

COMPANY REGISTRATION NUMBER: 12270706
CHARITY REGISTRATION NUMBER: 1189747

HQI Foundation
Company Limited by Guarantee
Unaudited Financial Statements
31 October 2022

HQI Foundation

Company Limited by Guarantee

Financial Statements

Year ended 31 October 2022

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HQI Foundation

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 October 2022.

Objectives and activities

HQI's stated aim has been to advance the arts through the provision of working space, facilities and equipment for musicians and other artists of merit; and to promote art for the benefit of the public through the presentation of lectures, performances and related events and provision of online educational information on the arts.

We offer research and development residencies to artists, some of whom are working in freelance commercial contexts. We recognise that the new terrain of working in England for young artists often means that creativity finds itself outside of traditional cultural contexts, ie in freelance commercial work. We feel compelled to reach out to these workers as much as conventional art practices, as we believe the creative minds of these practitioners should be engendered and supported.

Our R&D residencies hope that these creative workers art practices can be opened up and explored outside of client-based work. The use of our spaces for free, and subsequent nominal fees, aim to support this, while still recognising the need for still pursuing commercial work. We hope that, by offering this kind of support across a spectrum of creative commerciality, the germination of ideas across traditional disciplines can be propagated.

HQI actively encourages, and seeks, applicants from the diverse range of backgrounds present in London. We hope to casualise often-daunting arts applications, by using social media, such as Instagram as a primary point of contact for new artists and host casual "chats" with prospective members and current members instead of interviews. We recognise the importance of access to people with disabilities and seek to improve our facilities access for those with non-typical physical needs.

We recognise the importance of access to people with disabilities and seek to improve our facilities access for those with non-typical physical needs. We also recognise the difficulties the current moment may present mentally for all members of our community, and will be using the Arts Council funding for mental health first aid training for some regular members of the space.

Achievements and performance

This year, we welcomed over 20 artistic residents from diverse fields and hosted 700 visitors with 25 top artists and professionals. In November, we unveiled Sounds Like Hammersmith and Fulham, a pioneering music initiative aimed at nurturing London's next-generation artists. This 10-month free programme, ending in August 2023, offers public talks, events, and an accelerator for promising local musicians aged 18-25. It's a collaborative effort with the London Borough of Hammersmith & Fulham and the Mayor of London.

We had the honor of contributing to Hammersmith & Fulham's Arts Commission report, aiming to transform the borough into a premier cultural hub. Our dedication is towards the local artistic community, ensuring its growth and positioning it as a powerhouse for London's creative industries. Our gratitude extends to the council for championing arts, and we're proud to align with the borough's leading arts entities through the Arts Business Network.

Our studios saw significant developments. The highlight being a renovation of our main venue, introducing an advanced lighting system with over 3,000 LEDs. This facelift supports our expansive agenda of events for 2023/4.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2022

In 2023, we'll fortify our dedication to London's creative sectors by enhancing artist support, enlarging our residency intake, and escalating public involvement, especially in White City. We've initiated this with the Television Centre Summer Sessions, a public arts event series in collaboration with local partners.

Given the rising challenges against community and creativity, championing London's creative talents and safeguarding its global legacy in contemporary arts is paramount.

Financial review

At the completion of the financial year, HQI is has been operating on funding received through government grants of £100,000, income from charitable activities £15,432 out of which £101,902 being spent on administration expenses, while the major expense being the rent of HQI premises.

Furthermore, we have made significant savings on the purchase of multimedia arts equipment essential for the support of our residency programmes and performance space. This includes negotiation with Traction Audio for 60% discount on Audio-visual equipment list price and exchange of demo facilities at HQI for long term equipment rental. These savings are allowing us to continue with our commitment to supporting live events, and public demonstration of artist works once lockdown restrictions have been fully eased.

Reserves Policy

The trustees consider that the ideal level of reserves as at 31 October 2022 would be one month of resources expensed which is approximately £5,000.

The trustees are aware that the current reserves are less than the target figure and are actively pursuing sources of funding in order to ensure that there are sufficient reserves to provide financial stability and flexibility.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes as a limited company (limited by guarantee) as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

New trustees are appointed due to their interest in the work of the charity and their recognised experience in specific fields which will further support the work of HQI Foundation.

HQI is committed to diversity, in its organisational team and board of trustees, to better reflect our diverse cohort of residents and local community. When we expand our board of trustees, we will ensure to offer the position acknowledging this.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2022

Reference and administrative details

Registered charity name HQI Foundation

Charity registration number 1189747

Company registration number 12270706

Principal office and registered office Westworks Building
195 Wood Lane
White City
The Rotunda
London
W12 7FQ
England

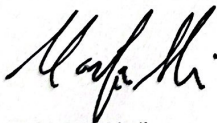
The trustees Mostafa Abdi
William Bagnall
Richard Wilkins

Independent examiner Dinesh Bathmanathan FCCA
Kaiser Nouman Nathan LLP
Chartered Certified Accountants
Unit D 17 Plumbers Row
London E1 1EQ

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 25.08.23 and signed on behalf of the board of trustees by:



Mostafa Abdi
Trustee

HQI Foundation

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HQI FOUNDATION

Year ended 31 October 2022

I report to the Trustees on my examination of the financial statements of HQI FOUNDATION (the charity) for the year ended 31 October 2022.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity 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 charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies listed in section 145 of the 2011 Act.

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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 have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



D Bathmanathan FCCA

Kaiser Nouman Nathan LLP
Unit D, 17 Plumbers Row
London
E1 1EQ

Dated: ~~26~~ August 2023

HQI Foundation

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 October 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Charitable Activities	3	–	100,000	100,000	45,270
Charitable activities	4	15,432	–	15,432	–
Total income		<u>15,432</u>	<u>100,000</u>	<u>115,432</u>	<u>45,270</u>
Expenditure					
Expenditure on charitable activities	5,6	(25,973)	(75,929)	(101,902)	(58,838)
Total expenditure		<u>(25,973)</u>	<u>(75,929)</u>	<u>(101,902)</u>	<u>(58,838)</u>
Net income/(expenditure) and net movement in funds		<u>(10,541)</u>	<u>24,071</u>	<u>13,530</u>	<u>(13,568)</u>
Reconciliation of funds					
Total funds brought forward		(29,721)	17,013	(12,708)	860
Total funds carried forward		<u>(40,262)</u>	<u>41,084</u>	<u>822</u>	<u>(12,708)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

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Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	10	31,721	13,374
Current assets			
Debtors	11	4,614	2,918
Cash at bank and in hand		<u>6,427</u>	<u>3,517</u>
		11,041	6,435
Creditors: amounts falling due within one year	12	<u>41,940</u>	<u>32,517</u>
Net current liabilities		30,899	26,082
Total assets less current liabilities		<u>822</u>	<u>(12,708)</u>
Net assets		<u>822</u>	<u>(12,708)</u>
Funds of the charity			
Restricted funds		41,084	17,013
Unrestricted funds		<u>(40,262)</u>	<u>(29,721)</u>
Total charity funds		<u>822</u>	<u>(12,708)</u>

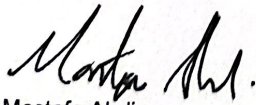
For the year ending 31 October 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006 ;
- Ensuring that the charitable company keeps accounting records that comply with section 386 and 387 of the Companies Act 2006 and
- Preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far applicable to the charitable company.

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

These financial statements were approved by the board of trustees and authorised for issue on 25.08.22, and are signed on behalf of the board by:


Mostafa Abdi
Trustee

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

1. Accounting policies

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, trusts and foundations is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grant income received in advance is deferred and released in the financial year to which it relates.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

Overhead and support costs relating to charitable activities have been apportioned based on usage.

Taxation

HQI Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

Tangible assets

Tangible fixed assets are carried out at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 33% straight line
Equipment	- 33% straight line

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2. Limited by guarantee

The company is limited by guarantee and does not have a share capital. Each member's guarantee is limited to £1.

3. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
Government grant income	—	100,000	100,000
	<u>—</u>	<u>100,000</u>	<u>100,000</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	5,000	—	5,000
Other Income	200		200
Grants			
Government grant income	—	40,070	40,070
	<u>5,200</u>	<u>40,070</u>	<u>45,270</u>

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

4. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Event host income	11,389	11,389	—	—
Other income	4,043	4,043	—	—
	<u>15,432</u>	<u>15,432</u>	<u>—</u>	<u>—</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Event and project management costs	2,347	39,400	41,747
Rent	6,994	6,994	13,988
Rates and water	3,303	3,323	6,626
Repairs and maintenance	908	1,514	2,422
Insurance	712	382	1,094
Motor/travel costs	4	103	107
Legal and professional fees	1,000	700	1,700
Other office costs	1,499	2,326	3,825
Depreciation	1,777	8,786	10,563
Security	640	1,612	2,252
Accountancy Fees	1,900	—	1,900
Bank Charges	100	—	100
Contractors	—	740	740
Food and Beverages	2,388	—	2,388
Event photography	—	1,674	1,674
Fund raising and marketing	—	3,650	3,650
Storage	1,581	—	1,581
Software and website	820	4,725	5,545
	<u>25,973</u>	<u>75,929</u>	<u>101,902</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Arts studio facilities	<u>35,781</u>	<u>23,057</u>	<u>58,838</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
Arts studio facilities	<u>101,902</u>	<u>101,902</u>	<u>58,838</u>

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>10,563</u>	<u>4,078</u>

8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£

The average head count of employees during the year was Nil (2021: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Trustees	<u>3</u>	<u>3</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

9. Trustee remuneration and expenses

There were no trustee's remuneration or other benefits for the year ended 31 October 2022 nor for the year ended 31 October 2021.

There were no trustees' expenses paid during the year ended 31 October 2022 nor for the year ended 31 October 2021.

10. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 November 2021	2,169	15,283	17,452
Additions	—	28,910	28,910
At 31 October 2022	<u>2,169</u>	<u>44,193</u>	<u>46,362</u>
Depreciation			
At 1 November 2021	318	3,760	4,078
Charge for the year	725	9,838	10,563
At 31 October 2022	<u>1,043</u>	<u>13,598</u>	<u>14,641</u>
Carrying amount			
At 31 October 2022	<u>1,126</u>	<u>30,595</u>	<u>31,721</u>
At 31 October 2021	<u>1,851</u>	<u>11,523</u>	<u>13,374</u>

HQI Foundation

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

11. Debtors

	2022	2021
	£	£
Trade debtors	140	2,918
Prepayments and accrued income	1,090	–
Other debtors	3,384	–
	<u>4,614</u>	<u>2,918</u>

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,530	–
Accruals and deferred income	2,554	5,670
Other creditors	33,856	26,847
	<u>41,940</u>	<u>32,517</u>

13. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>100,000</u>	<u>40,070</u>

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2022

14. Analysis of charitable funds

Unrestricted funds

	At 1 November 2021	Income	Expenditure	At 31 October 2022
	£	£	£	£
General funds	(29,721)	15,432	(25,973)	(40,262)

	At 1 November 2020	Income	Expenditure	At 31 October 2021
	£	£	£	£
General funds	860	5,200	(35,781)	(29,721)

Restricted funds

	At 1 November 2021	Income	Expenditure	At 31 October 2022
	£	£	£	£
Restricted Funds	17,013	100,000	(75,929)	41,084

	At 1 November 2020	Income	Expenditure	At 31 October 2021
	£	£	£	£
Restricted Funds	—	40,070	(23,057)	17,013

15. Related parties

As at 31 October 2022 HQI Foundation owed a balance of £25,000 to Bazooka Search Limited (2021 - £19,000). M Abdi and W Bagnall, trustees, are also directors of this is related company.

As at 31 October 2022 HQI Foundation owed a balance of £8,856 to Secret Technology Ltd (2021 - £7,847). M Abdi, a trustee is also a director of this related company.