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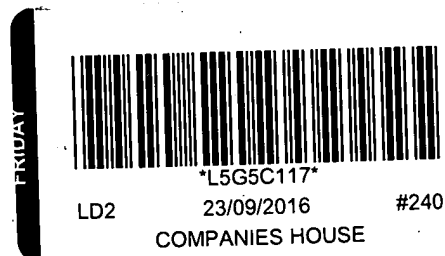
Charity Registration No. 1140489

Company Registration No. 7465741 (England and Wales)



CREATIVITY ENTHUSIASM ENERGY VISION

THE HENRY JACKSON SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



THE HENRY JACKSON SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr A L Mendoza S L Caplan D Rasouly D N Collins G G Stuart Professor B P Simms A Levin
Charity number	1140489
Company number	7465741
Registered office	26th Floor Millbank Tower London SW1P 4QP
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Santander Business Banking PO Box 10102 21 Prescott Street London E1 8TN

THE HENRY JACKSON SOCIETY

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THE HENRY JACKSON SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2015

The Trustees are pleased to present their report together with the financial statements of the company for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

Constitution

The company (no. 7465741) was incorporated on 9 December 2010. On 18 February 2011 the Trustees of the unincorporated The Henry Jackson Society Project for Democratic Geopolitics (UK registered charity number 1113948) transferred its assets, subject to its liabilities, to The Henry Jackson Society (a company limited by guarantee - UK registered charity number 1140489), a successor corporate charity with the same charitable objectives.

The Henry Jackson Society is established as a charitable company limited by guarantee and is a registered charity with the Charity Commission (No 1140489). The charity's affairs are governed by its Memorandum and Articles of Association which allows for any activities covered by the charity's objectives with no restrictions. In the event of the company being wound up the maximum amount each member will contribute is £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

- Mr Stuart Caplan
- Mr Damian Collins MP
- Mr Adam Levin
- Dr Alan Mendoza
- Mr David Rasouly
- Professor Brendan Simms
- Mrs Gisela Stuart MP

Recruiting and Appointment of Trustees

Trustees are selected by those Trustees who are serving at the time of selection. New Trustees are selected on the basis of the added experience that they can bring to the Board. On selection, Trustees are provided with Charity Commission documentation and guidance, and have induction meetings with key management staff.

Public Benefit

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Organisational Structure

The charitable company is administered by the Board of Trustees which is its governing body. The Board meets regularly to discuss and formulate policy which is then implemented by the professional team. Trustees are appointed to the Board in accordance with the Articles of Association. Decisions made by the Board are informed with the relevant data and information, regular reports from the Executive Director (Dr Alan Mendoza) and are taken on a majority vote basis. Operational decisions are delegated to the Executive Director, the Associate Director (Douglas Murray), the Deputy Director and Head of Research and Policy (Davis Lewin) or the Chief Operating Officer (Katie Parrett).

THE HENRY JACKSON SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2015

The setting of pay and remuneration of the charity's key management personnel is based on industry benchmarks and is reviewed on an annual basis.

The scale and nature of volunteer activity

Throughout 2015, the organisation's internship programme continued to be a success. We offered a range of engaging internships aimed at politically-minded, self-motivated individuals. Interns were taken on a full-time or part-time basis. The intern roles occupied throughout 2015 were: communications assistant, design assistant, events assistant and several research assistants supporting our different research centre.

Subsidiary activity

The subsidiary undertaking, Strategic Analysis Ltd, is currently dormant and there are no plans to restart operations in the near future.

Strategic report

Organisation Objectives

The charity's objectives are to advance the education of the public in national and international political, social and economic policy, including the promotion of research in any of those areas and the publication of the useful results of such research.

Activities of the Charity

The charity works to bring together members of the public and political, business, media and academic leaders through a series of themed lectures, conferences, meetings and events so that they can better understand the nature of contemporary national and international affairs. Research covering a variety of national and international policy topics is also published for the same purpose.

Legal purposes

All of the organisation's activities work towards achieving our legal purposes – educating the public on in national and international political, social and economic policy. Our 2015 achievements in research publications, our extensive events programme, our national and international media coverage and education of political communities, have ensured that these purposes were met. The successful execution of a new five year strategy will further our objectives.

Main areas of activity

The organisation has a series of policy and research projects that work towards achieving its strategic objectives. These are:

- **The Centre for the Response to Radicalisation and Terrorism:** the first-of-its-kind institute providing top-quality, in-depth research coupled with the execution and implementation of targeted, tangible and impactful activities to combat the very real threat radical Islam poses to our society.
- **The Russia Studies Centre:** a research and advocacy unit operating within the Henry Jackson Society. It is dedicated to analysing contemporary Russian political developments and promoting human rights and political liberty in the Russian Federation.
- **Student Rights:** a non-partisan group dedicated to supporting equality, democracy and freedom from extremism on university campuses. It was set up in June 2009 as a reaction to increasing political extremism and marginalisation of vulnerable students on campus.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2015

- **The Centre for the New Middle East:** designed to provide opinion-leaders and policy-makers with the fresh thinking, analytical research and policy solutions required to make geopolitical progress in one of the world's most complicated and fluid regions. Established following the fallout from the "Arab Spring," the Centre is dedicated to monitoring political, ideological, and military and security developments across the Middle East and providing informed assessments of their wide-ranging implications to key decision makers.

In addition to policy and research projects, the organisation also has two streams that support such activity:

- **Events:** an extensive programme of events that showcase our projects, with high profile and engaging speakers from a range of sectors and beliefs with a platform for debate.
- **Communications:** media relations, web and social media presence that promote our research and events programmes nationally and internationally.

Objectives for 2015

The charity's objectives for the year were to further increase its ability to educate the public on national and international political, social and economic policy. This was achieved through greater research and events outputs, which in turn required more staff and increased income to pay for programming and activities. In addition, we aimed to further establish The Centre for the Response to Radicalisation and Terrorism to consolidate our programmes, addressing the growing threat of Radical Islam, and challenging extremism at home and abroad.

Strategies for achieving 2015 objectives

The charity sought to achieve its objectives through a combination of new and increased donations from a wider range of supporters than in previous years, and through partnerships with a number of bodies. This funding influx enabled the support of activities, the hiring, development and retention of key staff and the development of expanded research and events programmes and enabled us to grow the recently established Centre for the Response to Radicalisation and Terrorism.

A greater focus on marketing and media presence helped ensure that the charity's work was brought to public attention in volumes that had not previously been seen. Our analysis on trends and forecasting around our specialist research centres enabled us to have swift responses to events, highlighted our contribution to public education and demonstrated our position as educators on national and international issues.

2015 main achievements and performance

2015 saw solid growth of resourcing, programming, research, and output for the charity. Some of the notable achievements included:

- The expansion of our highly successful events programme, allowing diplomats, academics, policy-makers and opinion-formers to expound on their areas of expertise to audiences in attendance and beyond through access to written transcripts on our website. Approximately 100 events were held in 2015 with leading international speakers including Dr Liam Fox MP and former Secretary of State for Defence, U.S. Congressman Marsha Blackburn and Amine Gemayel, former President of Lebanon. Topics ranged from defusing global nuclear threats to Russia's foreign policy to how the terrorist threat is evolving.
- The publication of 'Community Policing and Preventing Extremism: Lessons from Bradford', which examined the role of policing in the delivery of counter-radicalisation and counter-extremism policies. The paper was made possible thanks to discussions with senior police officers from the North East Counter-Terrorism Unit and the West Yorkshire Police.

THE HENRY JACKSON SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2015

- Proudly being part of the very first Day of Memory for victims of honour killings, and our report 'Britain's Forgotten Women: Speaking to Survivors of 'Honour'-based Abuse' was instrumental in shining the light on this grave problem and what must be done to overcome such abuse.
- A more in-depth focus on research, in order to demonstrate the academic-style rigour that underpins the charity's work; such as the substantive work on the existing anti-radicalisation framework that has been laid down throughout our higher education institutions. The Student Rights programme was instrumental in uncovering a flourishing extremist agenda within university campuses, and our tireless efforts led to a two-day front page exposé in The Daily Mail.
- The continuation of our crucial work in The Centre for the New Middle East by alerting the public to the weaknesses of the Iranian nuclear framework deal in our briefing 'The Iran Nuclear Framework Proposals'.
- The Russia Studies Centre continuing to provide analysis that Russia poses a challenge to the West, through the publication of a number of high-impact research papers, not least "Putin's Cyberwar: Russia's Statecraft in the Fifth Domain" which was added to NATO's library.
- The Russia Studies Centre contributed to several Parliamentary inquiries, extended its political outreach, and wrote for internationally-leading outlets, including The New York Times.
- Regular appearances in scholarly journals including The International Journal of Security Affairs and Foreign Affairs.
- Broadcast appearances by staff on every major UK TV and radio outlet and numerous international ones.
- A significant increase in our international media presence, with our articles being published in major domestic and international press outlets.

Measures to assess success

The 2015 achievements met the organisation's overall and annual objectives, making 2015 one of The Henry Jackson Society's most successful years to date. The organisation critically assesses its success against its objectives. Main key performance indicators include: the number guests at events, the number of printed media placements, the number of broadcast appearances, the number of members and the retention of donors. These are measured on a monthly basis and reported to the Trustees at regular intervals.

Risk Management

The Board of Trustees is responsible for the management of risks faced by the charity. Risks are identified, assessed, mitigated and controls established. The principal risks and uncertainties facing the organisation and the strategies for managing the risks are:

- Loss of key staff – the organisation is developing professional development plans for each member of staff and regularly reviews responsibilities and salaries.
- Loss of income due to withdrawal of support from donors – the organisation continually liaises with existing donors and also reaches out to potential new ones at every possible opportunity
- The security of staff and premises – the office security is as tight as could reasonably be expected and the risks are discussed with staff and advice offered.

The management of risks is driven by the newly developed risk management policy. Consequently, the Trustees are satisfied that the major risks identified have been mitigated appropriately and there are no major threats.

THE HENRY JACKSON SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2015

Plans for the Future

The charity expects to be able to continue its organisational advancement in 2016. The organisation has become accustomed to operating at a higher level of income and expenditure over the past three years. It has learned from the experiences this growth has provided and, along with the recent appointment of the Chief Operating Officer, will enter into an internal transformation programme.

This programme will define internal structures, with emphasis on developing and retaining staff, improving efficiency, effectiveness, quality and value for money. From this, a new five-year strategy will be developed allowing for further front-line advances in programmes, research ability and outreach, making us better placed to fulfil our objectives. We plan to: expand geographically, refresh our brand, continue to increase our ability to disseminate our work domestically and internationally, explore an ambitious fundraising strategy to widen our range of donors, increase our offering to members and plan a long-term capital campaign.

Financial Review

The charity received 3% less income from donations in the year 2015 compared to the previous year. The total income for the year decreased to £1,107,191 (2014: £1,634,734) and the expenditure also decreased to £1,066,758 (£1,776,066). The charity recorded higher than usual income and expenditure in year 2014 mainly due to the conference on Inclusive Capitalism which took place in May 2014. The charity generated a surplus of £40,433 during the year 2015 and the unrestricted funds increased from £8,416 to £48,849.

Reserves Policy

The charity aims to hold levels of reserves of up to three months operating expenses. It is not the intention of the trustees to accumulate reserves and the trustees seek to distribute all funds above the required level in accordance with the charity's stated objectives.

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they are aware, but of which the auditors are unaware, which is relevant to the audit. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Trustees



Professor B P Simms

Trustee

Dated: 16.9.2016



A Levin

Trustee

Dated: 16/9/2016

THE HENRY JACKSON SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

The Trustees, who are also the directors of The Henry Jackson Society for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HENRY JACKSON SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HENRY JACKSON SOCIETY

We have audited the financial statements of The Henry Jackson Society for the year ended 31 December 2015 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 6, the Trustees, who are also the directors of The Henry Jackson Society for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE HENRY JACKSON SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HENRY JACKSON SOCIETY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
NW1 3ER
United Kingdom

22/9/16

THE HENRY JACKSON SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
<u>Income and endowments from:</u>			
Donations and legacies	2	1,057,786	1,089,509
Charitable activities	3	12,932	430,321
Other trading activities	4	36,081	97,199
Investment income	5	134	180
Other income	6	258	17,525
Total income and endowments		1,107,191	1,634,734
<u>Expenditure on:</u>			
Charitable activities	7	1,066,758	1,776,066
Net income/(expenditure) for the year/ Net movement in funds		40,433	(141,332)
Fund balances at 1 January 2015		8,416	149,748
Fund balances at 31 December 2015		48,849	8,416

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HENRY JACKSON SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		5,671		7,384
Investments	12		1		1
			<u>5,672</u>		<u>7,385</u>
Current assets					
Debtors	14	63,563		118,033	
Cash at bank and in hand		185,344		141,990	
		<u>248,907</u>		<u>260,023</u>	
Creditors: amounts falling due within one year	16	(205,730)		(158,992)	
Net current assets			<u>43,177</u>		<u>101,031</u>
Total assets less current liabilities			<u>48,849</u>		<u>108,416</u>
Creditors: amounts falling due after more than one year	17				(100,000)
Net assets			<u><u>48,849</u></u>		<u><u>8,416</u></u>
Income funds					
Restricted funds			-		11,031
Unrestricted funds - general			<u>48,849</u>		<u>(2,615)</u>
			<u><u>48,849</u></u>		<u><u>8,416</u></u>

The accounts were approved by the Trustees on 16/09/2016.


Dr A L Mendoza
Trustee

Company Registration No. 7465741

THE HENRY JACKSON SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		122,009		(66,719)
Investing activities					
Purchase of tangible fixed assets		(3,789)		(6,605)	
Interest received		134		180	
Net cash used in investing activities			(3,655)		(6,425)
Financing activities					
Repayment of borrowings		(75,000)		(50,000)	
Net cash used in financing activities			(75,000)		(50,000)
Net increase/(decrease) in cash and cash equivalents			43,354		(123,144)
Cash and cash equivalents at beginning of year			141,990		265,134
Cash and cash equivalents at end of year			<u>185,344</u>		<u>141,990</u>

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

The Henry Jackson Society is a private company limited by guarantee incorporated in England and Wales. The registered office is 26th Floor, Millbank Tower, London, SW1P 4QP.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2015 are the first accounts of The Henry Jackson Society prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The charity does not prepare consolidated accounts on the basis that the results of its subsidiary are immaterial to the group.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, as a result of continued future commitment from major donors. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Expenditure relating to the charitable activities are those elements of expenditure directly and indirectly incurred in performing these activities.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.13 Company Status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.14 Fund Accounting

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

1.15 Direct Taxation

As a charity the company is generally exempt from income and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

2 Donations and legacies

	2015	2014
	£	£
Donations and gifts	1,039,213	1,072,753
Membership fees	18,573	16,756

All donations and gifts in 2014 and 2015 are unrestricted funds.

3 Charitable activities

	2015	2014
	£	£
Incoming resources from charitable activities	12,932	430,321

An amount of £nil (2014: £419,290) of the incoming resources from charitable activities is restricted.

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4 Other trading activities

	2015	2014
	£	£
Activities for generating funds	36,081	97,199

5 Investment income

	2015	2014
	£	£
Bank deposit interest received	134	180

6 Other income

	2015	2014
	£	£
Other incoming resources	258	17,525

7 Charitable activities

	2015	2014
	£	£
Staff costs	672,662	764,035
Depreciation and impairment	5,502	6,606
Other costs	377,805	991,523
	1,055,969	1,762,164
Share of governance costs (see note 8)	10,789	13,902
	1,066,758	1,776,066

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Support costs

	Support costs	Governance costs	2015	2014	Basis of allocation
	£	£	£	£	
Audit fees	-	7,500	7,500	6,800	Governance
Other services	-	3,289	3,289	7,102	Governance
		10,789	10,789	13,902	
Analysed between					
Charitable activities	-	10,789	10,789	13,902	

9 Trustees

Dr. Alan Mendoza, a trustee, received remuneration of £88,512 during the year (2014: £75,000) for his role as Executive Director of the charity, in accordance with the charity's governing document. No trustees received remuneration for their role as trustees.

10 Employees

Number of employees

The average monthly number employees during the year was:

	2015 Number	2014 Number
	16	17

Employment costs

	£	£
Wages and salaries	607,734	687,908
Social security costs	64,928	76,127
	672,662	764,035

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

	2015 Number	2014 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2015	25,062
Additions	3,789
At 31 December 2015	<u>28,851</u>
Depreciation and impairment	
At 1 January 2015	17,678
Depreciation charged in the year	5,502
At 31 December 2015	<u>23,180</u>
Carrying amount	
At 31 December 2015	<u>5,671</u>
At 31 December 2014	<u>7,384</u>

12 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	20	<u>1</u>	<u>1</u>

The figures for this company have not been incorporated in the accounts as they are not material to the group.

Movements in fixed asset investments

	Shares £
Cost	
At 1 January 2015 & 31 December 2015	<u>1</u>
Carrying amount	
At 31 December 2015	<u>1</u>
At 31 December 2014	<u>1</u>

13 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	48,947	114,390
Equity instruments measured at cost less impairment	<u>1</u>	<u>1</u>

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

		(Continued)	
		2015	2014
13 Financial instruments			
Carrying amount of financial liabilities			
Measured at amortised cost		187,161	239,285
14 Debtors			
		2015	2014
Amounts falling due within one year:		£	£
Trade debtors		1,535	9,603
Amounts due from subsidiary undertakings		20,137	69,304
Other debtors		29,379	35,483
Prepayments and accrued income		12,512	3,643
		63,563	118,033
15 Loans and overdrafts			
		2015	2014
		£	£
Other loans		100,000	175,000
Payable within one year		100,000	75,000
Payable after one year		-	100,000
In the event of default on repayment of the loan, interest will be charged at 2% above base rate on the outstanding amount only. The loan has been repaid in full following the year-end.			
16 Creditors: amounts falling due within one year			
	Notes	2015	2014
		£	£
Loans and overdrafts	15	100,000	75,000
Other taxation and social security		18,569	19,707
Trade creditors		54,615	20,220
Other creditors		2,520	-
Accruals and deferred income		30,026	44,065
		205,730	158,992

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	15	<u>-</u>	<u>100,000</u>

18 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Between two and five years	<u>309,187</u>	<u>386,514</u>

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations received	
	2015	2014
	£	£
Henry Jackson Society Inc	100,000	99,998
	<u>100,000</u>	<u>99,998</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties			Amounts owed by related parties	
	Balance	2015 Provision	Net	Balance	Net
	£	£	£	£	£
Strategic Analysis Limited	69,304	49,167	20,137	69,304	69,304
	<u>69,304</u>	<u>49,167</u>	<u>20,137</u>	<u>69,304</u>	<u>69,304</u>

20 Subsidiaries

These financial statements are separate company financial statements for Strategic Analysis Limited.

Details of the charity's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Strategic Analysis Limited	United Kingdom	Management consultancy activities other than financial management	Ordinary shares	100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Strategic Analysis Limited	(1,458)	(50,162)

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

21	Cash generated from operations	2015	2014
		£	£
	Surplus/(deficit) for the year	40,433	(141,332)
	Adjustments for:		
	Investment income recognised in profit or loss	(134)	(180)
	Depreciation and impairment of tangible fixed assets	5,502	6,606
	Movements in working capital:		
	Decrease in debtors	54,470	16,018
	Increase in creditors	21,738	52,169
	Cash generated from/(absorbed by) operations	122,009	(66,719)
