

Charity Registration No. 1141069

Company Registration No. 06581421 (England and Wales)

**INSTITUTE FOR STRATEGIC DIALOGUE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mr Michael Lewis Mr Stuart Fiertz Mr J Kremer Mr M Bergman Ms C Saper Dr Serra Kirdar	(Appointed 1 January 2019)
	Mr Edward Williams	(Appointed 10 December 2019)
<b>Charity number</b>	1141069	
<b>Company number</b>	06581421	
<b>Registered office</b>	PO Box 75769 London SW1P 9ER	
<b>Auditor</b>	Landau Morley LLP 325-327 Oldfield Lane North Greenford Middlesex UB6 0FX	

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(A COMPANY LIMITED BY GUARANTEE)  
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**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees present their report and financial statements for the year ended 31 December 2019.

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Institute for Strategic Dialogue (the company) for the year ended 31 December 2019. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The company is registered as a charitable company limited by guarantee (registered charity number 1141069) and was set up by a Memorandum of Association on 30 April 2008.

The charity is constituted under a Memorandum of Association and is a registered charity.

**Organisational Structure and Decision Making**

The Institute for Strategic Dialogue (ISD) has a Board of Trustees that meets twice a year. The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. There is a Chairman of the Board and Treasurer. The Institute also has an active Finance Committee, made up of the Chairman and Treasurer, which meets regularly and works closely with the CEO and Deputy Director with responsibility for Operations & Finance.

Responsibility for day-to-day management matters and the implementation of policy is delegated to the Chief Executive Officer, within a clearly understood framework of strategic control. The Chief Executive Officer is supported by a leadership team and senior management team responsible for the execution of the organisational objectives. All Trustees and Staff are required to report any potential or actual conflicts of interest immediately to the Chair and / or CEO.

**Risk Management**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**Public Benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. All of the activities that are undertaken by the charity are for the advancement of the objectives and the activities that are undertaken by the charity to further its charitable purposes are for the public benefit.

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**Objectives and activities**

The Institute for Strategic Dialogue (ISD) is an independent 'think and do tank' that pioneers policy and operational responses to the rising challenges of hate, polarisation and extremism. Combining research and analysis of disinformation, hate and extremism with government advisory work, training, capacity building and educational programmes, ISD has been at the forefront of forging real-world, evidence-based responses to the challenges of disinformation, extremism and polarisation. ISD enjoys strong strategic partnerships with a range of organisations on projects, research and events. Meetings are also regularly co-organised with governments and staff are regularly asked to speak at and chair international conferences.

The principal objects of the company are:

- The advancement of the education of the public in the UK and elsewhere in relation to government, economics, politics, law, administration and social services;
- The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity;
- Such other charitable purposes as the Trustees shall from time to time think fit.

**STRATEGIES & ACTIVITIES FOR ACHIEVING OBJECTIVES**

The following demonstrates the types of activity that ISD engages in:

- **RESEARCH:** ISD's Digital Analysis Unit has been at the forefront of analysing audiences, networks and content to accurately interpret the threat of disinformation, hate and extremism online. This, combined with ISD's ongoing anthropological research and in-depth expertise in global extremist movements, has ensured that ISD has consistently been ahead of the curve in predicting developments at the nexus of disinformation and extremism and informing responses to emerging challenges. Our research has shaped policy-makers' and the public's understand of evolving threats for nearly fifteen years.
- **POLICY ADVISORY:** ISD provides strategic advice, policy support and training to governments and cities worldwide, providing expertise and best practice to policy-makers and practitioners to optimise counter-extremism and integration policies and programming. ISD also provides high-level digital policy input to the tech sector to harmonise efforts with governments and civil society.
- **EDUCATION:** ISD's global education programmes and resources build the resilience of young people to hate speech, misinformation and extremism through the development of vital online and offline skills. Our research has shown that education plays a critical role in undermining the appeal of propaganda, hate and extremist ideologies, disrupting their impact at the roots.
- **GRASSROOTS NETWORKS:** Extremism is a global phenomenon that is ill-served by top-down approaches. We work to empower and facilitate civil society, fostering networks of community groups and influencers to take the lead, applying their granular expertise and credibility in a way that delivers impact at scale.
- **COMMUNICATION & TECHNOLOGY:** ISD has pioneered the application of data, technology and marketing tactics to mount a proportional response to extremist messaging. Our programmes seek to innovate and build the technology and communications infrastructure to empower civic response to the ever more sophisticated communications machineries of those that seek to divide.

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**Achievements and performance**

At a time when polarisation, hate, extremism and misinformation have proliferated at scale, and with the emergence of what we term 'cumulative mainstreaming extremism', ISD's work has never felt more vital. In 2019, our work focused on the following areas of programming:

**Research**

In 2019, ISD launched, built and consolidated its research tools and capabilities within our Digital Analysis Unit. Our 'full stack' of digital research capabilities utilises sector-leading bespoke tools and methods to identify and track the influence operations of bad actors (state and non-state) online. Combined with ISD's ethnographic monitoring in 'dark social' closed and encrypted groups, ISD is in a position to provide in-depth insights into covert and overt extremist and hostile state actor mobilisation online. Armed with these capabilities, ISD researchers used 2019 to identify and respond to coordinated disinformation; expose the internationalisation of the 'alt-right' and efforts to mainstream its ideology; and track ISIS supporter networks spreading their propaganda online.

- **Disinformation and threats to democracy:** Building on two years of elections and disinformation analysis, ISD launched the Elections Analysis Unit, a new model for combining data analysis, strategy and network coordination to identify and respond to disinformation. Operational across six countries in the run up to the European Parliamentary, ISD's Elections Analysis Unit exposed disinformation campaigns in Italy, Spain, Germany and Poland, which generated media coverage across the globe including in [El Pais](#), [The Guardian](#), [Politico](#), [The Mirror](#) and [The Sunday Times](#). Beyond research insights, the project enabled real-time response to the malign activities conducted by a host of international far-right networks. To help protect the integrity of the elections, ISD's team informed relevant government, media and policy partners of ongoing or emerging threats to the information space, feeding insights into media partners in all six countries as well as national law enforcement, EU rapid response teams and technology companies for immediate action. In partnership with [Sky News](#), ISD's Election Analysis Unit monitored the UK elections to identify disinformation across the political spectrum.
- **Mainstreaming of the far-right:** In 2019 ISD's Digital Analysis Unit monitored and analysed the mainstreaming and internationalisation of the Extreme Right. To shine a light on the ideologies that motivated the Christchurch and other far right attacks in 2019, ISD published *The Great Replacement: The Violent Consequences of Mainstreamed Extremism* exploring the origins of the 'Great Replacement' theory and the dynamics and platforms that have allowed these ideas to spread, which was covered in [TIME](#), [The Observer](#) and on [the BBC](#).
- **The future of Islamist extremism:** ISD published a series of briefings papers exposing the persistence of Islamist extremist content online and some of the tactics that supporters of ISIS are using to evade content detection, which has been covered in [VICE](#) and [NPR](#). In the course of monitoring an ISIS 'bot-net' in the wake of al-Baghdadi's death, ISD discovered a large cache of ISIS documents totalling over one terabyte of data which will be analysed in 2020.
- **International Hate Observatory:** The mainstreaming of far-right extremism happens through far-right campaigns making their way from fringe chat forums to mainstream platforms and media outlets. In 2019, ISD partnered with the Massachusetts Institute of Technology (MIT) Civic Media Lab to adapt its Media Cloud software to include fringe 'alt-tech' platforms frequented by extremists and enable the capture of extremist content through inclusion of extremist lexicon drawn from ISD's research. The resulting software, The International Hate Observatory, will enable ISD to track how extreme content, memes and narratives travel across the media ecosystem.
- **ISD's Hate Speech Mapper and Data Dashboard:** With partners CASM Technology (the University of Sussex's Centre for Analysis of Social Media), ISD has built a bespoke tool for identifying and analysing hate speech online at speed and scale. Utilising a capability to geo-locate online content, ISD's Hate Mapping Dashboard provides a real-time picture of the nature and scale of online hate, the drivers of online hate speech, user profiles and demographics, and correlations with offline data including hate crimes. In 2019, we delivered this work in Australia, the UK, France and the Balkans.

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- **Far-Right Interventions Research:** With extreme right ideologies on the rise, Google's think tank Jigsaw approached ISD to undertake a review of existing intervention practices. Drawing on interviews with practitioners throughout ISD's networks in Belgium, Canada, Germany, France, Sweden, the UK and the USA, ISD's *An Imprecise Science: Assessing Interventions For The Prevention, Disengagement And De-Radicalisation Of Left And Right-Wing Extremists* exposes the lack of investment for interventions both online and offline, an area that ISD has pioneered.
- **Islamist Women and Girls Interventions Research:** ISD has been at the forefront of understanding the role of women and girls in extremist movements. 2019 saw concerns heighten with the return of women and girls from former ISIS-held territories. To help build capacity of practitioners to deal with this cohort, ISD received support from the Ministry of Justice in The Netherlands to produce *Women, Girls & Islamist Extremism: A Toolkit for Intervention Practitioners* in English and Dutch. Drawn from the expertise of British and Dutch intervention providers who have worked with over 250 females, the toolkit highlights effective practices for intervention provision with women and girls, existing policy frameworks and practical tools available for those involved in these cases.

#### **Policy Advisory**

Throughout 2019, international organisations, national governments, cities and the private sector looked to ISD for policy recommendations and thought leadership. ISD strengthened partnerships with the United Nations Counter Terrorism Executive Directorate (UNCTED), the World Economic Forum, the Global Counter Terrorism Forum (GCTF), and the Global Internet Forum for Counter Terrorism (GIFCT). ISD supported the New Zealand and French governments in launching the Christchurch Call to Action, providing input to Jacinda Ardern and her team over the course of the year, while significantly deepening ISD's impact with policymakers in France, the UK and Germany on digital policy. ISD's Strong Cities Network consolidated its status as the go-to network for local mayors and practitioners seeking solutions to hate, polarisation and extremism. Finally, ISD continued its role as a critical friend to the social media companies, mounting a programme of digital policy advocacy work designed to achieve greater transparency in relation to the companies' advertising, algorithmic and content moderation processes. The intention of this work is to address ways in which the technological architecture of the platforms inorganically amplifies extreme messaging and enables the proliferation of disinformation.

- **Strong Cities Network:** In 2019, ISD secured £7 million for new programming to take place across the Middle East, Africa, the Balkans and Southeast Asia. SCN's membership now includes over 136 cities from more than 40 countries representing every major global region. ISD continued to expand the provision of the SCN online Hub and training modules, now available in English, French, Arabic and Serbian-Croat, alongside on-the-ground training modules on establishing local prevention networks, youth engagement, and public private partnerships. This includes in-depth work in North Macedonia, Kenya and Bangladesh in particular, with co-pilot cities in neighbouring countries expected to be identified. The SCN remained focused on mobilising the private sector to support cities and received funding from the London Mayor's Office to build public private partnerships to tackle hate, polarisation and extremism across London.
- **SCN Lebanon:** In the Middle East, ISD's SCN programme continued to operate through Local Prevention Networks in Lebanon. These networks represent the first attempt in the MENA region to create a locally-owned coordination model for non-law enforcement prevention efforts. The project, supported until June 2019 by the Danish Ministry of Foreign Affairs, has developed, trained and supported the first scalable, locally-led model for bottom-up prevention approaches in the Middle East and serves as a model for similar activities the SCN and its partners are now delivering across other regions, including East Africa and the Balkans.

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- **SCN Kenya:** ISD began a multi-phased programme in Kenya in 2019 which uses the Local Prevention Network model to enable local multi-sectoral community teams to deliver targeted prevention efforts. The project will support existing Kenyan structures to develop interventions frameworks; operationalise the County Action Plans; conduct community driven research; fund community-based interventions initiatives; disseminate new training materials; and identify key stakeholders to participate in targeted training. The project stands to make a vital impact at local levels across the country and set a precedent for human rights-based approaches to extremism and radicalisation. The project will work to support individuals identified in their communities as potentially vulnerable to recruitment to Al-Shabaab, ISIS and Al-Qaeda affiliates as well as to gangs and youth violence.
- **Policy Planners Network:** The 24th Policy Planners Network (PPN) meeting took place in Berlin in February 2019, with a session entitled "The Impact of Misinformation on Polarisation and Extremism: Implications for Digital Policy". The meeting was planned and delivered by ISD in partnership with the German Federal Ministry of Justice and Consumer Protection and was attended by representatives from Canada, the UK, Sweden, Denmark, France, Germany, the Netherlands, Australia and the European Strategic Communications Network. The meeting was opened by Secretary of State Gerd Billen of the BMJV, and included four sessions covering ISD's findings from the Bavarian Elections emerging trends and threats in disinformation from across Europe, potential policy responses, and best practices in protecting the credibility of elections.
- **Canadian policy engagement:** In March 2019, ISD co-hosted a series of events in Ottawa with Public Safety Canada focusing on a range of online challenges. The first event was on how cutting-edge online tools can be used to map indicators of harm at a local level and can inform responses to hate speech, hate incidents and/or hate crimes through offline prevention and interventions. The second event brought together researchers to present recent studies on misinformation and its impact on elections, incidents of terrorism and violent extremism, and other prominent socio-political events or issues. The final event brought together a broad range of representatives from across the Government of Canada, as well as the US Department of Homeland Security, to discuss digital policy responses to online harms and encourage cross-government and cross-border cooperation.
- **ISD's Response to the UK Online Harms White Paper:** In response to the UK Government's Online Harms White Paper, ISD convened a range of leading organisations on digital policy, including Mozilla Foundation, Privacy International, Avaaz and Demos in order to develop and submit a coordinated response. ISD's submission focused on securing greater transparency from the companies in terms of (1) content and communications, (2) advertising, (3) complaints and redress, and (4) algorithms. ISD has since advised the governments of France, Germany, and New Zealand, among others, as well as the companies in the GIFCT to help achieve a consensus and momentum for securing these critical policy changes.
- **Global Counter Terrorism Forum:** With the support of the Global Counter-Terrorism Forum (GCTF) and the Governments of Australia, Switzerland and the UK, ISD published a Policy Toolkit to operationalise the Zurich-London Recommendations on Preventing and Countering Violent Extremism and Terrorism Online. Available in English, Arabic and French, the toolkit provides a user-friendly guide for policy-makers on good practices and existing international and regional initiatives in preventing and countering violent extremism and terrorism online.



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**Networks**

ISD's global civil society and community networks have deepened and expanded their work to nearly every global region. In 2019, ISD harnessed its established programmes to broaden and mainstream its civil society networks in order to confront the mainstreaming efforts of extremist groups.

- **YouthCAN:** ISD's Youth Civil Activism Network (YouthCAN) is a global network for young activists that was created to understand, encourage and amplify positive grassroots efforts against violent extremism and hate speech. Entering its fifth phase of programming, with support from the Norwegian Ministry of Children and Family, ISD's YouthCAN is an industry-leading youth empowerment programme that works directly with young grassroots activists to increase their capacity as positive actors for peace. In 2019, YouthCAN launched its first programme in Pakistan and grew its global network of over 1,600 activists.
- **Young Cities:** As joint project of YouthCAN and the Strong Cities Network, Young Cities works in partnership with both young people and local government to enhance and support youth-led solutions to community challenges such as hate, polarisation, extremism and violence. The programme catalyses local youth-led initiatives to build community resilience and aims at building understanding between municipalities and their youth populations through a series of trainings, grants and tailored support, all based on in-depth field research, expert analysis and mapping of local youth issues. In 2019, Young Cities worked with six municipalities across Kenya, Senegal and Lebanon to train 148 young people and 50 municipal leaders, and supported over 20 local initiatives. The programme also supported the launch of eight youth-led initiatives in Kenya's coastal region, tackling issues such as youth gangs, police discrimination, and lack of civic education and engagement. In West Africa, Young Cities began delivery in Dakar, Senegal, leading to the launch of four youth-led initiatives, including an online campaign that promotes civic education, including responsible social media engagement; a youth-led research project focussing on bridging the gap between local youth and police; a cultural arts project that tackles gender-based violence through rap music; and the production of a documentary by a group of former youth convicts, which aims to support reintegration of youth ex-convicts by breaking down stigmatisation within their local communities and immediate families.
- **European Social Impact Summit:** Funded by the U.S. Embassy in Brussels, the European Social Impact Summit was a 12-month project to build a replicable model for professionalising the work of young activists in Europe and increasing the amount of civil society-led strategic online communication campaigns. ISD trained 57 youth activists from 13 European countries, and facilitated the creation of three youth-led campaigns including more than 20 pieces of original content and engaging with thousands of young Europeans throughout the campaigns.

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**Communications and Technology**

ISD's work on technology and extremism aims to understand and respond to the ways in which extremists use the Internet, social media and new technologies to spread propaganda. Through this work, ISD builds the capacity of frontline networks to counter the messaging of extremists, providing data insights, training, and marketing and communications support to civil society actors to enable them to disrupt and undermine extremist messaging online. ISD's communications and technology work remains central to a strategic response to hate, polarisation and extremism and, in 2019, ISD continued its partnerships with Microsoft, Google and Facebook to help mount a proportional soft power response that matches the quantity and quality of extremist output.

- **The Google Impact Challenge:** Following the success of ISD and Google's Innovation Fund in the UK, Google partnered with ISD to scale this approach across Europe. The result is the Google.org Impact Challenge on Safety, a €10 million fund to support organisations that are challenging hate and extremism, and child safety, on and offline. ISD received and reviewed over 830 applications, selecting over 30 applicants to trial and deliver work across 23 European countries.
- **The Online Civil Courage Initiative (OCCI):** With funding from Facebook, the Online Civil Courage Initiative (OCCI) is designed to upskill and upscale civil society's response to hate speech and extremism online. In 2019, the OCCI team applied ISD's Hate Mapper techniques to research online hate in France. Leveraging ISD's range of social listening tools, the team conducted in-depth analysis of 11 different types of online hate, including misogynistic, anti-Arab, anti-LGBTQ and ableist hate. The subsequent report, [\*Mapping hate in France\*](#), is the most comprehensive report of its kind. Also in 2019, the OCCI team continued to support civil society-led counter speech efforts and delivered four training seminars for civil society representatives, training over 120 practitioners.
- **The Campaign Toolkit:** Funded by the founding members of the Global Internet Forum to Counterterrorism, the Campaign Toolkit is a free resource that immerses users in the journey of designing campaign plans for social good. The Toolkit is designed to function globally, on desktop, mobile and tablet, in five languages – English, Arabic, German, French and Urdu. Since its launch at the United Nations General Assembly in September 2019, the Campaign Toolkit has received notable traffic – with over 1,000 hits from over 70 countries.

**Education**

ISD's education programme works internationally to empower the next generation to challenge the influences of polarisation and extremism. Having designed a series of evidence-based education models, ISD has now started to scale these projects and advocate for the sectoral policy changes required to effectively undermine the impact of disinformation, propaganda, hateful and extremist ideologies on young people. ISD's work seeks to arm practitioners with the tools they need to effectively equip young people with these skills and safeguard young people on and offline.

- **Be Internet Citizens:** Be Internet Citizens (BIC) is ISD's flagship digital citizenship and resilience programme, delivered in partnership with, and funded by, Google UK. In 2019, the BIC team trained over 300 teachers and youth workers and delivered a dozen school workshops, reaching an estimated 47,500 young people. Local MPs attended all but two of the workshops, including Damian Collins MP (then Chair of the DCMS Select Committee) and Diane Abbott MP (then Shadow Home Secretary). The BIC [joint impact report](#) outlines the findings of this work, namely significant increases in students' confidence around key digital citizenship concepts and a high retention of knowledge three months following the programme. This includes 81% of participants being able to correctly define hate speech and 71% being able to identify fake news.
- **Young Digital Leaders:** Young Digital Leaders (YDL) is a Europe-wide education project, empowering students through media literacy, critical thinking and digital activism, funded by Google Brussels and Google.org. Following a successful pilot phase in Italy, Romania and Sweden, further funding from Google.org in 2019 enabled the scale-up of activity across Romania, plus the build-out of new work in Bulgaria and Greece. From March to November 2019, this model reached over 10,000 students (both directly and indirectly), 232 parents, and 516 educators.

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**OPERATIONS**

ISD continued to grow and extend its international reach in 2019. In addition to the 'business as usual' work of managing the organisation's finances, operations, HR, grants and project management and security, key operational highlights of the year include:

- Establishing the Institute for Strategic Dialogue gGmbH, a German public-interest limited liability company (gemeinnützige Gesellschaft mit beschränkter Haftung) with its registered office in Berlin.
- Improving [www.isdglobal.org](http://www.isdglobal.org) and launching ISD's German-language website.
- Completing an ambitious Organisational Improvement Plan intended to increase transparency, efficiency and staff support mechanisms across the organisation.
- Expanding the ISD team with over fifteen new roles covering policy, communications, research and programme delivery.
- Increasing cybersecurity for the organisation and invested in IT upgrades.
- Moving office to a larger, more secure premises in Central London.

**FUTURE PLANS**

In 2020, ISD will focus on increasing the proportion of its funding received from trusts, foundations and philanthropists. We will invest in a new role – a Head of Development – to drive this work, and will refresh our communications and marketing material to support this effort. The organisational structure will be enhanced by building out the senior leadership team and reviewing ISD's strategy, organisational design and systems. ISD hopes to open its first office in Germany by the end of 2020, and will review and refresh the composition of the Board as part of a governance review in the second half of the year.

**Financial review**

The results for the year show that there were net expenditure of £396,411 (2018: net income of £547,480). The total incoming resources for the year were £4,614,728 (2018: £5,627,512).

The charity has been able to achieve its objectives as reserves have been maintained to enable it to do so.

At 31 December 2019, the unrestricted reserves amounted to £409,142 and restricted reserves amounted to £901,504

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**Reserves Policy**

The Trustees closely monitor the level of free reserves available to ensure there is sufficient financial flexibility in place. It is the Trustees' policy to accumulate reserves for future activities. The free reserves (net of restricted funds) available as at 31st December 2019 were £409,142 (2018: £740,516) - providing in excess of 3 months' administration costs in the following financial year at projected expenditure levels.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to support the current level of expenditure and to continue in operational existence for the foreseeable future. The Trustees have, however, recognised that, due to the impact of COVID-19, there has been a significant impact on the activities of the charity. The Trustees are committed to supporting the charity and will continue to evaluate the situation on an ongoing basis and to develop plans for the charity to manage the financial impact going forward.

**Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**Other financial policies**

ISD reviews all of its financial and accounting policies annually to ensure that they are still fit for purpose and applicable to an organisation of ISD's size. Recent review has led the financial team of ISD to make the following changes to its our policies:

- **Contracts:** Taking into account Sayer Vincent guidance on the treatment of contract income, ISD now recognises surplus funds against contracts as unrestricted designated income.
- **Deferred income:** Income received for multi-year projects will be treated as deferred income when: (i) the amount exceeds £500k, (ii) the amount relates to work to be carried out beyond the next financial year or (iii) the amount is due to be returned to funder (e.g. in the case of underspend).

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**Statement of Trustees responsibilities**

The Trustees, who are also the directors of Institute for Strategic Dialogue for the purpose 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 which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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.

**Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

**Mr Michael Lewis**  
Chair of Trustees  
Dated: 12 October 2020

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT**

**TO THE TRUSTEES OF INSTITUTE FOR STRATEGIC DIALOGUE**

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**Opinion**

We have audited the financial statements of Institute for Strategic Dialogue (the 'company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE TRUSTEES OF INSTITUTE FOR STRATEGIC DIALOGUE**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the company for the purpose 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF INSTITUTE FOR STRATEGIC DIALOGUE**

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**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Landau Morley LLP**

15 October 2020

**Chartered Accountants  
Statutory Auditor**

325-327 Oldfield Lane North  
Greenford  
Middlesex  
UB6 0FX

Landau Morley LLP is eligible for appointment as auditor of the company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.



**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	<b>Notes</b>						
<b>Income and endowments from:</b>							
Charitable activities	<b>3</b>	105,249	4,507,284	4,612,533	235,094	5,391,044	5,626,138
Investments	<b>4</b>	79	-	79	1,374	-	1,374
Other income	<b>5</b>	2,116	-	2,116	-	-	-
<b>Total income</b>		<b>107,444</b>	<b>4,507,284</b>	<b>4,614,728</b>	<b>236,468</b>	<b>5,391,044</b>	<b>5,627,512</b>
<b>Expenditure on:</b>							
Charitable activities	<b>6</b>	462,167	4,548,972	5,011,139	97,829	4,982,203	5,080,032
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(354,723)</b>	<b>(41,688)</b>	<b>(396,411)</b>	<b>138,639</b>	<b>408,841</b>	<b>547,480</b>
Gross transfers between funds		23,349	(23,349)	-	(9,497)	9,497	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(331,374)</b>	<b>(65,037)</b>	<b>(396,411)</b>	<b>129,142</b>	<b>418,338</b>	<b>547,480</b>
Fund balances at 1 January 2019		740,516	966,541	1,707,057	611,374	548,203	1,159,577
<b>Fund balances at 31 December 2019</b>		<b>409,142</b>	<b>901,504</b>	<b>1,310,646</b>	<b>740,516</b>	<b>966,541</b>	<b>1,707,057</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEET**

**AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		140,696		52,741
Investments	13		21,826		-
			<u>162,522</u>		<u>52,741</u>
<b>Current assets</b>					
Debtors	14	651,976		826,694	
Cash at bank and in hand		888,426		1,121,910	
		<u>1,540,402</u>		<u>1,948,604</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(392,278)</u>		<u>(294,288)</u>	
Net current assets			<u>1,148,124</u>		<u>1,654,316</u>
<b>Total assets less current liabilities</b>			<u><u>1,310,646</u></u>		<u><u>1,707,057</u></u>
<b>Income funds</b>					
Restricted funds	16		901,504		966,541
Unrestricted funds			409,142		740,516
			<u>1,310,646</u>		<u>1,707,057</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

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

The financial statements were approved by the Trustees on 12 October 2020

Mr Michael Lewis  
**Trustee**

**Company Registration No. 06581421**

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(71,649)		237,757
<b>Investing activities</b>					
Purchase of tangible fixed assets		(140,088)		(25,937)	
Proceeds on disposal of tangible fixed assets		-		479	
Purchase of investments		(21,826)		-	
Interest received		79		1,374	
<b>Net cash used in investing activities</b>			(161,835)		(24,084)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(233,484)		213,673
Cash and cash equivalents at beginning of year			1,121,910		908,237
<b>Cash and cash equivalents at end of year</b>			<u>888,426</u>		<u>1,121,910</u>

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Charity information**

Institute for Strategic Dialogue is a private company limited by guarantee incorporated in England and Wales. The registered office is PO Box 75769, London, SW1P 9ER. The members of the company are the Trustees named on legal and administrative page. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Consolidation**

No consolidated accounts have been prepared incorporating the results of this subsidiary undertaking. The trustees consider that the inclusion of the subsidiary undertaking's results is not material for the purposes of giving a true and fair view.

**1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to support the current level of expenditure and to continue in operational existence for the foreseeable future.

The Trustees have, however, recognised that, due to the impact of COVID-19, there has been a significant impact on the activities of the charity.

The Trustees are committed to supporting the charity and will continue to evaluate the situation on an ongoing basis and to develop plans for the charity to manage the financial impact going forward.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the company.

**1.4 Income**

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies (Continued)**

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% straight line method
Fixtures and fittings	25% reducing balance method
Computer and office equipment	33.33% straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**1.7 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**1.8 Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**1 Accounting policies (Continued)**

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**2 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Charitable activities**

	<b>2019</b>	2018
	<b>£</b>	£
Programmes	4,507,284	5,391,044
Core	105,249	235,094
	<u>4,612,533</u>	<u>5,626,138</u>
Analysis by fund		
Unrestricted funds	105,249	235,094
Restricted funds	4,507,284	5,391,044
	<u>4,612,533</u>	<u>5,626,138</u>

**4 Investments**

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2019</b>	2018
	<b>£</b>	£
Interest receivable	79	1,374
	<u>79</u>	<u>1,374</u>

**5 Other income**

	<b>Unrestricted funds</b>	Total
	<b>2019</b>	2018
	<b>£</b>	£
Other income	2,116	-
	<u>2,116</u>	<u>-</u>

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**6 Charitable activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages, salaries and consultants	1,918,065	1,645,361
UK travel and hospitality	24,590	29,626
Travel costs (staff)	248,751	280,501
Travel costs (participants)	84,272	289,573
Occupancy costs and room rental	41,497	68,633
Outside professional services	792,079	676,359
Communications and technology	74,386	72,883
Overhead recovery	997,017	1,290,786
Grants and awards to other organisations	359,169	628,480
	<u>4,539,826</u>	<u>4,982,202</u>
Share of support costs (see note 8)	471,313	97,830
	<u>5,011,139</u>	<u>5,080,032</u>
<b>Analysis by fund</b>		
Unrestricted funds	462,167	97,829
Restricted funds	4,548,972	4,982,203
	<u>5,011,139</u>	<u>5,080,032</u>

Direct Costs include the following:

Outside Professional Services: Includes technical and specialist consultants and suppliers such as filmmakers, content producers, educational resource specialists, trainers, researchers and translation services.

Communications and Technology: Includes telecommunications equipment, telephone calls, IT hardware, software, webhosting, social media and digital costs.



**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**7 Grants and awards payable**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grants and awards were paid to the following:		
The Challenge Network	20,000	80,000
The Open University	19,799	79,200
Hope Not Hate	14,950	59,800
Tees Valley Inclusion Project	10,112	40,448
New Horizons for British Islam	8,914	39,680
Communities Inc	3,800	34,200
JAN Trust	32,685	32,685
Faith Associates	7,080	28,320
Praxis Community Projects	6,986	27,950
Association for Real Change	6,475	25,897
Asian Mums Network	6,227	24,680
Vivacity Culture and Leisure	5,000	20,000
ArtReach Trust	3,995	15,985
Youth Cymru	3,716	14,860
British Future	3,700	14,800
Mother & Child Welfare	3,000	12,000
My Generation	3,000	12,000
Paddington Arts	2,680	10,720
SMART	-	9,678
Individualland	-	9,641
G U S Albania	-	9,232
Luton Tigers	2,000	8,000
Limehouse Boxing Academy	9,865	7,780
Global Education Derby	-	6,415
Global Centre	75,102	2,364
Haki Africa	-	2,145
Huria	3,560	-
Samba Sports Youth Agenda	1,110	-
Action Synergy SA	38,759	-
Faiths Forum London	35,000	-
WANA Institute	29,172	-
Other	2,482	-
	<u>359,169</u>	<u>628,480</u>

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>8 Support costs</b>	<b>Support costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	756,539	756,539	756,072
Loss on disposal of fixed assets	480	480	-
UK travel and hospitality	11,990	11,990	15,994
Travel costs (staff)	59,166	59,166	70,349
Travel costs (participants)	1,725	1,725	4,500
Occupancy costs and room rental	343,134	343,134	241,902
Outside professional services	124,998	124,998	178,527
Office costs and communications	80,927	80,927	95,815
Overhead recovery	(997,017)	(997,017)	(1,290,786)
Exchange loss/(gain)	37,717	37,717	(5,953)
Depreciation	51,654	51,654	31,410
	<u>471,313</u>	<u>471,313</u>	<u>97,830</u>
Analysed between			
Charitable activities	<u>471,313</u>	<u>471,313</u>	<u>97,830</u>

In respect of the year ended 31 December 2019, of the total Exchange loss/(gain) of £37,717, £28,570 is attributable to unrestricted funds and £9,147 is attributable to restricted funds.

Outside professional services costs include £19,910 (2018: £22,721) in respect of auditor's remuneration.

**9 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Audit of the annual accounts	11,500	11,500
All other non-audit services	8,418	11,221
<b>Total fees</b>	<u>19,918</u>	<u>22,721</u>

**10 Trustees**

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the company during the year.

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11 Employees**

**Number of employees**

The average monthly number of employees during the year was:

<b>2019 Number</b>	<b>2018 Number</b>
50	44
<u>50</u>	<u>44</u>

**Employment costs**

	<b>2019 £</b>	<b>2018 £</b>
Wages and salaries	2,365,533	2,145,459
Social security costs	218,301	186,660
Other pension costs	90,770	69,314
	<u>2,674,604</u>	<u>2,401,433</u>

Responsibility for day-to-day management matters and the implementation of policy is delegated to the Chief Executive Officer. Remuneration paid to the key management personnel of the charity in 2019 was £133,396 (2018: £129,038).

Of the employees whose emoluments exceed £60,000, 4 have retirement benefits accruing under defined benefit pension schemes, totalling £18,031 (2018: £12,217).

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2019 Number</b>	<b>2018 Number</b>
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	3	1
In the band £120,001 - £130,000	1	1
	<u>4</u>	<u>3</u>

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**12 Tangible fixed assets**

	Leasehold land and buildings	Fixtures and fittings	Computer and office equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2019	22,464	22,259	56,238	100,961
Additions	39,226	10,951	89,911	140,088
Disposals	(22,464)	(166)	(972)	(23,602)
At 31 December 2019	<u>39,226</u>	<u>33,044</u>	<u>145,177</u>	<u>217,447</u>
<b>Depreciation and impairment</b>				
At 1 January 2019	17,179	7,211	23,829	48,219
Depreciation charged in the year	11,197	5,439	35,018	51,654
Eliminated in respect of disposals	(22,464)	(96)	(562)	(23,122)
At 31 December 2019	<u>5,912</u>	<u>12,554</u>	<u>58,285</u>	<u>76,751</u>
<b>Carrying amount</b>				
At 31 December 2019	<u>33,314</u>	<u>20,490</u>	<u>86,892</u>	<u>140,696</u>
At 31 December 2018	<u>5,285</u>	<u>15,048</u>	<u>32,408</u>	<u>52,741</u>

**13 Fixed asset investments**

	Other investments
	£
<b>Cost or valuation</b>	
At 1 January 2019	-
Additions	21,826
At 31 December 2019	<u>21,826</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>21,826</u>
At 31 December 2018	<u>-</u>

The fixed asset investment is held in Germany – comprising the entire issued share capital, of 25,000 ordinary shares of 1.00 euro each, of the Institute for Strategic Dialogue gGmbH (a subsidiary company incorporated in 2019 that was dormant as at 31 December 2019).

**INSTITUTE FOR STRATEGIC DIALOGUE  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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<b>14 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	424,075	612,561
Other debtors	61,419	92,391
Prepayments and accrued income	166,482	121,742
	<u>651,976</u>	<u>826,694</u>
	<u><u>651,976</u></u>	<u><u>826,694</u></u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	56,436	59,489
Trade creditors	131,049	143,198
Accruals and deferred income	204,793	91,601
	<u>392,278</u>	<u>294,288</u>
	<u><u>392,278</u></u>	<u><u>294,288</u></u>

**INSTITUTE FOR STRATEGIC DIALOGUE  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**16 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	<b>Movement in funds</b>				<b>Movement in funds</b>				
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers 1 January 2019	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£	£	£
Restricted Funds	548,203	5,391,044	(4,982,203)	9,497	966,541	4,507,284	(4,548,972)	(23,349)	901,504
	<u>548,203</u>	<u>5,391,044</u>	<u>(4,982,203)</u>	<u>9,497</u>	<u>966,541</u>	<u>4,507,284</u>	<u>(4,548,972)</u>	<u>(23,349)</u>	<u>901,504</u>

The restricted funds, totalling £23,349, are no longer of direct relevance to the activities of Institute for Strategic Dialogue and the conditions applicable to the maintenance of the restricted funds have ceased to apply. These funds have, therefore, been transferred to unrestricted funds.

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**FOR THE YEAR ENDED 31 DECEMBER 2019**

**17 Analysis of net assets between funds**

	Unrestricted funds		Total funds	Restricted funds		Total 2018
	2019 £	2019 £		2019 £	2018 £	
Fund balances at 31 December 2019 are represented by:						
Tangible assets	140,696	-	140,696	52,741	-	52,741
Investments	21,826	-	21,826	-	-	-
Current assets/(liabilities)	246,620	901,504	1,148,124	687,775	966,541	1,654,316
	<u>409,142</u>	<u>901,504</u>	<u>1,310,646</u>	<u>740,516</u>	<u>966,541</u>	<u>1,707,057</u>

**18 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	237,823	18,750
Between two and five years	777,975	-
	<u>1,015,798</u>	<u>18,750</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**19 Events after the reporting date**

After the year end, Institute for Strategic Dialogue has been directly impacted by the effects of the global COVID-19 pandemic.

The charity has taken steps to secure access to all relevant government funding support schemes in respect of this pandemic.

In light of the information that was available as at 2019 year-end, the COVID-19 outbreak is considered to be a non-adjusting event in the financial statements for the year ended 31st December 2019.

Since 31st December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures have been taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services. As a consequence of disruptions and border closures, the charity has experienced significant obstacles to carrying out its charitable objectives.

The Trustees have determined that these events are non-adjusting subsequent events.

Accordingly, the financial position and results of operations for the year ended 31st December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

**20 Related party transactions**

Donations of £65,715 (2019: £96,848) were received during the year from the Trustees and from entities connected with the Trustees.

**21 Subsidiaries**

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Institute for Strategic Dialogue Germany gGmbH		Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Institute for Strategic Dialogue gGmbH	-	21,826



**INSTITUTE FOR STRATEGIC DIALOGUE  
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**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>22 Cash generated from operations</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the year	(396,411)	547,480
Adjustments for:		
Investment income recognised in statement of financial activities	(79)	(1,374)
Loss on disposal of tangible fixed assets	480	-
Depreciation and impairment of tangible fixed assets	51,654	-
Movements in working capital:		
Decrease in debtors	174,717	423,245
Increase/(decrease) in creditors	97,990	(731,594)
<b>Cash (absorbed by)/generated from operations</b>	<b>(71,649)</b>	<b>237,757</b>
	<u><u>                    </u></u>	<u><u>                    </u></u>
<b>23 Analysis of changes in net funds</b>		
The company had no debt during the year.		

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