

Financial Statements

For the year ended 31 March 2022

The Institute for Statecraft



Registered Charity Number: SC 040870
Registered Company Number: SC 312442

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Charity and Company Information

Trustees

Anthony Cooke
Oliver McTernan
Celia Szusterman
Stephen Dalziel
Sir Charles Hoare

Registered Office

1 Rutland Court
Edinburgh
Midlothian
EH3 8EY

Bankers

Lloyds Bank
6 Holborn Circus
London
EC1N 2HP

Independent Examiner

Bowker Orford Limited
15-19 Cavendish Place
London
W1G 0DD

Website: www.statecraft.org.uk

Registered Charity Number: SC 040870

Registered Company Number: SC312442

Trustees' Report

For the year ended 31 March 2022

The Institute for Statecraft

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The financial statements comply with the Charities and Trustee Investment (Scotland) Act and the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The long-term vision of the Institute has always been for it to provide public benefit by: conducting cutting edge research; generating alternative ideas; exploring new approaches, and; educating people to understand a world changing with increasing rapidity.

We also seek to provide public benefit by undertaking practical projects and programs in various relevant fields, outlined in the paragraph below – something essential if we are to achieve both a full understanding of the issues and an ability to help those affected to devise effective solutions. The Institute is unique in that it was devised as not just a “think-tank” but also a “do-tank”, thereby distinguishing it from most other institutions in the field.

The range of the Institute's active programs to provide public benefit is normally very wide, addressing such diverse issues as Police reform, health service reform, constitutional reform, as well as national security issues. The factor common to these otherwise different areas is that, in all cases, the national governmental institutions responsible are proving unable to cope with the problems inflicted by rapid social change and are becoming unfit for purpose.

Achievements and Performance

Due to the Charity not being able to attract the requisite funding to continue its aims and objectives, the Charity has been in a state of limbo during 2022. The Trustees have come to the difficult decision that unless additional funding is received before the end of February 2023 the charity will close on 31st March 2023.

Financial Review

The operations in the year gave rise to a total net surplus of £13,837 and as at 31st March 2022 the charity had total funds of £6,567 in deficit. The net surplus for the year for unrestricted funds was £13,844 and at the end of the year unrestricted funds stood at £7,297 in deficit. Activities related to restricted funds produced a net deficit of £7 during the year and total restricted funds at 31st March 2022 were £730 after taking into account the surplus brought forward of £737.

Plans for future periods

The Institute suffered significant reputational damage in the aftermath of the 2018 hack on its systems. This has adversely affected the Institute in a number of ways, not least of which is in its ability to attract funding from potential donors.

The Trustees of the Institute have therefore resolved to close the charity as at 31st March 2023 unless additional funding is received before the end of February 2023. A formal decision will be taken at that time.

The Institute has only one liability and that is staff expenses due to one of the former Trustees, which has been agreed to be settled if there are sufficient funds.

Funds held as custodian trustees on behalf of others

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

Reserves and Reserves Policy

The net liabilities of the charitable company amounted to £6,567, of which there is deficit of £7,297 of unrestricted reserves and a surplus of £730 restricted reserves. The majority of the Institute's income was through funded programmes.

Organisational Structure

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

Related Parties

No Trustees are paid for their services as Trustees but were remunerated in the period for out of pocket expenses. In addition, three Trustees were remunerated for other services provided to the organisation as detailed in note 8 of the accounts.

Responsibilities of Trustees

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


Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Name: Anthony Cooke

Signature:  Date 19/12/2022

Independent examiner's Report to the Trustees of The Institute for Statecraft

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2022, which are set out on pages 7 to 13.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Narendrakumar Mistry FCA

For and on behalf of

Bowker Orford

15-19 Cavendish Place

London

W1G 0DD

19/12/2022

Statement of Financial Activities (Incorporating Income and Expenditure Account)

The Institute for Statecraft

For the period 1 April 2021 to 31 March 2022

	Notes	Unrestricted (£)	Restricted (£)	Total 31 Mar 2022 (£)	Unrestricted (£)	Restricted (£)	Total 31 Mar 2021 (£)
Income and endowments							
Donations and legacies	2	22,000	-	22,000	154,980	15,750	170,730
Total		22,000	-	22,000	154,980	15,750	170,730
Expenditure on:							
Charitable Activities	3	8,156	7	8,163	173,207	14,216	187,423
Total		8,156	7	8,163	173,207	14,216	187,423
Net Income/(expenditure)		13,844	(7)	13,837	(18,227)	1,534	(16,693)
Transfer between funds		-	-	-	4,554	(4,554)	-
Net movement in funds		13,844	(7)	13,837	(13,673)	(3,020)	(16,693)
Reconciliation of funds							
Funds brought forward		(21,141)	737	(20,404)	(7,468)	3,757	(3,711)
Current year earnings		13,844	(7)	13,837	(13,673)	(3,020)	(16,693)
Total funds of the charity		(7,297)	730	(6,567)	(21,141)	737	(20,404)

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.

The Notes to the Accounts on pages 9 to 13 form part of these financial statements

Balance Sheet

The Institute for Statecraft

For the period 1 April 2021 to 31 March 2022


Company number SC312442

	Notes	Unrestricted (£)	Restricted (£)	Total 31 Mar 2022 (£)	Unrestricted (£)	Restricted (£)	Total 31 Mar 2021 (£)
Balance Sheet							
Fixed Assets:							
Tangible assets	9	-	-	-	6,004	-	6,004
Total fixed assets		-	-	-	6,004	-	6,004
Current assets:							
Debtors		-	-	-	-	-	-
Cash at bank and in hand		5,728	730	6,458	19,319	1,541	20,860
Total current assets		5,728	730	6,458	19,319	1,541	20,860
Liabilities:							
Creditors: Amounts falling due within one year	10	13,025	-	13,025	46,464	804	47,268
Net current assets		(7,297)	730	(6,567)	(27,145)	737	(26,408)
Total assets less current liabilities		(7,297)	730	(6,567)	(21,141)	737	(20,404)
Total net assets		(7,297)	730	(6,567)	(21,141)	737	(20,404)
Total funds of the Charity	12	(7,297)	730	(6,567)	(21,141)	737	(20,404)

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

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

Anthony Cooke
Trustee



Date: 19/12/2022

Notes to the Accounts

The Institute for Statecraft

For the period 1 April 2021 to 31 March 2022

1.1 General information and basis of preparation

The Institute for Statecraft is a charitable company registered in Scotland. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the Charity information on page 3 of these financial statements.

The Charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, (SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

1.2 Funds

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

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

1.3 Income

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

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

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

1.4 Expenditure

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

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

1.6 Tangible Fixed Assets

All assets costing more than £500 are capitalised.

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

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

Office Equipment - 3 years

Notes to the accounts - continued

19/12/2022

1.7 Financial Instruments

The Charity enters into basic financial instrument transactions and concessionary loans that result in the recognition of financial assets and liabilities such as investments, cash, debtors and creditors.

Basic financial instruments are initially measured at transaction value. They are assessed at the end of each report period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the SOFA.

Current assets and current liabilities are measured at the cash or other consideration expected to be paid or received and not discounted.

1.8 Cash

Cash used for working capital purposes is included on the Balance Sheet as Cash at Bank or in Hand and is included at cash value held.

1.9 Debtors and creditors receivable/payable within one year

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

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

1.10 Tax

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

1.11 Volunteers

No volunteers worked for the Institute for Statecraft during the year ended 31 March 2022.

2. Income

	Unrestricted (£)	Restricted (£)	Total 31 Mar 2022 (£)	Unrestricted (£)	Restricted (£)	Total 31 Mar 2021 (£)
Income from donations and legacies						
The Elcano Institute Research program	-	-	-	-	15,750	15,750
Individual donations to general funds	22,000	-	22,000	154,980	-	154,980
Total Income from donations and legacies	22,000	-	22,000	154,980	15,750	170,730
Total Income	22,000	-	22,000	154,980	15,750	170,730

3. Expenditure on charitable activities

	Unrestricted (£)	Restricted (£)	Total 31 Mar 2022 (£)	Unrestricted (£)	Restricted (£)	Total 31 Mar 2021 (£)
Fundraising consultancy	-	-	-	430	-	430
Total expenditure on raising funds	-	-	-	430	-	430
Direct charitable activity costs						
Consultancy and research projects	-	-	-	46,519	12,675	59,194
Travel and Subsistence	-	-	-	10,612	1,030	11,642
Venue hire and catering for events and meetings	-	-	-	264	-	264
Total Direct charitable activity costs	-	-	-	57,395	13,705	71,100
Support costs						
Salaries, pension and social security costs	-	-	-	71,321	-	71,321
Office rent and rates	-	-	-	5,011	-	5,011
IT Support and website maintenance	1,163	-	1,163	9,186	175	9,361
Telephone	839	-	839	1,501	-	1,501
Loss on disposal of fixed assets	531	-	531	-	-	-
Stationery, postage and sundry office costs	6	-	6	6,917	125	7,042
Depreciation	2,118	-	2,118	5,192	-	5,192
Bank charges	134	-	134	531	211	742
Foreign Exchange gains/(losses)	65	7	72	-	-	-
Subscriptions, memberships and donations	-	-	-	8,765	-	8,765
Accountancy and bookkeeping	300	-	300	3,358	-	3,358
Total Support costs	5,156	7	5,163	111,782	511	112,293
Governance costs	3,000	-	3,000	3,600	-	3,600
Total Expenditure on charitable activities	8,156	7	8,163	173,207	14,216	187,423

4. Net income/(Expenditure) for the year is stated after charging

Depreciation of tangible fixed assets £2,118 (2021:£5,192)

Auditors/Examiners remuneration - audit/examination services £2,500 + VAT for 2022 (2021: £3,000 + VAT)

5. Employee costs

	Unrestricted (£)	Restricted (£)	Total 31 Mar 2022 (£)	Unrestricted (£)	Restricted (£)	Total 31 Mar 2021 (£)
Wages and salaries	-	-	-	63,167	-	63,167
Social security costs	-	-	-	3,101	-	3,101
Pension costs	-	-	-	5,053	-	5,053
Total Employee costs	-	-	-	71,321	-	71,321

The charity had no employees during 2022 (2021: 2)

During 2022, no employee received more than £60,000 in remuneration (2021: Nil)

6. Remuneration of key management personnel

The charity considers its key management personnel to be comprised of Trustees and the CEO.

The total remuneration received by key management personnel during 2022 was £0 (2021:£50,400)

7. Trustees' and related parties remuneration and expenses

No remuneration was paid to trustees or related parties during 2022.

8. Trustees' and related parties donations

No donations were made by trustees in 2022 (2021: £Nil).

9. Fixed assets

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	(£)	(£)	31 Mar 2022	(£)	(£)	31 Mar 2021
			(£)			(£)
Computer Equipment						
Cost						
Opening balance		-	-	-	-	-
Laptops and computers	25,166	-	25,166	20,612	-	20,612
Additions	-	-	-	4,554	-	4,554
Disposals	(25,166)	-	(25,166)	-	-	-
Closing balance	-	-	-	25,166	-	25,166
Depreciation						
Opening balance	19,162	-	19,162	13,970	-	13,970
Charge for the year	2,118	-	2,118	5,192	-	5,192
Eliminated on disposal	(21,280)	-	(21,280)	-	-	-
Closing balance	-	-	-	19,162	-	19,162
Net book value of Computer Equipment at 31 Mar 2022	-	-	-	6,004	-	6,004

10. Creditors

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	(£)	(£)	31 Mar 2022	(£)	(£)	31 Mar 2021
			(£)			(£)
Creditors falling due within one year						
Trade creditors	10,025	-	10,025	18,664	804	19,468
Taxation and social security	-	-	-	-	-	-
Accruals	3,000	-	3,000	7,800	-	7,800
Director's Loan	-	-	-	20,000	-	20,000
Total Creditors falling due within one year	13,025	-	13,025	46,464	804	47,268

11. Fund reconciliation

31 Mar 2022

	IPI (£)	Total Restricted (£)	Unrestricted (£)	Total funds (£)
At 1 April 2021	737	737	(21,141)	(20,404)
Income	-	-	22,000	22,000
Expenditure	(7)	(7)	(8,156)	(8,163)
Total net movement in funds	730	730	(7,297)	(6,567)

31 Mar 2021 comparison

	Latin America (£)	Elcano Institute (£)	IPI (£)	Total Restricted (£)	Unrestricted (£)	Total funds (£)
At 1 April 2020	4,437	(2,500)	1,820	3,757	(7,468)	(3,711)
Income	-	15,750	-	15,750	154,980	170,730
Expenditure	(4,437)	(8,696)	(1,083)	(14,216)	(173,207)	(187,423)
Transfers	-	(4,554)	-	(4,554)	4,554	-
Total net movement in funds	-	-	737	737	(21,141)	(20,404)

12. Analysis of Funds

31 Mar 2022

	IPI (£)	Restricted (£)	Unrestricted (£)	Total funds (£)
Fixed assets	-	-	-	-
Bank and cash in hand	730	730	5,728	6,458
Debtors	-	-	-	-
Creditors	-	-	(13,025)	(13,025)
Total funds	730	730	(7,297)	(6,567)

31 Mar 2021 comparison

	Elcano Institute (£)	IPI (£)	Total Restricted (£)	Unrestricted (£)	Total funds (£)
Fixed assets	-	-	-	6,004	6,004
Bank and cash in hand	804	737	1,541	19,319	20,860
Debtors	-	-	-	-	-
Creditors	(804)	-	(804)	(46,464)	(47,268)
Total funds	-	737	737	(21,141)	(20,404)

Details of restricted funds

IPI

A grant of £2,675 was received in 2019/20 from NATO for a series of events and lectures in Madrid by Instituto Político Internacional (IPI). The project is now closed and the funds will be returned in 2022/23.