

Charity registration number: 1141069

Company registration number: 06581421 (England and Wales)



INSTITUTE FOR STRATEGIC DIALOGUE

(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Michael Lewis	
	Mr Stuart Fiertz	
	Mr Mark Bergman	
	Dr Serra Kirdar	
	Mr Edward Williams	
	Mr Konstantin Von Unger	(Appointed 28 February 2023)
	Mr Stephen Zinser	(Appointed 1 January 2023)
	Sir Michael Davis	(Appointed 22 January 2024)
	Mr Christopher Rice	(Appointed 24 April 2024)
	Lord Aamer Sarfraz	(Appointed 4 June 2024)
Charity number	1141069	
Company number	06581421	
Registered office	3rd Floor 45 Albemarle Street Mayfair, London W1S 4JL	
Auditor	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG	
Banker	Lloyds Bank plc. 25 Gresham Street London EC2V 7HN	

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 2023.

The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Organisational Structure and Decision Making

The Institute for Strategic Dialogue (ISD) has a Board of Trustees that meets three times 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), Chief Operating Officer (COO) and Director of Finance.

Until September 2023, when she moved to ISD-US, responsibility for day-to-day management matters and the implementation of policy was delegated to the CEO, within a clearly understood framework of strategic control. From September 2023, the key management personnel functions are performed jointly by the Chief Operating Officer and Managing Director (MD).

The CEO, COO and MD are supported by a 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 COO.

Global ISD Governance, Entities and Structure

ISD UK is one of a network of five ISD entities globally, with sister organisations in the US, Germany, France and Jordan. They are separate legal entities that share a vision and mission:

- The Institute for Strategic Dialogue US (ISD-US) is a non-political, non-profit corporation registered in the District of Columbia with 501(c)(3) status (Tax ID number 27-1282489).
- The Institute for Strategic Dialogue gGmbH (ISD Germany) is a limited liability company with a charitable purpose ('gemeinnützige Gesellschaft mit beschränkter Haftung') registered in Berlin, registration number AG Berlin-Charlottenburg HRB 207 328B.
- The Institut pour le Dialogue Stratégique (ISD France) is registered as a non-profit Association in Paris with number W751256497.

- The New Institute for Strategic Dialogue for Experimental Research and Development (ISD Jordan) is a non-profit Limited Liability Company with company number 1425.

ISD France is accounted for as a branch of ISD UK. The other entities are not included in this set of financial statements. Separate financial statements are produced in each country in accordance with local statutory requirements.

The network of ISD entities seeks to maintain consistency in approach to key operational and programmatic issues. However, as a legally separate entity, ISD UK makes all its own decisions on key operating policies.

Trustee Recruitment, Induction and Training

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. The recruitment of Trustees is based on an assessment of the Board's strengths and areas where further experience and expertise are required. Trustees are appointed by the Board of Directors to fill these expertise gaps based on their skills and experience relevant to ISD's aims and objectives. Candidates are interviewed by the Chair and at least one other Trustee to assess suitability, before being proposed at a Board meeting for approval by a majority of the Board ahead of an invitation to join being extended. Board members are appointed for a term consistent with the Articles of Association and Bylaws.

An induction and training process is managed by the COO to ensure Trustees/ Directors understand their responsibilities and how the Board works. They meet with members of the leadership team to have a deep-dive induction into ISD's programming and strategy and are sent recent ISD publications. They are sent Charity Commission guidance on Trustee responsibilities and are given information on ISD's governance, strategy, and goals. Trustees are provided with copies of the governance documents, previous board papers and minutes, and other relevant documents.

Remuneration of staff and key management personnel

ISD's staff remuneration policy is designed to ensure that staff salaries remain competitive so that ISD can attract and retain the exceptional team needed to achieve our ambitious goals and mission.

ISD holds two performance review cycles annually and awards promotions and pay increases for staff that have demonstrated outstanding performance or are taking on additional responsibilities. Salary scales are published on the organisation's intranet so are transparent to all staff and salary increases are awarded in line with pre-determined pay points. Pay brackets are benchmarked against the sector by reviewing salaries of competitor organisations and advertised salaries on comparative roles.

In September 2023, the key management personnel responsibilities changed from residing in one role (CEO) to two roles (the Managing Director and Chief Operating Officer). These responsibilities were divided between the MD and COO.

Risk Management

The Trustees have assessed the major risks to which the company is exposed, particularly 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. These are all captured in an annually reviewed Risk Register which is compiled and maintained by the leadership of the organisation. This Risk Register grades 45 identified risks across categories (governance, strategic, reputational, legal, financial, security, health & safety and HR) with a RAG rating scale and outlines the controls in place to mitigate these.

Key risks are identified as those with a potentially medium or high impact on the organisation even after accounting for the mitigation controls in place. These are:

Key Risks	Mitigation Measures
Libel & Defamation: A case is mounted against ISD by the subject of a piece of research or publication, whether in good faith or vexatiously.	All publications reviewed and edited by COO for legal risk clearance; all publications which pass a risk threshold or name individuals are reviewed by a libel Barrister ahead of publication; right-to-reply protocols in place for named actors; Complaints Policy published on website.
Institutional: The operating environments in areas of work become hostile to research into hate, extremism and disinformation, or ISD is subject of legal action brought in bad faith to undermine this vital work.	Lawyers retained in each jurisdiction to help guard against and advise upon ongoing institutional protection; pro bono lawyers engaged for support on specific issues; scenario planning exercises being undertaken in 2024; risk averse approach taken for institutional protection.
Staff Safety: Online and offline targeting results in intimidation, harassment or acts of violence against staff (which may be ideologically or politically motivated based on ISD's work).	Pentests and digital hygiene guidance issued to at-risk staff; protocols for managing harmful periods on social media in place; psychosocial and wellbeing support (mental health first aider; harmful content & flagging protocol; counselling; health & wellbeing offer); process to remove ISD staff from visibility at moments of risk; protocols to maintain security of staff information; physical security review of staff to be conducted in 2024.
Cyber Security & Data Protection: Data protection failure or cybersecurity attack on ISD.	Trusted IT & security providers; encrypted hardware, enhanced software and restricted server access; SOC service constantly monitoring cyber threats; training for all staff on identifying and avoiding phishing scams; dedicated cybersecurity staff; audit of all Data Protection policies and systems conducted in 2024.

Public Benefit

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

Going Concern

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

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 hybridised threats of extremism, hate and disinformation. Combining research and analysis with policy advisory, training, capacity building and educational programmes, ISD has been at the forefront of forging real-world, evidence-based responses to the challenges of extremism, hate and disinformation.

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 hate, extremism 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 against these threats.

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. **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.
3. **ACTION PROGRAMMING** – ISD innovates, trials and scales cutting-edge interventions that empower cities, practitioners, employees and civic leaders to mitigate hate, extremism 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 both 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.

ACHIEVEMENTS AND PERFORMANCE

2023 was a tumultuous year and polarisation, hate, extremism and disinformation continued to have a profound impact on society. Along with the devastating human cost of active conflicts in Europe and the Middle East, we witnessed hostile state actors, Islamist and far-right extremist groups exploit the situation to further their agendas and undermine democracy, human rights and social cohesion. Against this geopolitical backdrop, we achieved our charitable objectives in the year through three core operating areas: research and analysis; policy and advisory; and action programming.

ISD's performance and impact are defined and reviewed against a programming strategy which is developed every 2-3 years. This strategy is based upon and links to our Theory of Change, and it is against the goals set out in these documents that ISD uses a performance monitoring system to measure each project and programme's impact.

Frequently used performance indicators include key reach metrics for published reports and other public-facing outputs. We also track, for example, the number of stakeholders reached through tailored dissemination strategies (e.g. policymakers, civil society organisations, academics, journalists), and examples of uptake and use of ISD's research findings.

All new projects and funding opportunities are assessed against a number of criteria, including relevance to ISD's organisational Theory of Change. Once funding is secured, a detailed activity workplan is developed and used to monitor progress during weekly and monthly project meetings. Objectives are reviewed for relevance and assessment of progress throughout the project cycle and are integrated into donor reporting. As part of the reporting process, we capture lessons learnt in terms of methodology and findings and share these with our donors and partners to enable continuous learning.

The following areas of programming constituted particular highlights of the organisation's work in 2023:

Research & Analysis

- **The Ukraine War:** Throughout 2023, ISD continued to research the Russian invasion of the Ukraine and the tactics being used to support pro-Kremlin information operations. This included publishing an investigation into a new set of tactics being run by Russian state-media in Germany to proliferate disinformation, and highlighting the ways in which pro-CCP information operations are increasingly supportive of Kremlin narratives on Ukraine. We researched Kremlin and pro-Kremlin efforts to engage and influence German audiences, and the impact of state and non-state actor influence operations globally. ISD's monitoring of the information landscape in relation to Ukraine evidenced the increasing penetration of Kremlin disinformation and rhetoric targeting both Ukraine and Ukrainian refugees in Europe. We continued to publish research and

analysis to a dedicated [space on our website](#) and delivered commentary on the conflict across international top-tier media.

- **Israel-Hamas War and the response to October 7:** In response to the horrific events of October 7 and the ensuing Israel-Hamas war, ISD stood up dedicated monitoring teams to track and mitigate the rise in hate, extremism and disinformation proliferating online. We briefed into governments, law enforcement, social media regulators and community organisations faced with rising hate. In October and November, ISD research demonstrated a dramatic [rise in antisemitism](#) on both mainstream and fringe social media platforms, much of it driven by [long-standing antisemitic narratives](#), as well as a dangerous [surge in anti-Muslim hate speech](#) online. We documented the opportunistic tactics of [Russia, China and Iran](#) in exploiting the conflict and exposed the violent and graphic content [being served to minors' accounts](#). We also [analysed the responses](#) of international Islamist groups as well as extremists and conspiracists in the [US](#), [UK](#) and [Germany](#). An ISD [investigation](#) showed how a pro-CCP network targeted Western audiences with AI images on the Israel-Hamas conflict with a view to influencing the US elections. Another [investigation](#) covered by the [New York Times](#) provided insight into how generative AI is being used to target pro-Ukraine Americans.
- **Expanded analysis of hate and extremism in Ireland:** Proving the importance of raising awareness of the problems posed by the intersection of hate, extremism and disinformation, ISD released the first landscape study of the [online disinformation ecosystem in Ireland](#) just days before a stabbing in Dublin led to a surge in anti-migrant hate, far-right activity and rioting. Senior Analysts Aoife Gallagher and Ciaran O'Connor spoke to the [New York Times](#), [The Irish Times](#) and [The Irish Examiner](#) and our research was featured across international media.
- **Exposing climate disinformation:** As part of the Climate Action Against Disinformation (CAAD) coalition, ISD spearheaded the [second](#) and [third](#) volumes of the flagship "Deny, Deceive, Delay" research series, along with publishing [Monthly Data Monitors](#) circulated to 1500+ subscribers globally. For COP28, ISD again led a real-time intelligence unit to produce numerous ["COP, Look, Listen"](#) briefings and a special report on the [rising threat against activists](#) both on and offline. We also worked closely with the UN's cross-agency Task Force on Information Integrity and briefed the Under-Secretary-General for Global Communications on how to tackle climate mis- and disinformation.
- **Harms impacting women and the LGBTQ+ community:** Our work on gender and anti-LGBTQ+ hate included a retrospective study on how [nine-real world events in 2022](#) served as catalysts for online gendered disinformation and abuse targeting high-profile public figures and women. Based on consultations with six governments, ISD's Digital Policy Lab compiled a set of [recommendations on online gender-based violence](#). ISD submitted evidence around gendered disinformation and abuse, including to the [UN Special Rapporteur](#) on Freedom of Expression and Meta's Oversight Board case on abortion misinformation. Our [UK](#) report on anti-drag mobilisation comprehensively mapped and analysed on- and offline targeting of LGBTQ+ communities and was featured in reporting from [The Guardian](#).

Policy & Advisory

- **Evidencing online harms:** As part of a growing body of work to support the effective enforcement of social media regulation in liberal democracies, ISD's research partnership with the UK's Internet regulator Ofcom provided an important evidence base on the interconnected online landscape of hate speech, extremism, terrorism and harmful conspiracy movements. ISD also provided evidence to the European Commission in relation to their enforcement of the Digital Services Act. ISD continued to critique platforms for their role in harbouring terrorist, extremist and banned hostile state disinformation: research revealed both TikTok and Meta's failure to remove posts and advertisements glorifying the Wagner group and discrediting Ukraine. The latter piece on Meta received coverage by outlets including CNN, Euronews, and Foreign Policy. Other ISD research highlighted TikTok's failures in moderating terrorist content, including how the Christchurch terrorist attack content remains easily accessible on TikTok, and how a network of TikTok accounts supporting the Islamic State has continued to use the platform with impunity. Additional research showing a doubling in antisemitism on Twitter/X after Elon Musk's takeover was cited by the EU Coordinator on Antisemitism in a co-signed letter calling for Musk to take greater action on the issue.
- **Influencing digital policy and regulation:** Following years of work with partners to evidence and advocate systems-based regulation of social media, in 2023 we saw legislation in the EU and UK come into effect that will set the stage for new paradigms between governments, tech companies and civil society. In 2023, ISD continued to facilitate regular sessions of the Digital Policy Lab (DPL), an intergovernmental network that convenes policymakers and regulators from 14 countries and the European Commission to chart the path forward on digital policy. In September 2023, the DPL convened more than 50 network members, including the E-Safety Commissioner of Australia and the Head of the DSA Enforcement Team of the European Commission, for an in-person Summit in Berlin supported by the German Federal Foreign Office. We also began research using a range of digital research approaches to assess the compliance of Facebook, Instagram, YouTube, X (formerly Twitter) and TikTok with the Digital Services Act across Europe. This work will seek to mitigate systemic risks to the dissemination of illegal content (i.e. terrorism and hate speech), civic discourse, and electoral integrity.

Throughout the year, ISD hosted several multi-stakeholder DPL working groups to cover key topics in more depth, resulting in multiple policy briefs. ISD published work on misogyny and radicalisation, emerging platforms and technologies, algorithmic ranking systems, online crisis protocols, and access to social media data. ISD delivered this work while staying ahead of the curve in relation to the rapid pace of technological change. We began discussions with leading AI companies to help prevent the sort of misuse of their technology by bad actors and to lead on positive AI-based interventions in our domain.

Action programming

- **The Strong Cities Network:** ISD's Strong Cities Network continued to support and guide cities facing hate, polarisation and the local impacts of global crises throughout 2023. In the course of the year, 59 cities – from Rio de Janeiro (Brazil) to Skopje (North Macedonia), Arusha (Tanzania), Marrakesh (Morocco), Larkana (Pakistan), San Francisco (USA) and Braga (Portugal) – joined the now 220-strong Network. With a new strategy and revitalised International Steering Committee in place, the launch of a new multilingual website further catalysed the Network's global reach, providing a gateway for more than 35,000 users to benefit from the practical tools and approaches in the online Resource Hub. This includes a multimedia Guide for Mayors and Guide for Cities, and new City Spotlights series designed to inspire and guide city-led action.

More than 1,200 mayors, city officials, practitioners and partners participated in more than 30 Strong Cities events and workshops in 2023. The capstone event was the Fourth Global Summit in New York, which convened more than 80 mayors and governors and 160 local and national government representatives and partners from more than 115 cities across 50 countries. With support from the EU, Denmark and the US, the Summit delivered a multi-dimensional programme of 11 events and a New York City Mayoral Declaration.

In 2023, Strong Cities also continued to build and strengthen national-local cooperation on preventing hate and violent extremism through programmes in Coastal West Africa, Southeast Asia and the Western Balkans, with support from Australia. The Network's Transatlantic Dialogue Initiative also continued to deliver impact, with workshops held in partnership with member cities, such as Berlin, Oslo and London, facilitating city learning, sharing and recommendations for mayors and practitioners on both sides of the Atlantic. The Strong Cities Regional Hubs provided resources and expertise to cities in their respective regions during their first year of operation, including to border cities and enhancing city-youth engagement in East & Southern Africa, MENA, South Asia and the Western Balkans.

- **Digital Literacy and education:** In the education sector, ISD advised the teaching support organisation Facing History & Ourselves on toolkits for UK secondary school educators on antisemitism and Islamophobia launched in the summer of 2023. The Islamophobia toolkit includes an ISD case study on anti-mosque mobilisation. Building on our work mapping Gen Z extremism in the US, in 2023 we convened extremism and youth engagement experts to develop a 'Playbook of the Possible' for online interventions that address the current extremist threat landscape. This work was achieved with a view to establishing a youth-led network and training programme for innovative and impactful youth-led interventions online.

MEDIA AND COMMUNICATIONS

During 2023, ISD published 38 report-style publications along with 61 Digital Dispatches and 20 Explainers. These publications were created in order to achieve our charitable objective of informing the public, policy makers and other stakeholders on trends hate, extremism and disinformation.

ISD analysis and experts received top-tier news coverage across the globe. ISD analysis of surges in violent and extremist content sparked by the Israel-Hamas War was covered in [the New York Times](#) and [ABC News](#). [The New York Times](#) also referenced ISD work on the surge in hate after October 7. [Deutsche Welle](#) covered ISD research on Kremlin threats while [the New York Times](#) turned to ISD analysis in its coverage of multiple hostile state information threats. Throughout the year, ISD analysis of the convergence of technology and information operations in response to these wars received coverage in [the New York Times](#) and [Vice](#).

ISD work analysing threats and harassment targeting drag shows and the LGBTQ+ community in the US, the UK, France, and Australia featured across a wide range of media outlets. References to ISD work were found in [ABC](#), [NBC](#), [the Daily Beast](#), [USA Today](#), [WIRED](#), [the Independent](#), [the Guardian](#), [Gay Times](#), [Byline Times](#), and [Hunger Magazine](#). Elsewhere in the media, [the New York Times](#) covered ISD analysis on how pro-Kremlin actors use video game platforms to reach vulnerable young audiences. ISD's experts also featured in other US outlets, such as [NPR](#), [Rolling Stone](#), and [the Atlantic](#) commenting on a variety of topics. [CNN](#), [Euronews](#), [Foreign Policy](#), and [Sueddeutsche](#) referenced our Digital Dispatch analysing how content glorifying the Wagner group circulates on Meta platforms. Our Head of Climate Disinformation provided live commentary on TikTok's content removal policy targeting climate mis- and disinformation to [BBC's News and Radio 4's Today Programme](#). Commentary on other climate-related issues featured on [Euronews](#), [El Mundo](#), [Deutsche Welle](#), [the New York Times](#) and on [CNN](#).

OPERATIONS

In 2023, ISD actively managed approximately 48 concurrent projects valued at £6.9 million throughout their lifecycles, with £4.4 million generated in restricted income. We made substantial improvements in project management, promoting transparency and accountability, and introduced new data systems for grant management to strengthen monitoring of key grants. We began a review of all our governance arrangements with a view to optimising this in preparation for further growth in the coming years.

Whilst 2023 saw a shrinking in real terms of ISD's UK portfolio, team and restricted income, this correlates to the significant expansion of our work and teams situated in our sister entities. ISD recognises that our global impact is best achieved by effective co-working between ISD UK and all other ISD entities, and so ISD invested in the growth and training of these teams as well as improved inter-entity working across all ISD's geographies.

FUTURE PLANS

In 2024, ISD will continue to deliver its work internationally and working in a coordinated way with our sister organisations in the US, Germany and Jordan. We anticipate the start or continuation of many new multi-year grants and projects, particularly in relation to disinformation around elections as we enter "[the biggest election year in history](#)". In fundraising, we will seek to secure more multi-year contracts and grants, as well as building more programmes as part of consortia.

Financial review

Total income in 2023 was £5.7 million (2022: £6 million) representing funding from a diverse, global group of Non-Profit Partners, Trusts and Foundations, Government and Multilateral Institutions, Individuals and Corporates.

Whilst a key focus of new programming and growth has been on the new ISD teams set up in US and

Germany, we expect this lower income to be temporary for 2023. We have undertaken an ambitious portfolio of projects and programmes in 2023 and have ensured that our key activities are well funded. Our expenditure includes £2.1m (2022: £2.9m) on Research & Digital Analysis; £1.8m (2022: £1.4m) on Policy & Advisory; and £2m (2022: £2.5m) on Action Programming. We have also begun investing in dedicated business development personnel in 2023 (£46,891).

Net expenditure for the year was £221,350 (2022: £788,258). £144,583 of this is unrestricted and offsets the £167,301 unrestricted surplus from 2022. This Net unrestricted expenditure was temporary and related to the timings of grants expected in Q4 2023 but received and recognised in Q1 2024.

At 31st December 2023, unrestricted funds were £257,760 (2022: £402,343) and restricted funds were £402,698 (2022: £479,465) demonstrating that we are utilising project restricted funding efficiently and prioritising programme delivery.

Fundraising standards

We raise funds to support our charitable activities from Government and Multilateral Institutions, Trusts and Foundations, Corporates and Non-Profit Partners.

We also receive grants from other ISD entities and individual donations and major gifts mostly from Trustees. These are summarised in our Related party transactions Note 10.

ISD does not participate in public fundraising activities and is therefore not registered by a fundraising regulator. No third parties, professional fundraisers or commercial participators were used to undertake any fundraising activities. During 2023, as with all previous years, we received no complaints about any of our fundraising activities.

We are committed to protecting vulnerable people and maintain high standards to ensure our donors' privacy, dignity and wellbeing are protected. This is achieved by having personal interaction with all individual donors and only accepting donations from those donors who we have an established relationship with. We also publish a Complaints Policy on our website.

Reserves Policy

The Trustees closely monitor the level of free reserves available to ensure there is sufficient financial flexibility in place. Until the end of 2023, the Reserve Policy was for ISD to hold a minimum of 3 months' administration and operating costs based on projected support costs and governance costs excluding depreciation, travel, communications and publishing.

Total funds held at 31st December 2023 were £660,458 (2022: £881,808), of which:

- **£402,698** (2022: £479,465) was restricted towards projects ending after the reporting period and not available for general purposes.
- **£34,238** (2022: £43,260) was in a designated fund representing the Fixed Assets held at the end of the reporting period.
- **£223,522** (2022: £359,083) was free reserves, which is £3,522 higher than the Reserves Policy requirement (£220,000).

In October 2023, the Board approved a new reserves policy and five-year financial sustainability model

that will progress the institution and enable us to withstand external shocks, leverage more project funding opportunities and promote longer-term budgeting and decision making. Beyond holding sufficient levels of reserves to ensure we can pay our immediate administrative and operational liabilities and remain a going concern, this policy asserts that from 2024 ISD will work towards building up the reserves necessary to pre-finance projects paid in arrears, to fund short term project financing gaps, and to mitigate against FX losses.

With ISD's donor portfolio evolving to more contracts and commercial income, generally paid in arrears on delivery, we will need to increase our reserves level to ensure we still have sufficient financial flexibility in place to support our growth. By the end of 2027 we aim to build reserves equivalent to 20%-30% of our total expenditure rather than 3 months' administrative costs, including an additional sum for working capital. As a step towards this, in 2024 we aim to hold £350,000 in reserve.

Going Concern

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

STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustees (who are also directors of Institute for Strategic Dialogue for the purposes of company law) are responsible for preparing the trustees' annual 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 charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period.

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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st December 2023 was 7 (2022: 7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

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.

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Mr Michael Lewis

Chair of Trustees

Dated: 25 September 2024

Opinion

We have audited the financial statements of Institute for Strategic Dialogue (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 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 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 Institute for Strategic Dialogue'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)
Date 25 September 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 December 2023

				2023			2022
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and legacies	2	931,826	-	931,826	1,162,024	-	1,162,024
Charitable activities							
Research & Digital Analysis	3	147,073	1,642,608	1,789,681	189,853	2,121,560	2,311,413
Policy & Advisory	3	1,316	1,348,740	1,350,056	-	1,078,408	1,078,408
Action Programming	3	3,279	1,438,630	1,441,909	-	1,301,920	1,301,920
Other trading activities	4	181,567	-	181,567	160,974	-	160,974
Investments		1,113	-	1,113	-	-	-
Other		20,440	-	20,440	-	-	-
Total income		1,286,614	4,429,978	5,716,592	1,512,851	4,501,888	6,014,739
Expenditure on:							
Raising funds	5	46,891	-	46,891	-	-	-
Charitable activities							
Research & Digital Analysis	5	544,469	1,554,222	2,098,691	588,404	2,325,075	2,913,479
Policy & Advisory	5	386,605	1,439,903	1,826,508	284,534	1,124,336	1,408,870
Action Programming	5	444,802	1,521,050	1,965,852	500,989	1,979,659	2,480,648
Total expenditure		1,422,767	4,515,175	5,937,942	1,373,927	5,429,070	6,802,997
Net (expenditure) for the year	7	(136,153)	(85,197)	(221,350)	138,924	(927,182)	(788,258)
Transfers between funds		(8,430)	8,430	-	28,377	(28,377)	-
Net movement in funds		(144,583)	(76,767)	(221,350)	167,301	(955,559)	(788,258)
Reconciliation of funds:							
Total funds brought forward		402,343	479,465	881,808	235,042	1,435,024	1,670,066
Total funds carried forward		257,760	402,698	660,458	402,343	479,465	881,808

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

Balance Sheet

Company no. 06581421

For the year ended 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	12		34,238		43,260
			34,238		43,260
Current assets:					
Debtors	13	802,377		1,100,016	
Cash at bank and in hand		247,504		303,805	
		1,049,881		1,403,821	
Liabilities:					
Creditors: amounts falling due within one year	14	(423,661)		(565,273)	
Net current assets			626,220		838,548
Total assets less current liabilities			660,458		881,808
Total net assets			660,458		881,808
The funds of the charity:	17a				
Restricted income funds			402,698		479,465
Unrestricted income funds:					
Designated funds (Fixed Assets)		34,238		43,260	
General funds		223,522		359,083	
Total unrestricted funds			257,760		402,343
Total charity funds			660,458		881,808

Approved by the trustees on 25 September 2024 and signed on their behalf by

Mr Michael Lewis
Chair

Dated: 25 September 2024

Statement of Cash Flows

For the year ended 31 December 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net (expenditure) for the reporting period (as per the statement of financial activities)	(221,350)		(788,258)	
Depreciation charges	29,632		41,040	
Dividends, interest and rent from investments	1,113		-	
Loss on the disposal of fixed assets	1,131		6,591	
Decrease in debtors	297,639		212,371	
Decrease in creditors	(141,612)		(8,959)	
Net cash (used in) operating activities		(33,447)		(537,215)
Cash flows from investing activities:				
Dividends, interest and rents from investments	(1,113)		-	
Purchase of fixed assets	(21,741)		(23,093)	
Net cash (used in) investing activities		(22,854)		(23,093)
Change in cash and cash equivalents in the year		(56,301)		(560,308)
Cash and cash equivalents at the beginning of the year		303,805		864,113
Cash and cash equivalents at the end of the year		247,504		303,805
Analysis of cash and cash equivalents and of net debt				
	At 1 January 2023 £	Cash flows £		At 31 December 2023 £
Cash at bank and in hand	303,805	(56,301)		247,504
Total cash and cash equivalents	303,805	(56,301)		247,504

1 Accounting policies

a) Statutory information

Institute for Strategic Dialogue is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 3rd Floor, 45 Albermarle Street, Mayfair, London, W1S 4JL.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. 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 approved a 5 year (2023-2027) global financial sustainability plan in October 2023 including an assessment of the required reserves level to ensure that ISD could mitigate any significant financial risks and had sufficient cash available to continue to operate. Robust monitoring processes are in place to ensure ISD remains agile and can adapt to any downturn in income. This includes regularly reviewing expenditure commitments, secured income, project forecasts, and ensuring cash is freely available.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering programming, research, digital analysis, policy and Advisory services undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on each charitable activity's proportion of total expenditure which is an estimate reflecting the staff time and resources attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | | |
|---|-------------------------------|------------------------------|
| ● | Leasehold land and buildings | 5 years straight line method |
| ● | Fixtures and fittings | 25% reducing balance method |
| ● | Computer and office equipment | 3 years straight line method |
| ● | Website | 3 years straight line method |

1 Accounting policies (continued)

n) Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction generated by the accounting system. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains and losses on translation are included in the statement of financial activities.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. *Cash balances exclude any funds held on behalf of service users.*

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Grants from other ISD entities	907,607	-	907,607	1,086,474	-	1,086,474
Trusts and Foundations	15,000	-	15,000	18,845	-	18,845
Individuals and Major Gifts	9,219	-	9,219	56,705	-	56,705
	931,826	-	931,826	1,162,024	-	1,162,024

Grants from other ISD entities, specifically from ISD-US, were made to ISD to support the achievement of shared charitable objectives.

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Government and Multilateral Institutions	-	587,164	587,164	-	405,665	405,665
Trusts and Foundations	-	538,307	538,307	-	270,735	270,735
Corporates	-	179,701	179,701	-	336,501	336,501
Non-Profit Partners	147,073	337,436	484,509	189,853	1,108,659	1,298,512
Sub-total: Research & Digital Analysis	147,073	1,642,608	1,789,681	189,853	2,121,560	2,311,413
Government and Multilateral Institutions	261	1,257,032	1,257,293	-	986,478	986,478
Trusts and Foundations	-	16,302	16,302	-	-	-
Corporates	-	59,474	59,474	-	62,084	62,084
Non-Profit Partners	1,055	15,932	16,987	-	29,846	29,846
Sub-total: Policy & Advisory	1,316	1,348,740	1,350,056	-	1,078,408	1,078,408
Government and Multilateral Institutions	-	1,272,424	1,272,424	-	1,118,864	1,118,864
Trusts and Foundations	-	114,002	114,002	-	-	-
Corporates	2,155	-	2,155	-	75,980	75,980
Non-Profit Partners	1,124	52,204	53,328	-	107,076	107,076
Sub-total: Action Programming	3,279	1,438,630	1,441,909	-	1,301,920	1,301,920
Total income from charitable activities	151,668	4,429,978	4,581,646	189,853	4,501,888	4,691,741

ISD receive Income from Governments and Multilateral Institutions directly and as sub-awards from other ISD entities.

This funding is from: US Department of State, European Union, UK Foreign, Commonwealth & Development Office, UK Department for Culture, Media and Sport, UK Home Office, Australian Government Department of Foreign Affairs, Danish Ministry of Foreign Affairs, New Zealand Department of Internal Affairs, Public Safety Canada, Canadian Privy Council, UNESCO, German Government and Ministerium der Finanzen des Landes.

4 Income from other trading activities

	2023 Total £	2022 Total £
Sublease income	181,567	160,974
	181,567	160,974

All income from trading activities is unrestricted.

Institute for Strategic Dialogue

Notes to the financial statements

For the year ended 31 December 2023

5a Analysis of expenditure (current year)

	Charitable activities						2023 Total £	2022	Total £
	Raising funds £	Research & Digital Analysis £	Policy & Advisory £	Action Programming £	Governance costs £	Support costs £			
Staff costs (Note 8)	39,344	1,165,615	545,252	657,307	25,456	337,258	2,770,232	2,936,099	
Consultants and Employer of Record Staff	-	378,861	347,144	348,304	-	-	1,074,309	851,688	
Events and Convening	-	16,943	342,921	301,018	-	-	660,882	296,506	
Partners, Grants and Service Providers	-	131,591	102,934	165,463	-	-	399,988	1,784,482	
Office and Operating costs	-	2,906	15,581	10,667	-	338,562	367,716	378,209	
Travel costs	-	29,143	80,356	62,278	-	20,042	191,819	233,740	
Communications and Publishing	-	20,427	77,032	82,746	-	7,288	187,493	48,401	
IT and Cyber Security	-	209	11,325	9,857	-	102,367	123,758	120,696	
Finance and Legal	-	14,591	9,290	11,529	-	42,093	77,503	49,630	
HR and Organisational Development	-	620	696	279	-	53,015	54,610	62,506	
Depreciation	-	-	-	-	-	29,632	29,632	41,040	
	39,344	1,760,906	1,532,531	1,649,448	25,456	930,257	5,937,942	6,802,997	
Support costs	7,346	328,788	286,147	307,976	-	(930,257)	-	-	
Governance costs	201	8,997	7,830	8,428	(25,456)	-	-	-	
Total expenditure 2023	46,891	2,098,691	1,826,508	1,965,852	-	-	5,937,942		
Total expenditure 2022	-	2,913,479	1,408,870	2,480,648	-	-		6,802,997	

Institute for Strategic Dialogue

Notes to the financial statements

For the year ended 31 December 2023

5b Analysis of expenditure (prior year)

	Charitable activities					Support costs £	2022 Total £
	Raising funds £	Research & Digital Analysis £	Policy & Advisory £	Action Programming £	Governance costs £		
Staff costs (Note 8)	-	1,089,154	526,682	927,348	28,330	364,585	2,936,099
Consultants and Employer of Record Staff	-	364,747	176,381	310,560	-	-	851,688
Events and Convening	-	126,983	61,405	108,118	-	-	296,506
Partners, Grants and Service Providers	-	764,230	369,558	650,694	-	-	1,784,482
Office and Operating costs	-	25,425	12,295	21,648	-	318,841	378,209
Travel costs	-	97,840	47,313	83,305	-	5,282	233,740
Communications and Publishing	-	17,049	8,244	14,516	-	8,592	48,401
IT and Cyber Security	-	-	-	-	-	120,696	120,696
Finance and Legal	-	-	-	-	-	49,630	49,630
HR and Organisational Development	-	-	-	-	-	62,506	62,506
Depreciation	-	-	-	-	-	41,040	41,040
	-	2,485,428	1,201,878	2,116,189	28,330	971,172	6,802,997
Support costs	-	415,918	201,125	354,129	-	(971,172)	-
Governance costs	-	12,133	5,867	10,330	(28,330)	-	-
Total expenditure 2022	-	2,913,479	1,408,870	2,480,648	-	-	6,802,997

6 Grant making

	2023 £	2022 £
Grantee		
Institute for Strategic Dialogue-US	310,188	87,724
Institute for Strategic Dialogue gGmbH	42,750	362,795
Individualland	27,831	13,563
Talented Youth Network (TYN)	6,272	18,652
CEAPIRE	4,397	-
Fan Coaching asbl	4,867	-
Roots	3,683	5,474
ACT	-	94,780
Midrift Hurinet Limited	-	58,087
Democracy Lab	-	57,021
Youth Bila Noma	-	33,691
WANA Institute	-	31,825
Isiolo Peace Link	-	29,762
CZO Skopje	-	7,017
Isiolo Women of Faith	-	6,357
Nakuru County Youth Bunge Forum	-	5,336
Jamji Action Centre	-	5,333
Tim Parry Johnathan Ball Foundation	-	2,997
S.A.F.E.: Arts for Education	-	2,733
Pastoralist Women (PWLS)	-	2,035
At the end of the year	399,988	825,182

In respect of the year ended 31 December 2023, of the total grants paid of £399,988 (2022: £825,182), £Nil (2022: £262,630) is attributable to unrestricted funds and £399,987 (2022: £562,552) is attributable to restricted funds. No grants were made to individuals.

7 Net (expenditure) for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	29,632	41,040
Loss or (profit) on disposal of fixed assets	351	(6,593)
Operating lease rentals payable:		
Property	237,823	237,823
Auditor's remuneration (excluding VAT):		
Institutional audit	15,000	12,750
Project-specific audits and other services	14,700	7,250
Foreign exchange losses or (gains)	9,202	(10,451)

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	2,405,733	2,535,786
Social security costs	271,880	290,714
Employer's contribution to defined contribution pension schemes	92,619	109,599
	2,770,232	2,936,099

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 - £69,999	4	8
£70,000 - £79,999	3	-
£80,000 - £89,999	2	1
£90,000 - £99,999	1	1
£100,000 - £109,999	1	1
£110,000 - £119,999	1	-
£120,000 - £129,999	-	-
£130,000 - £139,999	-	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £214,431 (2022: £154,745). In September 2023, the key management personnel responsibilities changed from residing in one role (CEO) to two roles (the Managing Director and Chief Operating Officer).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 43 (2022: 51). The reduction in headcount correlates with an increase in both programmatic and operational roles across our sister entities in the US and Germany.

Staff are split across the activities of the charity as follows (% basis):

	2023 %	2022 %
Raising funds	2%	-
Charitable activities	85%	86%
Support	12%	13%
Governance	1%	1%
Average number of employees during the year	43	51

10 Related party transactions

Donations of £23,000 (2022: £74,000) were received during the year from Trustees and from entities connected with Trustees. The Net funding received from other ISD entities connected with the Trustees are stated below.

Net funding received from other ISD entities:	2023	2022
	£	£
Institute for Strategic Dialogue-US	911,643	1,981,118
Institute for Strategic Dialogue gGmbH	1,139,557	286,839

There are no other donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

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

12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computer and office equipment £	Website £	Total £
Cost					
At the start of the year	39,226	20,787	158,373	-	218,386
Additions in year	-	-	16,741	5,000	21,741
Disposals in year	-	(2,544)	(62,202)	-	(64,746)
At the end of the year	39,226	18,243	112,912	5,000	175,381
Depreciation					
At the start of the year	29,468	18,337	127,321	-	175,126
Charge for the year	7,845	611	21,176	-	29,632
Eliminated on disposal	-	(2,351)	(61,264)	-	(63,615)
At the end of the year	37,313	16,597	87,233	-	141,143
Net book value					
At the end of the year	1,913	1,646	25,679	5,000	34,238
At the start of the year	9,758	2,450	31,052	-	43,260

All of the above assets are used for charitable purposes.

The disposals relates to damaged equipment during office flooding in 2023. £20,440 compensation was received from an insurance claim and is disclosed as other income in our Statement of Financial Activities.

13 Debtors

	2023 £	2022 £
Trade debtors	449,908	688,737
Other debtors	75,796	68,356
Prepayments	100,813	111,362
Accrued income	175,860	231,561
	802,377	1,100,016

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	111,392	254,072
Taxation and social security	108,399	94,854
Other creditors	36,762	36,947
Accruals	128,230	142,326
Deferred income	38,878	37,074
	423,661	565,273

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	34,238	-	34,238
Net current assets	223,522	-	402,698	626,220
Net assets at 31 December 2023	223,522	34,238	402,698	660,458

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	43,260	-	43,260
Net current assets	359,083	-	479,465	838,548
Net assets at 31 December 2022	359,083	43,260	479,465	881,808

17a Movements in funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Research & Digital Analysis	96,628	1,642,608	(1,554,222)	22	185,036
Policy & Advisory	175,817	1,348,740	(1,439,903)	6,865	91,519
Action Programming	207,020	1,438,630	(1,521,050)	1,543	126,143
Total restricted funds	479,465	4,429,978	(4,515,175)	8,430	402,698
Unrestricted funds:					
Designated funds:					
Fixed Asset fund	43,260	-	(9,022)	-	34,238
Total designated funds	43,260	-	(9,022)	-	34,238
General funds	359,083	1,286,614	(1,413,745)	(8,430)	223,522
Total unrestricted funds	402,343	1,286,614	(1,422,767)	(8,430)	257,760
Total funds	881,808	5,716,592	(5,937,942)	-	660,458

The narrative to explain the purpose of each fund is given at the foot of the note below.

17b Movements in funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Research & Digital Analysis	280,708	2,140,004	(2,325,075)	991	96,628
Policy & Advisory	251,165	1,059,964	(1,124,336)	(10,976)	175,817
Action Programming	903,151	1,301,920	(1,979,659)	(18,392)	207,020
Total restricted funds	1,435,024	4,501,888	(5,429,070)	(28,377)	479,465
Unrestricted funds:					
Designated funds:					
fixed asset reserve	67,798	-	(24,538)	-	43,260
Total designated funds	67,798	-	(24,538)	-	43,260
General funds	167,244	1,512,851	(1,349,389)	28,377	359,083
Total unrestricted funds	235,042	1,512,851	(1,373,927)	28,377	402,343
Total funds	1,670,066	6,014,739	(6,802,997)	-	881,808

Purposes of restricted funds

Restricted funds are funds donated to the charity to aid its work as an independent think and do tank which studies and develops policy and operational responses to the challenges of hate, extremism and disinformation.

Transfers occur when expenditure is originally allocated to a restricted fund but is subsequently adjusted and allocated to general funds because of a lack of restricted project funds available.

Purposes of designated funds

We hold a designated fund representing the value of unrestricted funds held as fixed assets at the year end. Our General funds represent our free reserves.

18 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2023	2022
	£	£
Less than one year	64,506	237,823
One to five years	-	64,506
	64,506	302,329

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.