

Company Registration No. SC312442

THE INSTITUTE FOR STATECRAFT

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR

THE PERIOD ENDED 23 NOVEMBER 2011



COMPANY INFORMATION

Directors and Trustees

Christopher Nigel Donnelly

Daniel Lafayeedney (resigned on 8th November 2011)

Lesley Simm

Oliver James McTernan

Jean-Louis Lafayeedney

Dr Julia Celia Szusterman (appointed on 1st August 2011)

Company Secretary

Burness LLP

and

Daniel Lafayeedney (appointed 8th November 2011)

Principal and Registered office

50 Lothian Road, Festival Square,

Edinburgh, EH3 9WJ

United Kingdom

Directors' report for the year ended 23 November 2011

The directors present their report and statements of financial activities and position for the year ended 23 November 2011.

The Institute augmented its research programme on the UK's national security, continuing to focus on organised crime, terrorism, policing and defence reform, and also addressing energy security, cyber security and Health Service reform. Frequent seminars and expert discussions were held and Fellows participated in international conferences, prepared studies and reports for policy makers, decision takers and opinion formers and participated in formal fact-finding visits to Eastern Europe and Latin America. Special workshops were held to address security issues between UK and Latin American countries, and to address human security issues with the World Movement of Mothers.

Members of The Institute sat on the House of Commons Defence Select Committee and edited the 2nd edition of the official British Army yearbook. Staff members joined the UK Stabilisation Unit as mentors.

The Institute advanced its major programme of active engagement for societal integration and counter-radicalisation with the UK Muslim communities through its partner groups, also developing analogous projects for communities in other countries and for de-radicalisation in UK prisons.

The Institute's programmes for HQ NATO and for capacity-building to support reform in Eastern Europe continued and were supplemented by a capacity building programme for the Middle East.

Change of Name

The company changed its name to The Institute for Statecraft on 18th January 2011.

Directors

The following directors held office during the year:

Christopher N Donnelly

Daniel Lafayeedney (resigned on 8th November 2011)

Lesley Simm

Oliver James McTernan

Jean-Louis Lafayeedney

Dr Julia Celia Szusterman (appointed on 1st August 2011)

Directors' guarantee

The company is limited by guarantee. Each Director has guaranteed £1 to the liabilities of the company.

Audit

The members have not required the company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006.

Directors' responsibilities

Company law requires the directors 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 profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
4. be responsible for keeping proper accounting records which 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; and
5. be responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Companies Act 2006 relating to small companies.



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Christopher N Donnelly
Director
Date 26th July 2012

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDING 23 NOVEMBER 2011

	Un- restricted Funds 2011	Restricted Funds 2011	Total Funds 2011	Un- restricted Funds 2010	Restricted Funds 2010	Total Funds 2010
	£	£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
- Donations and grants	0	0	0	96,500	61,970	158,470
Incoming resources from charitable activities						
- Grants and contracts	0	0	0	0	0	0
Total incoming resources	0	0	0	96,500	61,970	158,470
Costs of generating funds						
Costs of generating voluntary income	(1,067)	(685)	(1,752)	(1,304)	(837)	(2,141)
Fund raising trading and costs	(2,134)	(1,370)	(3,504)	(2,608)	(1,675)	(4,282)
Charitable activities	(34,138)	(21,923)	(56,061)	(18,254)	(11,722)	(29,976)
Governance costs	(5,334)	(3,425)	(8,760)	(3,912)	(2,512)	(6,423)
Total resources expended	(42,673)	(27,403)	(70,076)	(26,077)	(16,746)	(42,823)
	(42,673)	(27,403)	(70,076)	70,423	45,224	115,647
Total funds brought forward	70,423	45,224	115,647	0	0	0
Total funds carried forward	27,751	17,821	45,571	70,423	45,224	115,647

BALANCE SHEET
AS AT 23 NOVEMBER 2011

	2011	2010
	£	£
Current assets		
Cash	71,871	115,897
Creditors: amounts falling due within one year		
Trade creditors	(26,050)	0
Accruals	(250)	(250)
Total assets less current current liabilities	<u>45,571</u>	<u>115,647</u>
Creditors: amounts falling due after more than one year	0	0
Net assets	<u><u>45,571</u></u>	<u><u>115,647</u></u>
Unrestricted funds		
Designated funds	17,821	70,423
Restricted funds		
	27,750	45,224
Total funds	<u><u>45,571</u></u>	<u><u>115,647</u></u>

Audit Exemption Statement

For the year ended 2011 the company was entitled to exemption under section 477 of the Companies Act 2006 in relating to small companies.

Directors' Responsibilities

The members have not required the company to obtain an audit of its accounts for the year to 23rd November 2011 in accordance with section 476.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

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

The financial statements were approved by the Board on 26th July 2012.

Chris McDonnelly

Christopher N Donnelly

Director

Date 26th July 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 23 NOVEMBER 2011

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention. The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Fund accounting

Unrestricted funds are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of appeal or grant.

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when received or receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Investment income is included when receivable.

1.4 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those direct and indirect costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include any accounting and audit fees and other costs linked to the strategic management of the charity.

Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2. Donations

	2011	2010
	£	£
Unrestricted funds		
Capacity building programme for two Eastern European governments	0	59,158
	<u>0</u>	<u>59,158</u>
Restricted funds		
Research, democracy promotion and implementation programme for NATO	0	56,739
	<u>0</u>	<u>56,739</u>
Total donations	<u>0</u>	<u>115,897</u>

3. Net incoming resources for the year

Net incoming resources are stated after charging:

	2011	2010
	£	£
Professional fees	16,903	17,582
	<u>16,903</u>	<u>17,582</u>

4. Employees

The charity employed no staff during the period.

5. Trustee remuneration and related party transactions

Neither any Trustee nor any member of the Management Committee received any remuneration during the year.

6. Taxation

As a charity, The Institute for Statecraft is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No taxes have arisen in the charity.

7. Analysis of net assets between funds

	2011	2010
	£	£
Unrestricted funds		
Current assets	27,491	59,158
Creditors: amounts falling due within one year	(10,001)	(125)
	<u>17,489</u>	<u>59,033</u>
Restricted funds		
Current assets	44,380	56,739
Creditors: amounts falling due within one year	(16,298)	(125)
	<u>28,082</u>	<u>56,614</u>
Total net assets	<u>45,571</u>	<u>115,647</u>

8. Movement in funds

	At 24 November 2010	Incoming resources	Outgoing resources	At 23 November 2011
	£	£	£	£
Unrestricted funds				
Designated fund for capacity building programme for two Eastern European governments	70,423	0	(42,673)	27,750
Total unrestricted funds	<u>70,423</u>	<u>0</u>	<u>(42,673)</u>	<u>27,750</u>
Restricted funds				
Counselling, research, democracy promotion and implementation programme for NATO	45,224	0	(27,403)	17,821
Total restricted funds	<u>45,224</u>	<u>0</u>	<u>(27,403)</u>	<u>17,821</u>
Total funds	<u>115,647</u>	<u>0</u>	<u>(70,076)</u>	<u>45,571</u>