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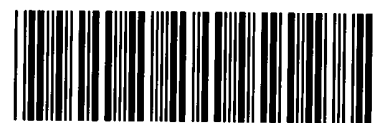
CREATIVITY ENTHUSIASM ENERGY VISION

Charity Registration No. 1140489

Company Registration No. 7465741 (England and Wales)

**THE HENRY JACKSON SOCIETY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

TUESDAY



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# THE HENRY JACKSON SOCIETY

## LEGAL AND ADMINISTRATIVE INFORMATION

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

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# THE HENRY JACKSON SOCIETY

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# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

*FOR THE YEAR ENDED 31 DECEMBER 2016*

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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 2016.

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 (resigned on 23<sup>rd</sup> January 2017)
- 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 and regular reports from the Executive Director (Dr Alan Mendoza) are taken on a majority vote basis. Operational decisions are delegated to the Executive Director, the

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# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### *FOR THE YEAR ENDED 31 DECEMBER 2016*

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Associate Director (Douglas Murray), the Deputy Director and Head of Research and Policy (Davis Lewin, who resigned on 23<sup>rd</sup> December 2016) or the Chief Operating Officer (Katie Parrett).

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 2016, the organisation's internship programme continued to be a success. We offered a range of engaging internships and one University placement aimed at politically-minded, self-motivated individuals. Interns were taken on a full-time or part-time basis. The intern roles occupied throughout 2016 were: communications assistant, events assistant and several research assistants supporting our different research centres.

#### **Subsidiary activity**

The subsidiary undertaking, Strategic Analysis Ltd, transitioned out of dormancy in December 2016.

#### **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 academic, business, media and political leaders from all demographics through a series of themed lectures, meetings and events so that they can better understand the nature of contemporary national and international affairs. Extensive 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 national and international political, social and economic policy. Our 2016 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 centre 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.
- **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

# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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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 research projects, the organisation also has two streams that support such activity:

- **Events:** a wide-ranging programme of events that showcase our projects, with high-profile and engaging speakers from a variety 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 2016

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. We aimed to achieve these objectives through our academic research, events and extensive media coverage. In addition to continually growing and diversifying our existing research centres; we aimed to expand our research resources and global coverage, elaborating on previous research conducted on post-Soviet Union states and Asia.

#### Strategies for achieving 2016 objectives

The charity sought to achieve its objectives through a combination of new and increased donations from a wider range of supporters, expanding our member's programme and generating sponsorship for appropriate events. This increased support saw the hiring, development and retention of staff, and the expansion of our research and events programme.

A greater focus on marketing and media presence helped ensure that the charity's work was brought to public attention in larger proportions than previous years. 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.

Finally, investment in operational resources in mid-2016, meant that an extensive internal transformation programme was undertaken in the last six months of the year and as a result, processes were streamlined and productivity has increased. The results of this informed an ambitious five-year business plan, approved by the Trustees in September 2016, which outlines the strategic vision, goals and objectives for the organisation up until 2020.

#### 2016 main achievements and performance

2016 saw further growth in resourcing, research, and output for the charity. Some of the notable achievements included:

- The continued 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. Over 3,500 guests attended the 100 events we hosted in 2016 with leading international speakers including: Dore Gold, Israeli Diplomat and President of the Jerusalem Center for Public Affairs; Andrew Roberts, British Historian; Tony Leon, South African Politician and former leader of the Democratic Alliance; The Lord Dannatt GCB CBE MC; Shaukat Aziz, Pakistani economist and financier; Ambassador Alexander Vershbow; and, Vladimir Kara-Mirza. Topics included: Brexit, the US Presidential Election, China: The Year Ahead in Domestic and Foreign Policy, NATO Warfare Tactics, and 25 years since the fall of the Soviet Union.
- Further increases in our international media presence, with our articles being published in major domestic and international press outlets. Our Directors and Research Fellows provided insight and

# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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analysis on a variety of networks including: BBC, Sky News and CNN, and we helped shape the headings of many publications, including The Telegraph, The New York Times, Wall Street Journal, the Sun, Spectator, the Huffington Post, National Post, and many others.

- Repeat appearances in scholarly journals including The International Journal of Security Affairs and Foreign Affairs.
- Further development of our Student Rights campus programme, examining the influence of extremists and anti-Semitism in universities.
- The Russia Studies Centre continued to make a concerted effort in its events and research programmes to examine the evolution of Russia's attempts to control the international agenda. One research paper in particular was impactful, "Putin's Cyberwar: Russia's Statecraft in the Fifth Domain", as it was added to NATO's handbook of Russian information warfare.
- The final stage of our long-term, substantial research project 'Islamist Terrorism: Analysis of Offences and Attacks in the UK: 1998 – 2015'. The project was launched in early 2017, and has been described as "the most comprehensive ever overview of the threat from Islamism-inspired terrorism in the United Kingdom".
- The publication of 16 research reports, including:
  - 'An Enduring Threat: Europe's Islamist Terror Networks Then and Now'
  - 'Myths and Misunderstandings: Understanding Opposition to the Prevent Strategy'
  - 'A Model External Speaker Policy: Assessing the Risks Posed by External Speakers On-campus'
  - 'Towards a Coherent Western Policy on the Syrian War'
  - 'An Alternative to the French Peace Initiative: A Way Forward for Israel and its Arab Neighbours'

#### Measures to assess success

The organisation critically assesses its success against its objectives. Main key performance indicators include: the number of guests at events, the number of printed and online 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 risk management policy. Consequently, the Trustees are satisfied that the major risks identified have been mitigated appropriately and there are no major threats.

#### Plans for the Future

The charity expects to be able to continue its organisational advancement in 2017. The first half of 2017 has already seen expansion in our staff and management team, and the launch of two new research centres, the Global Britain Programme and the Asia Studies Centre. Business improvement remains one of the new Chief Operating Officer's priorities with processes and policies being reviewed regularly. In addition, a strategic plan has been drafted and will be implemented in the second part of the year, with the aim of making 2017 the most

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# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

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successful year the Charity has seen in its history.

### Financial Review

The charity received 18% more income in the year 2016 compared to the previous year. The total income for the year increased to £1,313,156 (2015: £1,107,191) and the total expenditure also increased to £1,134,118 (2015: £1,066,758). The charity generated a surplus of £179,038 during the year 2016 (2015: £40,433) and unrestricted funds increased to £227,887 (2015: £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



18.9.2017

A Levin  
Trustee



18/9/2017



# **THE HENRY JACKSON SOCIETY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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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 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

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We have audited the financial statements of The Henry Jackson Society for the year ended 31 December 2016 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 2016 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

In our opinion, based on the work undertaken in the course of our audit, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the accounts, and the Trustees' Report has been prepared in accordance with applicable legal requirements.

# **THE HENRY JACKSON SOCIETY**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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#### **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

United Kingdom

25/9/17

# THE HENRY JACKSON SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	2	1,169,629	1,057,786
Charitable activities	3	2,821	-
Other trading activities	4	139,812	49,013
Investment income	5	124	134
Other income	6	770	258
		<hr/>	<hr/>
<b>Total income and endowments</b>		1,313,156	1,107,191
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	1,134,118	1,066,758
		<hr/>	<hr/>
<b>Net income for the year/ Net movement in funds</b>		179,038	40,433
		<hr/>	<hr/>
Fund balances at 1 January 2016		48,849	8,416
		<hr/>	<hr/>
<b>Fund balances at 31 December 2016</b>		227,887	48,849
		<hr/>	<hr/>

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

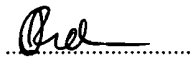
# THE HENRY JACKSON SOCIETY

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	11		2,357		5,671
Investments	12		1		1
			<u>2,358</u>		<u>5,672</u>
<b>Current assets</b>					
Debtors	14	133,342		63,563	
Cash at bank and in hand		145,365		185,344	
		<u>278,707</u>		<u>248,907</u>	
<b>Creditors: amounts falling due within one year</b>	16	(53,178)		(205,730)	
Net current assets			225,529		43,177
<b>Total assets less current liabilities</b>			<u>227,887</u>		<u>48,849</u>
<b>Income funds</b>					
Unrestricted funds - general			227,887		48,849
			<u>227,887</u>		<u>48,849</u>

The accounts were approved by the Trustees on 18/09/2017



Dr A L Mendoza  
Trustee

Company Registration No. 7465741

# THE HENRY JACKSON SOCIETY

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		60,483		122,009
<b>Investing activities</b>					
Purchase of tangible fixed assets		(586)		(3,789)	
Interest received		124		134	
<b>Net cash used in investing activities</b>			(462)		(3,655)
<b>Financing activities</b>					
Repayment of borrowings		(100,000)		(75,000)	
<b>Net cash used in financing activities</b>			(100,000)		(75,000)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(39,979)		43,354
Cash and cash equivalents at beginning of year			185,344		141,990
<b>Cash and cash equivalents at end of year</b>			145,365		185,344

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **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 under the historical cost convention. The principal accounting policies adopted are set out below.

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 2016**

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### **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
--------------------------------	-------------------

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 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.

#### **1.9 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **1.10 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 2016

### 1 Accounting policies

(Continued)

#### 1.11 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.

#### 1.12 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.

#### 1.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts.

Prepayments are valued at the amount prepaid net of any trade discounts due.

#### 1.14 Creditors and provisions

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

#### 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

	2016	2015
	£	£
Donations and gifts	1,157,191	1,039,213
Membership fees	12,438	18,573

All donations and gifts in 2015 and 2016 are unrestricted funds.

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### 3 Charitable activities

	2016	2015
	£	£
Incoming resources from charitable activities	<u>2,821</u>	<u>-</u>

All incoming resources from charitable activities in 2015 and 2016 are unrestricted.

### 4 Other trading activities

	2016	2015
	£	£
Activities for generating funds	<u>139,812</u>	<u>49,013</u>

### 5 Investment income

	2016	2015
	£	£
Bank deposit interest received	<u>124</u>	<u>134</u>

### 6 Other income

	2016	2015
	£	£
Other incoming resources	<u>770</u>	<u>258</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 7 Charitable activities

	2016 £	2015 £
Staff costs	752,302	638,436
Depreciation and impairment	3,900	5,502
Events	71,989	53,595
Research	22,803	37,575
Office costs	185,409	191,921
	<u>1,036,403</u>	<u>927,029</u>
Share of support costs (see note 8)	85,001	128,728
Share of governance costs (see note 8)	12,714	11,001
	<u>1,134,118</u>	<u>1,066,758</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	<u>1,134,118</u>	
	<u>1,134,118</u>	
<b>For the year ended 31 December 2015</b>		
Unrestricted funds - general		<u>1,066,758</u>
		<u>1,066,758</u>

### 8 Support costs

	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Staff costs	36,204	4,125	40,329	34,226	
Office costs	24,030	-	24,030	75,119	
Legal and professional	24,767	-	24,767	22,884	
Audit fees	-	8,589	8,589	7,500	Governance
	<u>85,001</u>	<u>12,714</u>	<u>97,715</u>	<u>139,729</u>	
Analysed between					
Charitable activities	<u>85,001</u>	<u>12,714</u>	<u>97,715</u>	<u>139,729</u>	

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 9 Trustees

Dr. Alan Mendoza, a trustee, received remuneration of £118,512 during the year (2015: £88,512) for his role as Executive Director of the charity, in accordance with the charity's governing document. No other trustees received remuneration for their role as trustees.

#### 10 Employees

##### Number of employees

The average monthly number employees during the year was:

2016	2015
Number	Number
18	16

##### Employment costs

	2016	2015
	£	£
Wages and salaries	717,487	607,734
Social security costs	75,144	64,928
	<u>792,631</u>	<u>672,662</u>

The total amounts of employee emoluments received by the senior management team were £326,862 (2015: £260,961). The highest paid member of the senior management team received emoluments of £118,512 (2015: £88,512).

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

	2016	2015
	Number	Number
£60,001 - £70,000	-	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
Over £90,001	<u>1</u>	<u>-</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets		Fixtures, fittings & equipment
		£
<b>Cost</b>		
At 1 January 2016		28,851
Additions		586
Disposals		(3,888)
		<u>25,549</u>
At 31 December 2016		25,549
<b>Depreciation and impairment</b>		
At 1 January 2016		23,180
Depreciation charged in the year		3,900
Eliminated in respect of disposals		(3,888)
		<u>23,192</u>
At 31 December 2016		23,192
<b>Carrying amount</b>		
At 31 December 2016		<u>2,357</u>
At 31 December 2015		<u>5,671</u>

12 Fixed asset investments		2016	2015
	Notes	£	£
Investments in subsidiaries	19	<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
	£
<b>Cost</b>	
At 1 January 2016 & 31 December 2016	<u>1</u>
<b>Carrying amount</b>	
At 31 December 2016	<u>1</u>
At 31 December 2015	<u>1</u>

13 Financial instruments		2016	2015
		£	£
<b>Carrying amount of financial assets</b>			
Debt instruments measured at amortised cost		<u>77,717</u>	<u>30,914</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

		(Continued)	
13	Financial instruments	2016	2015
	Carrying amount of financial liabilities		
	Measured at amortised cost	30,639	87,161
		<u>          </u>	<u>          </u>
14	Debtors		
		2016	2015
	Amounts falling due within one year:	£	£
	Trade debtors	33,381	1,535
	Amounts due from subsidiary undertakings	19,242	20,137
	Other debtors	15,473	29,379
	Prepayments and accrued income	65,246	12,512
		<u>          </u>	<u>          </u>
		133,342	63,563
		<u>          </u>	<u>          </u>
15	Loans and overdrafts		
		2016	2015
		£	£
	Other loans	-	100,000
		<u>          </u>	<u>          </u>
	Payable within one year	-	100,000
		<u>          </u>	<u>          </u>
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 during the year.			
16	Creditors: amounts falling due within one year		
		2016	2015
		£	£
	Borrowings	-	100,000
	Other taxation and social security	22,539	18,569
	Trade creditors	1,865	54,615
	Other creditors	3,556	2,520
	Accruals and deferred income	25,218	30,026
		<u>          </u>	<u>          </u>
		53,178	205,730
		<u>          </u>	<u>          </u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### 17 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:

	2016 £	2015 £
Within one year	114,198	87,870
Between two and five years	125,287	6,053
	<u>239,485</u>	<u>93,923</u>

### 18 Related party transactions

#### Transactions with related parties

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

	Donations received	
	2016 £	2015 £
Henry Jackson Society Inc	456,136	100,000
	<u>456,136</u>	<u>100,000</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 18 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016			Amounts owed by related parties 2015		
	Balance £	Provision £	Net £	Balance £	Provision £	Net £
Strategic Analysis Limited	69,304	50,062	19,242	69,304	49,167	20,137
	<u>69,304</u>	<u>50,062</u>	<u>19,242</u>	<u>69,304</u>	<u>49,167</u>	<u>20,137</u>



# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 19 Subsidiaries

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

Details of the charity's subsidiaries at 31 December 2016 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	(895)	(51,057)

20 Cash generated from operations	2016	2015
	£	£
Surplus for the year	179,038	40,433
Adjustments for:		
Investment income recognised in profit or loss	(124)	(134)
Depreciation and impairment of tangible fixed assets	3,900	5,502
Movements in working capital:		
(Increase)/decrease in debtors	(69,779)	54,470
(Decrease)/increase in creditors	(52,552)	21,738
<b>Cash generated from operations</b>	<b>60,483</b>	<b>122,009</b>