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Charity Registration No. 1140489

Company Registration No. 7465741 (England and Wales)



CREATIVITY ENTHUSIASM ENERGY VISION

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

TUESDAY



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**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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**Trustees**

S L Caplan  
D Rasouly  
D N Collins  
Dr A L Mendoza  
G G Stuart  
Professor B P Simms  
A Levin

**Charity number**

1140489

**Company number**

7465741

**Registered office**

Parker Tower  
43-49 Parker Street  
London  
WC2B 5PS

**Auditors**

H W Fisher & Company  
Acre House  
11-15 William Road  
London  
NW1 3ER

**Bankers**

Santander Business Banking  
PO Box 10102  
21 Prescott Street  
London  
E1 8TN

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**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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# **THE HENRY JACKSON SOCIETY**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2013***

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The trustees are pleased to present their report together with the financial statements of the company for the year ended 31 December 2013.

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 throughout the year were:

The Rt Hon The Lord Trimble (resigned 4 April 2014)  
Mrs Gisela Stuart MP  
Professor Brendan Simms  
Dr Alan Mendoza  
Mr Stuart Caplan  
Mr David Rasouly  
The Lady Dalmeny (resigned 30 June 2014)  
Mr Damian Collins MP

Adam Levin was appointed a trustee on 10 July 2014

##### **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.

##### **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. Operational decisions are delegated to the Executive Director.

##### **Risk Management**

The Board of Trustees is responsible for the management of risks faced by the charity. Risks are identified, assessed and controls established. Consequently, the Trustees are satisfied that the major risks identified have been mitigated.

##### **Objectives**

The charity's objects 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.

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT**  
***FOR THE YEAR ENDED 31 DECEMBER 2013***

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**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.

**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.

**Objectives for the Year**

As with previous years, the charity's objectives for the year were to increase its ability to educate the public in national and international political, social and economic policy. As with previous years, this required maintaining and where possible providing greater research and events output, which in turn required the best apportionment of human resources and raising of financial resources to carry this out and to pay for programming and activities. Aside from these general activities, the Society also looked to build upon the establishment of a charitable trading arm in 2012 by increasing activity in this sub-division, as well as continuing its well-established work in its more traditional areas of research.

**Strategies for Achieving Objectives**

The charity was aware that having seen a large increase in resources over the previous years, a period of consolidation was in order. As such, it sought to achieve its objectives through a retention of donations from existing supporters and partnerships with organisations, while also seeking to increase the pool of support where possible. These strategies enabled a continuation of the high impact performance of previous years in terms of quality of research, publicity for the findings of that research, staff development and utilisation by policy makers. The role of the charity's trading arm in potentially increasing the scope of its activities was also seen for the first time through the development of a specialist conferencing function.

**Significant Achievements During the Year**

The year saw a number of significant achievements for the charity in terms of catering for its objectives, including:

A major policy conference which attracted opinion-formers and decision-makers from around the world on the subject of Iran, held in conjunction with the Washington DC think-tank The Foundation for Defense of Democracies;

The first conference hosted by Strategic Analysis, the charity's trading arm, on the subject of Managing and Insuring Terrorism in the wake of the Arab Spring;

The third major Henry Jackson Initiative for Inclusive Capitalism event, held in Washington DC at the Peterson Institute for International Economics;

The publication of a landmark study, Al-Qaeda in the United States: A Complete Analysis of Terrorism Offenses, which was launched to critical acclaim in Washington DC, and which saw one of its authors testifying to the US Congress;

The production of significant publications such as Russian Corruption: Domestic and International Consequences, In Scotland's Defence, Marginalising Egyptian Women and At What Price? Transparency and Ethics in Higher Education Funding from Overseas, amongst others;

The holding of over 100 events of various kinds to promote public education on topics of international significance;

Testimony given by staff members to various House of Commons Select Committees;

Broadcast appearances by staff on every major UK TV and radio outlet and numerous international ones, as well as in all the major UK newspapers and selected international ones.

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Plans for the Future**

The charity expects to be able to continue its organisational advancement in 2014. Having become accustomed to operating at a higher level of income and expenditure over the past two years, it is hoped that internal structures can be streamlined going forwards to allow for greater departmental efficiency and effectiveness. This in turn will allow for further frontline advances in programming and research ability, which can only occur if the administrative building blocks are in place to provide for a continued expansion to the high standards expected of a public educational body.

**Financial Review**

**Results**

The charity enjoyed a solid financial performance in 2013 reflecting its longer term growth aspirations. Income increased dramatically to £1,313,126 (2012: £1,020,659), and expenditure increased only very slightly to £1,196,726 (2012: £1,194,895). The result was a net income of £116,400. The excess income over expenditure was due to donations received for the Inclusive Capitalism Conference which was held in May 2014. Net assets were £149,748 (2012: £33,348).

**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



Dr A L Mendoza  
Trustee  
Dated: 29/09/2014



Professor B Simms  
Trustee  
Dated: 29/9/2014

# **THE HENRY JACKSON SOCIETY**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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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; 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 proper 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  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF THE HENRY JACKSON SOCIETY**

We have audited the accounts of The Henry Jackson Society for the year ended 31 December 2013 set out on pages 6 to 16. 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).

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 auditors**

As explained more fully in the Trustees' Responsibilities Statement on page 4, the Trustees, who are also the directors of the charitable company 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' 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 2013, 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 Companies Act 2006.

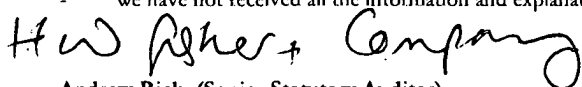
**Opinion on other matter prescribed by the Companies Act 2006**

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.

**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  
London  
NW1 3ER

Dated: 30/9/14



**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b><u>Incoming resources from generated funds</u></b>					
Donations and legacies	2	1,023,705	-	1,023,705	994,164
Activities for generating funds		28,032	-	28,032	12,767
Investment income	3	17	-	17	36
		1,051,754	-	1,051,754	1,006,967
Incoming resources from charitable activities	4	5,963	212,180	218,143	5,211
Other incoming resources	5	43,229	-	43,229	8,481
<b>Total incoming resources</b>		<b>1,100,946</b>	<b>212,180</b>	<b>1,313,126</b>	<b>1,020,659</b>
<b><u>Resources expended</u></b>					
	6				
<b>Charitable activities</b>					
Research in political, social and economic policy		1,172,582	14,565	1,187,147	1,189,095
Governance costs		9,579	-	9,579	5,800
<b>Total resources expended</b>		<b>1,182,161</b>	<b>14,565</b>	<b>1,196,726</b>	<b>1,194,895</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(81,215)</b>	<b>197,615</b>	<b>116,400</b>	<b>(174,236)</b>
Fund balances at 1 January 2013		18,783	14,565	33,348	207,584
<b>Fund balances at 31 December 2013</b>		<b>(62,432)</b>	<b>212,180</b>	<b>149,748</b>	<b>33,348</b>

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**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**

**AS AT 31 DECEMBER 2013**

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	10		7,385		10,690
Investments	11		1		1
			<u>7,386</u>		<u>10,691</u>
<b>Current assets</b>					
Debtors	12	134,051		33,823	
Cash at bank and in hand		265,134		297,617	
		<u>399,185</u>		<u>331,440</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(81,823)</u>		<u>(83,783)</u>	
<b>Net current assets</b>			<u>317,362</u>		<u>247,657</u>
<b>Total assets less current liabilities</b>			<u>324,748</u>		<u>258,348</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(175,000)</u>		<u>(225,000)</u>
<b>Net assets</b>			<u><u>149,748</u></u>		<u><u>33,348</u></u>
<b>Income funds</b>					
Restricted funds	15		212,180		14,565
Unrestricted funds			<u>(62,432)</u>		<u>18,783</u>
			<u><u>149,748</u></u>		<u><u>33,348</u></u>

The accounts were approved by the Board on 24/09/2014



Dr A L Mendoza  
**Trustee**

**THE HENRY JACKSON SOCIETY  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The charity 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 charity.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

**1.2 Incoming resources**

All incoming resources are included in the Statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing no cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.3 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.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Furniture, fittings & equipment	25% straight line
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**1.5 Investments**

Fixed asset investments are stated at market value.

**1.6 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.

**1.7 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.

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**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**1 Accounting Policies**

**(Continued)**

**1.8 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**

	2013 £	2012 £
Donations and gifts	1,023,705	994,164

**3 Investment income**

	2013 £	2012 £
Bank deposit interest received	17	36

**4 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Grants received	5,963	212,180	218,143	-
Admissions to charitable events	-	-	-	5,211
	5,963	212,180	218,143	5,211

**5 Other incoming resources**

	2013 £	2012 £
Income from educational and other activity	43,229	8,481

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**6 Total resources expended**

	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
<b>Charitable activities</b>					
<u>Research in political, social and economic policy</u>					
Activities undertaken directly	654,767	4,955	527,425	1,187,147	1,189,095
<b>Governance costs</b>	-	-	9,579	9,579	5,800
	<u>654,767</u>	<u>4,955</u>	<u>537,004</u>	<u>1,196,726</u>	<u>1,194,895</u>

Governance costs includes payments to the auditors of £6,000 (2012: £5,800) for audit fees and £3,579 (2012: £nil) for other services.

**7 Activities undertaken directly**

	2013 £	2012 £
Other costs relating to research in political, social and economic policy comprise:		
Event costs	85,848	64,283
Office costs	167,270	150,284
Legal & professional	154,614	90,545
Advertising, marketing & publishing	57,381	78,621
Travel & entertainment	62,312	82,707
	<u>527,425</u>	<u>466,440</u>

**8 Trustees**

Dr. Alan Mendoza, a trustee, received remuneration of £75,000 during the year (2012: £75,000) for his role as Executive Director of the charity, in accordance with the charity's governing document.

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**9 Employees**

**Number of employees**

The average monthly number of employees during the year was:

<b>2013</b>	<b>2012</b>
<b>Number</b>	<b>Number</b>
<b>15</b>	<b>17</b>

**Employment costs**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>589,156</b>	647,822
Social security costs	<b>65,611</b>	71,436
	<b>654,767</b>	719,258

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

	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
£70,001 - £80,000	<b>2</b>	2

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**10 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 January 2013	16,807
Additions	1,650
<b>At 31 December 2013</b>	<b>18,457</b>
<b>Depreciation</b>	
At 1 January 2013	6,117
Charge for the year	4,955
<b>At 31 December 2013</b>	<b>11,072</b>
<b>Net book value</b>	
<b>At 31 December 2013</b>	<b>7,385</b>
At 31 December 2012	10,690

**11 Fixed asset investments**

	£
<b>Market value at 1 January 2013 and at 31 December 2013</b>	<b>1</b>
Historical cost:	
At 31 December 2013	1
At 31 December 2012	1

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Strategic Analysis Limited	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**11 Fixed asset investments**

**(Continued)**

		Capital and reserves	Profit/(loss) for the year
	Principal Activities	£	£
Strategic Analysis Limited	Organising conferences and other events.	(59,758)	(50,407)

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

**12 Debtors**

	2013	2012
	£	£
Trade debtors	33,970	-
Amounts owed by group undertakings	64,304	-
Other debtors	11,216	-
Prepayments and accrued income	24,561	33,823
	<u>134,051</u>	<u>33,823</u>

Amounts falling due after more than one year and included in the debtors above are:

	2013	2012
	£	£
Amounts owed by group undertakings	<u>64,304</u>	<u>-</u>

**13 Creditors: amounts falling due within one year**

	2013	2012
	£	£
Other loans	50,000	25,000
Trade creditors	5,392	27,567
Taxes and social security costs	21,431	18,918
Other creditors	-	23
Accruals	5,000	12,275
	<u>81,823</u>	<u>83,783</u>



**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>14 Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other loans	<b>175,000</b>	<b>225,000</b>
<b>Analysis of loans</b>		
Wholly repayable within five years	<b>225,000</b>	<b>250,000</b>
Included in current liabilities	<b>(50,000)</b>	<b>(25,000)</b>
	<b>175,000</b>	<b>225,000</b>
<b>Loan maturity analysis</b>		
Debt due in one year or less	<b>50,000</b>	<b>25,000</b>
In more than one year but not more than two years	<b>75,000</b>	<b>50,000</b>
In more than two years but not more than five years	<b>100,000</b>	<b>175,000</b>
	<b>225,000</b>	<b>250,000</b>

Interest free loans totalling £225,000 (2012: £250,000) made by Lord Harry Dalmeny, the husband of Lady Caroline Dalmeny who was a trustee during the year, were outstanding at the year end. This has been included as £50,000 in creditors as other loans falling due within one year, as payment has been made in March 2014, and £175,000 in creditors as other loans falling due after more than one year. In the event of default on repayment of the loan, interest will be charged at 2% above base rate on the outstanding instalment amount only.

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**15 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2013	Movement in funds		Balance at 31 December 2013
	£	Incoming resources	Resources expended	£
China Turns West	14,565	-	(14,565)	-
Conference on Inclusive Capitalism	-	197,180	-	197,180
Other Restricted	-	15,000	-	15,000
	<u>14,565</u>	<u>212,180</u>	<u>(14,565)</u>	<u>212,180</u>

China Turns West - The project's purpose was to fund research for a book of this name to provide a fresh baseline for analysis of Chinese penetration into Central Asia. Using an 18-month timeline, the two researchers undertook a comprehensive literature review, a series of regional trips, and a series of structured interviews in China, Central Asia and in the West. From bases in Washington, London, Beijing and Shanghai, the principal researchers collected primary information and carried out interviews with relevant actors and academics to understand better the depth of China's interests in Central Asia. During 2012 a number of visits were made to counties in the region as part of the research. The final product was a book assessing the last decade of China's approach towards Central Asia which was published in 2013.

Conference on Inclusive Capitalism - This was a major international conference held in London in May 2014. Speakers included Prince Charles, President Bill Clinton, Mark Carney and Christine Lagarde. The conference was created by The Inclusive Capitalism Initiative in order to bring together global leaders from the top institutional investors, asset managers, corporations, sovereign wealth funds and financial institutions to define concrete steps that all of modern capitalism's stakeholders can take to renew trust and deliver better social and economic outcomes for all.

Other Restricted - This refers to an amount of £15,000 donated to increase the salary of a staff member.

**16 Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2013 are represented by:			
Tangible fixed assets	7,385	-	7,385
Investments	1	-	1
Current assets	187,005	212,180	399,185
Creditors: amounts falling due within one year	(81,823)	-	(81,823)
Creditors: amounts falling due after more than one year	(175,000)	-	(175,000)
	<u>(62,432)</u>	<u>212,180</u>	<u>149,748</u>

**THE HENRY JACKSON SOCIETY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**17 Contingent liabilities**

Following the year-end, the company has received a claim against it by EL Rothschild Limited and Lady Lynn Forester de Rothschild in respect of the management of, and funds raised for, the Conference on Inclusive Capitalism, which took place on 27 May 2014 as referred to in Note 15, and the entitlement to connected assets.

The maximum financial consequence of the relief sought is the return of the remaining donations provided to the company for use in relation to the Conference on Inclusive Capitalism, which amounts to £149,943. This money has been held in reserve to be used for Inclusive Capitalism conference-related projects pending the outcome of this litigation.

In addition, the company may be liable to the claimants legal costs, which cannot be quantified at this stage.

At present, it is considered that the company has a reasonable defence to the claim.

**18 Commitments under operating leases**

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013	2012
	£	£
Expiry date:		
Between two and five years	2,868	2,868

**19 Related parties**

Interest free loans totalling £225,000 (2012: £250,000) made by Lord Harry Dalmeny, the husband of trustee Lady Caroline Dalmeny, were outstanding at the year end. This has been included as £50,000 in creditors as other loans falling due within one year, as payment has been made in March 2014, and £175,000 in creditors as other loans falling due after more than one year.

The charity has provided an interest free loan of £80,000 to Strategic Analysis Limited, a wholly owned subsidiary of the charity. At the year end, £64,304 is shown within debtors due in more than one year. The loan is due to be repaid in 2015.

During the year, the charity incurred expenses of £1,640 and generated income of £500, on behalf of the Project for Democratic Union, an organisation of which Brendan Simms, a trustee of the charity, is Chairman.

At the year end, the charity owed £87 (2012: £nil) to Alan Mendoza, a trustee and director of the charity.

During the year, the charity received a donation of £21,959 (2012: £nil) from Henry Jackson Society Incorporated, a company incorporated in the United States, with common trustees.