

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 2020

INSTITUTE FOR STRATEGIC DIALOGUE

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Michael Lewis Mr Stuart Fiertz Mr M Bergman Dr Serra Kirdar Mr Edward Williams
Charity number	1141069
Company number	06581421
Registered office	PO Box 75769 London SW1P 9ER
Auditor	Landau Morley LLP 325-327 Oldfield Lane North Greenford Middlesex UB6 0FX

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**INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)
*FOR THE YEAR ENDED 31 DECEMBER 2020***

The Trustees present their report and financial statements for the year ended 31 December 2020.

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 2020. 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.

Method of Appointment or Election of Trustees

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.

Organisational Structure and Decision Making

The Institute for Strategic Dialogue (ISD) has a Board of Trustees that meets twice a year. There is a Chair of the Board and Treasurer. The Institute also has an active Finance Committee, made up of the Chair and Treasurer, which meets regularly and works closely with the Chief Executive Officer (CEO) and Chief Operating Officer (COO).

Responsibility for day-to-day management matters and the implementation of policy is delegated to the CEO, within a clearly understood framework of strategic control. The CEO 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'.

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Objectives and activities

The Institute for Strategic Dialogue (ISD) is an independent 'think and do tank' that studies and develops 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.

The principal objects of the charity and 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

Since its formation, ISD has been at the forefront of solutions that combat extremism, hate speech and disinformation. At a time when these pose immediate threats to safety, security and democratic civil culture and institutions, ISD is working to enable individuals, organisations and nations to turn the tide.

ISD's work is delivered through three types of activity:

1. **RESEARCH & ANALYSIS** - ISD combines sector-leading expertise and research in global extremist movements with advanced digital analysis that identifies and tracks disinformation, weaponised hate and extremism in real time. Our 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, has ensured that ISD has consistently been ahead of the curve in predicting developments at the nexus of disinformation and extremism. Our research informs responses to these emerging challenges, and shapes policy-makers' and the public's understanding of evolving threats.
2. **ACTION PROGRAMMING** - ISD innovates, trials and scales cutting-edge interventions that empower cities, practitioners and civic leaders to mitigate hate, polarisation and disinformation. From our digital education and communications programmes, to our training and direct interventions with at-risk individuals, we build the resilience of communities on and offline. 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. ISD has pioneered the application of data, technology and marketing tactics to mount a proportional response to extremist messaging.
3. **POLICY & ADVISORY SERVICES** - ISD provides strategic advice, policy support and training to local and national governments and multilateral institutions worldwide, giving them the data, expertise and support needed to deliver evidence-based policy and programming. We lead inter-governmental policy initiatives on extremism, polarisation and digital regulation that optimise counter-extremism and integration policies and programming and safeguard democracy. ISD also provides high-level digital policy input to the tech sector to harmonise efforts with governments and civil society.

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Achievements and performance

The forces ISD seeks to fight - polarisation, extremism and disinformation - intensified in 2020, exacerbated by the international COVID-19 pandemic and a suite of high-profile government elections worldwide. Disinformation in relation to vaccines accelerated, and the growth of QAnon and related conspiracy and extremist movements presented real and immediate threats to cohesion and democracy in many countries worldwide.

Throughout the year, ISD worked to combat these threats through three core operating areas: research and analysis; policy and advisory services; and action programming. The following areas of programming constituted particular highlights of the organisation's work in 2020:

Research & Analysis

ISD conducted and published sector-leading research in 2020, a year that saw our highest output of analysis to date. This work broadened the scope of our expertise into new thematic as well as geographical frontiers. ISD published multiple reports and briefings in French and German as well as in English, and covered every facet of extremism prevention.

Research projects conducted in the year provided an opportunity to develop ISD's best-in-class technological system for detecting online manipulation, disinformation and hate activities. This work helped shape the conversation around the immediate threat to democratic integrity posed by coordinated online disinformation. Below are some selected highlights across these exciting areas of research:

- **US2020 election analysis:** ISD was funded by a consortium of foundations to build a best-in-class technological system for detecting online manipulation, disinformation and hate activities during the US 2020 Presidential elections. Working with our technology partner the Centre for Analysis of Social Media (CASM), ISD designed a system that simultaneously ingests and analyses data from nine social media platforms, including Facebook, Instagram, Twitter, YouTube, Gab, 4Chan and Reddit. This tool has, for the first time, created a capability for large-scale disinformation detection from an independent civil society perspective. This extends the capacity for entities other than the largest tech and social media companies to conduct investigations exposing large-scale inauthentic activity on social media.

As a result of the capacity of this tool and ISD's reporting of inauthentic activity directly to social media platforms, Twitter removed 2,725 accounts, Telegram took action on 9 white supremacist terrorist channels, and Facebook took down over 50 pages, groups and accounts from covert inauthentic networks. The US2020 team published 21 public research reports exposing the actors and platforms involved in promoting disinformation and hate; shared over 60 data briefings with partners affected by disinformation in relation to the election; launched a weekly tracker on hate group online activities entitled Lens on Hate; and produced 11 'high risk' briefings sent directly to law enforcement to flag credible threats of violence.

This work directly contributed into an increasingly well-informed debate in Europe, North America and elsewhere on the nature of the technology sector's responsibility to its customers' safety, rights and health during elections and beyond. We are committed to maintaining and expanding our activities in the US, to provide nation-wide real-time tracking of extremist, hate and militia group mobilisation online, including the analysis of anti-Semitism and Islamophobia online.

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- **COVID-19 and disinformation:** From the very start of the pandemic, ISD's Digital Analysis Unit tracked and exposed widespread state-sponsored and extremist exploitation of COVID-19. This included disinformation designed to recruit people to hateful causes and to fan the flames of nationalism and authoritarianism. We monitored (and continue to monitor) the massive upsurge in the spread of conspiracy theories impacting both public health and politics.

In 2020, ISD published 16 reports and briefings on disinformation and extremism relating to COVID-19, including investigations exposing far-right manipulation of the pandemic and the proliferation of anti-minority discourse. Complementing this, we conducted a joint investigation with BBC World which delved into the scale of the pandemic's accompanying 'infodemic'. Additionally, ISD launched significant investigations into the intersection of the powerful QAnon conspiracy group and COVID-19 disinformation, and the nexus between jihadist and far right extremist narratives on the virus. Leading the civil sector reaction to pandemic-related analysis highlighted how well situated our strategy towards disinformation has been and the critical importance of ISD's Digital Analysis Unit.

- **Climate change disinformation:** Having built unique technological and data infrastructure tools through the US2020 project, ISD looked to apply these in support of sectors coming increasingly under attack from an array of disinformation actors. This includes in the climate and public health domains. In 2020, ISD began a major program of work on climate disinformation across Europe, with a focus on Germany, Italy, Hungary, Czechia, Slovakia, Poland and the UK. The Gates Foundation supported a similar, smaller research project in Germany on anti-vaxx disinformation networks. These projects have enabled ISD to create a far more comprehensive picture of the long-range targets, beyond elections, of both state and non-state actors looking to divide and undermine democratic societies.
- **Caliphate Cache:** ISD's Arabic-language analysis team conducted ground-breaking research based on the *Caliphate Cache*, the database of ISIS propaganda discovered by ISD's Executive Director for Africa, the Middle East and Asia (AMEA) at the end of 2019. Our extensive investigation around the cache was comprehensively covered by media throughout the year, including in the [BBC](#), [BBC Arabic](#) and [Wired](#). ISD published a briefing on the [persistence of ISIS mobilisation on mainstream social media](#) and secured funding to launch an innovative program of digital analysis to understand the fast-shifting online Salafi ecosystem across Arabic, English and German languages. Researchers from the Digital Analysis Unit, including a new Arabic-language analyst, worked alongside ISD's in-house subject matter experts on extremist ideology to understand the tactics and online subcultures used to target potential extremist recruits, creating best-in-class counter narratives for prevention.
- **Far Right sectoral research:** Over the past five years, ISD has charted a notable increase in right-wing extremism groups online. As governments and institutions wake up to the increasing spread of far right ideologies, ISD was called on in 2020 to conceptualise and build infrastructure that combats this emerging threat. To this end, ISD launched a number of key investigations in tandem with a suite of institutions internationally, including: the Canadian government and Ontario Tech University, the Victorian (AUS) state government, Cardiff and Coventry universities, and a number of fellow civil society organisations. We published industry-leading research into the spread of the hard right and domestic terrorism in Canada; anti-minority activism in the US and UK; and joined a consortium that created a new Melbourne-based think tank: the Centre for Resilient and Inclusive Societies (CRIS). ISD also continued its partnership with the Massachusetts Institute of Technology (MIT) to adapt its Media Cloud software to enable the analysis of extremist content. ISD crucially underpinned this process through expert input, including the identification of new extreme right media sources and the development of a glossary of extreme right terminology.

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Policy & Advisory

ISD's leading network of policy advisors greatly expanded their work in 2020 with a range of briefings and advisory services to governments, civil society and the private sector. This work informed policy and regulatory agendas for some of the world's leading stakeholders in extremism policy and digital policy. ISD has taken a central role in developing proposals for platform governance and regulation including policy briefings around algorithmic transparency and cross-harms-based regulatory approaches. The team also worked with a network of organisations in the digital policy domain to streamline advocacy within and between governments and the civil sector.

- **The Digital Policy Lab:** Building on ISD's longstanding Policy Planners Network (PPN), in 2020 ISD launched the Digital Policy Lab (DPL). This policy initiative will foster inter-governmental exchange, provide policy-makers with access to sector-leading expertise and research, and build an international community of practice around key regulatory challenges in the digital policy space. Funded by the German Federal Foreign Office, the DPL focuses on charting the regulatory and policy path forward to prevent and counter disinformation, hate speech, extremism and terrorism online, and is comprised of a core group of senior representatives of relevant ministries and regulators from key liberal democratic countries (starting with EU and Five Eyes countries).

ISD held two DPL events in November and December 2020, with the first focusing on efforts to encourage or ensure transparency in digital regulation. The event was attended by over 40 high-level representatives from 11 national governments and the European Commission. The second event focused on specific policy proposals, with the formation of the European Union's Digital Services Act (DSA) and European Democracy Action Plan (EDAP), as well as significant country-level developments in Germany, France and the UK, including the UK Online Harms bill.

- **The Good Web Project:** With funding from the German Federal Foreign Office, ISD launched the Good Web Project, an initiative to articulate an internet compatible with liberal democracy. The project seeks to measure and build public support for an internet that resists the authoritarian alternative and inform and empower policy-makers to create a credible human rights compliant alternative. The project includes partners such as ARENA at Johns Hopkins University, CASM, and the Alliance for Securing Democracy (ASD) at the German Marshall Fund, as well as an advisory network of key government, civil society and academic experts from around the world.
- **Briefings to government:** During 2020, the ISD Digital Policy team were able to conduct a number of high level briefings to stakeholders in government and the private sector on best practice for platform governance. ISD's CEO Sasha Havlicek was invited [to give testimony on disinformation interference in elections](#) to a panel of global parliamentarians including Rep. Adam Schiff, Chair of the US House Intelligence Committee. ISD's Head of Digital Policy and Strategy Chloe Colliver was invited to give a presentation to the Democratic Women's Caucus on ISD's US-based online candidate abuse research, which was referenced in the Senate hearing as evidence of the gendered impact of disinformation and online abuse.

Our digital policy team also created sector leading policy [papers](#) on the role of social media algorithms in creating systemic, structural challenges to democracy and human rights, and, together with partner organisations, provided a [submission](#) to the UK Government's Department for Culture, Media and Sport (DCMS) in response to the department's [Online Harms White Paper](#).

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- **Celebrating 5 years of the Strong Cities Network (SCN):** 2020 marked five years since the launch of our Strong Cities Network at the 2015 United Nations General Assembly. The programme continues to be the only global network of mayors, policy-makers and practitioners united in building social cohesion and local community resilience to counter violent extremism in all its forms. In 2020, the SCN continued to operate in over 140 cities across more than 45 countries.

Despite the challenge of shifting the majority of its operations and outputs online in 2020, in its fifth year of programming the SCN continues to lead the charge in thought leadership and public policy discussions on preventing and countering extremism. In collaboration with the Global Counterterrorism Forum (GCTF), SCN hosted six webinars which engaged 80 stakeholders from national government, local government, civil society, multilateral and the private sector from across 20 countries. These virtual gatherings engaged key stakeholders in discussions of good practice in P/CVE cooperation and policy.

In order to mark the fifth anniversary of the program at the end of September ISD also held a number of events. These included an engagement with the governments of Denmark, Lebanon, Kenya and the US at the 2020 UN General Assembly at which we launched a Mayoral Call for Support and unveiled a new promotional [video](#) and [brochure](#).

Action programming

ISD continued to deliver programming internationally and with significant impact despite the unique operational challenges that 2020 posed.

- **SCN Lebanon:** Despite the pandemic restrictions and the protracted political, economic and social crises in Lebanon, the SCN team delivered critical project activities in the region while adapting to an ever-changing set of challenges. In 2020, ISD provided context-sensitive responses, leading community-based initiatives and capacity-building programmes that reduce radicalisation risk factors and provide communities and youth with a resilience, safety and leadership agenda.

Maintaining a high level of engagement with the local community stakeholders through the Prevention Networks was exceptionally challenging as each stakeholder was forced to adapt to fundamental changes in the political environment and a failing economy. This was exacerbated by the public health crisis and the fallout from August's tragic explosion in Beirut's port, to which the SCN was one of the first responders. ISD's SCN and Young Cities teams, in cooperation with our LPNs, helped provide emergency assistance, cleaning services and food distribution to some of the worst-hit neighbourhoods and most vulnerable people. The SCN contributed to preparing and delivering 7,000 hot meals and food baskets and helped restore 24 destroyed homes.

- **Shared Endeavour Fund:** The London 'Shared Endeavour Fund' was officially launched at Google HQ in January 2020 with the Mayor of London, Sadiq Khan. The Mayor announced the creation of a new £800,000 fund to empower communities to tackle violent extremism, including £400,000 of match-funding provided by Google.org. ISD was a partner in the facilitation of the Shared Endeavour Fund, helping select more than 30 grassroots organisations to build resilience within their communities in all of London's 32 boroughs.

In addition, ISD served as an independent evaluator of the Shared Endeavour Fund initiative and the projects it funded. Outputs included an in-depth evaluation report that addressed both the Fund as a whole and individual projects, as well as briefings designed for different stakeholders including civil society, policymakers and the general public.

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- **YouthCAN:** ISD's Youth Civil Activism Network (YouthCAN), our sector-leading youth empowerment programme, continued in 2020 to work directly with young grassroots activists, increasing their capacity to act as positive actors for peace. For its seventh phase of delivery funded by the Norwegian Ministry of Children and Family (MCF), YouthCAN had planned to continue work in Pakistan by delivering a Youth Innovation Lab in Lahore with a group of young P/CVE activists. Instead, the team adapted its proven training methodology for online delivery, transforming a three-day in-person workshop into a six-week webinar course focused on online campaigning against COVID-19 disinformation, complete with lectures, discussions, activities and weekly assignments.

Through this new format, four teams of young Pakistani activists learned a comprehensive process for developing and delivering strategic social media campaigns, while creating detailed project plans for campaigns of their own. Overcoming challenges with internet connectivity, time zones, scheduling and an entirely new approach to training, the project had a 100% completion rate with impressive gains in knowledge and skills across all four teams. Ultimately, all the teams were successful in developing viable campaign plans and all received seed funding to develop their content.

- **Young Cities:** ISD's long-running SCN/YouthCAN project *Young Cities* continued to deliver on its large multi-year Phase III grant from the Norwegian Ministry of Foreign Affairs (MFA), delivering programming in Lebanon, Senegal, Kenya and North Macedonia. Given its international delivery focus across multiple geographies, Young Cities faced serious disruptions from COVID-19 due to global travel bans and domestic meeting restrictions. Despite these challenges, contingency plans developed by the team early in March in coordination with the Norwegian MFA allowed us to continue with project activities in all countries of operation with adapted delivery models.

In addition to local delivery, Young Cities moved forward with the implementation of two larger research projects. The first looked at the spread of hateful and extremist narratives in the context of COVID-19 in Kenya, Senegal and Lebanon, and the second project analysed ISIS's school curriculum, with a specific focus on content taught to children under the subject of ideology. The findings from this analysis will feed into the design of a counter-curriculum framework, to aid frontline practitioners and municipalities to better support children and youth who were exposed to indoctrination efforts in ISIS-held territory.

- **Education programming:** ISD's education and citizenship team mobilised rapidly at the beginning of the year to engage sector contacts to explore the importance of digital citizenship in the wake of the COVID-19 pandemic. The team designed a series of evidence-based education models which were then scaled and deployed to advocate for sectoral policy changes. These had the aim of undermining the impact of disinformation, propaganda, hateful and extremist ideologies on young people, and were disseminated through initiatives like YouthCAN, Young Cities and Be Internet Citizens.

Our flagship digital citizenship programme, Be Internet Citizens (BIC), funded by Google UK and delivered in partnership with YouTube, faced unprecedented challenges in delivery due to COVID-19 school closures. Despite this, the BIC team successfully finalised and published the brand new Be Internet Citizens curriculum resource, made freely available to practitioners. This included a fully designed, five-module Unit of Work for secondary school teachers, and a parallel Community Toolkit for youth workers and non-formal educators. The Unit of Work received accreditation by the PSHE Association, the UK's official body for Personal, Social, Health and Economic education, who promoted the programme to their network of 40,000+ educators across the UK. The new resources were publicised via Ofcom's Making Sense of Media newsletter, and circulated to over 250 media and digital literacy organisations nationally. In addition, we were also able to publish the [full Young Digital Leaders Curriculum](#) and [Digital Citizenship Education Programming Toolkit](#) in Bulgarian, Greek, Romanian and French as well as English.

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In 2020, ISD was awarded a grant by the US State Department via their Embassy in Paris. This included both pandemic-related research and the delivery of education programming. The project, *De la pandémie à l'infodémie*, delivered a series of webinars for ISD's network of civil society organisations, academics, policy makers and educators across France, and created a cross-platform social media campaign to promote digital citizenship for online users.

- **Business Council for Democracy (BC4D):** 2020 saw the launch of ISD Germany's flagship education program and ISD's pilot adult education program, the Business Council for Democracy (BC4D). This is a joint initiative of ISD Germany, the non-profit Hertie Stiftung and the Robert Bosch Stiftung, and aims to create an innovative opportunity for adults to learn about digital civic culture in the 21st century. BC4D offers companies, employers, trade unions and business associations the training needed to empower employees with the knowledge and skills of digital civic culture. The program is deliberately situated at the workplace to reach an adult audience, which is an often forgotten demographic when it comes to digital education.

As a new alliance for the protection of democracy in the digital age, BC4D tests and develops courses that provide team members with the essential knowledge and skills to recognise digital harms. The aim is to strengthen personal responsibility and resilience against polarising and radicalising content, with employers utilising the considerable credibility they often have with their employees. Participants are provided with strategies to show courage online, so that the internet can continue to function as an important space for necessary debates and to ensure that diversity, tolerance and respect are maintained.

At the end of 2020, ISD Germany's executive director Huberta von Voss presented the BC4D initiative to the annual business conference of Germany's major weekly newspaper Die Zeit with 400 guests in attendance, many of them representing top companies. Of the significant amount of coverage for this work, notable top-tier media pieces include in [Der Spiegel](#) and [Die Zeit](#).

MEDIA AND COMMUNICATIONS

ISD's media engagement increased in 2020 as our work continued to be relevant to a range of urgent and emerging issues. ISD's work exposing disinformation surrounding the US election proved particularly well received by the global media and ISD was cited 1,640 times in media worldwide. This included leading documentaries (the BBC's [In the Face of Terror](#) and [The TikTok Election](#)); exclusive jointly-produced features with [CNN](#), [Politico](#), [NBC News](#), [The Forward](#) and [The Observer](#); and podcasts by the [BBC](#), the [Center for Humane Technology](#) and the [Aspen Initiative](#). Other notable media reports included [Channel 4 News](#), [Glamour Magazine](#), [BBC Newsnight](#), the [New York Times](#), [NPR](#) and [Vice](#). CEO Sasha Havlicek [appeared](#) on a variety of prominent [webinars](#) and [podcasts](#), including a guest appearance on Damian Collins' Infotagion podcast to share insights into the 'infodemic'.

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OPERATIONS

Despite the challenges presented by COVID-19, ISD's operations adapted rapidly to near complete digital delivery of programs and a hybrid working model for staff. This enabled ISD to continue its work internationally while increasing the team size, number of projects and global footprint. In addition to the 'business as usual' work of managing the organisation's finances, operations, HR, project management and security, key operational highlights of the year include:

- **Swift adaption to home working:** ISD's whole team moved to remote working in March 2020. As COVID-19 restrictions waxed and waned, we adapted to a flexible hybrid working model, with staff working globally from home and only going to the office when safe. To make this financially possible, we downsized the London office by finding subtenants to take over 60% of the space.
- **Swift adaption to digital project delivery:** The team worked tirelessly to implement contingency plans for delivery of project work, including developing virtual models of delivery to ensure we can continue to serve communities around the world with programmes. This was largely successful, as evidenced by the increased number of projects in delivery.
- **Opening and expansion of German office:** Despite the considerable challenges faced as a result of COVID-19, we nonetheless forged ahead with the launch of ISD Germany under the skillful leadership of Huberta von Voss. The team and portfolio of projects grew as did ISD Germany's visibility and reputation in Germany, Austria and Switzerland through a range of publications and high-level media appearances. Coverage in [Der Spiegel](#) and [Die Zeit](#) and a commendation by Ursula von der Leyen of [ISD's Business Council for Democracy](#) are testament to the ground breaking work that ISD Germany is leading.
- **Team growth and changes:** ISD went through an organisational restructure and strategic planning process in 2020 as part of efforts to pivot to a more sustainable delivery model. This saw the organisation switch to a regionally-driven delivery model, with new teams divided into broad global geographic groups (Europe and Five Eyes; and Africa, Middle East, Asia and the Western Balkans). The leadership team was restructured to drive this, and all programming shifted to categorisation aligned to a new strategic framework: Advice, Analysis, Action. The team grew by 36 staff and consultants in the year.
- **Organisational improvements:** As well as making quick decisions in order to shore up the organisation's finances, we completed an ambitious Organisational Improvement Plan intended to increase transparency, efficiency and staff wellbeing across the organisation. This included reviewing and updating all safeguarding and internal staff support provisions; overhauling the performance review process; and introducing organisational Guiding Principles and a competency framework.

Guiding Principles	Competencies
Integrity	<ul style="list-style-type: none">• Personal integrity• Focus on quality
Collaboration	<ul style="list-style-type: none">• Respect for others• Commitment to the team
Agility	<ul style="list-style-type: none">• Efficiency and effectiveness• Growth mindset
Courage	<ul style="list-style-type: none">• Strategic thinking• Passion for driving change

FUTURE PLANS

In 2021, ISD will continue to adapt its operations in response to the conditions created by COVID-19. This will include ongoing work to transition to a hybrid working model and digital delivery. In fundraising, we will use 2021 to start expansion into the United States, and will seek to increase the proportion of funding received from trusts, foundations and philanthropists. We will refresh our communications and marketing material to support this effort, and will invest in new personnel to drive forwards communications for the organisation. We will review and refresh the composition of the Board as part of a governance review in the second half of the year.

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Financial review

The results for the year show that there was net income of £460,380 (2019: net expenditure of £396,411). The total incoming resources for the year were £5,648,164 (2019: £4,614,728).

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

At 31st December 2020, the unrestricted reserves amounted to £393,670 and restricted reserves amounted to £1,377,356.

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 2020 were £393,670 (2019: £409,142) - 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 and despite the pandemic restrictions, 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 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: 27 September 2021

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

TO THE TRUSTEES OF INSTITUTE FOR STRATEGIC DIALOGUE

Opinion

We have audited the financial statements of Institute for Strategic Dialogue (the 'company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 31 December 2020 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

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

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

- Except for any known or possible non-compliance, and as required by auditing standards, our work in respect of these included enquiry of management about company's policies, procedures, and related controls regarding compliance with laws and regulations and if there are any known instances of noncompliance.
- We tested the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We performed analytical procedures to identify any unusual or unexpected relationships.
- We examined supporting documents for all material balances, transactions and disclosures.
- We evaluated the selection and application of accounting policies related to subjective measurements and complex transactions.
- We reviewed the Board of trustees' minutes.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

30 September 2021

**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 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Charitable activities	3	256,757	5,301,406	5,558,163	105,249	4,507,284	4,612,533
Investments	4	-	-	-	79	-	79
Other income	5	90,001	-	90,001	2,116	-	2,116
Total income		346,758	5,301,406	5,648,164	107,444	4,507,284	4,614,728
<u>Expenditure on:</u>							
Charitable activities	6	385,849	4,801,935	5,187,784	462,167	4,548,972	5,011,139
Net (outgoing)/ incoming resources before transfers		(39,091)	499,471	460,380	(354,723)	(41,688)	(396,411)
Gross transfers between funds		23,619	(23,619)	-	23,349	(23,349)	-
Net (expenditure)/income for the year/ Net movement in funds		(15,472)	475,852	460,380	(331,374)	(65,037)	(396,411)
Fund balances at 1 January 2020		409,142	901,504	1,310,646	740,516	966,541	1,707,057
Fund balances at 31 December 2020		393,670	1,377,356	1,771,026	409,142	901,504	1,310,646

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		89,579		140,696
Investments	13		-		21,826
			<u>89,579</u>		<u>162,522</u>
Current assets					
Debtors	14	836,825		651,976	
Cash at bank and in hand		<u>1,332,118</u>		<u>888,426</u>	
		2,168,943		1,540,402	
Creditors: amounts falling due within one year	15	<u>(487,496)</u>		<u>(392,278)</u>	
Net current assets			<u>1,681,447</u>		<u>1,148,124</u>
Total assets less current liabilities			<u><u>1,771,026</u></u>		<u><u>1,310,646</u></u>
Income funds					
Restricted funds	16	1,377,356		901,504	
Unrestricted funds		<u>393,670</u>		<u>409,142</u>	
			<u><u>1,771,026</u></u>		<u><u>1,310,646</u></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 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 27 September 2021

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 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		453,253		(71,649)
Investing activities					
Purchase of tangible fixed assets		(10,069)		(140,088)	
Proceeds on disposal of tangible fixed assets		(21,318)		-	
Purchase of investments		-		(21,826)	
Proceeds on disposal of investments		21,826		-	
Investment income received		-		79	
Net cash used in investing activities			(9,561)		(161,835)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			443,692		(233,484)
Cash and cash equivalents at beginning of year			888,426		1,121,910
Cash and cash equivalents at end of year			1,332,118		888,426

**INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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.

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.

INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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).

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.

**INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

(Continued)

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.

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.

INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Charitable activities

	2020	2019
	£	£
Programmes	5,301,406	4,507,284
Core	256,757	105,249
	<u>5,558,163</u>	<u>4,612,533</u>
Analysis by fund		
Unrestricted funds	256,757	105,249
Restricted funds	5,301,406	4,507,284
	<u>5,558,163</u>	<u>4,612,533</u>

4 Investments

	Total	Unrestricted funds
	2020	2019
	£	£
Interest receivable	-	79
	<u>-</u>	<u>79</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Government grant/Other income	90,001	2,116
	<u>90,001</u>	<u>2,116</u>

INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	2020	2019
	£	£
Wages, salaries and consultants	2,128,507	1,918,065
UK travel and hospitality	17,511	24,590
Travel costs (staff)	56,332	248,751
Travel costs (participants)	15,265	84,272
Occupancy costs and room rental	28,912	41,497
Outside professional services	1,206,723	792,079
Communications and technology	55,622	74,386
Overhead recovery	888,641	997,017
Grants and awards to other organisations	425,741	359,169
	<u>4,823,254</u>	<u>4,539,826</u>
Share of support costs (see note 8)	364,530	471,313
	<u>5,187,784</u>	<u>5,011,139</u>
Analysis by fund		
Unrestricted funds	385,849	462,167
Restricted funds	4,801,935	4,548,972
	<u>5,187,784</u>	<u>5,011,139</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 2020

7 Grants and awards payable

	2020	2019
	£	£
Grants and awards were paid to the following:		
ACT Proact	120,179	-
WANA Institute	80,429	29,172
Isiolo Peace Link	58,006	-
Midrift	56,191	-
Human Rights Agenda	48,962	3,560
Tarek Menhem	25,920	-
The Challenge Network	-	20,000
The Open University	-	19,799
Hope Not Hate	-	14,950
Tees Valley Inclusion Project	-	10,112
New Horizons for British Islam	-	8,914
Communities Inc	-	3,800
JAN Trust	-	32,685
Faith Associates	-	7,080
Praxis Community Projects	-	6,986
Association for Real Change	-	6,475
Asian Mums Network	-	6,227
Vivacity Culture and Leisure	-	5,000
ArtReach Trust	-	3,995
Youth Cymru	-	3,716
British Future	-	3,700
Mother & Child Welfare	-	3,000
My Generation	-	3,000
Paddington Arts	-	2,680
Limehouse Boxing Academy	-	9,865
Global Centre	-	75,102
Action Synergy SA	-	38,759
Faiths Forum London	-	35,000
Youth Bila Noma	7,711	-
Circles - Lebanon Support	7,565	-
Kiunga Youth Bunge	6,961	-
Collaboration of Women in Development	4,640	-
Resource Development Foundation	4,605	-
Pastoralist Women	4,572	-
Other	-	5,592
	<u>425,741</u>	<u>359,169</u>

INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	2020	2019
	£	£	£
Staff costs	627,433	627,433	756,539
Loss on disposal of fixed assets	31,276	31,276	480
UK travel and hospitality	2,428	2,428	11,990
Travel costs (staff)	18,513	18,513	59,166
Travel costs (participants)	241	241	1,725
Occupancy costs and room rental	252,490	252,490	343,134
Outside professional services	152,658	152,658	124,998
Office costs and communications	63,501	63,501	80,927
Overhead recovery	(888,641)	(888,641)	(997,017)
Exchange loss/(gain)	53,404	53,404	37,717
Depreciation	51,227	51,227	51,654
	<u>364,530</u>	<u>364,530</u>	<u>471,313</u>
Analysed between			
Charitable activities	<u>364,530</u>	<u>364,530</u>	<u>471,313</u>

In respect of the year ended 31 December 2020, of the total Exchange loss/(gain) of £53,404, £51,113 is attributable to unrestricted funds and £2,291 is attributable to restricted funds.

Outside professional services costs include £19,750 (2019: £19,918) in respect of auditor's remuneration.

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2020	2019
	£	£
Audit of the annual accounts	12,000	11,500
All other non-audit services	7,750	8,418
Total fees	<u>19,750</u>	<u>19,918</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 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

2020	2019
Number	Number
49	50

Employment costs

	2020	2019
	£	£
Wages and salaries	2,446,869	2,418,630
Social security costs	218,301	186,660
Other pension costs	90,770	69,314
	2,755,940	2,674,604

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 2020 was £137,224 (2019: £133,396).

Of the employees whose emoluments exceed £60,000, 4 have retirement benefits accruing under defined benefit pension schemes, totalling £18,700 (2019: £18,031).

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

	2020	2019
	Number	Number
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	3
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

INSTITUTE FOR STRATEGIC DIALOGUE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computer and office equipment £	Total £
Cost				
At 1 January 2020	39,226	33,044	145,176	217,446
Additions	-	-	10,069	10,069
Disposals	-	(7,565)	(27,440)	(35,005)
At 31 December 2020	39,226	25,479	127,805	192,510
Depreciation and impairment				
At 1 January 2020	5,911	12,554	58,285	76,750
Depreciation charged in the year	7,867	4,646	38,715	51,228
Eliminated in respect of disposals	-	(3,472)	(21,575)	(25,047)
At 31 December 2020	13,778	13,728	75,425	102,931
Carrying amount				
At 31 December 2020	25,448	11,751	52,380	89,579
At 31 December 2019	33,314	20,490	86,892	140,696

13 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 January 2020	21,826
Disposals	(21,826)
At 31 December 2020	-
Carrying amount	
At 31 December 2020	-
At 31 December 2019	21,826

The fixed asset investment comprised the entire issued share capital of 25,000 ordinary shares of 1.00 euro each of the Institute for Strategic Dialogue gGmbH, a company incorporated in Germany. The shares were disposed of during the year. The subsidiary company was incorporated in 2019 and was dormant as at 31 December 2019.

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14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	560,910	424,075
Other debtors	101,047	61,419
Prepayments and accrued income	174,868	166,482
	<u>836,825</u>	<u>651,976</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	104,826	56,436
Trade creditors	123,549	131,049
Other creditors	36,764	-
Accruals and deferred income	222,357	204,793
	<u>487,496</u>	<u>392,278</u>

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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:

	Balance at 1 January 2019	Movement in funds			Balance at 1 January 2020	Movement in funds			Balance at 31 December 2020
	£	Incoming resources	Resources expended	Transfers	£	Incoming resources	Resources expended	Transfers	£
Restricted Funds	966,541	4,507,284	(4,548,972)	(23,349)	901,504	5,301,406	(4,801,935)	(23,619)	1,377,356

The restricted funds, totalling £23,619, 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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17 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	89,579	-	89,579	140,696	-	140,696
Investments	-	-	-	21,826	-	21,826
Current assets/ (liabilities)	304,091	1,377,356	1,681,447	246,620	901,504	1,148,124
	<u>393,670</u>	<u>1,377,356</u>	<u>1,771,026</u>	<u>409,142</u>	<u>901,504</u>	<u>1,310,646</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:

	2020 £	2019 £
Within one year	237,823	237,823
Between two and five years	540,152	777,975
	<u>777,975</u>	<u>1,015,798</u>

19 Related party transactions

Donations of £71,980 (2019: £65,715) were received during the year from the Trustees and from entities connected with the Trustees.

20 Cash generated from operations

	2020 £	2019 £
Surplus/(deficit) for the year	460,380	(396,411)
Adjustments for:		
Investment income recognised in statement of financial activities	-	(79)
Loss on disposal of tangible fixed assets	31,276	480
Depreciation and impairment of tangible fixed assets	51,228	51,654
Movements in working capital:		
(Increase)/decrease in debtors	(184,849)	174,717
Increase in creditors	95,218	97,990
Cash generated from/(absorbed by) operations	<u>453,253</u>	<u>(71,649)</u>

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21 Analysis of changes in net funds

The company had no debt during the year.