digital as an enabler to expand our reach and impact, continued to provide tactile and immersive experiences while also empowering teachers, parents and those who support children, to facilitate the experience in person.

It was thanks to the development and learnings of our iOi at Home platform which helped us develop our new Schools Programme: empowering teachers to integrate innovative content and workshops to their curriculum work. iOi at Home which was supported by Paul Hamlyn Foundation, was designed to support parents in disadvantaged communities with dedicated online programmes for their children. The expertise gained here helped us launch our Schools Programmes with live broadcasts direct into the classroom, engaging with up to 30 classes simultaneously in each broadcast.

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Trustees' report

Pre-recorded extension activities and bite-sized videos supported the continuation of our work in the home via our iOi at Home platform. As the UK emerged from the pandemic, we continued to provide activities in person and in live settings but with technology as a key tool to enable connectivity, collaboration and community.

Building recovery from the pandemic – The Big Build

In the spring, as the country began to open up, the iOi made plans to bring people back together safely through a celebratory and creative programme which focused on the London borough of Newham's Year of the Young Person. Working with 16 partner schools across the borough, The Big Build brought together children to co-create a public art project. Collaborating with local artist Anne Harlid and international designers Collective Paper Aesthetics, schools designed eight large sculptures that were installed across the borough in locations that included The Olympic Park, Westfield Stratford and Libraires. The project provided opportunities for children, their school communities and the public to come together safely and in outdoor spaces. Alongside the larger sculptural installations, mini-build workshops ran across the borough in school classrooms, libraries and homes.

Imagination Box

Following the success of the launch of our Imagination Box prototype during the pandemic, which was generously supported by The John Lyon's Charity, we worked on the creation of a more fully developed product to support children and families with SEND across London boroughs. Working with FAM Studio we designed a more compact box that could fit through a letterbox enabling it to reach thousands more families. The new box was themed 'Colours' and supported a range of sensory projects including shadow theatre, squeeze fidgets and whirly puppets. In December we launched a successful crowd fund campaign to extend the Imagination Box to children in hospitals to help support anxiety and psychological distress. The box was also distributed to families with SEND across the boroughs of Harrow, Barnet and Brent (John Lyon's supported boroughs) alongside live in person make-a-long workshops.

Back to in person public workshops and events

In the summer we worked alongside Guatemala's entry for the London Design Biennale, Nostalgia, to bring an interactive and highly immersive art piece to audiences who would not normally engage with the Biennale, held at London's Somerset House. Nostalgia was an immersive interactive sound installation and workshop programme for children and families visiting The Royal Docks in Newham. Commissioned by the Royal Docks Culture Team, the programme invited the public to engage with the installation, reflect on the sounds and movement of water and experiment through tinkering and making workshops. The Cultural Team also commissioned a further set of public engagement workshops as part of their activation in and around The Royal Dock's Millennium Mills and as part of Open House weekend. Here we provided virtual tours of the Mills for children who were too young to enter the building alongside paper city workshops, which provided participants with the opportunity to re-imagine Millennium Mills and the Docks through sculptural making.

Save Make Reinvent

In the autumn, we launched a new theme of work entitled 'Save Make Reinvent'. The theme brought four new highly interactive workshop activities into iOi's rich tapestry of content, exploring how we can reimagine our economy of things from a linear economy to a more circular one by reinventing with waste. Activities included creating natural inks from food scraps and natural materials, rethinking junk and giving it a new lease of life through junk bots, circular economy stories using digital stop motion animations and inventing circular economy machines with LEGO robotics kits. Save Make Reinvent was launched at a similar time to the COP 26 talks in Glasgow and was well received by teachers, families and children. It has subsequently driven the growth of our new Schools Programme, which developed further in 2022.

Young mentors

The iOi continued to work directly with children and young people and to strengthen those audiences that support our beneficiaries including teachers, parents and carers and community leaders. This was extended in 2021 to young mentors through our RE:CODE programme, supported by LEGO Group and in partnership with London Design Engineering University Technical College. The programme trained and equipped a group of 150 young mentors aged 16-19 to support six primary school classes on the theme of eco-homes using LEGO Education's new Spike Essential Robotics Kits. Mentors welcomed primary school children into the University Technical College and visited the primary

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Trustees' report

schools to support on ideation, making, problem solving and coding challenges. RE:CODE will look to expand this approach with young mentors and UTCs into 2022.

Our home of Newham

With further disruption at the beginning of the year having a significant impact on communities and schools, the iOi maintained its support in one of the hardest hit areas of the pandemic: the London borough of Newham. This region of the capital, where the iOi resides and works, remains a significant partner in our programmes as we develop a community of practice with children, teachers, primary schools, the University Technical College and the Local Authority.

International work

Following the success of our partnership with The British Council and The micro:bit education foundation in Hong Kong, Tanzania and Malawi, India and Spain, we continued to grow our international work in partnership with ministries of education in Tunisia and Nepal. Through blended and virtual broadcast workshops we trained school teachers, who received class packs of micro:bits from the foundation, in creative ways of using the micro:bit as an invention tool. The programme also supported schools in how to apply for the foundation's annual do:your bit challenge, which adds social purpose to digital learning and allows students to apply their digital skills to real world solutions based on the UN Global Goals.

Key Statistics for the Year

We reached a total of 33,294 people across the year through programmes, events and public installations. Of this total 27,313 were children. We worked with 244 primary schools and 326 classes from those schools. We loaned 2,690 digital devices to support schools and families who had limited access to digital technologies. We worked across six London boroughs: Newham, Lambeth, Barnet, Harrow, Barking and Dagenham and Brent. We worked in two countries outside of the UK: Tunisia and Nepal.

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.

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 audited financial statements of the charitable group and company for the year ended 31 December 2021.

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.

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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:

Lady A Shaw-Scott Adjaye

B J Demeroutis

M Dorion

T. Gilbert (appointed 13 June 2022)

A Greenberg (appointed 13 June 2022)

K Grussing

Dr L Guyton

B Koby

C Metcalfe

M Reilly

S Sotomey (appointed 13 June 2022)

C Tavernier (appointed 13 June 2022)

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 participators 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 2021 were carried out by the CEO 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 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
- £5,000 to £25,000 by the CEO
- Under £5,000 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 recovery from the 2020 pandemic and economic instability arising from that and, latterly, other global

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Trustees' report

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 2022.

These risks have been mitigated in part by way of the continuing strategic review referenced in the CEO's report above which has included specific recommendations for operational policies and financial planning which are now being implemented. Better planning, market research and fundraising development have strengthened the organisation already.

As of today, the Trustees are confident about the current guaranteed annual income and potential income. Expenditure is being closely managed and there are clear liquidity forecast and funding targets to meet.

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

Thanks to our Supporters

Our success and continued development in 2021 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 2021:

- Paul Hamlyn Foundation
- Young Londoners Fund
- John Lyons Charity
- Black Heart Foundation
- CAF Resilience Fund
- Lambeth Digital Inclusion Fund
- Royal Docks
- Lerak Foundation
- Charles S French
- Chapman Charitable Trust
- Charles Skey Charitable Trust
- The Capital Group
- Aspers Good Causes Fund
- The Childhood Trust

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 month's expenditure, estimated to be between £225,000 and £450,000 at 31 December 2021. 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 £487,073 (2020: £262,494) were held including restricted funds of £51,659 (2020: £57,829) leaving free reserves of £435,411. This level of reserves is therefore consistent with the policy. During the year, the principal source of funding was donations. Total income of £1,151,191 (2020: £741,518) included donations of £966,884 (2020: £664,157) used to fund our programmes and our operating costs. Expenditure of £926,612 (2020: £888,127) consisted of raising funds £151,106 (2020: £189,459) and charitable activities of £775,506 (2020: £698,668) relating to programme activity.

Investment Policy

At the end of 2021 and 2020, 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

Institute of Imagination

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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.

Going Concern

The Trustees assess whether the use of the going concern basis of preparation is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity and the Group to continue as a going concern. After preparing detailed five-year financial plans in 2020, updated in 2022 for the period 2023-2025, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence during the year from the date of approval of the financial statements and therefore continue to adopt the going concern basis of preparing the annual financial statements.

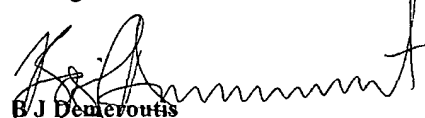
Disclosure of information to auditor

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



B.J. Demeroutis
Chair of Trustees

Date: 21 September 2022

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 auditor's report to the Trustees of Institute of Imagination

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 2021 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 2021 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 Auditor's 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Institute of Imagination

Independent auditor's report to the Trustees of Institute of Imagination (continued)

OPINION 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 Companies Act 2006 requires us to report to you if, in our opinion:

- The parent charitable company has not kept adequate 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 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Institute of Imagination

Independent auditor's report to the Trustees of Institute of Imagination (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework;
- we obtained an understanding of the company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.
- we identified which laws and regulations were significant in the context of the company. The laws and regulations we considered in this context were Companies Act 2006 and UK taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management bias and override of controls we:

- tested a sample journal entries to identify significant or unusual transactions;
- investigated the rationale behind significant or unusual transactions: and
- assessed whether judgements and assumptions made by management were indicative of potential bias.

Institute of Imagination

Independent auditor's report to the Trustees of Institute of Imagination (continued)

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

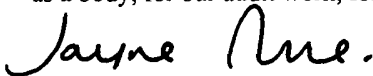
- agreeing financial statement disclosures to underlying supporting documentation; reviewing minutes of meetings of those charged with governance; and
- enquiring of management as to any actual and potential litigation, claims and any correspondence with regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non compliance. Auditing standards also limit the audit procedures required to identify non compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. 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. 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 Rowe (Senior statutory auditor)

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

Date: *29. September 2022.*

Institute of Imagination

Consolidated Statement of Financial activities, including income and expenditure account for the year ended 31 December 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations	3	765,802	201,082	966,884	423,347	240,810	664,157
Other trading activities	4	184,183	-	184,183	56,700	-	56,700
Investment income		124	-	124	707	-	707
Other Income		-	-	-	19,954	-	19,954
Total income		<u>950,109</u>	<u>201,082</u>	<u>1,151,191</u>	<u>500,708</u>	<u>240,810</u>	<u>741,518</u>
Expenditure on:							
Trading and raising funds	5	(151,106)	-	(151,106)	(189,459)	-	(189,459)
Charitable activities	5	(568,254)	(207,252)	(775,506)	(479,413)	(219,255)	(698,668)
Total expenditure		<u>(719,360)</u>	<u>(207,252)</u>	<u>(926,612)</u>	<u>(668,872)</u>	<u>(219,255)</u>	<u>(888,127)</u>
Net movement in funds		<u>230,749</u>	<u>(6,170)</u>	<u>224,579</u>	<u>(168,164)</u>	<u>21,555</u>	<u>(146,609)</u>
Reconciliation of funds:							
Total funds brought forward	18	204,665	57,829	262,494	372,829	36,274	409,103
Total funds carried forward		<u>435,414</u>	<u>51,659</u>	<u>487,073</u>	<u>204,665</u>	<u>57,829</u>	<u>262,494</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 18 to 31 form part of these financial statements.


Institute of Imagination

Consolidated Balance sheet As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	13	23,994	24,311
Current assets			
Debtors	14	153,421	23,401
Cash at bank and in hand		620,203	375,025
		773,624	398,426
Creditors: amounts falling due within one year	15	(310,545)	(160,243)
Net current assets		463,079	238,183
Total assets less current liabilities		487,073	262,494
The funds of the Charity:			
Restricted funds	18	51,659	57,829
Unrestricted funds	18	435,414	204,665
		487,073	262,494

The surplus of the parent charity for the year for Companies Act purposes is £169,253 (2020 deficit: £146,757). 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 21 September 2022. They were signed on its behalf by:


B J Demeroutis
Chair of Trustees

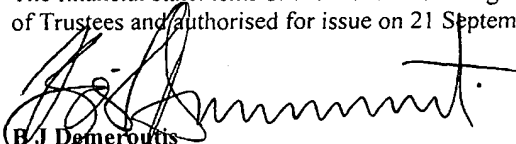
The notes on pages 18 to 31 form part of these financial statements.

Institute of Imagination

Charity Balance sheet As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Investment in subsidiary	11	10	10
Tangible assets	13	18,472	16,533
		<u>18,482</u>	<u>16,543</u>
Current assets			
Debtors	14	54,327	62,548
Cash at bank and in hand		617,937	371,555
		<u>672,264</u>	<u>434,103</u>
Creditors: amounts falling due within one year	15	(209,155)	(138,308)
Net current assets		<u>463,109</u>	<u>295,795</u>
Total assets less current liabilities		<u>481,591</u>	<u>312,338</u>
The funds of the Charity:			
Restricted funds	18	51,659	57,829
Unrestricted funds	18	429,932	254,509
		<u>481,591</u>	<u>312,338</u>

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 21 September 2022. They were signed on its behalf by:


B J Demeroutis
Chair of Trustees

The notes on pages 18 to 31 form part of these financial statements.

Institute of Imagination

Consolidated Cash flow statement For the year ended 31 December 2021

	Note	2021 £	2020 £
Net cash flows from operating activities	21	258,147	(54,475)
Cash flows from investing activities			
Investment income		124	707
Purchase of tangible fixed assets		(13,093)	(16,753)
Net cash flows from investing activities		(12,969)	(16,046)
Net increase in cash and cash equivalents in the year		245,178	(70,521)
Cash and cash equivalents at the beginning of the year		375,025	445,546
Total cash and cash equivalents at the end of the year		620,203	375,025
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		620,203	375,025
Cash and cash equivalents		620,203	375,025

The notes on pages 18 to 31 form part of these financial statements.

Institute of Imagination

Notes to the financial statements

For the year ended 31 December 2021

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 2021

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.

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 2021

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 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.

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

3. Income from donations

funds	Unrestricted 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	<u>765,802</u>	<u>201,082</u>	<u>996,884</u>	<u>423,347</u>	<u>240,810</u>	<u>664,157</u>

Donations and gifts are derived from targeted fundraising by the organisation. There were no donated services in 2021 or 2020.

4. Analysis of income from trading activities

	2021 £	2020 £
Public admissions	-	223
Corporate sales	184,183	34,652
School and partnership sales	-	10,682
Other trading income	-	11,143
	<u>184,183</u>	<u>56,700</u>

All income from trading activities in 2021 and 2020 was restricted

Other Income 2021: Nil (2020: £19,954) in prior year related to government grants receivable under coronavirus job retention Scheme (CJRS) to cover salaries of furloughed staff.

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

5. Expenditure

	2021 £	2020 £
Raising funds	151,106	189,459
Charitable activities		
Activities undertaken directly	551,220	457,522
Support costs (note 7)	212,201	174,759
Governance costs (note 7)	<u>12,855</u>	<u>66,387</u>
Total	775,506	698,668
	<u>926,612</u>	<u>888,127</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 £	Governance costs £	Total 2021 £	Cost of raising funds £	Charitable activities & Support £	Governance costs £	Total 2020 £
Management and governance	47,373	343,966	12,855	404,194	70,758	238,307	66,387	375,452
Fundraising costs	94,098	-	-	94,098	102,620	-	-	102,620
Marketing and PR	9,635	40,949	-	50,584	16,081	45,284	-	61,365
Experience and learning	-	377,736	-	377,736	-	348,690	-	348,690
	<u>151,106</u>	<u>762,651</u>	<u>12,855</u>	<u>926,612</u>	<u>189,459</u>	<u>632,281</u>	<u>66,387</u>	<u>888,127</u>

6. Auditors' remuneration

	2021 £	2020 £
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	9,800	9,000
- Fees payable to the charity's auditor for other services to the group	<u>850</u>	<u>860</u>

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

7. Analysis of governance and support costs

	2021	2020
	£	£
Administration costs	78,208	22,500
Staff costs	120,303	135,082
IT expenses	15,689	17,177
Total support costs (note 5)	212,201	174,759
 Audit and professional costs	 12,855	 66,387
	<u>225,056</u>	<u>241,146</u>

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 (2020: nil).

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

9. Employees

The payroll costs were as follows:

	2021	2020
	£	£
Group and Charity		
Wages and salaries	451,366	452,862
Social security costs	45,884	42,809
Other pension costs	12,816	12,504
	<u>510,066</u>	<u>508,175</u>

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

	2021	2020
	No.	No.
Group and Charity		
Management	4	4
Support	7	5
	<u>11</u>	<u>9</u>

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

	2021	2020
	Number	Number
£80,001 to £90,000	-	1
£60,001 to £80,000	<u>2</u>	<u>2</u>

Key management personnel are defined as the Director Group that includes the CEO, former Chief Executive and Co-Directors. The total employment benefits paid to key management personnel (including pension contributions) during the year was £272,518 (2020: £229,393) which included redundancy costs of £nil (2020: £nil).

Key management personnel are remunerated at market rate.

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

10. Tax on profit of trading subsidiary

	2021 £	2020 £
Analysis of tax charge on current activities		
UK corporation tax at 19% based on profit for the year	-	-
	<u>-</u>	<u>-</u>
Factors affecting tax charge for the year		
The tax assessed for the year is the same as (2020: higher than) the standard rate of corporation tax in the UK of % (2020: 19%). The differences are explained below:		
	2021 £000	2020 £000
(Profit) before tax	(106)	(147)
	<u>(106)</u>	<u>(147)</u>
Profit multiplied by standard rate of corporation tax in the UK of 19%	(20)	(28)
Deferred tax not recognised	20	28
	<u>0</u>	<u>0</u>
	<u>-</u>	<u>-</u>

11. Investment in subsidiary

Charity	Total £
Cost	
At 1 January 2021	10
Additions	-
	<u>10</u>
At 31 December 2021	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

Subsidiary name	IOI Enterprise Limited
Company registration number	11069407
Basis of control	100% ownership
Total assets as at 31 December 2021	£167,070
Total liabilities as at 31 December 2021	£161,588
Total surplus as at 31 December 2021	£5,482
Turnover for the year ended 31 December 2021	£169,915
Expenditure for the year ended 31 December 2021	£114,588
Profit for the year ended 31 December 2021	£55,327

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

13. Tangible fixed assets

Group	Library Equipment	Computer Equipment	Fixtures, fittings, and equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	14,298	42,385	27,413	84,097
Additions	5,543	7,550	-	13,093
Disposals	-	(21,205)	(27,413)	(48,619)
At 31 December 2021	19,841	28,730	-	48,571
Accumulated depreciation				
At 1 January 2021	1,583	30,790	27,413	59,786
Charge for the year	9,123	4,286	-	13,409
Depreciation on disposals	-	(21,205)	(27,413)	(48,618)
At 31 December 2021	10,706	13,871	-	24,577
Net book value				
At 31 December 2021	9,135	14,589	-	23,994
At 31 December 2020	12,715	11,596	-	24,311
Charity	Library Equipment	Computer equipment	Fixtures, fittings, and equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	14,298	25,800	27,413	67,511
Additions	5,543	7,550	-	13,093
Disposals	-	(21,205)	(27,413)	(48,618)
At 31 December 2021	19,841	12,145	-	31,986
Accumulated depreciation				
At 1 January 2021	1,583	21,982	27,413	50,978
Charge for the year	9,123	2,031	-	11,154
Depreciation on disposal	-	(21,205)	(27,413)	(48,618)
At 31 December 2021	10,706	2,808	-	13,514
Net book value				
At 31 December 2021	9,135	9,337	-	18,472
At 31 December 2020	12,715	3,818	-	16,533

Institute of Imagination
Notes to the financial statements
For the year ended 31 December 2021

14. Debtors

	<u>Group</u>		<u>Charity</u>	
	2021	2020	2021	2020
	£	£	£	£
Debtors after more than one year				
Amounts owed from subsidiary undertaking	-	-	-	45,792
Debtors within one year				
Trade debtors	136,199	-	16,200	-
Other debtors	11,376	18,022	11,376	11,372
Prepayments and accrued income	5,846	5,379	5,846	5,384
Amounts owed from subsidiary undertaking	-	-	20,905	-
	<u>153,421</u>	<u>23,401</u>	<u>54,327</u>	<u>62,548</u>

15. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	81,656	80,170	80,068	79,588
Taxes and social security costs	34,911	10,693	34,911	10,693
Other creditors	15,728	1,942	16,641	1,179
Accruals	178,250	67,438	38,252	32,438
Amounts owed to subsidiary undertaking	-	-	39,283	14,410
	<u>310,545</u>	<u>160,243</u>	<u>209,155</u>	<u>138,308</u>

	<u>Group</u>		<u>Charity</u>	
	2021	2020	2021	2020
	£	£	£	£
Deferred income at 1 Jan 2021	-	15,000	-	-
Resources deferred during the year	105,000	-	-	-
Amounts released from previous periods	-	(15,000)	-	-
	<u>105,000</u>	<u>-</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 2021 the Group and Charity had £6,400 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 2021

18. Analysis of charitable funds – Current 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>

Analysis of charitable funds – Prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted Funds				
Institute of Imagination	422,811	444,008	(612,319)	254,500
IOI Enterprise Limited	(49,982)	56,700	(56,553)	(49,835)
	<u>372,829</u>	<u>500,708</u>	<u>(668,872)</u>	<u>204,665</u>
Restricted funds				
Lambeth Community Programmes	167	32,447	(32,089)	16,719
Outreach Programme	19,913	54,867	(66,310)	8,470
Local Government funded programmes	-	61,832	(60,447)	1,385
Community Programme responding to COVID	-	91,664	(60,409)	31,255
	<u>36,274</u>	<u>240,810</u>	<u>(219,225)</u>	<u>57,829</u>
	<u>409,103</u>	<u>741,518</u>	<u>(888,127)</u>	<u>262,494</u>

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

Institute of Imagination

Notes to the financial statements

For the year ended 31 December 2021

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

Restricted fund income of £201,082 (2020: £240,810) relates to donations for the following activities:

- Lambeth Community Programme fund supports activities directed towards local Lambeth residents.
- The Outreach Programme fund supports other community-based activities throughout London.
- Local Government funded programmes are supported by grants provided by local authorities and other government bodies.
- The Community Programme responding to COVID supports home programming.
- The Black Heart Foundation in support of the Imagination Box programme
- The Lerak Foundation in support of 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 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>

Analysis of net assets between funds – Prior year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2020:			
Investments	-	-	-
Tangible assets	13,174	11,137	24,311
Current assets	351,734	46,692	398,426
Creditors: amounts falling due within one year	(160,243)	-	(160,243)
	<u>204,665</u>	<u>57,829</u>	<u>262,494</u>

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Charity

Fund balances at 31 December 2020:

Investments	10	-	10
Tangible assets	5,396	11,137	16,533
Current assets	387,411	46,692	434,103
Creditors: amounts falling due within one year	(138,308)	-	(138,308)
	<u>254,509</u>	<u>57,829</u>	<u>312,338</u>

20. Related party transactions

During the year, IOI Enterprise Ltd charged the Institute of Imagination £41,006 for services relating to the delivery of Imagination Lab and other outreach programmes.

Institute of Imagination charged IOI Enterprise Ltd £13,869 for management, premises and human resources.

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.

No donations were received from Trustees during the previous year.

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

	Group 2021 £	Group 2020 £
Net income/(expenditure) per statement of financial activities	224,579	(146,609)
Add back depreciation charge	13,409	9,342
Deduct investment income	(124)	(707)
(Increase)/decrease in debtors	(130,020)	72,905
Increase/(decrease) in creditors	150,303	10,594
Cash generated by operating activities	<u>258,147</u>	<u>(54,475)</u>

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22. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	518,258	273,181
Notice Deposits (3 months or more)	101,945	101,844
Total cash and cash equivalents	620,203	375,025

Analysis of changes in net debt

	At 1 Jan 2021	Cash Flows	At 31 Dec 2021
Cash at bank and in hand	375,025	£245,178	620,203

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 2021 was £12,816 (2020: £12,504). Contributions of £Nil (2020 - £Nil) were outstanding at the balance sheet date.

24. Other commitments

As at 31 December 2021, the Company was committed to payments of £6,400 (2020 - £8,756) under a license agreement for premises.