

Financial Statements

The Institute for Statecraft
For the year ended 23 November 2017

Registered Charity Number: SC 040870
Registered Company Number: SC312442

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Reference and administrative details of the charity

The Institute for Statecraft

For the year ended 23 November 2017

Trustees

Harry Hart, Chair (appointed 1 Sep 2017)
Anthony Cooke (appointed 1 Sep 2017)
Piroska Nagyne Mohacsi (appointed 1 Sep 2017)
Philip Matthews (appointed 1 Sep 2017)
Oliver McTernan
Daniel Lafayeedney
Chris Donnelly
Celia Szusterman
Jean-Louis Lafayeedney (resigned 8 May 2017)

Registered Office

Gateside Mills, Gateside, Cupar, Fife, KY14 7SU

Independent Auditor

Bowker Orford Chartered Accountants, 15-19 Cavendish Place, London, W1G 0DD

Bankers

Lloyds Bank, 6 Holborn Circus, London, EC1N 2HP

Adams & Company, 25 St Andrew's Sq, Edinburgh, EH2 1AF (closed May 2017)

Website: www.statecraft.org.uk

Registered Charity Number: SC 040870

Registered Company Number: SC312442

Trustees Report

The Institute for Statecraft

For the year ended 23 November 2017

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 23 November 2017. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

The Institute retained its focus on its core purposes of refreshing the practice of statecraft, the improvement of governance and enhancing national and international security. Its core work continued to be through research, partnerships and programmes. With increasing media and public focus on new threats to good statecraft, including from hostile groups and states, the Institute's work gained increasing attention in both government and private sectors in the UK and abroad.

ACHIEVEMENTS AND PERFORMANCE

Highlights in the year under review were:

- public interest in the threat to the democratic systems of the UK and its key allies through disinformation continued to grow through 2017. During the year, the Institute's Integrity Initiative, established in 2015 to respond to this challenge, stabilised its funding base, reinforced its staffing, and launched its first three 'clusters' in allied European countries. The Initiative built a reputation for its deep understanding of the theory and practice of hostile disinformation campaigns, and of how to challenge them. This programme has developed further in the subsequent reporting period;
- the Shared Outcomes Programme continued to "promote equality and diversity, citizenship and community development", through engagement with young people from Black, Asian and minority (BAME) communities across the UK. The project has a strong working relationship with the Army and, from 2016 – 2017, has delivered a mixture of residential Challenge Activity, Duke of Edinburgh programmes and accredited team-building courses for approximately 494 beneficiaries. A third-party impact assessor in 2017 found a tangible difference to beneficiaries' employability skills and confidence, with 'immediate benefits for the majority of the BAME youngsters who take part' and 'potential for longer term beneficial impact'. The programme builds participants' trust in and confidence to engage with British institutions;
- at the same time, the UK Programme, which aims to halt alienation within the UK Muslim communities through improving engagement, continued to find demand across the regions of the UK. The Programme, working with community leaders, provided safe space for all sections of the community to raise issues about social and economic conditions that impact on their day-to-day lives; and
- the Latin America programme worked closely with the Anti Modern Slavery Commissioner, Kevin Hyland, to ensure the topic was included in the G-20 Agenda under the Presidency of Argentina; and continued to develop the triangular project (El Salvador-United Kingdom-Argentina) on rehabilitation and reinsertion in prisons.

The Institute continued to conduct detailed research, and to publish papers on its website and in support of good governance objectives and to host workshops, including senior public sector participants.

FINANCIAL REVIEW

The operations in the year gave rise to total net income of £141,603 and at 23rd November 2017 the charity had total funds of £255,005. The net expenditure for the year for unrestricted funds was £30,290 and at the end of the year unrestricted funds stood at £56,687. Activities related to restricted funds produced net income of £171,893 during the year and total restricted funds at 23rd November 2017 were £198,318.

RESERVES AND RESERVES POLICY

The net liquid assets of the charitable company amounted to £306,304 at the end of the year of which £53,592 was unrestricted. The majority of the Institute's income was through funded programmes. The Trustees aim to diversify income streams and to build reserves, including unrestricted, over the coming years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Institute is a limited company (registered in Scotland), governed by Articles of Association and registered with the Office of the Scottish Charities Regulator. In 2017, the Institute for Statecraft saw a new Board of Trustees, bringing in a range of experience from commercial, academic and charity worlds. The new Board was committed to further improving internal governance and the financial resilience of the charity, and the Institute contracted a new, part-time, adviser on management issues to strengthen internal processes.

The reference and administrative details of the charity are shown on page 3 of the financial statements.

ORGANISATIONAL STRUCTURE

At the trustees' meetings, the trustees agree the broad strategy and areas of activity for the Charity and review operational and financial progress. The trustees take decisions by consensus or, where necessary, by simple majority vote. In the case of specific topics defined in the Articles of Association, the Founder Members of the company have the decisive vote. Day-to-day operational decisions are delegated to the two Founder Members.

RELATED PARTIES

No trustees were paid for their services as trustees during the period but trustees were reimbursed for out of pocket expenses. Two trustees were paid for other services during the period as detailed in note 8 to the accounts.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The charity held no funds on behalf of others during the year

STATEMENT OF DIRECTORS RESPONSIBILITIES

The trustees (who are also the directors of The Institute for Statecraft for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Bowker Orford, Statutory Auditor were appointed during the year, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

· there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

· the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in

order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signature 

Name DANIEL LAFAYEEDNEY

Date 31 August 2018

Independent Auditor's Report

The Institute for Statecraft

For the year ended 23 November 2017

Independent auditor's report to the members and trustees of The Institute for Statecraft

Opinion

We have audited the financial statements of The Institute for Statecraft (the charitable company) for the year ended 23rd November 2017 which comprise a Statement of Financial Activities, 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 FRS 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 23rd November 2017 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, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable 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 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 (who are also the directors of the company for the purposes of company law) 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' annual report, has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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: www.frc.org.uk. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Narendrakumar Mistry FCA (Senior Statutory Auditor)

For and on behalf of

Bowker Orford
Accountants, Business Advisors and Statutory Auditors
15-19 Cavendish Place
London
W1G 0DD

Date: 31st August 2018

Statement of Financial Activities (Incorporating Income and Expenditure Account)

The Institute for Statecraft

For the year ended 23 November 2017

	NOTES	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	TOTAL FUNDS 2017 (£)	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	TOTAL FUNDS 2016 (£)
Statement of Financial Activities							
Income and endowments from:							
Donations and legacies	2	87,318	434,464	521,782	87,250	312,238	399,488
Charitable activities	2	-	-	-	10,121	33,000	43,121
Other	2	2	2	4	-	-	-
Total		87,320	434,466	521,786	97,371	345,238	442,609
Expenditure on:							
Raising Funds	3	1,874	2,402	4,276	1,507	13,526	15,033
Charitable Activities	4	135,555	240,352	375,907	31,881	329,715	361,596
Total		137,429	242,754	380,183	33,388	343,241	376,629
Net Income/(expenditure)		(50,109)	191,712	141,603	63,983	1,997	65,980
Transfers between funds		19,819	(19,819)	-	-	-	-
Net movement in funds		(30,290)	171,893	141,603	63,983	1,997	65,980
Reconciliation of funds							
Total funds brought forward		86,977	26,425	113,402	22,994	24,428	47,422
Current Year Earnings		(30,290)	171,893	141,603	63,983	1,997	65,980
Total funds carried forward		56,687	198,318	255,005	86,977	26,425	113,402

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.

Balance Sheet

The Institute for Statecraft For the year ended 23 November 2017

Company number SC312442

	NOTES	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2016 (£)
Balance Sheet							
Fixed Assets:							
Tangible assets	9	11,008	-	11,008	-	-	-
Total fixed assets		11,008	-	11,008	-	-	-
Current assets:							
Debtors	10	-	-	-	5,711	-	5,711
Cash at bank and in hand		53,592	252,792	306,384	86,241	37,166	123,407
Total current assets		53,592	252,792	306,384	91,952	37,166	129,118
Liabilities:							
Creditors: Amounts falling due within one year	11	7,913	54,474	62,387	4,973	10,743	15,716
Net current assets		45,679	198,318	243,997	86,979	26,423	113,402
Total assets less current liabilities		56,687	198,318	255,005	86,979	26,423	113,402
The funds of the charity:							
Total funds of the Charity		56,687	198,318	255,005	86,977	26,425	113,402

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 31st August 2018 and signed on their behalf by:



Daniel Lafayeedney
Trustee

The notes on pages 13 to 19 form part of these financial statements

Cash Flow Statement

The Institute for Statecraft
For the year ended 23 November 2017

	TOTAL FUNDS 2017 (£)	TOTAL FUNDS 2016 (£)
Cash flows from operating activities		
Net cash provided by operating activities	194,295	39,876
Net cash provided by operating activities	194,295	39,876
	TOTAL FUNDS 2017 (£)	TOTAL FUNDS 2016 (£)
Cash flows from investing activities		
Purchase of Equipment	(11,318)	-
Net cash used in investing activities	(11,318)	-
	TOTAL FUNDS 2017 (£)	TOTAL FUNDS 2016 (£)
Change in cash and cash equivalents		
Change in cash and cash equivalents during the year	182,977	39,876
Cash and cash equivalents brought forward	123,407	83,531
Cash and cash equivalents carried forward	306,384	123,407
	TOTAL FUNDS 2017 (£)	TOTAL FUNDS 2016 (£)
Reconciliation of cash flows from operating activities		
Net income/(expenditure for the reporting period (as per the statement of financial activities)	141,603	65,980
Adjustments for:		
Depreciation charges	310	-
(Increase)/decrease in debtors	5,711	(5,711)
Increase/(decrease) in creditors	46,671	(20,393)
Net cash provided by (used in) operating activities	194,295	39,876

Cash and cash equivalents

All cash at 23rd November 2017 and 23rd November 2016 was cash in hand.

Notes to the Accounts

The Institute for Statecraft For the year ended 23 November 2017

1. Accounting Policies

1.1 General information and basis of preparation

The Institute for Statecraft is a charitable company registered in Scotland. 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. The address of the registered office is given in the Charity information on page 1 of these financial statements.

The Charity constitutes a public benefit entity as defined by FRS102. 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 (FRS102) issued on 16 July 2014, (SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. There are no material uncertainties about the charity's ability to continue. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all years unless otherwise stated.

1.2 Funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

1.3 Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Interest on funds held on deposit is included when receivable and when the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.5 Apportionment of support and governance costs

Support and governance costs are apportioned based on approximate number of regular consultants used by each project. Consultants are deemed to be those likely to use the London office facilities or make use of IT security and regular is defined as more than 3 invoices submitted for expenses or consultancy during the financial year.

The Institute for Statecraft

For the year ended 23 November 2017

- Shared Outcomes: 2 (7%)
- Integrity Initiative, private donor: 10 (37%)
- Integrity Initiative, Foreign Office donor: 8 (30%)
- Latin America: 1 (4%)
- Other: 6 (22%)

1.6 Tangible Fixed Assets

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less their estimated residual value, of each asset on a systematic basis over its useful life as follows:

Office Equipment - 3 years

1.7 Debtors and creditors receivable/payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

All expenditure is accounted for on an accruals basis. Creditors are recognised when the Charity has present legal or constructive obligation resulting from a past event to make a payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

1.8 Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.9 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the levels of reserves for the Charity to be able to continue as a going concern.

1.10 Volunteers

One volunteer works for the Institute for Statecraft in the capacity of supervising project manager for the Shared Outcomes program.

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	2016 (£)
2. Income and endowments from:				
Income from donations and legacies				
Funds for El Salvador and other programs	-	-	-	92,488
Shared Outcomes program	3,492	242,359	245,851	-
Integrity Initiative program, private donor	23,436	106,564	130,000	307,000
Integrity Initiative program, Foreign Office	39,026	85,541	124,567	-
Individual donations to general funds	21,364	-	21,364	-
Total Income from donations and legacies	87,318	434,464	521,782	399,488

The Institute for Statecraft

For the year ended 23 November 2017

Income from charitable activities

Community integration and El Salvador prison programs	-	-	-	43,121
Total Income from charitable activities	-	-	-	43,121

Other income

Interest income	2	2	4	-
Total income	87,320	434,466	521,786	442,609

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	2016 (£)
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3. Expenditure on raising funds

Fundraising consultancy	1,874	2,402	4,276	-
Other fundraising costs	-	-	-	15,033
Total Expenditure on raising funds	1,874	2,402	4,276	15,033

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	2016 (£)
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4. Expenditure on charitable activities

Direct charitable activity costs	62,094	233,048	295,142	272,062
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Support costs

Office rent and rates	48,939	-	48,939	49,849
IT Support and website maintenance	2,252	5,526	7,778	22,371
Telephone	2,424	-	2,424	2,375
Insurance	257	849	1,106	44
Equipment storage costs (due to flooding)	5,822	-	5,822	3,975
Legal and company secretarial	120	-	120	40
Stationery, postage and sundry office costs	2,716	225	2,941	2,684
Depreciation	310	-	310	-
Bank charges	660	124	784	69
Subscriptions, memberships and donations	1,592	-	1,592	166
Total Support costs	65,092	6,724	71,816	81,573

Governance costs	8,369	580	8,949	7,961
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Total Expenditure on charitable activities	135,555	240,352	375,907	361,596
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5. Net income/(Expenditure) for the year is stated after charging

Depreciation of tangible fixed assets £310 (2016: £Nil)

Auditors/Examiners remuneration - audit/examination services £6,000 (2016: £600)

Auditors remuneration - other services £Nil (2016: £5,100)

6. Employee Costs

The charity had no employees during 2017 or 2016

7. Remuneration of key management personnel

The charity consider its key management personnel to comprise of Trustees and the CEO.

The total remuneration received by its key management personnel for services to the charity was £20,000

The Institute for Statecraft

For the year ended 23 November 2017

8. Trustees' and related parties remuneration and expenses

Chris Donnelly, a trustee, was paid £18,000 in remuneration during the year for consultancy services. This amount was due to Chris Donnelly at the year end.

Celia Szusterman, a trustee, was paid £2,000 in remuneration during the year for consultancy services.

The charity is able to pay trustees due to a provision in the articles governing the organisation.

Three trustees received £23,049 in travel, accommodation and subsistence expenses during the year. They also received expenses for stationery/postage (£896), external consultants reimbursement (£2,599) and hospitality for meetings (£687).

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	2016 (£)
9. Fixed assets - Computer Equipment				
Cost				
At 24 November	-	-	-	-
Additions	11,318	-	11,318	-
Closing balance	11,318	-	11,318	-
Depreciation				
Charge for the year	310	-	310	-
At 23 November	310	-	310	-
Net book value of Computer Equipment at 23rd November				
Closing balance	11,008	-	11,008	-

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	2016 (£)
10. Debtors				
Prepayments	-	-	-	5,501
Other debtors	-	-	-	210
Total Debtors	-	-	-	5,711

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	2017 (£)	2016 (£)
11. Creditors falling due within one year				
Trade creditors	1,170	4,934	6,104	9,028
Accruals	6,000	18,000	24,000	5,600
Deferred Income	-	31,540	31,540	-
Other creditors	743	-	743	1,088
Total Creditors falling due within one year	7,913	54,474	62,387	15,716

Deferred Income : As at 23rd November 2017, the Foreign Office had paid the grant to cover charitable activities up to 31 December 2017, so an amount of £31,540 was accrued as deferred income for the period 24 November to 31 December 2017.

12. Details of Restricted Funds

Integrity Initiative, funding by private donor

The Integrity Initiative program serves to map Russian and other malign influences and disinformation techniques and to inform policy makers and opinion formers accordingly. A restricted grant of £437,000 was received between December 2015 and May 2017, of which £130,000 was received in 2017. The donor stipulated that 25% (£23,236) of the funds were unrestricted and the remaining 75% (£106,564) were restricted and only to be spent on direct activities relating to the program.

Integrity Initiative, funding by Foreign and Commonwealth Office

A second phase of the Integrity Initiative program was funded by the Foreign and Commonwealth Office, to continue the work on disinformation. A grant of £250,000 was given, £124,567 of which was received in 2017. 25% of the total funds were unrestricted (£39,026 received in 2017) and the remaining 75% (£85,241 received in 2017) had the following conditions:

- to be spent between 1 July 2017 and 31 March 2018
- to be spent only on the activities and purposes set out in the grant application
- progress on spend would be monitored on a quarterly basis
- funds not spent by 31 March 2018 would be returned to the donor

For the year 2017, £124,567 was received in total, with £39,026 as unrestricted income and £85,241 as restricted income. The remainder of the grant will be 2018 income.

Shared Outcomes

Shared Outcomes is a program to improve societal integration within UK muslim communities. During 2016/17, restricted grants were received from The Dulverton Trust, the Covenant Fund at the Ministry of Defence and the Ellerman Foundation. All funders required that the amounts were spent on direct activities associated with the program (which included the cost of the project manager), with the exception of the Dulverton Trust who permitted 10% of their funding to be used for the general purposes of the charity.

Notes to the Accounts

The Institute for Statecraft For the year ended 23 November 2017

	SHARED OUTCOMES (£)	INTEGRITY INITIATIVE (PRIVATE DONOR) (£)	INTEGRITY INITIATIVE (FOREIGN OFFICE DONOR) (£)	TOTAL RESTRICTED FUNDS (£)	UNRESTRICTED FUNDS (£)	TOTAL FUNDS (£)
13. Fund reconciliation						
At 24 November 2016	31,482	(5,057)	-	26,425	86,977	113,402
Net movement in funds						
Income	242,361	106,564	85,541	434,466	87,320	521,786
Expenditure	(93,774)	(73,950)	(75,030)	(242,754)	(137,428)	(380,182)
Transfers	89	(23,434)	3,526	(19,819)	19,819	-
Total Net movement in funds	148,676	9,180	14,037	171,893	(30,289)	141,604
At 23 November 2017	180,158	4,123	14,037	198,318	56,687	255,005

The transfer between unrestricted and restricted funds ensures that the individual fund balances agree to individual fund net assets comprising of bank balances and creditors at the year end.

	SHARED OUTCOMES (£)	INTEGRITY INITIATIVE (PRIVATE DONOR) (£)	INTEGRITY INITIATIVE (FOREIGN OFFICE DONOR) (£)	TOTAL RESTRICTED FUNDS (£)	UNRESTRICTED FUNDS (£)	TOTAL FUNDS (£)
14. Analysis of net assets between funds						
Fixed assets	-	-	-	-	11,008	11,008
Bank and cash in hand	183,768	4,123	64,901	252,792	53,592	306,384
Creditors	(3,610)	-	(50,864)	(54,474)	(7,913)	(62,387)
Total funds	180,158	4,123	14,037	198,318	56,687	255,005

Notes to the Accounts

The Institute for Statecraft

For the year ended 23 November 2017

	SHARED OUTCOMES (£)	INTEGRITY INITIATIVE, PRIVATE DONOR (£)	INTEGRITY INITIATIVE, FOREIGN OFFICE DONOR (£)	EL SALVADOR (£)	OTHER (£)	TOTAL FUNDS (£)
15. Analysis by activity of direct charitable, support and governance costs						
Direct charitable costs	91,792	66,226	75,030	9,609	52,485	295,142
Support costs	5,997	29,307	19,486	2,737	14,289	71,816
Governance costs	716	3,547	2,511	335	1,840	8,949
Analysis of charitable activities	98,505	99,080	97,027	12,681	68,614	375,907

Support costs of £65,092 and governance costs of £8,369 were reallocated according to the basis outlined in accounting policy 1.5.