

Registered number: 04921852  
Charity number: 1109276

---

## INSTITUTE OF IMAGINATION

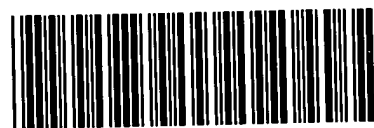
---

**UNAUDITED**

**ANNUAL TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

MONDAY



\*ADCR1935\*

A33

30/09/2024

#17

COMPANIES HOUSE

---

INSTITUTE OF IMAGINATION

---

CONTENTS

---

	Page
Legal and administrative information	1 - 2
Trustees' Report	3 - 7
Independent Examiner's Report	8 - 9
Consolidated Statement of Financial Activities	10
Consolidated Balance Sheet	11
Charity Balance Sheet	12 - 13
Cash flow statement	14
Notes to the Financial Statements	15 - 31

---

**INSTITUTE OF IMAGINATION**

---

**LEGAL AND ADMINISTRATIVE INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**Trustees**

Lady A Shaw-Scott Adjaye (resigned 22 March 2023)  
B J Demeroutis, Chair  
M Dorion  
T Gilbert  
A Greenberg  
Dr L Guyton (resigned 22 March 2023)  
B Koby  
C Metcalfe  
S Sotomey  
C Tavernier  
D Uehlein  
L Watson (resigned 31 December 2023)

**Company registered number**

04921852

**Charity registered number**

1109276

**Registered office**

School 360  
5 Sugar House Lane  
London  
E15 2QS

**Chief executive officer**

M A Morales

**Accountants**

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

**Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

---

**INSTITUTE OF IMAGINATION**

---

**LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**Solicitors**

Joelson JD LLP  
2 Marylebone Road  
London  
NW1 4DF

---

## INSTITUTE OF IMAGINATION

---

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### Introduction by the Chair of Trustees

Welcome to the Institute of Imagination's annual report, a testament to our unwavering commitment to nurturing young minds and fostering creativity. As Chair of Trustees, I am honoured to share the remarkable results of our work in 2023.

**Basil Demeroutis**  
**Chair of Trustees**

#### 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 regionally in areas of disadvantage in England to follow.

#### Reflecting on 2023: A Year of Transformative Impact at the Institute of Imagination

As we look back on 2023, I'm excited to share the remarkable impact of the work we've accomplished at the Institute of Imagination (iOi). Our impact mission - developing creative thinking skills and raising educational and career aspirations - has never been more critical. In the UK, 4 million children are growing up in poverty, often without the resources or opportunities to shape their own futures. At iOi, we recognize that meaningful change begins by unlocking imagination. Unfortunately, this vital spark remains dormant in many children, limiting their ability to envision a brighter future. This leaves them vulnerable to long-term unemployment and diminished life prospects, with untapped potential leading to lost opportunities.

Through our diverse programs and activities, we ignite the imaginations of children from underserved and underrepresented communities. These transformative learning experiences empower them to shape their futures. A standout example is a young boy named Mason.

Five years after his first encounter with iOi, Mason returned this year to participate in our in-person program, *My Big Idea*. He shared with us: "School taught me the basics, but the Institute of Imagination helped me understand the future." Our early intervention empowered him to succeed - earning him a scholarship to a top secondary school and easily passing his entrance exams. His grandmother, Sherry, added: "It opened Mason's mind to all these possibilities." Mason's success serves as a testament to how imagination, when unlocked, can truly transform lives.

Mason's story is just one of many. In 2023, we reached 32,000 children from underserved and underrepresented communities, delivering scalable programs with lasting impact. Our evidence-based approach underscores our commitment to measurable outcomes and meaningful change.

#### Reaching More Through Innovative Programs

Our *iOi STEAM Live* curriculum-enrichment program reached over 200 schools, with children participating 26,490 times through digitally broadcasted workshops. Importantly, these sessions also included 1,658 teacher-training interactions, expanding our influence within the education sector.

In addition, 265 participants - including 149 children and 107 adults - engaged in our full-day *My Big Idea* event, held in Newham and Lambeth libraries. The events encouraged children to generate ideas aimed at fostering social and environmental sustainability in their communities.

We also distributed 5,000 Imagination Boxes, including 1,991 to refugee families and 128 to children with Special

---

## INSTITUTE OF IMAGINATION

---

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

Educational Needs and Disabilities (SEND).

#### **Demonstrating Measurable Impact**

In 2023, we introduced a new Impact Measurement framework, allowing us to more clearly evidence and demonstrate our impact. The results are promising: 83% of children who participated in our workshops showed improved creative thinking skills, and more children are now aspiring to pursue careers in STEAM (Science, Technology, Engineering, Arts, and Mathematics) fields.

#### **Looking Ahead: Driving Systemic Change**

As we look to the future, our strategic focus is on driving systemic change. While our programs continue to grow in both reach and depth, we are committed to challenging outdated learning systems. To this end, we partnered with Bath Spa University to publish our first research paper, highlighting the importance of creativity and imagination. This research has already inspired and supported other organizations in enhancing educational approaches through the development of creative thinking skills.

#### **Partnerships and Collaboration**

Our long-standing partnership with The LEGO Group continues to thrive, and this year we expanded our collaborations. Together with Save the Children, EasyPeasy, and the Young V&A, we are developing a high-impact program in Tower Hamlets. We are focused on delivering this initiative and are eager to scale its impact in the coming years.

#### **Our structure, governance and management**

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

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

Lady A Shaw-Scott Adjaye (resigned 22 March 2023)  
B J Demeroutis  
M Dorion  
T Gilbert  
A Greenberg  
Dr L Guyton (resigned 22 March 2023)  
B Koby  
C Metcalfe  
S Sotomey  
C Tavernier  
D Uehlein  
L Watson (resigned 31 December 2023)

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

---

## INSTITUTE OF IMAGINATION

---

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

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 2023 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
- £1,000 to £25,000 by the CEO
- Under £1,000 by a Head of Department

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

#### **Provision of annual report and basis of preparation**

The Trustees, who are directors for the purposes of company law, provide the annual report together with the financial statements of the charitable group and company for the year ended 31 December 2023.

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.

#### **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 economic weakness 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 the Charity's work remain the other major risks for the organisation in 2024.

These risks have been mitigated in part by careful and ongoing planning and systematic fundraising.

Expenditure is closely managed to ensure liquidity remains satisfactory.

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

#### **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 £175,000 and £350,000 at 31 December 2023. 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 £180,892 (2022: £439,925) were held including restricted funds in 2022 of £129,822 and £nil in 2023. This level

---

## INSTITUTE OF IMAGINATION

---

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

---

of reserves is therefore consistent with the policy. During the year, the principal source of funding was donations.

Total income of £604,639 (2022: £826,425) included donations of £529,540 (2022: £615,713) used to fund our programmes and our operating costs. Expenditure of £863,672 (2022: £873,573) consisted of raising funds £210,567 (2022: £206,836) and charitable activities of £653,105 (2022: £666,737) relating to programme activity.

#### **Investment Policy**

At the end of 2023 and 2022, all investments were held in cash.

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

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

#### **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. The Trustees' key assumptions include an assessment of reasonably certain income from the Lego Foundation and other sources. The Trustees are monitoring cash flow closely and have evidence that expenditure can be flexed as necessary. For example, some staff hours have been voluntarily reduced while further funding is found. After preparing annual financial plans in 2024, updated and extended into 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.

And finally,

Our work is only possible because of our extraordinary team, Trustees, donors, partners, and supporters. Their unwavering support has made all our achievements possible, and we extend our deepest gratitude to each and every one of them.

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 our generous supporters.

#### **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



---

**INSTITUTE OF IMAGINATION**

---

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

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.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**B J Demeroutis**

Chair

Date: 27 September 2024

---

**INSTITUTE OF IMAGINATION**

---

**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF INSTITUTE OF IMAGINATION ('the Group')**

I report to the charity Trustees on my examination of the consolidated accounts of the Group comprising the Institute of Imagination ('the parent Charity') and its subsidiary undertaking for the year ended 31 December 2023.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the parent Charity (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the Group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the Group. You are satisfied that the accounts of both parent Charity and the Group are not required by either company or charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Group's accounts carried out under section 152 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 152(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**INDEPENDENT EXAMINER'S STATEMENT**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the parent Charity and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I draw users' attention to the going concern information included in the financial review within the Trustees' Report and accounting policy 2.2.

---

**INSTITUTE OF IMAGINATION**

---

**INDEPENDENT EXAMINER'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

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

Signed:

Nikki Loan

Dated: 27 September 2024

FCA

**PETERS ELWORTHY & MOORE**

Chartered Accountants

Salisbury House

Station Road

Cambridge

CB1 2LA

INSTITUTE OF IMAGINATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>INCOME FROM:</b>					
Donations and legacies	4	309,540	220,000	529,540	615,713
Other trading activities	5	70,865	-	70,865	209,683
Investments	6	4,234	-	4,234	1,029
<b>TOTAL INCOME</b>		<b>384,639</b>	<b>220,000</b>	<b>604,639</b>	<b>826,425</b>
<b>EXPENDITURE ON:</b>					
Raising funds		210,567	-	210,567	206,836
Charitable activities	7	303,283	349,822	653,105	666,737
<b>TOTAL EXPENDITURE</b>		<b>513,850</b>	<b>349,822</b>	<b>863,672</b>	<b>873,573</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(129,211)</b>	<b>(129,822)</b>	<b>(259,033)</b>	<b>(47,148)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		310,103	129,822	439,925	487,073
Net movement in funds		(129,211)	(129,822)	(259,033)	(47,148)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>180,892</b>	<b>-</b>	<b>180,892</b>	<b>439,925</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 31 form part of these financial statements.

**INSTITUTE OF IMAGINATION**  
**REGISTERED NUMBER: 04921852**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	10	7,419	9,032
		<u>7,419</u>	<u>9,032</u>
<b>CURRENT ASSETS</b>			
Debtors	12	73,169	25,053
Cash at bank and in hand		156,893	575,942
		<u>230,062</u>	<u>600,995</u>
Creditors: amounts falling due within one year	13	(56,589)	(170,102)
<b>NET CURRENT ASSETS</b>		<u>173,473</u>	<u>430,893</u>
<b>TOTAL NET ASSETS</b>		<u><u>180,892</u></u>	<u><u>439,925</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds	14	-	129,822
Unrestricted funds	14	180,892	310,103
<b>TOTAL FUNDS</b>		<u><u>180,892</u></u>	<u><u>439,925</u></u>

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

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

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**B J Demeroutis**

Chair

Date: 27 September 2024

The notes on pages 15 to 31 form part of these financial statements.

**INSTITUTE OF IMAGINATION  
REGISTERED NUMBER: 04921852**

**CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	10	7,419	9,019
Investments	11	10	10
		<u>7,429</u>	<u>9,029</u>
<b>CURRENT ASSETS</b>			
Debtors	12	125,659	221,849
Cash at bank and in hand		97,203	336,159
		<u>222,862</u>	<u>558,008</u>
Creditors: amounts falling due within one year	13	(49,402)	(127,085)
<b>NET CURRENT ASSETS</b>		<u>173,460</u>	<u>430,923</u>
<b>TOTAL NET ASSETS</b>		<u><u>180,889</u></u>	<u><u>439,952</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds	14	-	129,822
Unrestricted funds	14	180,889	310,130
<b>TOTAL FUNDS</b>		<u><u>180,889</u></u>	<u><u>439,952</u></u>

The Charity's net movement in funds for the year was £(259,063) (2022 - £(41,639)).

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

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

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

---

**INSTITUTE OF IMAGINATION  
REGISTERED NUMBER: 04921852**

---

**CHARITY BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2023**

---

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**B J Demeroutis**

Chair

Date: 27 September 2024

The notes on pages 15 to 31 form part of these financial statements.

**INSTITUTE OF IMAGINATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	16	<b>(419,438)</b>	<b>(43,112)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends, interests and rents from investments		<b>4,234</b>	<b>1,029</b>
Purchase of tangible fixed assets		<b>(3,845)</b>	<b>(2,178)</b>
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>		<b>389</b>	<b>(1,149)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(419,049)</b>	<b>(44,261)</b>
Cash and cash equivalents at the beginning of the year		<b>575,942</b>	<b>620,203</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	17	<b>156,893</b>	<b>575,942</b>

The notes on pages 15 to 31 form part of these financial statements



---

## INSTITUTE OF IMAGINATION

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1. GENERAL INFORMATION

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.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Institute of Imagination meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

##### 2.2 GOING CONCERN

The Trustees have reviewed forecasts including cash flow forecasts for 12 months from the date of approval and based on reasonable income assumptions do not expect a material funding gap given committed expenditure. The Trustees are monitoring cash flow closely and have evidence that expenditure can be flexed as necessary. For example, staff hours could be further reduced while additional funding is found. Therefore the Trustees expect the Charity and the Group to have adequate resources to continue in operational existence during the forecast period. They therefore continue to adopt the going concern basis in preparing the annual financial statements.

##### 2.3 INCOME

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

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

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Grants are recognised in income based on management's judgment regarding entitlement,

---

**INSTITUTE OF IMAGINATION**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 INCOME (CONTINUED)**

measurement, and probability. Typically a grant is recognised in full when it is awarded. If a grant is for specific performance or there are unmet conditions the grant is deferred until those are met.

**2.4 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 and includes allocated support and governance costs as well as direct costs.

Governance costs, *included in support 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.

**2.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

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

**2.6 INVESTMENTS**

Investments in subsidiaries are valued at cost less provision for impairment.

**2.7 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

---

**INSTITUTE OF IMAGINATION**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.9 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.10 FINANCIAL INSTRUMENTS**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 OPERATING LEASES**

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

**2.12 PENSIONS**

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

**2.13 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. 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 2023**

---

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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.

**4. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Donations	309,540	-	<b>309,540</b>	285,817
Grants	-	220,000	<b>220,000</b>	329,896
	<u>309,540</u>	<u>220,000</u>	<u><b>529,540</b></u>	<u>615,713</u>
<b>TOTAL 2022</b>	<u><u>285,817</u></u>	<u><u>329,896</u></u>	<u><u>615,713</u></u>	

Donations and gifts are derived from targeted fundraising by the organisation. There were no donated services in 2023 or 2022.

---

**INSTITUTE OF IMAGINATION**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


---

**5. INCOME FROM OTHER TRADING ACTIVITIES****Income from non charitable trading activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
School and partnership sales	2,924	<b>2,924</b>	5,459
Corporate sales	67,941	<b>67,941</b>	204,224
	<u>70,865</u>	<u><b>70,865</b></u>	<u>209,683</u>
<b>TOTAL 2022</b>	<u>209,683</u>	<u><b>209,683</b></u>	

All income from trading activities in 2023 and 2022 was unrestricted.

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Bank interest	4,234	<b>4,234</b>	1,029
	<u>1,029</u>	<u><b>1,029</b></u>	
<b>TOTAL 2022</b>	<u>1,029</u>	<u><b>1,029</b></u>	

INSTITUTE OF IMAGINATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Management and governance	93,838	124,743	218,581	283,068
Marketing and PR	54,459	77,517	131,976	116,326
Experience and learning	302,548	-	302,548	267,343
	<u>450,845</u>	<u>202,260</u>	<u>653,105</u>	<u>666,737</u>
TOTAL 2022	<u>393,446</u>	<u>273,291</u>	<u>666,737</u>	

ANALYSIS OF DIRECT COSTS

	Management 2023 £	Marketing 2023 £	Experience and Learning 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	93,838	54,459	247,999	396,296	336,986
Programmes	-	-	54,549	54,549	56,460
	<u>93,838</u>	<u>54,459</u>	<u>302,548</u>	<u>450,845</u>	<u>393,446</u>
TOTAL 2022	<u>79,794</u>	<u>46,309</u>	<u>267,343</u>	<u>393,446</u>	

INSTITUTE OF IMAGINATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Management 2023 £	Marketing 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Staff costs	59,398	50,270	109,668	62,787
Administration	52,624	1,208	53,832	89,339
Recruitment and training	17,683	-	17,683	45,511
Temporary staff	17,308	-	17,308	19,174
IT costs	18,125	11,821	29,946	24,781
Marketing and communications	-	14,218	14,218	17,484
Cancelled invoices relating to 2021 legal fees	(47,990)	-	(47,990)	-
Governance costs	7,595	-	7,595	14,215
	<u>124,743</u>	<u>77,517</u>	<u>202,260</u>	<u>273,291</u>
TOTAL 2022 AS RESTATED	<u>203,274</u>	<u>70,017</u>	<u>273,291</u>	

Governance costs are comprised of legal fees of £930 (2022: £2,005) and accountancy fees of £6,665 (£11,350).

The analysis of the support costs has been extended in 2023 to give more information. As a result the 2022 comparatives have been restated.

8. INDEPENDENT EXAMINER'S REMUNERATION

	2023 £	2022 £
Fees payable to the Charity's independent examiner in respect of:		
Independent examination of the charity's annual financial statements	6,665	10,950
Other services to the group	1,270	1,422

---

**INSTITUTE OF IMAGINATION**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


---

**9. STAFF COSTS**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Charity 2023 £</b>	<b>Charity 2022 £</b>
Wages and salaries	<b>602,708</b>	488,243	<b>602,708</b>	488,243
Social security costs	<b>62,463</b>	47,491	<b>62,463</b>	47,491
Contribution to defined contribution pension schemes	<b>17,576</b>	14,365	<b>17,576</b>	14,365
	<b>682,747</b>	550,099	<b>682,747</b>	550,099

The average number of persons employed by the Charity during the year was as follows:

	<b>Group 2023 No.</b>	<b>Group 2022 No.</b>	<b>Charity 2023 No.</b>	<b>Charity 2022 No.</b>
Management	<b>6</b>	4	<b>6</b>	4
Support	<b>9</b>	8	<b>9</b>	8
	<b>15</b>	12	<b>15</b>	12

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2023 No.</b>	<b>Group 2022 No.</b>
In the band £60,001 - £70,000	-	1
In the band £90,001 - £100,000	<b>1</b>	1

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year (2022: Nil).

Key management personnel are defined as the Director Group that includes the CEO and Executive Co-Directors. The total employment benefits paid to key management personnel (including pension contributions) during the year was £187,335 (2022: £220,864).

Key management personnel are remunerated at market rate.



---

**INSTITUTE OF IMAGINATION**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


---

**10. TANGIBLE FIXED ASSETS****GROUP**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2023	<b>19,841</b>	<b>30,908</b>	<b>50,749</b>
Additions	<b>-</b>	<b>3,845</b>	<b>3,845</b>
At 31 December 2023	<b>19,841</b>	<b>34,753</b>	<b>54,594</b>
<b>DEPRECIATION</b>			
At 1 January 2023	<b>19,043</b>	<b>22,674</b>	<b>41,717</b>
Charge for the year	<b>798</b>	<b>4,660</b>	<b>5,458</b>
At 31 December 2023	<b>19,841</b>	<b>27,334</b>	<b>47,175</b>
<b>NET BOOK VALUE</b>			
At 31 December 2023	<b>-</b>	<b>7,419</b>	<b>7,419</b>
At 31 December 2022	<b>798</b>	<b>8,234</b>	<b>9,032</b>

---

**INSTITUTE OF IMAGINATION**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


---

**10. TANGIBLE FIXED ASSETS (CONTINUED)****CHARITY**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2023	<b>19,841</b>	<b>14,323</b>	<b>34,164</b>
Additions	<b>-</b>	<b>3,845</b>	<b>3,845</b>
At 31 December 2023	<b>19,841</b>	<b>18,168</b>	<b>38,009</b>
<b>DEPRECIATION</b>			
At 1 January 2023	<b>19,043</b>	<b>6,102</b>	<b>25,145</b>
Charge for the year	<b>798</b>	<b>4,647</b>	<b>5,445</b>
At 31 December 2023	<b>19,841</b>	<b>10,749</b>	<b>30,590</b>
<b>NET BOOK VALUE</b>			
At 31 December 2023	<b>-</b>	<b>7,419</b>	<b>7,419</b>
At 31 December 2022	<b>798</b>	<b>8,221</b>	<b>9,019</b>

INSTITUTE OF IMAGINATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>CHARITY</b>	
<b>COST</b>	
At 1 January 2023	10
AT 31 DECEMBER 2023	10
<b>NET BOOK VALUE</b>	
AT 31 DECEMBER 2023	10
AT 31 DECEMBER 2022	10

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
IOI Enterprise Limited	11069407	School 360, 5 Sugar House Lane, London, E15 2QS	Delivery of programmes to commercial partners

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
IOI Enterprise Limited	67,941	67,905	36	4

INSTITUTE OF IMAGINATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

12. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	53,723	-	11,123	-
Amounts owed by group undertakings	-	-	95,089	202,521
Other debtors	86	66	87	66
Prepayments and accrued income	19,360	24,987	19,360	19,262
	<u>73,169</u>	<u>25,053</u>	<u>125,659</u>	<u>221,849</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	5,094	80,818	5,094	80,818
Other taxation and social security	30,262	21,085	23,162	14,155
Other creditors	1,973	6,921	1,886	6,834
Accruals and deferred income	19,260	61,278	19,260	25,278
	<u>56,589</u>	<u>170,102</u>	<u>49,402</u>	<u>127,085</u>

INSTITUTE OF IMAGINATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
<b>UNRESTRICTED FUNDS</b>				
Institute of Imagination	310,135	316,698	(445,944)	180,889
IOI Enterprise Limited	(32)	67,941	(67,906)	3
	<u>310,103</u>	<u>384,639</u>	<u>(513,850)</u>	<u>180,892</u>
<b>RESTRICTED FUNDS</b>				
Funding for Imagination Boxes	113,072	10,000	(123,072)	-
Schools Programme	16,750	170,000	(186,750)	-
Community Programmes	-	40,000	(40,000)	-
	<u>129,822</u>	<u>220,000</u>	<u>(349,822)</u>	<u>-</u>
<b>TOTAL OF FUNDS</b>	<u><u>439,925</u></u>	<u><u>604,639</u></u>	<u><u>(863,672)</u></u>	<u><u>180,892</u></u>

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

Restricted fund income relates to donations for the following activities:

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

---

**INSTITUTE OF IMAGINATION**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


---

**14. STATEMENT OF FUNDS (CONTINUED)****STATEMENT OF FUNDS - PRIOR YEAR**

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

---

**INSTITUTE OF IMAGINATION**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,419	7,419
Current assets	230,062	230,062
Creditors due within one year	(56,589)	(56,589)
<b>TOTAL</b>	<u>180,892</u>	<u>180,892</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,032	-	9,032
Current assets	471,173	129,822	600,995
Creditors due within one year	(170,102)	-	(170,102)
<b>TOTAL</b>	<u>310,103</u>	<u>129,822</u>	<u>439,925</u>

---

**INSTITUTE OF IMAGINATION**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(259,033)</b>	<b>(47,148)</b>
<b>ADJUSTMENTS FOR:</b>		
Depreciation charges	<b>5,458</b>	17,140
Interest from investments	<b>(4,234)</b>	(1,029)
Decrease/(increase) in debtors	<b>(48,116)</b>	128,368
Decrease in creditors	<b>(113,513)</b>	(140,443)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(419,438)</b>	<b>(43,112)</b>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>
Cash in hand	<b>155,547</b>	473,422
Notice deposits (less than 3 months)	<b>1,346</b>	102,520
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>156,893</b>	<b>575,942</b>

**18. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 January 2023 £</b>	<b>Cash flows £</b>	<b>At 31 December 2023 £</b>
Cash at bank and in hand	<b>575,942</b>	<b>(419,049)</b>	<b>156,893</b>
	<b>575,942</b>	<b>(419,049)</b>	<b>156,893</b>



---

**INSTITUTE OF IMAGINATION**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**19. PENSION COMMITMENTS**

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 2023 was £17,576 (2022: £14,365). No contributions (2022: £3,056) were outstanding at the balance sheet date.

**20. OTHER COMMITMENTS**

As at 31 December 2023, the Company was committed to payments of £3,600 (2022: £9,600) under a license agreement for premises.

**21. RELATED PARTY TRANSACTIONS**

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year (2022: Nil).

There were no other related party transactions.