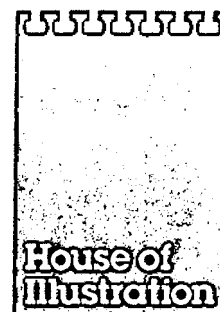


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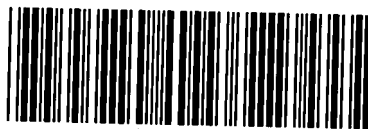
House of Illustration

Trustees Report and Financial Statements for the year ended 31 December 2017



House of Illustration
2 Granary Square
King's Cross
London
N1C 4BH

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COMPANIES HOUSE

Contents

Trustees' Report	I
Independent Auditor's Report	19
Consolidated statement of financial activities	22
Consolidated balance sheet	23
Consolidated statement of cash flows	24
Notes to financial statements	25

Chair's Introduction

Since opening in 2014 House of Illustration has established itself as a significant cultural force, representing and championing the very best of an art form that in spite of its rich heritage, contemporary significance and broad appeal is rarely explored by other museums and galleries. In the pages that follow we record some of the achievements of 2017. It has been a year in which we have again seen a significant expansion in our activities and our first serious assessment, through three waves of audience research, into how we are doing.

The achievements of the organisation recorded here - and the place it has already carved out for itself in the art world - are impressive; critically acclaimed programming, a high media profile and very positive audience feedback, a much higher social media following than comparable organisations and a learning programme that is making a real impact on the lives of those who participate in it. These are all important measures of an organisation's success, but made even more remarkable because they are achieved without any public funding. House of Illustration remains entirely reliant each year on the money it is able to generate itself, primarily through fundraising (almost 50% of turnover in 2017).

This financial year has again seen real progress in the development of new sources of income to make possible the organisation's long term sustainability. But the lack of regular or core funding continues to put very considerable pressure on the organisation. As a result, we are more grateful than ever for the generosity of our many supporters - ---
- our Friends and Patrons and all the trusts, foundations and companies which make possible all that we do each year. In addition to thanking them I should also like to thank the exceptional group of trustees we have who support the organisation in so many ways. In 2017 we were delighted to welcome to our number Richard Bawden and Tracey Reddings.

I would like to end by recognising the extraordinary hard work and commitment of House of Illustration's staff and volunteers.

Frances Corner OBE
Chair



Report of the Trustees

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of House of Illustration (the company and the group) for the year ended 31 December 2017. The Trustees confirm that the annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP, which is applicable to charities preparing their accounts in accordance with FRS 102.

Mission and Vision

House of Illustration exists to champion the power of illustration, celebrating its rich heritage and placing it at the heart of contemporary visual culture: engaging, challenging and inspiring the public through innovative exhibitions, events and learning programmes, commissioning new work and promoting and supporting new talent.

Our aim is that House of Illustration becomes the key place to see, learn about and enjoy illustration in all its forms. We want to develop our galleries and spaces as a vibrant, responsive and welcoming hub for illustrators and the general public.



We fulfil this through:

- Curating a diverse exhibitions programme, exploring all forms of illustration, past and present;
- Developing a vibrant programme of public-facing events, including talks, screenings, debates, workshops and live illustration;
- Promoting new illustration talent via competitions, events and our annual illustrator in residence programme;
- Establishing a dynamic and engaging digital presence reaching national and international audiences;
- Promoting learning both on-site and via our outreach programme with schools, colleges and the local community;
- Establishing volunteer teams to engage with our work and learn new skills by helping in the gallery and learning space;
- Developing a vibrant, responsive and welcoming hub for illustrators and illustration enthusiasts.

About House of Illustration

House of Illustration was founded in 2002 by some of the UK's most respected illustrators with the key aim of promoting illustration and giving it the prominence that the art form deserves. Since 2002, House of Illustration has successfully championed illustration, raising its profile to a wide and receptive audience of over 2 million people by curating critically acclaimed national and international touring exhibitions, commissioning work, running international competitions and putting on events with some of the world's leading illustrators.

In July 2014 House of Illustration achieved its key ambition of opening a permanent home for illustration in London, in Granary Square, to the north of King's Cross and Saint Pancras stations. This has transformed the reach and impact of our work.

Exhibitions

Each year House of Illustration curates an innovative and ambitious programme of nine exhibitions that explore different forms of illustration as a multi-faceted art form. We highlight illustrators whose work has never been the subject of critical exploration and we are the only public gallery in the UK commissioning illustration for public display. Audience research during 2017 showed that 100% of our visitors rated the experience of visiting House of Illustration as excellent (88%) or very good (12%).



Main Gallery

The year opened with the last month of *Ardizzone: A Retrospective* (23 September 2016 – 15 January 2017). Described by the *Spectator* as 'A gem of an exhibition', this was the first major show in 40 years of the work of Edward Ardizzone, one of the most significant illustrators of the 20th century. It was followed by *Jo Brocklehurst – Nobodies and Somebodies* (3rd February – 14th May), the first ever retrospective of the artist and illustrator Jo

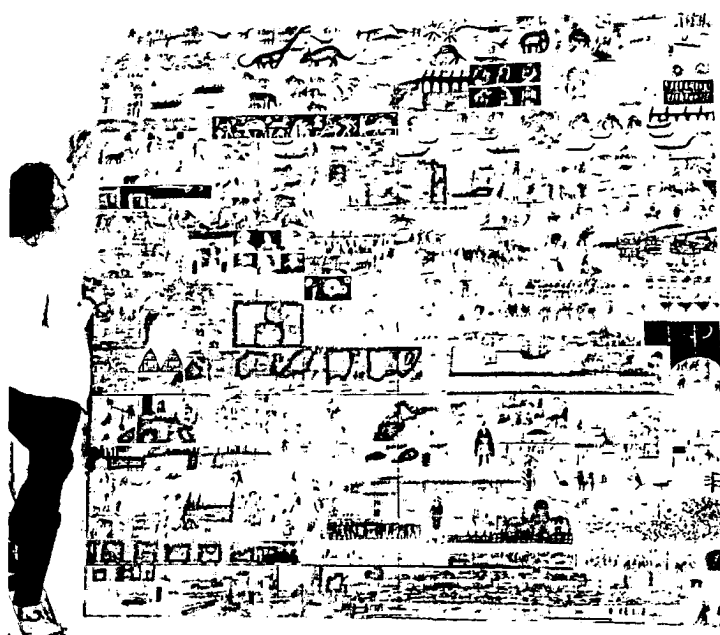
Brocklehurst. The show received significant national and international press coverage including coverage in the *Telegraph*, *Guardian* and the *New York Times*.

Anime Architecture: Backgrounds of Japan (26 May – 10 September) was the first time that background art from iconic Japanese animated films (anime) had been shown in the UK. The exhibition was on loan from Les Jardins des Pilotes, following its showing at the Tschoban Museum for Architectural Drawing in Berlin.



It included work by art director Hiromasa Ogura for anime classic *Ghost in the Shell* and drawings by Takashi Watabe for the 2008 sequel *Ghost in the Shell 2: Innocence*. It attracted a large and young audience with 54% of visitors being under 34.

Gerald Scarfe: Stage and Screen (22 September 2017 – 11 February 2018) provided a new perspective on the UK's most prominent political cartoonist, focusing on six of Scarfe's defining works in film and theatre. The exhibition included drawings, costumes, photographs, set models and footage for his work on Pink Floyd's *The Wall*, Disney's *Hercules* and English National Ballet's *The Nutcracker*.



South Gallery

The South Gallery is the space where we focus on exploring contemporary illustration. The first exhibition in the South Gallery in 2017 was House of Illustration's third commission *Laura Carlin: Ceramics* (13th October 2016 - 5th February 2017), generously supported by a grant from Arts Council England. For the exhibition Laura created a series of ceramics exploring the possibilities of storytelling in clay. It consisted of five large-scale installations including a vast floor-to-ceiling mural made up of 650 individual tiles, portraying the colourful history of London.

This was followed by an exhibition of the longlist for the 2017 Book Illustration Competition (11th February – 12th March), run jointly with The Folio Society, for which the subject was Jane Austin's *Mansfield Park*. The exhibition showed artwork by 23 shortlisted entrants which was displayed alongside original illustrations from previous Folio Society books. A new category of Visitor's Choice Award allowed the general public to vote for their favourite work for the first time.

Nous Vous: Three Men in a Boat (18 March – 11 June) was the result of the six months that Nous Vous Collective, our 2016 Illustrators in Residence, spent exploring the nature of collaborative work. Generously supported by the Barbara and Philip Denny Charitable Trust, the exhibition showed illustrations for Jerome K Jerome's *Three Men in a Boat* created by Nous Vous on a specially made drawing machine that could only be operated by three people.



Jacqueline Ayer: Drawing on Thailand (17 June – 22 October) was the first retrospective anywhere of the work of the black American illustrator Jacqueline Ayer. Ayer's picture books brought a bold vision of Thai life to the western market, and in particular children's literature in 1950s and 60s America. The exhibition drew extensively on material from the Ayer family archive that has never been seen before.

The final exhibition of the year, and House of Illustration's fourth commission of new work, was *Lucinda Rogers: On Gentrification*

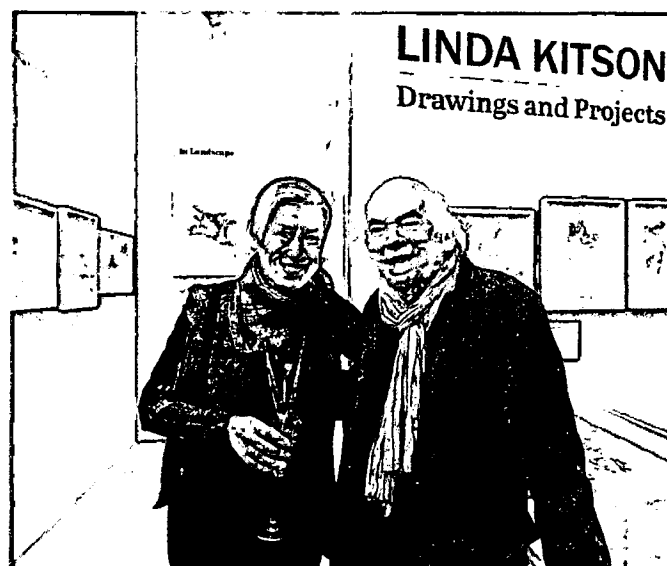
(28 October 2017 – 25 March 2018). The exhibition showed the work of illustrator, reportage artist and housing activist Lucinda Rogers and the series of drawings she made documenting Dalston's 150-year-old Ridley Road Market and the construction of an adjacent luxury apartment block.

Quentin Blake Gallery

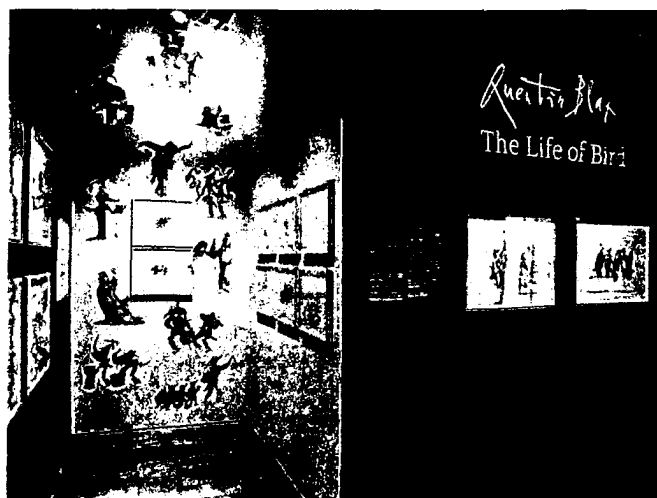
Opening in 2016 the Quentin Blake Gallery at House of Illustration is the permanent gallery of the UK's most celebrated illustrator. The gallery is the only place in the world to display constantly changing exhibitions of Blake's original artwork drawn from his unparalleled archive of over 35,000 pieces. Exhibitions explore different aspects of Blake's work and on occasion the work of other artists or illustrators he particularly admires.

At the start of the year the Gallery showed *The Tale of Kitty-in-Boots* (2 September 2016 – 26th February 2017), an exhibition of Quentin Blake's original illustrations for the recently re-discovered Beatrix Potter manuscript which was published for the first time in September 2016. The show included 50 illustrations by him for the book and the original Beatrix Potter manuscript, generously lent by the Victoria and Albert Museum.

It was followed by *Linda Kitson: Drawings and Projects* (3 March – 30 April) which explored the work of Quentin's lifelong friend Linda Kitson. Kitson's line drawings have recorded seminal moments in British history and included work produced as the first female artist commissioned to accompany troops into combat during the Falklands War.



Quentin Blake: The Life of Birds (5 May – 1 October) revealed Blake's practice of drawing birds to make comment on the human condition. This exhibition brought together his expressive drawings for the book *Life of Birds*, illustrations for *Figaro Littéraire* and a series of new works made for the exhibition. It was followed by *John Yeoman and Quentin Blake: 50 Years of Drawing* (6 October 2017 – 4 March 2018). This explored Blake's longest standing creative collaboration with the author John Yeoman, from Blake's first book for children (*A Drink of Water* which was republished by Thames & Hudson to coincide with the exhibition's opening) to their most recent collaboration *All Year Round* (published 2017).



Exhibition touring

A significant addition to House of Illustration's core activities has been the development of exhibition touring, supported very generously by Larissa Joy and a grant from the Garfield Weston Foundation. During 2017 *Inside Stories* toured to the Laing Art Gallery and Compton Verney and *The BFG in Pictures* travelled to Nuneaton Art Gallery. The Burton and the Henley River and Rowing Museum (in 2018 it will tour to The Beaney, Canterbury, The Bowes Museum and York Art Museum). *Laura Carlin:*

Ceramics tours in 2018 to Swansea College of Art and the Shipley Art Gallery. *EH Shepard – An Illustrator's War* travelled to Huis Doorn in the Netherlands. *Seven Kinds of Magic* toured to the New Art Gallery in Walsall. *Gerald Scarfe: Stage and Screen* will travel to Winchester Discovery Centre in 2018 and to The Beaney, Canterbury in 2019. Longer term planning has meant that tour venues are now being secured much further ahead with venues already being signed up for exhibitions that won't open at House of Illustration until 2018.

Visitor Numbers

The total number of visitors to House of Illustration's exhibitions during 2017 was 26,520. In addition to this 4,990 visitors attended events on site and over 2,500 attended events off-site, meaning that over 34,010 people participated in the life of House of Illustration during the year (2016: 37,801). In addition almost 100,000 people visited House of Illustration touring exhibitions across the UK during the course of the year. These figures should be viewed against a background of increasing overseas visitors to the UK in 2017 but a converse decline in domestic tourism to London linked to concerns about security.

Learning

Encouraging people of all ages and backgrounds to create, engage with and be inspired by illustration is at the heart of House of Illustration's vision. Working within its Clore Studio and through outreach, House of Illustration's Learning programmes use illustration as a powerful tool for developing creative and communication skills while supporting literacy, confidence, positive attitudes to learning, cross-curricular learning and professional development. All our learning work is delivered by a team of outstanding freelance illustrators who bring a range of expertise and experience to our work, along with specially commissioned experts for one-off workshops, masterclasses and courses. We work with primary, secondary, Higher Education, adults, families and community groups.

During 2017 House of Illustration continued to offer a popular range of illustration workshops for primary and secondary pupils, tailoring each to the aims of the teacher. Sessions link creative activities to texts, subjects and topics across the curriculum. Feedback from participants remained 100% excellent or good.

Learning highlights for the year have been:



Family workshops – During 2017 we were able to develop this strand of programming thanks to generous funding from the Wates Foundation, in particular to include gallery activities and targeted workshops for disadvantaged and harder to reach families. During the year there were targeted sessions aimed at family services, for example Solace Women's Aid in Camden, AllChange, and the local Children's Centre. Family workshops are held at House of Illustration every month and are invariably over-subscribed. During 2017 the subjects for these included making bird costumes and pop-up urban landscapes.

Masterclasses – This is an important, well-established and expanding part of our programme. Successful masterclasses were held during 2017 on the themes of fashion illustration, papercut book cover design, reportage illustration, botanical illustration, graphic novels and character development.

Short courses – These provide an important way in which we can support the illustration community, and

during 2017 we delivered well-received courses on Illustrating People, Illustrating Places, a beginners course on The Pleasures of Illustration and a course on Graphic Recording.

Teachers Continuing Professional Development (CPD) – Empowering teachers to use creative illustration techniques in the classroom is the most effective way of ensuring that as many people as possible are able to experience and benefit from our learning work. Because of cuts to state school funding in 2017 there was a more challenging climate for CPD courses. We have responded by exploring other ways of marketing whole-school INSETs for the new school year and partnerships with other organisations.

Children and the Arts – Year 2 of this three-year programme has again gone well, producing work of extremely high quality. We have been particularly pleased with the relationship we have been able to build with pupils from the three participating schools.

Accessible Family Arts days – as a result of very generous support from a number of individuals and The Childhood Trust we were able to deliver three very well received accessible family days in May, August and October, working with targeted disabled groups in Camden, Mencap's young adults and Elfrida Rathbone, a local disabled group. Thirty-five families with deaf and disabled children booked in to sessions and all sessions were rated 100% excellent by participants.

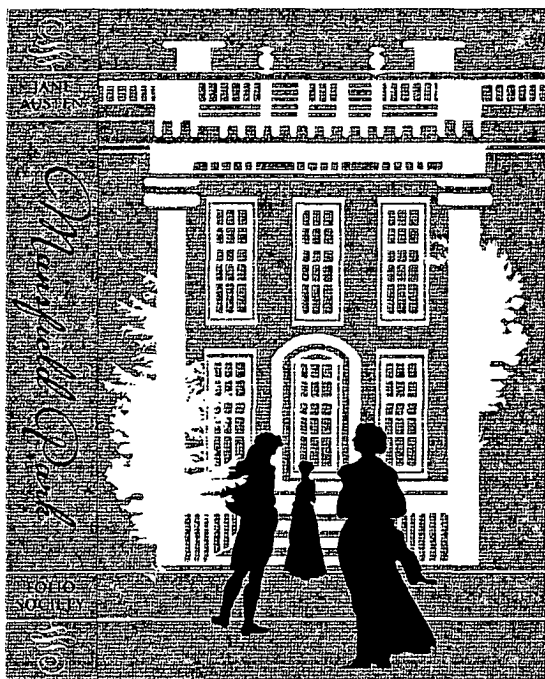
Care Leavers – working with Universal Board Games, Pencil and Help and Age UK Islington we delivered our most successful Islington Word Festival in our four-year association, creating a card game about jobs, people, places and feelings that has subsequently been delivered to all care homes in Islington.



We also worked collaboratively during 2017 with Islington Museum and All Change Mental Health, Camden Summer University, the University of Roehampton/U3A, Pop-UP Baltic Exchange Illustration project, ELCAF and the University of California.

Promoting Illustration Talent

House of Illustration runs the UK's only residency for illustrators and graphic artists in the form of an annual six-month residency that is very generously supported by the Barbara and Philip Denny Charitable Trust. The residency provides a unique opportunity for illustrators to develop their artistic practice by creating a new body of work.



In the spring we held the exhibition of work produced by the 2016 Illustrators in Residence, *Nous Vous Collective (Nous Vous: Three Men in a Boat)*. We were also able to announce our fourth illustrator in residence, a recent Royal College of Art visual communications graduate (and Bloomberg New Contemporaries selected artist) Christy Burdock, who started her residency in September 2017.

2017 also saw the seventh annual Book Illustration Competition which we run jointly with The Folio Society. This is a unique partnership that each year seeks to identify and promote new talent. The competition is open to all illustrators over the age of 18, both students and professionals, and attracts very significant numbers of applications from all over the world. This year's book was Jane Austen's *Mansfield Park* and the £5,000 prize and the Folio Society commission was won by Darya Shnykina (see winning cover design - left).



Events and Public Programme

Throughout the year House of Illustration runs a regular programme of public events aimed at reaching and engaging a wide variety of audiences. The programme runs alongside our exhibition programme and provides audiences with opportunities for deeper engagement with some of the themes raised by them. Others events are “stand alone” exploring topical or current subjects including the launch of significant new illustrated books.

Sketchmeet, in partnership with Winsor & Newton, is now a regular and invariably sold out evening of quick-fire drawing to surprise themes. In 2017 we expanded both our summer and winter illustrators' fairs, and both continue to sell out. Highlights of the year were the events programmed to support the Jo Brocklehurst

exhibition *Nobodies and Somebodies* which included a Saturday drop-in devoted to experimental sketching and life drawing and a counter cultural evening combining drawing, music and film screenings; a well- attended panel discussion on reportage between Linda Kitson and George Butler, moderated by Eye Magazine editor John Walters and a curator-led lecture exploring Anime Architecture.

In the autumn our Public Programme Manager, Michael Czerwinski, stepped down from the role after four very successful years developing and delivering an outstanding programme. Recruitment for his successor will begin early in 2018.

Media and Communications

2017 again saw exceptional levels of national and international press coverage for House of Illustration exhibitions, helped by the restructuring of the media and communications team at the end of 2016 and the investment in a dedicated press database (Gorkana), most generously supported by the Fineman Trust. These changes have meant that House of Illustration now manages all of its press in-house. The Jo Brocklehurst exhibition received very strong coverage in the national press (it was *The Daily Telegraph's* Critic's Choice and was positively reviewed by *The New York Times* and the *Observer* magazine) and was also covered by outlets with major online followings (AnOther Mag, with 257K twitter followers and i-D with 1.5 million twitter followers). Anime Architecture was the subject of an extensive *Financial Times* review, also receiving coverage in *Time Out*, the *Evening Standard* and the *Creative Review*. The Jacqueline Ayer exhibition opened with a double page spread in *The Guardian* while Quentin Blake's *Life of Birds* was the subject of a double page feature in the *Saturday Telegraph* and featured in the *Guardian Guide*, the *New York Review of Books*, *The Times* and the *Evening Standard*. Linda Kitson's exhibition received a double page spread in *The Times* and she appeared on BBC Radio 4's *Woman's Hour*. *Gerald Scarfe: Stage and Screen* also received significant coverage, including an interview on BBC Radio 4 *Front Row* and substantial coverage in the *Financial Times*, *Spectator* and *The Stage*.

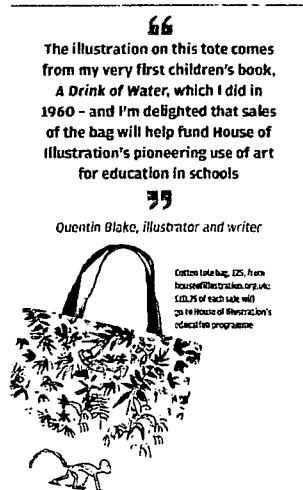


During 2017 we developed and implemented strategic marketing campaigns for all exhibitions. Recognising the increasing importance of overseas tourism – a growing market, set against a decline in domestic tourism – significant effort was made during 2017 to ensure that House of Illustration and its programme is listed in travel guides and in resources like *Time Out London*, *Visit London*, *Where London* and *London Planner*. Over the summer, we worked with the office of the Mayor of London on a project through which Quentin Blake was commissioned to create a poster for the #LondonisOpen campaign. Prominently featuring the HOI logo, this campaign was on display at all 240 London underground stations.

Retail and Front of House

House of Illustration has relied from the outset on the extraordinary contribution made each year by its volunteers, and its ability to recruit and retain volunteers has been significantly enhanced by the 2016 restructuring of the front of house team. We now have a 50-strong volunteer team – many of whom are early career illustrators – who in addition to their work front-of-house also support our marketing, curatorial, learning and events teams.

Ongoing audience research, conducted in three waves during 2017, demonstrates the high standards of our volunteers and the success of training and managing the front of house team, with 96% of visitors rating the friendliness of staff as excellent or very good. HOI was also awarded a Certificate of Excellence from Trip Advisor in 2017 for consistently positive reviews.



“
The illustration on this tote comes from my very first children's book, *A Drink of Water*, which I did in 1960 – and I'm delighted that sales of the bag will help fund House of Illustration's pioneering use of art for education in schools
”

Quentin Blake, illustrator and writer

Cotton tote bag, £25, from
houseofillustration.org.uk
(£10.25 of each sale will
go to House of Illustration's
education programme)

Exhibition-specific merchandise continues to contribute very positively to overall press coverage for House of Illustration with specific items (often tote bags) appearing on retail and 'how to spend' pages. Sales of greetings cards continues to be a strong staple within the retail offer and a way of bringing people in to the building who are not exhibition visitors.

Although on-line sales remain a small percentage of overall sales the webstore is building an audience, appealing particularly to buyers in the USA, Germany, Spain and the Netherlands. The organisation also now benefits from the fact that products originated in support of our own Quentin Blake exhibitions have, since the autumn of 2017, been available on Quentin Blake's online store.

Digital

House of Illustration uses digital media extensively to both market and promote its work and to enrich its exhibitions. 2017 saw the continued expansion of House of Illustration's digital reach and the implementation of a social media strategy to coordinate output across twitter, facebook and instagram. The number of twitter followers rose from 40,000 at the start of the year to 45,000. At the end of 2017 we had just under 24,000 facebook followers (21,000 in 2016), 25,000 instagram followers (9,451 in 2016), and 14,000 newsletter subscribers (11,000). The website received 266,761 site visits (2016: 287,141) and 665,072 page views (2016: 753,407).

Digital marketing remains our primary means of attracting audiences for our events and of filling our masterclasses and courses, as well as an important way of generating word-of-mouth marketing for our exhibitions.

Fundraising and Financial Summary

During the year we generated £1,041,468 (2016: £874,925) of income. Of this, £465,948 (2016: £486,357) was generated from exhibitions, retail, competitions and partnerships. The remaining £575,520 (2016: £388,568) was generated by fundraising in the form of individual donations, grants from trusts and foundations, corporate partnerships, a major fundraising auction, events and HOI's Friends and Patrons schemes.

Trustees

Sir Quentin Blake – Founding Trustee
Dal Babu
Richard Bawden (appointed March 2017)
Jeremy Carver CBE
Lauren Child MBE
Frances Corner OBE (Chair)
Sarah Culshaw
Nicholas Durbidge
Peter Fineman
Judy Gibbons
Ghislaine Kenyon
Sir Alan Parker
Tracey Reddings (appointed December 2017)
Claudia Zeff (Deputy Chair)

Supporters

House of Illustration is very grateful for the generous support provided by many individuals, trusts and foundations and companies listed below, and from a number of supporters that choose to remain anonymous:

Trusts and Foundations

CHK Charities Limited
Esmée Fairbairn Foundation
Fineman Trust
Garfield Weston Foundation
Haber Charitable Trust
John Lyon's Charity
ShareGift
Sidney Kingsley Will Trust
Tanner Trust
The 29th May 1961 Charitable Trust
The Barbara and Philip Denny Charitable Trust
The Bernard Sunley Charitable Foundation
The Childhood Trust
The Constance Travis Charitable Trust
The Clore Duffield Foundation
The David Cock Foundation
The Elizabeth Cayzer Charitable Trust
The Ernest Cook Trust
The Foundation for Sport and the Arts
The Foyle Foundation
The Gerald Segelman Trust
The Golden Bottle Trust
The Great British Sasakawa Foundation

The Hedley Foundation
The John Ellerman Foundation
The John R Murray Charitable Trust
The Jeremy and John Sacher Charitable Trust
The J Paul Getty Jnr Charitable Trust
The Kirby Laing Foundation
The Lakehouse Charitable Foundation
The Mercers' Company
The Michael Marks Charitable Trust
The Newby Trust
The Prince's Foundation for Children and the Arts
The Robinson Charitable Trust
The Rothschild Foundation
The Sidney Kingsley Trust
The Surrey Square Charitable Trust
The Tedworth Charitable Trust
The Wates Foundation
The Wellcome Trust
and those organisations which wish to remain anonymous

Founders

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John and Amanda Burley
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Rebecca Eastmond
The Robert Gavron Charitable Trust
Lord Grantchester
Larissa Joy
Joanna Lumley OBE
Sir Alan and Lady Parker
Jeremy Sacher
Claudia Zeff and John Brown

Individual donors

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David Game
Judy Gibbons
Elizabeth Gibson
Vira Hladun-Goldmann
Vincent O'Brien

Cate Olson and Nash Robbins
Josie Rowland
Dasha Shenkman
Hidekazo Sato
Sir Hugh and Lady Stevenson
Alan Swerdlow and Jeremy Greenwood
Michael Titterington
David Walliams
Dr Trevor Weston
and those individuals who wish to remain anonymous

Patrons

Josie Barton
Chris Beetles
Jessie Burton
Nicholas Durbridge
Rebecca and Matthew Eastmond
Philip and Psiche Hughes
Karen Jankel
Larissa Joy
Patrick Janson-Smith
Alison McClean
Tracey Reddings

Companies

Brunswick PR
Winsor & Newton
Sotheby's

We have also had the wonderfully generous ongoing support of numerous illustrators, and a range of experts, consultants and volunteers have also given their time, expertise and energy for free, for which we are extremely grateful.



Future Plans

Exhibitions

In 2018 House of Illustration will hold three major exhibitions in its main gallery space exploring different strands of illustration and aimed at appealing to different illustration audiences. A further three exhibitions focusing on contemporary illustration will take place in the South Gallery and there will be three exhibitions in the Quentin Blake Gallery. We will also expand our touring programme to venues across the UK and overseas, increasing audiences for our work, raising the profile of illustration and generating income.

Encouraging New Talent

We will work again with The Folio Society on the 2018 Book Illustration Competition, the subject of which will be The Selected Adventures and Memoirs of Sherlock Holmes. And, as a result of the continued and very generous support of The Barbara and Philip Denny Charitable Trust we will advertise for our fifth Illustrator in Residence in the summer of 2018.

Learning

A particular focus for 2018 will be to expand the programme of masterclasses we offer; to promote more intensively our teachers' CPD programme and to look at ways of addressing the difficulties schools face in visiting House of Illustration as a result of funding cuts.

Retail and front of house

During 2018 we will review and develop our retail offer and we plan to explore and pilot a pop-up retail space.

Digital

During 2018 we will further develop our digital strategy, with a particular focus on integrating our online and front of house ticketing and marketing strategy.

Fundraising

The focus for fundraising in 2018 will be to build up our newly launched Patrons scheme and to develop our corporate partnerships. As well as seeking a number of major grants for core costs a significant initiative will be to maximise the income from a summer auction at Christie's of works by Quentin Blake to benefit House of Illustration and two other charities.



Media

For 2018 a particular focus will continue to be to gain enhanced press review coverage for our exhibition programme.

Reference and Administrative Details

Method of appointment or election of Trustees

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

Company Registered Number

04484943

Charity Registration Number

1095210

Registered Office

2, Granary Square, London, N1C 4BH

Company Secretary

Laura Rafferty

Auditors

Goldwins Limited, 75 Maygrove Road, West Hampstead, London, NW6 2EG

Bankers

HSBC, City of London Branch, 60, Queen Victoria Street, London, EC4N 4TR

Finance, Governance and Audit Committee

Jeremy Carver (Chair), Nicholas Durbridge, Josie Barton, Richard Bawden (from March 2017).

Structure, governance and management

House of Illustration is registered as a charitable company limited by guarantee (charity number: 1095210) and was set up and is constituted by a Memorandum of Association on 09/07/02.

Charitable objects

The objects of the House of Illustration are to educate the public in the art of illustration, in particular by owning, managing and operating a space open to the public for the display and study of the works of illustrators and associated pictures, drawings, sketches and illustrations, works of literature, artefacts and objets d'art.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when renewing our aims and objectives and in planning our future activities.

Reserves policy

House of Illustration's general reserves at 31st December 2017 were £nil (2016: £nil). The Open Doors endowment fund has a balance of £269,217 (2016: £400,000) which is designed to cover a proportion of our operating costs in the gallery's initial years of operation while we develop new sources of earned income. The trustees are concerned to maintain an adequate level of reserves to enable House of Illustration to carry out its charitable objectives.

Risk Management

The trustees have reviewed the major risks to which the charity is exposed and systems have been established to manage those risks. While this cannot provide absolute assurance, the trustees believe that the steps taken will enable House of Illustration to pursue its objectives.

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by trustees.

Statement of trustees' responsibilities

The Trustees (who are also directors of House of Illustration for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Remuneration of key management personnel

Staff pay and remuneration are reviewed annually by members of the Finance, Governance and Audit committee with recommendations made to the board. There are annual staff appraisals for all House of Illustration staff and any adjustments or changes to staff terms and conditions of employment or pay are recommended to the board by the Director.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

Auditor

A resolution for the reappointment of Goldwins as auditor of the House of Illustration for the ensuing year will be proposed at the forthcoming Annual General Meeting in accordance with section 495 of the Companies Act 2006.

This report was approved by the trustees on 3rd May 2018 and signed on their behalf by:



Frances Corner OBE

Chair

HOUSE OF ILLUSTRATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSE OF ILLUSTRATION

OPINION

We have audited the financial statements of House of Illustration (the 'Charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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).

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Charity'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.

HOUSE OF ILLUSTRATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOUSE OF ILLUSTRATION

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

RESPONSIBILITIES OF THE TRUSTEES


As explained more fully in the trustees' responsibilities statement, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Anthony Epton (Senior Statutory Auditor)

for and on behalf of

Goldwins Limited

Statutory Auditor

Chartered Accountants

75 Maygrove Road

West Hampstead

London NW6 2EG

3 May 2018

HOUSE OF ILLUSTRATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2017

		Restricted	Unrestricted	2017 Total	2016 Total
	Note	£	£	£	£
Income from:					
Donations and legacies	3	177,647	271,081	448,728	317,453
Charitable activities	4	25,195	259,903	285,098	287,637
<i>Other trading activities:</i>					
Fundraising	5	-	126,792	126,792	71,115
Trading activities		-	180,850	180,850	198,683
Investment income	6	-	-	-	37
Total income		202,842	838,626	1,041,468	874,925
Expenditure on:					
<i>Raising funds:</i>					
Voluntary income	7	-	50,128	50,128	34,297
Trading activities		-	136,642	136,642	102,276
Charitable activities	7	147,105	843,172	990,277	940,534
Total expenditure		147,105	1,029,942	1,177,047	1,077,107
Net income / (expenditure) before net gains / (losses) on investments		55,737	(191,316)	(135,579)	(202,182)
Net gains / (losses) on investments		-	-	-	-
Net income / (expenditure) for the year	8	55,737	(191,316)	(135,579)	(202,182)
Transfers between funds		(191,316)	191,316	-	-
Net movement in funds		(135,579)		(135,579)	(202,182)
Reconciliation of funds:					
Total funds brought forward		533,559	-	533,559	735,741
Total funds carried forward		397,980	-	397,980	533,559

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

HOUSE OF ILLUSTRATION


BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £	2017 £	2016 £
Fixed assets:					
Tangible assets	11	365,993	419,056	29,342	53,123
Investments	12	-	-	1	1
		<u>365,993</u>	<u>419,056</u>	<u>29,343</u>	<u>53,124</u>
Debtors:					
Due after more than one year		<u>145,244</u>	<u>150,495</u>	<u>-</u>	<u>-</u>
Current assets:					
Stock	13	46,280	41,240	240	240
Debtors	14	243,009	144,102	629,349	522,437
Cash at bank and in hand		<u>86,286</u>	<u>51,017</u>	<u>31,916</u>	<u>20,566</u>
		<u>375,575</u>	<u>236,359</u>	<u>661,505</u>	<u>543,243</u>
Liabilities:					
Creditors: amounts falling due within one year	15	<u>(223,832)</u>	<u>(247,351)</u>	<u>(65,689)</u>	<u>(94,863)</u>
Net current assets / (liabilities)		<u>151,743</u>	<u>(10,992)</u>	<u>595,816</u>	<u>448,380</u>
Liabilities:	16				
Creditors: amounts falling due after one year		<u>(265,000)</u>	<u>(25,000)</u>	<u>(265,000)</u>	<u>(25,000)</u>
Total net assets / (liabilities)		<u>397,980</u>	<u>533,559</u>	<u>360,159</u>	<u>476,504</u>
Funds	17				
Restricted funds		<u>397,980</u>	<u>533,559</u>	<u>360,159</u>	<u>476,504</u>
Total funds		<u>397,980</u>	<u>533,559</u>	<u>360,159</u>	<u>476,504</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

3rd May 2018

Approved by the trustees on
and signed on their behalf by:


Francis Corner OBE

Company registration no. 04484943

The attached notes form part of the financial statements.

HOUSE OF ILLUSTRATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2017	2016	2016
		£	£	£	£
Cash flows from operating activities:					
Net cash provided by / (used in) operating activities	19		36,648		(148,249)
Cash flows from investing activities:					
Interest/ rent/ dividends from investments		-		-	
Sale/ (purchase) of fixed assets		(1,379)		(34,254)	
Cash provided by / (used in) investing activities			(1,379)		(34,254)
Cash flows from financing activities:					
Repayments of borrowing		-		-	
Cash inflows from new borrowing		-		-	
Receipt of endowment		-		-	
Cash provided by / (used in) financing activities			-		-
Change in cash and cash equivalents in the year			35,269		(182,503)
Cash and cash equivalents at the beginning of the year			51,017		233,520
Change in cash and cash equivalents due to exchange rate movements			-		-
Cash and cash equivalents at the end of the year	20		86,286		51,017

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

I Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

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

b) Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern. In common with many charities, House of Illustration relies upon fundraising events and donations for a substantial part of its annual income. Inevitably, there is some uncertainty in estimating these amounts and, accordingly, the trustees take a prudent view of them when considering the group's cash flow projections. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Basis of consolidation

These financial statements consolidate the results of the charity and its wholly-owned subsidiary House of Illustration Trading Company Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

d) Income

Incoming resources are recognised in the period in which the group is entitled to receive them and the amount can be measured with reasonable certainty and it is probable that income will be received. Income is deferred only when the group has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as income from activities in furtherance of the group's objectives where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

e) Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Expenditure comprises the following:

- a. The costs of activities in furtherance of the charity's objectives comprise expenditure on the charity's primary charitable purposes as described in the directors' report.
- b. The costs of raising funds comprises the expenditure incurred by the trading company and the charity and consists of salaries, direct costs and overheads.
- c. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the group it is necessary to provide support in the form of financial procedures, provision of office services and equipment and a suitable working environment. Salary costs have been allocated based on staff time.

f) Tangible fixed assets

Assets costing in excess of £250 and with an expected useful life exceeding one year are capitalised.

Depreciation is charged on these assets at the following annual rates in order to write them off over their estimated useful

Long Term Leasehold Property	Over the period of the lease
Fixtures & Fittings	25% straight line
Computer equipment	20% straight line
Other fixed assets	20% straight line

g) Investments

Investment in the subsidiary company is stated in the charity at cost.

h) Stocks

Stocks are valued at lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

i) Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the life of the lease.

Assets purchased under hire purchase agreements are capitalised as fixed assets. Obligations under such agreements are included in creditors. Charges are written off to the SOFA over the period of the agreement so as to produce a constant periodic rate of charge.

j) Fund accounting

The *unrestricted fund* comprises those monies which may be used towards meeting the charitable objectives of the group and which may be applied at the discretion of the directors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2 Detailed comparatives for the consolidated statement of financial activities

	2016 Restricted £	2016 Unrestricted £	2016 Total £
Income from:			
Donations and legacies	165,373	152,080	317,453
Charitable activities	-	287,637	287,637
<i>Other trading activities:</i>			
Fundraising	-	71,115	71,115
Trading activities	-	198,683	198,683
Investment income	-	37	37
Total income	165,373	709,552	874,925
Expenditure on:			
<i>Raising funds:</i>			
Voluntary income	-	34,297	34,297
Charity trading expenses	-	102,276	102,276
Charitable activities	140,197	800,337	940,534
Total expenditure	140,197	936,910	1,077,107
Net income / (expenditure) before net gains / (losses) on investments	25,176	(227,358)	(202,182)
Net gains / (losses) on investments	-	-	-
Net income / (expenditure) for the year	25,176	(227,358)	(202,182)
Transfers between funds	(227,358)	227,358	-
Net movement in funds	(202,182)	-	(202,182)
Reconciliation of funds:			
Total funds brought forward	735,741	-	735,741
Total funds carried forward	533,559	-	533,559

3 Income from donations and legacies

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Trusts & Foundations and Individual donations	177,647	271,081	448,728	317,453
	177,647	271,081	448,728	317,453

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4 Income from charitable activities

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Exhibition admissions and education and event programme	25,195	259,903	285,098	287,637
Total income from charitable activities	25,195	259,903	285,098	287,637

5 Income from other trading activities

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
<i>Event Fundraising Income:</i>				
Auction and sale proceeds	-	126,792	126,792	71,115
	-	126,792	126,792	71,115

6 Income from investments

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Bank interest	-	-	-	37
	-	-	-	37

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7 Analysis of expenditure

	Cost of raising funds				2017 Total £	2016 Total £
	Charitable activities £	Voluntary income	Trading activities £	Support costs £		
Staff costs	282,046	33,138	37,119	48,956	401,259	371,941
Pension costs	-	-	-	4,861	4,861	2,410
Fundraising costs	-	16,990	-	-	16,990	6,148
Retail costs including cost of sales	-	-	99,523	-	99,523	71,816
Exhibitions	209,440	-	-	-	209,440	179,345
Education	68,744	-	-	-	68,744	46,529
IT and website	5,097	-	-	6,150	11,247	13,422
Public Programme	8,820	-	-	-	8,820	37,090
Admin and operating costs	7,738	-	-	36,765	44,503	35,826
Premises	151,613	-	-	10,935	162,548	168,632
Marketing and communications	-	-	-	44,816	44,816	38,001
Irrecoverable VAT	-	-	-	39,465	39,465	42,675
Depreciation	29,282	-	-	25,160	54,442	52,899
Audit and Accountancy	-	-	-	10,389	10,389	10,373
	762,780	50,128	136,642	227,497	1,177,047	1,077,107
Support costs	227,497	-	-	(227,497)	-	-
Total expenditure 2017	990,277	50,128	136,642	-	1,177,047	-
Total expenditure 2016	940,534	34,297	102,276	-	-	1,077,107

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2017	2016
	£	£
Depreciation	54,442	52,899
Auditor's remuneration:		
Audit fees	7,500	6,500

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2017	2016
	£	£
Salaries and wages	371,356	341,894
Social security costs	29,903	30,047
Employer's contribution to defined contribution pension schemes	4,861	2,410
	406,120	374,351

One employee earned between £60,000 and £70,000 (2016: £Nil).

The total employee benefits including pension contributions of the key management personnel were £61,886 (2016: £60,000).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017	2016
	No.	No.
Charitable activities	11	9
	11	9

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11 Group Tangible fixed assets	Long Term Leasehold Property	Fixtures & Fittings	Computer equipment	Other fixed assets	Total
	£	£	£	£	£
Cost					
At the start of the year	434,485	45,048	10,358	57,760	547,651
Additions in year	-	1,241	138	-	1,379
Disposals in year	-	-	-	-	-
At the end of the year	<u>434,485</u>	<u>46,289</u>	<u>10,496</u>	<u>57,760</u>	<u>549,030</u>
Depreciation					
At the start of the year	68,552	26,219	4,944	28,880	128,595
Charge for the year	29,282	11,520	2,088	11,552	54,442
Eliminated on disposal	-	-	-	-	-
At the end of the year	<u>97,834</u>	<u>37,739</u>	<u>7,032</u>	<u>40,432</u>	<u>183,037</u>
Net book value					
At the end of the year	<u>336,651</u>	<u>8,550</u>	<u>3,464</u>	<u>17,328</u>	<u>365,993</u>
At the start of the year	<u>365,933</u>	<u>18,829</u>	<u>5,414</u>	<u>28,880</u>	<u>419,056</u>
Charity Tangible fixed assets					
		Fixtures & Fittings	Computer equipment	Other fixed assets	Total
		£	£	£	£
Cost					
At the start of the year		45,048	10,358	57,760	113,166
Additions in year		1,241	138	-	1,379
Disposals in year		-	-	-	-
At the end of the year		<u>46,289</u>	<u>10,496</u>	<u>57,760</u>	<u>114,545</u>
Depreciation					
At the start of the year		26,219	4,944	28,880	60,043
Charge for the year		11,520	2,088	11,552	25,160
Eliminated on disposal		-	-	-	-
At the end of the year		<u>37,739</u>	<u>7,032</u>	<u>40,432</u>	<u>85,203</u>
Net book value					
At the end of the year		<u>8,550</u>	<u>3,464</u>	<u>17,328</u>	<u>29,342</u>
At the start of the year		<u>18,829</u>	<u>5,414</u>	<u>28,880</u>	<u>53,123</u>

12 Investments

House of Illustration Trading Company Ltd

At 31 December 2017 House of Illustration owned the entire called up share capital of 1 ordinary £1 shares in House of Illustration Trading Company Limited, a company incorporated in the United Kingdom.

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Turnover	152,688	173,391
Cost of sales	(92,249)	(71,976)
Gross profit	<u>60,439</u>	<u>101,415</u>
Administration expenses	(64,672)	(56,264)
Operating profit	<u>(4,233)</u>	<u>45,151</u>
Interest payable	(15,000)	(12,500)
Profit before tax	<u>(19,233)</u>	<u>32,651</u>
Tax on (loss)/profit	-	37
Profit after tax	<u>(19,233)</u>	<u>32,688</u>
Retained earning at the beginning of the year	57,058	24,370
Retained in subsidiary	<u>37,825</u>	<u>57,058</u>

At 31 December 2017, the aggregate of the share capital and reserves of House of Illustration Trading Company Limited amounted to £37,825 (2016 - £57,058).

13 Stock	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£	£	£	£
Finished goods and goods for resale	46,280	41,240	240	240
	<u>46,280</u>	<u>41,240</u>	<u>240</u>	<u>240</u>

14 Debtors	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£	£	£	£
Due within one year				
Trade debtors	16,521	20,870	13,911	19,248
Amount due from subsidiary	-	-	431,047	420,160
Other debtors	3,040	5,756	3,040	5,748
Prepayments and accrued income	223,448	117,476	181,351	77,281
	<u>243,009</u>	<u>144,102</u>	<u>629,349</u>	<u>522,437</u>

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15 Creditors: amounts falling due within one year	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Trade creditors	66,238	86,409	11,408	26,434
Taxation and social security	11,664	9,004	12,761	9,004
Other creditors	104,500	96,188	90	-
Accruals and deferred income	41,430	55,750	41,430	59,425
	223,832	247,351	65,689	94,863

Deferred income of £25,333 (2016: £42,150) is included within accruals and deferred income above.

16 Creditors: amounts falling due after more than one year	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Other loans	265,000	25,000	265,000	25,000
	265,000	25,000	265,000	25,000

Loans above represent amounts lent to the charity interest-free by the trustees.

17 Analysis of net assets between funds	General unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	-	-	365,993	365,993
Debtors due more than one year	113,257	-	31,987	145,244
Current assets	375,575	-	-	375,575
Creditors due within one year	(223,832)	-	-	223,832
Creditors due more than one year	(265,000)	-	-	265,000
				-
Net assets at the end of the year	-	-	397,980	397,980

18 Movements in funds	At the start of the year	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Opening Doors Fund	400,000	60,533	-	(191,316)	269,217
Education	-	72,062	(55,266)	-	16,796
Clore Education Studio	86,666	-	(6,667)	-	79,999
Exhibitions and Gallery	35,293	65,102	(73,905)	-	26,490
Other	11,600	5,145	(11,267)	-	5,478
Total restricted funds	533,559	202,842	(147,105)	(191,316)	397,980
Total unrestricted funds	-	838,626	(1,029,942)	191,316	-
Total funds	533,559	1,041,468	(1,177,047)	-	397,980

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Purposes of restricted funds

Education

The fund includes a diverse range of projects, partnerships and commissions targeting specific beneficiaries and participants. These projects include our:

- Family and accessible family programmes
- Primary school programmes and projects
- Programmes supporting adults with mental health issues
- Elders' programme
- Young people's programme
- Home Office publication commission
- International student publishing project

Opening Doors Fund

The Opening Doors fund was established to finance the opening of House of Illustration in 2014. The fund was used for the capital refurbishment of our building and will thereafter contribute to running costs.

Clore Education Studio

The donations funded the capital expenditure required to fit out the Clore education studio within the House of

Exhibitions and Gallery

Funding for the Gerald Scarfe, Linda Kitson and Lucinda Rogers exhibitions as well as for accompanying catalogues for a number of exhibitions. Support was also given towards our 'Illustrator in Residence' programme, extending our touring programme and Curatorial team.

Other

Funding for our digital programme and our Gorkana press database.

19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017	2016
	£	£
Net income / (expenditure) for the reporting period (as per the consolidated statement of financial activities)	(135,579)	(202,182)
Depreciation	54,442	52,899
(Increase)/ decrease in stock	(5,040)	(6,296)
(Increase)/ decrease in debtors	(93,656)	(57,445)
Increase/ (decrease) in creditors	216,481	64,775
Net cash provided by / (used in) operating activities	<u>36,648</u>	<u>(148,249)</u>

HOUSE OF ILLUSTRATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	Other changes £	At 31 December 2017 £
Cash at bank and in hand	51,017	35,269	-	86,286
Total cash and cash equivalents	51,017	35,269	-	86,286

21 Operating lease commitments

Total future minimum lease payments under operating leases are as follows:

	Group Property 2017 £	2016 £	Charity Property 2017 £	2016 £
1 year	118,589	119,027	118,589	119,027
2 - 5 years	474,356	474,356	474,356	474,356
After more than 5 years	732,327	859,770	732,327	859,770
	1,325,272	1,453,153	1,325,272	1,453,153

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

23 Related party transactions

Sir Alan Parker is a trustee and Chairman of Brunswick Arts Consulting LLP. There were no transactions with this organisation during the year. (In 2016, there was an arm's length transaction of £10,000).

During the year, £265,000 (2016: £25,000) was loaned to the charity interest free by trustees. These loans are outstanding at the end of the year.