

Charity Registration No. 1109276
Company Registration No. 04921852

Institute of Imagination

**Annual Trustees' report and financial
statements**

For the year ended 31 December 2019

Institute of Imagination

Annual report and financial statements For the year ended 31 December 2019

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Trustees' report (continued)

Trustees

Lady A Shaw-Scott Adjaye	(appointed 20 May 2019)
B J Demeroutis	(appointed Chair of Trustees 4 August 2020)
M Dorion	
K Grussing	
Dr L Guyton	(appointed 20 May 2019)
B Koby	(appointed 11 September 2019)
R Lewis	(resigned as Chair of Trustees 4 August 2020)
C Metcalfe	(appointed 20 May 2019)
J Quinn	(resigned 31 January 2019)
M Reilly	
D Uehlein	
N Viner	(resigned 11 March 2020)
L Watson	(appointed 11 September 2019)

Chief Executive

G Binns

Charity number

1109276

Company number

04921852

Principal address

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Registered office

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Lawyers

Brown Rudnick LLP
8 Clifford Street
London
W1S 2LQ

Auditor

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

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Trustees' report (continued)

Chair of Trustees' Report

2019 was full of exciting and impactful activity at the Institute of Imagination. With a packed year of programming, our Imagination Lab and outreach programmes engaged around 20,000 people. Our activities included understanding sustainability, Easter Skills Camps, coding, space exploration, robotics and building flying machines inspired by Leonardo da Vinci, among others. We launched the Mega Maker Lab, our largest single event yet and London's only attraction dedicated to the imagination. You will find more on the Mega Maker Lab below, but it was particularly pleasing to see the positive audience feedback and the diversity of visitors compared with London benchmark figures.

The year also saw us strengthen and develop our partnerships. We undertook our first action-research pilots with Higher Education partners to help us develop our research agenda. Our award-winning programme with LEGO and the Mayor of London's Curriculum team continued, bringing coding alive for many schoolchildren across London. Success with funding bids allowed us to develop our first partnership with a youth centre as we began a three-year project with OnSide in Barking and Dagenham. Other funding allowed us to innovate in the area of teacher training and INSET activity and to expand our provision for special needs children - always a priority group for us. We were delighted to support the Royal Collection with their programming and were also commissioned in December to run a pilot workshop in Hong Kong for the British Council. This relationship grew in the first part of 2020 as the Institute's teams were asked to deliver workshops for teachers and pupils in India, Tanzania, Malawi and Spain.

During the year, we were delighted to welcome five new Trustees: Lady Ashley Shaw-Scott Adjaye, Dr Lynne Guyton, Bethany Koby, Charlie Metcalfe and Laura Watson. Between them, they bring a wide range of experience and new areas of expertise in technology products, visitor experience, charitable impact and in-depth knowledge of disadvantage across London.

At the beginning of the year, due to changes in their business strategy and after a year of planning and design, Canary Wharf Group confirmed that they would not be taking forward the development of the iOi campus with us at Wood Wharf. In the autumn, after our most successful year there, our Imagination Lab residency in Lambeth had to end. We are very grateful to developers U+I who generously provided us with meanwhile space for the last two and a half years.

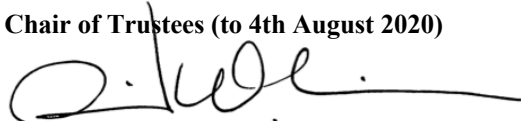
The fact that we were not able to proceed with our campus plans was a disappointment. But, with prudent use of resources, the senior leadership team was able to take forward the content and business planning developed for the campus to inform our continuing work and without incurring high costs. Towards the end of the year, the loss of the Campus combined with our move away from Lambeth, prompted us to undertake a strategic review of the organisation using an external consultant, Anna Jobson. Our Chief Executive lays out below the process we have gone through and the new focus for our strategy for the next five years. I think the new strategy has strengthened the organisation and gives us a robust plan for growth and impact.

With the arrival of COVID-19 and unprecedented uncertainty, I am convinced that we need to use the power of imagination more than ever to provide the next generation with opportunities to become resilient, creative and enterprising citizens. If we are to 'build back better' we are going to need the power of imagination at the core of all we undertake. The team at iOi responded quickly at the onset of the lockdown, moving our physical face to face offer to online delivery for schools and families. In particular, we launched a major initiative in Newham to offer a mix of physical and digital resources to children across the borough. And, where needed, we provide digital and other equipment so there are no barriers to taking part in our programmes.

After more than 10 years on the board, this is my last opportunity to provide the introduction to the Annual Report as I relinquished my role as Chair this August and handed over the leadership of the Board over to long time iOi Trustee, Basil Demeroutis. It has been a privilege to lead the organisation through this period of growth and development. I am keenly aware that everything we do is only possible thanks to the generosity of our supporters and volunteers and the dedication of our staff and Board of Trustees. My sincere thanks to all of you. It is because of you that we are able to make a real difference for children and I wish Basil, and the organisation, great success as our new 5-year strategy is implemented.

Ric Lewis

Chair of Trustees (to 4th August 2020)



Institute of Imagination

Trustees' report (continued)

Chief Executive's Report

2019 gave us the opportunity to maximise our programming in what would prove to be our final year at the Imagination Lab in Lambeth, reaching around 20,000 visitors and along with our outreach programmes, we ended 2019 by bringing out total audience engagement since 2011 to over 70,000. Through our suite of programmes, we continued to run highly successful activities for children and young people, families, schools, adults and educators across London, the UK and internationally. Our activities continued to combine the arts, sciences and digital technologies and they encompassed robotics, coding and electronics, crafts, movement and making. They were offered through unique, immersive and supportive learning environments, allowing participants to explore new ideas, invent, build their skills and improve their sense of wellbeing.

The context for this work has been the importance of the human imagination and how we have seen the opportunities for young people to play, create, experiment and explore their imagination continue to be reduced. This can be through socioeconomic disadvantage, through lack of time for families to do things together, lack of places, spaces and resources, and also ideas. There are many things to do in London but often these are prescriptive and not led by children. Often, they are dictated by curatorial or artistic agenda, or driven by a particular business model.

Our year-long 2019 Lab platform allowed us to devise programmes focused on particular audiences, and to try out differentiated approaches to access. As well as ticketing and charging for events, we were also able to focus on offering free and subsidised access to local communities and supporting some participants in longer-term relationships over a period of months and years. We have gained a huge amount of experience through our Lab activities working with children of all backgrounds and abilities from across London and overseas. From the outset, we have wanted to work with those children across school and home settings, and with the education professionals, parents and carers.

2019 saw us putting more resources into audience development work to benchmark ourselves against best practice across London's range of venues. It also saw us put resources into developing our research hub strategy, and our first joint research projects running with two universities: Bangor and King's College. Our advice and guidance on pedagogy was also sought by a number of institutions across the capital which are conceiving their approach to learning and redesigning their spaces. We also worked in partnership with the British Council and delivered our first overseas project in Hong Kong. The programme involves upskilling teachers to train young people in the use of the Micro:Bit computer. From this pilot, in 2020 the partnership has grown and saw iOi working with children and teachers in India, Spain, Malawi and Tanzania.

For the first time so far, we opened the whole of the 12,000 sq. ft. lab space for all of August to put on our Mega Maker Lab experience for over 6,000 visitors, with excellent audience feedback against a set of benchmarks and strong dwell time. See below for the Mega Maker Lab in focus.

Over the last few years developing and prototyping our programming approaches and building our organisation and reputation, we have also been striving to realize our own Institute of Imagination Campus – a new cultural space in London and the first institution of its kind in the world. We had agreed draft Heads of Terms with a developer in 2018 for a site in East London, developed designs and a business plan. In January 2019 however, the developer's strategy and priorities changed and they decided not to go ahead with the project. Having put so much effort into the project, this was a great disappointment for iOi and set back to our vision. In spite of this though, we have gained a wide range of experience from the business planning, benchmarking, content creations and design thinking for the Campus. Combined with our experience of fitting out and running our own lab space, we were well positioned to take that learning forward into 2021.

In November 2019, however, we decided that it would be prudent to take stock, assess our strengths and weakness and relook at our strategy for delivery and growth, before embarking on a major capital campaign needed to underpin our planned Campus. Given a range of drivers – the uncertain economic landscape, a tough fundraising and commercial environment, and an evolving number of offers for our audience sectors, we believed it was an appropriate time to take stock and undertake a strategic review. In retrospect, with a global pandemic emerging, we could not have chosen a more prescient moment.

Since January 2020, therefore, we have been engaged in a rigorous 360-degree strategic review of the Institute which has looked at every aspect of our organisation and compared it with a wide range of international benchmarks. The process, facilitated by a leading external moderator, has involved our entire staff and Board as well as a number of our key external facilitators.

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Trustees' report (continued)

The impact of COVID-19 in 2020

During the review process in March 2020, COVID-19 hit the UK and our plans for the year were turned on their head. We were able to move rapidly to home-based working for the team and had done this a week in advance of the government's national lockdown announcement on 23rd March. Our business model is based on face-to-face interactions in schools, family workshops, larger marketplace style events and residencies in partner venues. The pandemic has had a huge impact as we were no longer able to run these or plan new activities, many of which would have been ticketed and brought a large proportion of our planned income into the charity. In particular, we have been unable to plan and deliver our large Mega-Maker Lab for 15-20,000 people in Docklands throughout August.

After some emergency planning, our immediate focus was on adapting the four programmes we had currently running, two in schools, one in libraries and community centres and one in a youth centre. All were delivered to groups of children and young people in person by our facilitators and involved a range of activities and resources. Within a few weeks, we had moved the existing programmes to online provision and had circulated resource materials and equipment to enable activity to take place, with a mix of physical and digital activities, what we term 'phygital'.

We put in place a number of actions to maintain our financial stability including furloughing staff, voluntary salary reduction and delaying recruiting. During this period, we have been successful with a number of bids for funding. This entirely unprecedented situation mapped over our period of strategic review and has provided a new and unexpected lens through which to progress our strategic thinking and has enabled the rapid acceleration of some of our planned new directions. In particular, to innovate in the area of digital content and hybrid programmes mixing COVID-19 secure contact with online activities, a project innovation which proved highly successful in raising around £100k from crowd-sourced funding.

Through this period, we've reimaged our activities and ramped up our iOi Digital offer. Our success in adapting from face to face to online has been possible due to the creativity of the iOi staff and facilitators and the partner contacts we have been working with at host organisations. The fact that the face-to-face work was already underway was very helpful, as relationships were already established: these weren't megabits of digitised content launched cold into the online learning space. We have tried not just to recreate the existing face-to-face programme through pre-recorded video, but to enhance it with engaging real-time interaction and hands-on resources our audiences can use as we all learn together in this new environment. This enforced and rapid move to online and what we have termed iOi at home, has had a profound impact on our strategic thinking, greatly accelerating our ideas and plans for our iOi Digital offer, which is reflected in our new strategic goals.

In August, we completed the strategic review and signed off our five-year business plan with continuing mission and new vision as below.



Gareth Binns

Chief Executive

Institute of Imagination

Trustees' report (continued)

iOi vision

Imagination is the capacity to conceive, create, evolve and develop mental models of things or situations that don't yet exist. It is at the foundation of creativity and innovation. The world is changing rapidly, and we are seeing more reference to the importance of imagination, creativity, teamwork, communication, experimentation, problem-solving and innovation. The World Economic Forum has identified the challenge ahead in terms of the skills required and the hollowing out of old economies and we know that with the increase of robotics and artificial intelligence, our capacity to imagine remains one the key things that makes us human, adaptive and innovative.

Increasingly, we have seen the narrowing of opportunities within the national curriculum with creative subjects under pressure and an increase in testing and assessment regimes. For many teachers, an experience with iOi has given their pupils a creative bubble in which both pupils and teachers can try things out and explore in a non-judgmental way. We have amassed a substantial amount of evidence for the success of the model we have created from parents and carers, children and teachers, and our experience, methodology and approach has been actively sought out by others. This is the context for this new strategy and business plan. We don't know what the future holds, but we want our children to live and thrive there and firing their imaginations, creativity, and well-being, is one of the best ways we can future-proof them to grasp the opportunities that change will bring.

Mission

iOi champions opportunities for children and young people of all backgrounds to develop their imaginations, a quality that is vital to creativity and the next generation's ability to adapt and thrive in a rapidly changing world.

Our mission is to ensure that more than 850,000 people will have directly encountered our innovative programmes for children and young people by 2025. We will equip and enable young people as resilient change agents for the future. Our work will be renowned globally. Imagination will be understood as the root of creativity and innovation.

Our Values

These values drive our work, our organizational culture and our approach to partnership:

Collaborative: We believe in working together, sharing ideas and problem solving as a community, across generations.

Interdisciplinary: We believe in the fundamental need for inter-disciplinary learning, combining the arts, sciences and digital technologies.

Ideas Driven: We believe in ideas and imagination and think the best learning opportunities come through an iterative approach of prototyping, sharing, testing and rethinking.

Playful: We believe there is enormous value in learning through play, we believe that through play, vital skills for the future are developed.

Participant-led: We believe in experiential learning environments that strongly encourage participants to lead their learning, avoiding pre-determined outcomes.

Underpinning all of these values is a commitment to equality and respect. All ideas are equally important to the work that iOi does.

Our five organisational goals 2020-25

Over the next five years, we are focused on the pursuit of these five goals, which are expanded in more detail below:

Developing programmes focused on imagination, to empower children and young people with vital skills for the future while supporting their wellbeing and ability to flourish.

- We will build reach to 850,00 through a range of spaces and channels because we believe more children should be able to benefit from experiencing our programmes.
- Our focus will be children 5-11, their families and teachers with our distinctive pedagogy.
- iOi Digital will grow to be a tool to develop children's imaginations worldwide.

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Trustees' report (continued)

Delivering at scale and opening a new campus space in London devoted to imagination.

- To deliver at scale we need to develop more opportunities to reach our audience through our own physical spaces and others.
- New achievable and sustainable iOi space in east London will be our flagship, to generate income, innovate, prototype and bring all our functions together.
- We will establish new partnerships to support delivery in a range of settings.
- iOi Digital in the cloud – combination of real-time live, online and downloadable – some focused, others and available to all.

Using our influence to champion the critical importance, value and impact of imagination and creativity in society, particularly in the cultural and education sectors.

- A major push for us in this area with a renewed and enhanced programme of marketing, communications and social media.
- Backed by action research and impact studies and our advisory board, we will engage with key stakeholders and practitioners to influence and lead the agenda on imagination and creativity.
- There will be a step change in the recognition of our brand and voice and we will be the 'go to' organisation on imagination and young people.

Renewing and scaling our organisation to ensure we can achieve our ambitions while retaining our agility.

- Renew and refresh organisational values, governance and culture.
- Configure organisational structure, aligning people and skills to the new strategy and planning for growth.
- Place people at the heart of our plans.
- Renew all processes to align with the strategy.

Building our financial sustainability by developing existing income streams and building new ones.

- We will combine capital and revenue fundraising, with donations with sponsorships, commissions, grants and entrepreneurial and commercial partnerships.
- Match activity to resources.
- We will move from break even in growth mode to building reserves over the 5 years.
- Give year target income 50% grants, gifts and statutory, 50% commercial revenues.

While undertaking our review and identifying what is important to us and what drives us, COVID-19 brought about a tragic turn of events. However, we feel strongly that at a moment of seismic change in the world, when we may not be able to, or want to, return to the way things were, it seems indisputable that imagination is needed now more than ever. It is the crucial skill and attribute for seizing and creating new opportunities and finding new paths to growth and human flourishing, particularly for the younger generation. This has been at the heart of the Institute of Imagination's purpose since it was founded and will remain at the heart of our future work as we take our new strategy forward.

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Trustees' report (continued)

2019 Highlights

Code Green – Canary Wharf Estate Winter Lights Festival January

In January of 2019, the Winter Lights Festival took over Canary Wharf with light art installations on the theme of sustainability, recycling and the environment. The iOi was commissioned by Canary Wharf Estate, popping up in the Jubilee Shopping Mall with an interactive light installation with a green twist. Children, families and the public were invited to take on a challenge of turning the world green by making environmental decisions in a collaborative coding game. Using the BBC Micro:bit to answer questions, the game invited participants to decide whether something was good or bad for the environment, turning on LEDs across a world map green with their answers. Alongside the installation, the iOi ran drop-in coding workshops for children and young people.

iOi Easter Skills Camps: Bricks and Code, Micro:bit and Make, Game and Code February - March

We kicked off the February half-term at the Imagination Lab with making and coding camps. From February to March, families could join us at the Lab for our Lab Liftoff: Bricks & Code. Using LEGO Education WeDo 2.0 kits, children aged 7-12 were able to tackle real life challenges using our robotics kits and their coding skills. Micro:bit and Make looked at inventing and bringing inventions to life through coding and robotics and Game and Code played with the concept of gamification of coding tools and platforms. The camps were supported in part by the Rosemary Nathanson Charitable Trust, meaning up to 50% of participant places were subsidised for children and young people from low-socio economic families.

A visit from Roehampton University trainee teachers March

In a partnership with Roehampton University, three of their trainee teachers, Lucy, Annia and Karissa, joined us at the Imagination Lab to talk about what inspired them to become teachers, why imagination in education matters and what kind of teachers they aspire to be. They then volunteered at our Lab Liftoffs, working with children age 7-12 to explore coding, robotics and problem solving across a series of skills-based workshops and to apply their practice and gain experience from iOi's.

Imagining the Mega Maker Lab April

In the spring of 2019, the Institute of Imagination and architectural educators, MATT + FIONA, worked with children to design iOi's major summer experience dedicated to the imagination – the Mega Maker Lab. Over a series of months, 100 London school children aged 7-10 came to the Imagination Lab, to become our Imagination Architects, key stakeholders. They explored how to transform the Imagination Lab's 12,000 sq ft Engine Hall into a creative, interactive and playful environment, designed to let imaginations run free.

Space Exploration with cardboard artist Chris Gilmore May

To celebrate the achievements of Space Rovers and new space exploration, we created our own Space Exploration Station together with cardboard artist Chris Gilmore. Multiple school groups watched curious videos and interacted with our roaming scientists to research questions such as: What do we know about outer space? What will we need to live on Mars? Why are there moons and stars in the sky? Using cardboard, crafts and elastic band-powered propulsion, the children designed and built their own Exploration Station, as well as constructed mini Exploration Rovers, inspired by the Curiosity Rover!

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Trustees' report (continued)

RE:CODE London with LEGO and the Mayor of London June

In collaboration with LEGO Education and the Mayor of London, RE:CODE returned to the Imagination Lab. These school sessions gave young Londoners aged 9-11 the chance to take on a real-world coding challenge in 90-minutes. RE:CODE London ran throughout the year and in June was held over three days on the theme of wildlife and nature in London. The first of the days was dedicated to SEN schools.

Santander - Robotics Reimagined June

Our Santander supported Robotics Reimagined programme concluded in June with successful Lab Learns and a Lab Life. The programme, which was a huge hit with schools and families, explored playful engagement with a range of activity, including bringing toys to life with Micro:Bit, Jitterbot DIY robots, Nintendo Labo musical tinkering, and moving machine building using Micro:Bit. Its success led to the Barbican wishing to commission iOi to run a family drop-in workshop.

Building the Mega Maker Lab July

In July, our Imagination Architects brought their ideas to life with will drills, hard hats, and a whole load of plywood. 50 primary school children got some hands-on experience, transforming the Imagination Lab's Engine Hall into our innovative summer experience for families under the expert guidance of architectural educators MATT + FIONA and their Industry Champions, Jestico + Whiles, as well as with the helping hand of volunteers from across London. They built ramps, performance platforms, aerial structures and dividing walls, creating a series of creative 'zones' around the hall ready to be populated by Mega Maker Lab's content.

Launching Mega Maker Lab August

In August of 2019, we launched the Mega Maker Lab - our biggest experience to date and London's only attraction dedicated to the imagination. The five experience zones created in partnership with our Imagination Architects, hosted a range of self-led activities featuring LEGO Build the Change, giant marble runs, Stixx machines, robot building, a test arena and a tool bar, where visitors tinkered, experimented, built, played and enjoyed time together. We were thrilled to say that across August we welcomed nearly 6,000 visits to Mega Maker Lab with visitors from across London, the UK and internationally.

Do Your Bit Hackathon at the Lab with local Lambeth children September

Following some initial work with The British Council in supporting the Micro:Bit Educational Foundation on their Do Your Bit global competition, we held a pilot Do Your Bit Hackathon at the Lab with local Lambeth children. The Do Your Bit design challenge, or Hackathon, saw participants designing inventive solutions to two global development goal challenges (Global Goal 14 – Life Below Water and Global Goal 15 – Life on Land). The event provided a platform for the British Council and the Micro:Bit Educational Foundation to explore creative ways of designing Hackathons globally using a Lab environment and incorporating arts, crafts and engineering. The pilot also helped with the development of a Hackathon play book: a set of slides and resources to help other Hackathons across the world to run.

Royal Collections Trust pop-up September

We were invited by the Royal Collections Trust (at Buckingham Palace) to run pop up weekend workshops inspired by Leonardo da Vinci and as part of the Leonardo da Vinci: A Life in Drawings exhibition, which brought together over 200 of Leonardo's drawings, plans and sketches. The workshop involved two activities. First, 'Building Leonardo's

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Trustees' report (continued)

Invention Studio' using our Stixx machine to enable visitors to magically turn old newspapers into solid building rods, which when joined together with cable ties can be used to create large collaborative constructions. Secondly, inventing "Flying Machines" - taking inspiration from Leonardo da Vinci's flying machine sketches to design and build a flying machine and test it in our iOi wind tube.

LEGO Rebuild the World Roundtable September

The iOi was asked to join LEGO's first ever global campaign 'Rebuild the World' to champion the importance of play and creativity. LEGO conducted a major survey with parents and experts to get a sense of how creativity is viewed in today's society. Tom Doust, Director of Experience and Learning took part in a 'round floor' discussion with creativity experts and children and families. This was filmed and soundbites were used to create a manifesto for the campaign. This has led to further content commissioning by LEGO in 2020

Research Hub strategy start October

Dr Kate Armstrong, who joined us as our Research Hub Manager in September, drafted iOi's first research hub strategy looking at how we could strengthen our own research, have a view across all our programmes with our impact and seek out opportunities to generate income and new projects. As part of the development, Dr Armstrong held a salon for internal teams to feed into the strategy in the operations of the wider organisation and developed evaluation plans across all of our Imagination Lab Programmes.

First Imagination Lab Learn Hub October

We launched our first Imagination Lab Learn Hub supported by the Sir John Cass Foundation. These one-day events provided an opportunity to run school workshops alongside CPD workshops, without compromising teacher time and resource. We ran three workshops on the topic of exploration (with cardboard artist Chris Gilmore), an 'Alien Zoo' (bots) and space vehicles (using Lego WeDo). This was a big day with 6 school classes attending and lots of facilitators and volunteers supporting. Drawing on a new report from the OECD, the CPD training we held for teachers focused on creativity and critical thinking and provided a creativity rubric and sample lesson plans from the report for teachers to apply back in school.

Digital Creatives kick-off November

In November, we kicked off the Young Londoners Fund programme, Digital Creatives, with our colleagues at Future Youth Zone Barking and Dagenham. Future is an incredible £6 million building which opened in 2019, with a broad range of activities for local young people including a climbing wall and boxing ring. In line with the evaluation of the programme, we have developed a theory of change in consultation with Future's youth board. The programme provides digital skills to children and young people and explores pathways into the digital creative industries. The project allowed us to extend into the youth market for the first time and started an ongoing relationship with OnSide, the major UK youth centres charity.

#Makember Campaign December

In every workshop we run, we are blown away by the creativity and ingenuity we see displayed by the young people we work with. For the whole of December, we re-booted our #makember campaign and shared ideas for home makes inspired by all the activities we've ran at our events over the year. Our audiences followed along on Twitter, Facebook and Instagram from 1 December to get tips throughout the month for ideas to make together. We held a prize draw for the community makes posted on social media with the hashtag #makember, where contributors could win some awesome iOi and partner merchandise.

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Trustees' report (continued)

First British Council workshop in Hong Kong November - December

The iOi teamed up with the British Council to support the Do your:bit – the Micro:Bit Global Challenge, an international competition for young people led by the Micro:Bit Educational Foundation. Two of our expert facilitators, James Brown and Michelle Borda, travelled across the globe to Hong Kong to support teachers and educators to run engaging Micro:bit Hackathons and to transform their classrooms into creative, interdisciplinary learning spaces. The workshops were aimed at helping teachers use digital tools imaginatively, and to support a variety of learning needs across subject disciplines. They used ideas for working with Micro:bits as a starting point, but most importantly gave teachers interdisciplinary approaches that can be used in the classroom for any project, whatever the tools available. It had been our ambition to deliver overseas workshops and this first project with the British Council then led to on to working across two further continents in early 2020

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Trustees' report (continued)

iOi in action

Mega Maker Lab in Focus:

In April 2019, the Institute of Imagination, architectural educators MATT + FIONA, and expert volunteers from architecture firm Jestico + Whiles, worked with young people to design our next experience dedicated to the imagination – the Mega Maker Lab. 100 London school children aged 7-10 came to the Imagination Lab, a former fire engine workshop of about 12,000 square feet, to become our Imagination Architects. They explored how to transform this empty space into a fun, interactive and playful environment, designed to let imaginations run free.

These workshops aimed to give children a much-needed ownership of their environment and show them that they can make their ideas a reality. We utilised an interdisciplinary approach, fusing art and design, science and digital technology. This is an approach that MATT + FIONA specialise in, and one which we always champion at the Lab. Indeed, architecture as a discipline breaks down the barriers between subjects beautifully. Using this as a springboard, the children were asked to think about everything from materials and their properties like weight and texture, through to how model-making and crafting can help think about proportion and spatial design.

Through a combination of model making, marking out, drawing and sculpting, children worked together to tell us what the Mega Maker Lab could look like. We were blown away by their ideas, from hanging structures that create quiet spaces for invention and play areas that invite children to make and meet new friends to arena performance spaces to share ideas – from big to small, every idea could make it to the final build. By taking similarities and trends from the designs across the school groups that contributed to the design process, MATT+FIONA were able to create heat maps to position the experience zones. They could also take the ideas from mini aerial structures to create a quiet, enclosed 'ideas zone' for focussed imagining and an innovative looping system to create a large aerial installation. Fiona MacDonald from MATT+FIONA explains:

“One 10-year-old came up with an innovative way to create a floating, structural installation. By creating a double loop, he invented an easy way to join the single elements together to create a brilliant expanding ‘cloud’, a centrepiece that makes use of height of the warehouse space.”

We aimed to raise the aspirations of our Imagination Architects by ensuring they see their ideas come to life! In July, 50 of our Imagination Architects returned to the Lab to help us build the Mega Maker Lab with drills, hard hats, and a whole load of plywood. The children got some hands-on experience transforming the Lab into our next innovative summer experience for families under the expert guidance of architectural educators MATT + FIONA and Jestico + Whiles, as well as with the helping hand of volunteers from across London. They built ramps, performance platforms, aerial structures and dividing walls, creating a series of creative ‘zones’ around the massive hall. The five experience zones were designed to host a range of self-led activities featuring LEGO, giant marble runs, Stixx machines, an ideas zone, robot building, a test arena and a tool bar.

In August of 2019, we launched the Mega Maker Lab - our biggest experience to date and London's only attraction dedicated to the imagination! From August 1-31st visitors tinkered, experimented, built, played and enjoyed time together. Across August, we welcomed nearly 6,000 people to Mega Maker Lab with visitors from across London, the UK and overseas.

The audience data we captured shows that our demographic make-up was very different from comparable events across London, which are usually made up by commuter-belt style families. However, our Mega Maker Lab audience had a large proportion of families from the surrounding Vauxhall area, comprised of prosperous urbanites. Their attention is difficult to get, demonstrating that our offer is unique and captivating.

We are also very pleased to say that we saw high attendance from groups with low levels of cultural engagement, often dwelling urban areas in council accommodation and of diverse and mixed ethnic backgrounds, with disability levels slightly above average. In fact, our ethnicity data benchmarked higher than the average London data. This was largely due to the iOi successfully embedding itself and connecting with these communities.

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Trustees' report (continued)

The audience feedback we captured was also very positive. From the 249 responses we collected, we could see that we skew higher in customer satisfaction than comparable events across greater London, as demonstrated by the figures below:

- Quality of visit: 97% Good to very good (greater London benchmark 93%)
- Value for money: 97.5% Good to very good (greater London benchmark 80%)
- Whole experience: 96.5% Good to very good (greater London benchmark 93%)
- Welcoming: 93.5% Good to very good (greater London benchmark 86%)

Our face-to-face audience target was 20,000 across the year and we reached 20,751

The numbers:

- 14,143 children in school and family groups
- 752 children with special educational needs
- 5,856 parents and teachers
- 129 workshops delivered
- 29 partners across education, technology, science and the arts
- 177 school workshops
- 40 active volunteers

Institute of Imagination

Trustees' report (continued)

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 2019.

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 companies exemption from preparing a strategic report.

Structure, governance and management

The Charity is a company limited by guarantee without share capital and is governed by its memorandum and articles of association. The charity owns the entire share capital of IOI Enterprise Limited, the principal activity of which is the delivery of 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	(appointed 20 May 2019)
B J Demeroutis	(appointed Chair of Trustees 4 August 2020)
M Dorion	
K Grussing	
Dr L Guyton	(appointed 20 May 2019)
B Koby	(appointed 11 September 2019)
R Lewis	(resigned as Chair of Trustees 4 August 2020)
C Metcalfe	(appointed 20 May 2019)
J Quinn	(resigned 31 January 2019)
M Reilly	
D Uehlein	
N Viner	(resigned 11 March 2020)
L Watson	(appointed 11 September 2019)

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

New Trustees are appointed with a view to maintaining an appropriate balance of skills and experience. Appointments of Trustees are reviewed by the nominations committee and ratified by the Board of Trustees. Trustees hold office for a 4 year fixed term and one third of Trustees are considered for reappointment at the annual general meeting. All Trustees receive information about their responsibilities as a part of their induction. Training is provided to existing Trustees as and when the need arises.

The 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 standing relationships with our supporters, growing trust and respect and building the reputation of the Charity. For that reason, we do not currently use commercial participators or external fundraisers. We are registered with the Fundraising Regulator and follow applicable law and recognised standards.

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

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

Up to £25,000 approved by the Chief Executive

£25,001 to £100,000 approved by a Trustee who is a member of the Finance Committee

Over £100,000 approved by the Board of Trustees.

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

Institute of Imagination

Trustees' report (continued)

Principal risks and mitigations

The Trustees have assessed the major risks to which the Charity is exposed. The principal risks are in respect to COVID-19 and its effect on both programming and fundraising, reputational damage from a failure in safeguarding or health and safety and inadequate financial reserves disrupting future plans.

These have been mitigated by a thorough Business Review for 2020-25 being conducted since the pandemic which included specific recommendations for operational policies and financial planning which are now being implemented.

Objectives and activities

The charity's objective is to champion opportunities for children and young people of all backgrounds to develop their imaginations, a quality that is vital to creativity and the next generation's 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.

Over the next five years our mission is to ensure that more than 850,000 people will have directly encountered our innovative programmes for children and young people by 2025. We will equip and enable young people as resilient change agents for the future. Our work will be renowned globally. Imagination will be understood as the root of creativity and innovation.

Specifically, we will:

- Hold onto our agile and innovative approach, looking to stay cutting edge and ahead of the curve. There will be an increased focus, scaling up and investment in iOi digital channels and content. We will have a sharper focus on the 5-11 age group and their families and teachers, while also working with other youth, community groups and adult groups. We aim to start working at scale, with ambitious annual targets for our audience reach, in person and online.
- Deliver a new space in the East of London as a focus for our work, scaled down from the larger campus concept, equally as innovative but more embedded in the community.
- Champion the power of imagination and creativity in society and seek greater influence for this idea, particularly in the cultural and education sectors.
- Renew and refresh our organisation, scaling it to deliver the new strategy and building a new organisational culture.
- Explore new income streams and ways of working to ensure continued financial sustainability.

Institute of Imagination

Trustees' report (continued)

Thanks to our Supporters

Our success and continued development in 2019 were made possible thanks to the generosity of our Imagineers. On behalf of the Trustee and staff at the Institute of Imagination and all those who are impacted by our work, we would like to thank the following organisations and individuals for their generous support in 2019:

- Black Heart Foundation
- Charles Skey Charitable Trust
- Grantnells
- Lego
- Paul Hamlyn Foundation
- Rangoonwala Foundation
- Rolls Royce
- The John Lyons Charity
- Walcott Foundation
- Young Londoners Fund

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

Institute of Imagination

Trustees' report (continued)

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 £250,000 and £500,000 at 31st December 2019. 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 £409,103 (2018: £1,085,261) were held including restricted funds of £36,274 (2018: £116,752). This level of reserves is therefore consistent with the policy,

During the year, the principal source of funding was donations. Total income of £632,081 (2018: £1,639,571) included donations of £483,173 (2019: £1,571,373) used to fund our programmes and our operating costs.

Expenditure of £1,308,239 (2018: £1,342,265) consisted of raising funds £281,232 (2018: £340,998), trading expenses £80,752 (2018: nil) and Charitable activities of £946,255 (2018: £1,001,267) relating to continuing programme activity.

Investment Policy

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

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

At the end of 2019, all investments were held in cash.

Going Concern

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

Disclosure of information to auditor

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

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

Institute of Imagination

Trustees' report (continued)

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

A handwritten signature in black ink, appearing to read 'B.J. Demeroutis', with a long horizontal flourish extending to the right.

B.J. Demeroutis
Chair of Trustees

3 December 2020

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.

Independent auditor's report to the Trustees of Institute of Imagination

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Institute of Imagination (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2019 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 2019 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Independent auditor's report to the Trustees of the 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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:

9. December 2020

Institute of Imagination

Consolidated statement of financial activities, including income and expenditure account For the year ended 31 December 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Income from:							
Donations	3	385,849	97,324	483,173	1,176,242	395,131	1,571,373
Other trading activities	4	144,814	-	144,814	65,606	-	65,606
Investment income		4,094	-	4,094	2,592	-	2,592
Total income		<u>534,757</u>	<u>97,324</u>	<u>632,081</u>	<u>1,244,440</u>	<u>395,131</u>	<u>1,639,571</u>
Expenditure on:							
Trading and raising funds	5	(361,984)	-	(361,984)	(336,424)	(4,574)	(340,998)
Charitable activities	5	(768,453)	(177,802)	(946,255)	(638,419)	(362,848)	(1,001,267)
Total expenditure		<u>(1,130,437)</u>	<u>(177,802)</u>	<u>(1,308,239)</u>	<u>(974,843)</u>	<u>(367,422)</u>	<u>(1,342,265)</u>
Net (expenditure)/income for the year		<u>(595,680)</u>	<u>(80,478)</u>	<u>(676,158)</u>	<u>269,597</u>	<u>27,709</u>	<u>297,306</u>
Reconciliation of funds:							
Total funds brought forward	17,18	<u>968,509</u>	<u>116,752</u>	<u>1,085,261</u>	<u>698,912</u>	<u>89,043</u>	<u>787,955</u>
Total funds carried forward		<u><u>372,829</u></u>	<u><u>36,274</u></u>	<u><u>409,103</u></u>	<u><u>968,509</u></u>	<u><u>116,752</u></u>	<u><u>1,085,261</u></u>

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

All income and expenditure derive from continuing activities.

The notes on pages 27 to 41 form part of these financial statements.


Institute of Imagination

Consolidated Balance sheet As at 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	13	16,900	25,459
Current assets			
Debtors	14	96,306	54,582
Cash at bank and in hand		445,546	1,136,492
		541,852	1,191,074
Creditors: amounts falling due within one year	15	(149,649)	(131,272)
Net current assets		392,203	1,059,802
Total assets less current liabilities		409,103	1,085,261
The funds of the Charity:			
Restricted funds	17,18	36,274	116,752
Unrestricted funds	17,18	372,829	968,509
		409,103	1,085,261

The deficit of the parent charity for the year for Companies Act purposes is £673,440 (2018 surplus: £344,580). 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 3 December 2020. They were signed on its behalf by:



B J Demeroutis
Chair of Trustees


The notes on pages 27 to 41 form part of these financial statements.

Institute of Imagination

Charity Balance sheet As at 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Investment in subsidiary	11	10	10
Tangible assets	13	5,356	10,347
		<u>5,366</u>	<u>10,357</u>
Current assets			
Debtors	14	117,313	90,827
Cash at bank and in hand		432,323	1,117,128
		<u>549,636</u>	<u>1,207,955</u>
Creditors: amounts falling due within one year	15	<u>(95,907)</u>	<u>(85,777)</u>
Net current assets		<u>453,729</u>	<u>1,122,178</u>
Total assets less current liabilities		<u>459,095</u>	<u>1,132,535</u>
The funds of the Charity:			
Restricted funds	17,18	36,274	116,752
Unrestricted funds	17,18	422,821	1,015,783
		<u>459,095</u>	<u>1,132,535</u>

The financial statements of the Institute of Imagination (registration number: 04921852) were approved by the Board of Trustees and authorised for issue on 3 December 2020. They were signed on its behalf by:


B.J. Demeroutis
 Chair of Trustees

The notes on pages 27 to 41 form part of these financial statements.

Institute of Imagination

Consolidated Cash flow statement For the year ended 31 December 2019

	Note	2019 £	2018 £
Net cash flows from operating activities	21	(692,247)	418,910
Cash flows from investing activities			
Investment income		4,094	2,592
Purchase of tangible fixed assets		(2,793)	(16,754)
Net cash flows from investing activities		1,301	(14,162)
Net increase in cash and cash equivalents in the year		(690,946)	404,748
Cash and cash equivalents at the beginning of the year		1,136,492	731,744
Total cash and cash equivalents at the end of the year		445,546	1,136,492
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		445,546	1,136,492
Cash and cash equivalents		445,546	1,136,492

The notes on pages 27 to 41 form part of these financial statements.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies

General information and basis of accounting

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

Second Home
68 Hanbury Street
London
E1 5JL

The nature of the Charity's operations and its principal activities are set out in the Trustees' report on pages 2 to 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 five year financial plans as part of the Strategic Review, 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 are set out in the notes to the financial statements.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

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

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 (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

Defined pension contribution scheme

The Group 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 recognised 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 (continued) For the year ended 31 December 2019

3. Income from donations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Donations and gifts	385,849	97,324	483,173	1,176,242	395,131	1,571,373
Donations and gifts						
Unrestricted funds:						
Donations			280,546			1,035,742
Gift Aid			-			62,500
Donated services			105,303			78,000
			385,849			1,176,242

Donations and gifts are derived from targeted fundraising by the organisation. Donated services are provided pro-bono from Katten Munchin Rosenman UK LLP £27,303 (2018: £nil) and U+I £78,000 (2018: £78,000).

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

4. Analysis of income from trading activities

	2019 £	2018 £
Public admissions	43,453	34,735
Retail sales	4,897	1,995
Corporate sales	52,966	5,760
School and partnership sales	40,867	20,864
Other trading income	2,631	2,252
	144,814	65,606

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

5. Expenditure

	2019 £	2018 £
Trading and raising funds	361,984	340,998
Charitable activities		
Activities undertaken directly	608,320	698,525
Support costs (note 7)	276,225	268,676
Governance costs (note 7)	61,710	34,066
Total	946,255	1,001,267
	1,308,239	1,342,265

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

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

	Cost of raising funds £	Charitable activities £	Support and Governance costs £	Total 2019 £	Cost of raising funds £	Charitable activities £	Support and Governance costs £	Total 2018 £
Management and governance	208,767	294,512	61,710	564,989	253,118	438,381	34,066	725,565
Fundraising costs	89,716	-	-	89,716	51,110	-	-	51,110
Workshop premises		78,000	-	78,000	-	78,000	-	78,000
Marketing and PR	63,501	-	-	63,501	36,770	-	-	36,770
Experience and learning		512,033	-	512,033	-	450,820	-	450,820
	361,984	884,545	61,710	1,308,239	340,998	967,201	34,066	1,342,265

6. Auditor's remuneration

	2019 £	2018 £
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	9,000	10,046
- Fees payable to the charity's auditor for other services to the group	2,518	16,372

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

7. Analysis of governance and support costs

	2019 £	2018 £
Administration costs	30,292	32,196
Staff costs	229,268	224,205
IT expenses	16,665	12,275
	<hr/>	<hr/>
Total support costs (note 5)	276,225	268,676
	<hr/>	<hr/>
Governance costs	61,710	34,066
	<hr/>	<hr/>
	337,935	302,742
	<hr/>	<hr/>

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 (2018: nil).

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

9. Employees

The payroll costs were as follows:

	2019 £	2018 £
Group and Charity		
Wages and salaries	575,240	501,959
Social security costs	55,040	52,613
Other pension costs	15,824	18,347
	<u>646,104</u>	<u>572,919</u>

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

	2019 No.	2018 No.
Group and Charity		
Management	4	4
Support	9	8
	<u>13</u>	<u>12</u>

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

	2019 Number	2018 Number
£90,001 to £100,000	1	1
£60,001 to £70,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel are defined as the Director Group that includes the Chief Executive, Campaign Director (2018: Director of Development) Director of Finance and Enterprise and Director of Experience and Learning. The total employment benefits paid to key management personnel (including pension contributions) during the year was £271,010 (2018: £289,020) which included redundancy costs of £ (2018: £nil).

Key management personnel are remunerated at market rate.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

10. Tax on profit of trading subsidiary

	2019 £	2018 £
Analysis of tax charge on current activities		
UK corporation tax at 19% based on profit for the year	-	-
Factors affecting tax charge for the year		
The tax assessed for the year is the same as (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:		
	2019 £	2018 £
Loss before tax	2,718	47,274
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	516	8,982
Deferred tax not recognised	(516)	(8,982)
	-	-

Factors that may affect future tax charges

From 1 April 2020, the UK corporate tax rate will reduce further to 17%. A current tax rate of 19% has been applied to the year ended 31 December 2019.

11. Investment in subsidiary

Charity	Total £
Cost	
At 1 January 2019	10
Additions	-
At 31 December 2019	10

The Charity owns the entire issued ordinary share capital of IOI Enterprise Limited. The registered office of the subsidiary is the same as that of the Charity. The principal activity of the company is the delivery of a comprehensive programme of activities for a range of audiences.

12. Principal subsidiary

IOI Enterprise Limited

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

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

Total assets as at 31 December 2019	£107,625
Total liabilities as at 31 December 2019	£157,617
Total deficit as at 31 December 2019	£49,992
Turnover for the year ended 31 December 2019	£509,315
Expenditure for the year ended 31 December 2019	£512,033
Loss for the year ended 31 December 2019	£2,718

13. Tangible fixed assets

Group	Computer equipment £	Fixtures, fittings, and equipment £	Total £
Cost			
At 1 January 2019	37,137	27,413	64,550
Additions	2,793	-	2,793
At 31 December 2019	39,930	27,413	67,343
Accumulated depreciation			
At 1 January 2019	21,409	17,682	39,091
Charge for the year	4,498	6,854	11,352
At 31 December 2019	25,907	24,536	50,443
Net book value			
At 31 December 2019	14,023	2,877	16,900
At 31 December 2018	15,728	9,731	25,459
Charity			
Cost			
At 1 January 2019	21,205	27,413	48,618
Additions	2,390	-	2,390
At 31 December 2019	23,595	27,413	51,008
Accumulated depreciation			
At 1 January 2019	20,589	17,682	38,271
Charge for the year	527	6,854	7,381
At 31 December 2019	21,116	24,536	45,652
Net book value			
At 31 December 2019	2,479	2,877	5,356
At 31 December 2018	616	9,731	10,347

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

14. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Debtors after more than one year				
Amounts owed from subsidiary undertaking	-	-	43,377	43,377
Debtors within one year				
Trade debtors	76,104	-	-	-
Other debtors	14,289	19,661	14,259	16,920
Prepayments and accrued income	5,913	34,921	4,403	30,530
Amounts owed from subsidiary undertaking	-	-	55,274	-
	<u>96,306</u>	<u>54,582</u>	<u>117,313</u>	<u>90,827</u>

15. Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	56,489	53,391	53,207	39,870
Taxes and social security costs	17,206	12,577	17,206	12,577
Other creditors	8,632	2,983	8,172	2,494
Accruals and deferred income	67,322	62,321	17,322	27,320
Amounts owed to subsidiary undertaking	-	-	-	3,516
	<u>149,649</u>	<u>131,272</u>	<u>95,907</u>	<u>85,777</u>

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Deferred income at 1 Jan 2019	-	-	-	-
Resources deferred during the year	15,000	-	-	-
Amounts released from previous periods	-	-	-	-
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred income at 31 Dec 2019				

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

16. Called-up share capital

The Charity is limited by guarantee without share capital.

17. Commitments under operating leases

At 31 December 2019 neither the Group nor the Charity has any future lease payments under non-cancellable operating leases.

18. Analysis of charitable funds – Current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 December 2019 £
Unrestricted Funds				
Institute of Imagination	1,014,406	389,943	(981,538)	422,811
IOI Enterprise Limited	(45,897)	144,814	(148,899)	(49,982)
	<u>968,509</u>	<u>534,757</u>	<u>(1,130,437)</u>	<u>372,829</u>
Restricted funds				
Cultural residency	34,830	-	(34,830)	-
Lambeth Community Programme	37,576	53,854	(75,069)	16,361
Outreach Programme	44,346	43,470	(67,903)	19,913
	<u>116,752</u>	<u>97,324</u>	<u>(177,802)</u>	<u>36,274</u>
	<u>1,085,261</u>	<u>632,081</u>	<u>(1,308,239)</u>	<u>409,103</u>

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

Analysis of charitable funds – Prior year

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

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

Restricted fund income of £97,324 (2018: £395,131) relates to donations for the following activities:

Cultural Residency funding supports a programme of artistic activity within the Imagination Lab

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

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

19. Analysis of net assets between funds – Current year

	Unrestricted - General funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2019:			
Investments	-	-	-
Tangible assets	11,544	5,356	16,900
Current assets	510,934	30,918	541,852
Creditors: amounts falling due within one year	(149,649)	-	(149,649)
	<u>372,829</u>	<u>36,274</u>	<u>409,103</u>

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

Charity

Fund balances at 31 December 2019:

Investments	-	-	10
Tangible assets	-	5,356	5,356
Current assets	518,718	30,918	549,636
Creditors: amounts falling due within one year	(95,907)	-	(95,907)
	<u>422,811</u>	<u>36,274</u>	<u>459,095</u>

Analysis of net assets between funds – Prior year

	Unrestricted - General funds £	Restricted funds £	Total £
Group			
Fund balances at 31 December 2018:			
Investments	-	-	-
Tangible assets	15,112	10,347	25,459
Current assets	1,011,238	179,836	1,191,074
Creditors: amounts falling due within one year	(57,841)	(73,431)	(131,272)
	<u>968,509</u>	<u>116,752</u>	<u>1,085,261</u>

Charity

Fund balances at 31 December 2018:

Investments	10	-	10
Tangible assets	-	10,347	10,347
Current assets	1,028,119	179,836	1,207,955
Creditors: amounts falling due within one year	(12,346)	(73,431)	(85,777)
	<u>1,015,783</u>	<u>116,752</u>	<u>1,132,535</u>

20. Related party transactions

During the year, IOI Enterprise Ltd charged the Institute of Imagination £364,501 for services relating to the delivery of Imagination Lab and other outreach programmes.

Institute of Imagination charged IOI Enterprise Ltd £256,721 for management, premises and human resources. A trading balance of £55,274 due to the parent was outstanding at the year end.

At the end of the year a balance of £43,177 was outstanding to Institute of Imagination relating to a loan of £42,000 and accrued interest. The loan accrued interest in the year at a rate of Bank of England base rate plus 5% (2018: Bank of England base rate plus 3%).

In 2019, 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.

Institute of Imagination

Notes to the financial statements (continued) For the year ended 31 December 2019

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

	Group 2019 £	Group 2018 £
Net income/(expenditure) per statement of financial activities	(676,158)	297,306
Add back depreciation charge	11,352	10,162
Deduct investment income	(4,094)	(2,592)
(Increase)/decrease in debtors	(41,724)	58,654
Increase in creditors	18,377	55,380
	<hr/>	<hr/>
Cash generated by operating activities	(692,247)	418,910
	<hr/> <hr/>	<hr/> <hr/>

22. Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £
Cash in hand	26,472	121,311
Notice Deposits (3 months or more)	419,074	1,015,181
	<hr/>	<hr/>
	445,546	1,136,492
	<hr/> <hr/>	<hr/> <hr/>

Analysis of changes in net debt

	At 1 Jan 2019	Cash flows £	At 31 Dec 2019
Cash at bank and in hand	<u>£1,136,492</u>	<u>(£690,946)</u>	<u>£445,546</u>

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 2019 was £15,824 (2018: £15,459). Contributions of £6,239 (2018 - £712) were outstanding at the balance sheet date.

24. Other Commitments

As at 31 December 2019, the Company was committed to payments of £8,756 (2018 - £nil) under a license agreement for premises.

Institute of Imagination

Notes to the financial statements (continued) **For the year ended 31 December 2019**

25. Post balance sheet events

Subsequent to the year end the global health crisis caused by COVID-19 emerged which has had a significant impact on all businesses. At the year end, the scale of the crisis was unknown with the pandemic being declared after the year end on 11 March 2020.

As described in the Trustees' Report and the going concern accounting policy, the Trustees have assessed the potential impact of this uncertain situation on the group and have taken measures to ensure the group can continue operating to deliver its charitable objectives but also meet its liabilities as they fall due.