Charity Registration No 1140489
Company Registration No 7465741 (England & Wales)

THE HENRY JACKSON SOCIETY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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LEGAL AND ADMINISTRATIVE INFORMATION

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

THE HENRY JACKSON SOCIETY
(A company limited by guarantee)

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TRUSTEES' REPORT

The trustees are pleased to present their report together with the financial statements of the company for the year ended 31 December 2014.

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:-

The Rt Hon The Lord Trimble (resigned 22 January 2014)
Mrs Gisela Stuart MP
Professor Brendan Simms
Dr Alan Mendoza
Mr Stuart Caplan
Mr David Rasouly
The Lady Dalmeny (resigned 25 June 2014)
Mr Damian Collins MP
Adam Levin (appointed 21 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.

Activities of the Charity

The charity works to bring together members of the public and political, business, media and academic leaders so that they can better understand the nature of contemporary national and international affairs. This is achieved through published research over a variety of national and international policy topics, themed lectures, conferences, meetings and events.

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 involved maintaining and improving its research and events output, but being mindful that increases in quantity could only be justified if quality levels of products and services offered could be maintained. As ever, ensuring a secure financial base from which to operate remained a paramount objective.

Strategies for Achieving Objectives

The charity sought to achieve its objectives for the year through maintenance of existing partnerships with donors and partner organisations, as well as the development of new ones. A focus on research quality was also maintained and improved through internal changes which resulted in a more streamlined ability to produce educational output that could then be disseminated effectively. As part of the latter approach, the decision was taken to concentrate a key area of the charity's work through the creation of a new themed research and analysis division: The Centre for the Response to Radicalisation and Terrorism. By adopting an approach that flagged a key area of its research content to the public and policy-makers in an obvious way, the charity felt that this would better aid its ability to convey its work to target audiences so that they could benefit from it. As always, a large part of the charity's strategy was to ensure that its staff continued to develop professionally and make ever greater contributions in their field of expertise.

Significant Achievements During the Year

The year saw a number of noteworthy achievements where the charity was able to demonstrate its public educational value. These included:

- Continuing the work of the Henry Jackson Initiative for Inclusive Capitalism, a research centre focusing on business and economic well-being and how business can take the lead to make the capitalist system a more inclusive one, by acting as the secretariat for the inaugural Conference on Inclusive Capitalism, where it provided logistical and content detail support to the main conference organizer, the Financial Times. This major global conference attracted business and thought leaders from around the world and was held in the Mansion House and Guildhall;

- The creation of the Centre for the Response to Radicalisation and Terrorism, to concentrate the charity's work in this area into an easily recognisable form, as well as increasing the flow of resources to this important and highly visible area of its work;

- A major study entitled 'A Guide to Refuting Jihadism', which sought to examine the theological basis of claims and counter-claims of interpretations of Islam and explain these to a wider audience; was endorsed by major Islamic authorities including Sunni Islam's most prestigious University;

- The publication of a number of major research works covering areas as diverse as Russia and Ukraine, an assessment of the Arab Spring, the rise of 'outsider' parties within the European Union, (a landmark guide in the run-up to the May 2014 elections , which forecasted the rise of traditionally fringe parties in the elections and their associations to less than savory bedfellows and their policies), terrorism in the Middle East, and a technical assessment of the Iranian nuclear programme, among others;

- The launch of a new 'Policy Papers' series of publications providing research expertise to create solutions to pressing policy issues;

- The reinvigoration of a 'Briefings' series of publications, bringing a shorter, sharper focus on key issues than allowed for in longer research publications;

- The continuation and expansion of a 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. As in previous years, approximately 100 events were held in 2014, covering diverse and topical subjects such as 'From State-Building to Society-Building: The Road Ahead for Israel', 'Resilience, Response, Collaboration: Electric Infrastructure Security Summit V' and 'Prospects for Russia after Putin: Five Years from The Death of Sergei Magnitsky', to name just a very few examples;

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

- Our reputation for expertise in global policy areas is increasingly being called upon by governments, not only in the UK, but also overseas. Research Fellow Robin Simcox was asked to testify, as the lone foreign expert, on a panel before the US Homeland Security's Subcommittee on Counter-terrorism and Intelligence, imparting counter-terrorism measures HJS has been researching. Dr Andrew Foxall, the Director of HJS' Russia Studies Centre, was invited to testify before the House of Lords Arctic Committee, highlighting the motivations behind the Kremlin's increased activity in the region.

Plans for the Future

The charity expects to be able to continue its development in 2015 by focusing its efforts on areas of its core expertise in order to best meet the public educational needs of its beneficiaries.
Research will be conducted on the Middle East, Russia, international security, transatlantic relations, defence policy, counter-terrorism and counter-radicalisation strategy, and the charity expects to be able to publish the results of these areas of research as well as hosting events as part of its educational programme. As well as relying on the output of its in-house experts, the charity will also seek to augment its report output by commissioning external authors to work on specific projects.

By continuing its development in areas of recognised research and organisational excellence the charity expects to advance its objectives and provide the most benefit from the resources it has available.

Financial Review

Results

The charity enjoyed a solid financial performance in 2014 reflecting its longer term growth aspirations. Income increased by 24.5% to £1,634,734 (2013: £1,313,126), and expenditure also rose from £1,196,726 to £1,776,066 to reflect greater staffing and programmatic output and activity, and particularly the Conference on Inclusive Capitalism which took place in May 2014. The result was a deficit of £141,332 (2013: surplus £116,400). This deficit is entirely due to expenditure on the Conference - which was largely incurred in 2014, while part of the funding for the conference was received and recognised in 2013, but was not expended until 2014. The charity recorded a surplus on its core activities of £70,848 and the balance on unrestricted funds moved from -£62,432 to £8,416 during the year.

Reserves Policy

The charity aims to hold levels of reserves of at least three month's operating expenses and to increase this to a higher level during 2015, in order to ensure that the charity's stated objectives are continually met.

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

Mr David Rasouly
Trustee
Dated: 25.09.2015

Dr Alan Mendoza
Trustee
Dated: 25/09/2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 (UK 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 the year.

In preparing these accounts, the Trustees are required to:-

- select suitable accounting policies and 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 AUDITOR'S 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 2014 set out on pages 10 to 18. 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 8, 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 2014, 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

30/9/15

THE HENRY JACKSON SOCIETY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Un-restricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources from generated funds					
Donations and legacies	2	1,072,753	-	1,072,753	1,023,705
Activities for generating funds		85,252	-	85,252	28,032
Investment income	3	180	-	180	17
		1,158,185	0	1,158,185	1,051,754
Incoming resources from charitable activities	4	-	419,290	419,290	218,143
Other incoming resources	5	57,259	-	57,259	43,229
Total incoming resources		1,215,444	419,290	1,634,734	1,313,126
Resources expended	6				
Charitable activities					
Research in social & economic policy		1,130,694	631,470	1,762,164	1,187,147
Governance costs		13,902	-	13,902	9,579
Total resources expended		**1,144,596**	**631,470**	**1,776,066**	**1,196,726**
Net income for the year		**70,848**	**(212,180)**	**(141,332)**	**116,400**
Fund balances at 1 January 2014		**(62,432)**	**212,180**	**149,748**	**33,348**
Fund balances at 31 December 2014		**8,416**	**0**	**8,416**	**149,748**

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

Reg No: 07465741

THE HENRY JACKSON SOCIETY
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BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	10		7,384		7,385
Investments	11		1		1
			7,385		7,386
Current assets					
Debtors	12	118,033		134,051	
Cash		141,990		265,134	
		260,023		399,185	
Creditors : Amounts falling due within one year	13	(158,992)		(81,823)	
Net current assets			101,031		317,362
Total assets less current liabilities			108,416		324,748
Creditors : Amounts falling due after more than one year	14		(100,000)		(175,000)
Net assets			8,416		149,748
Income funds					
Restricted funds	15		0		212,180
Unrestricted funds			8,416		(62,432)
			8,416		149,748

The accounts were approved by the Board on:

25/09/2015

Dr A L Mendoza
Trustee

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES

1.1 Accounting convention

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.

No amounts are included in the financial statements for services donated by volunteers.

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

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 attributed to particular activities they have been allocated on a basis consistent with the use of resources.

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

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

1.4 Fixed Assets

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:

Fixtures, fittings and equipment	25% straight line

The investment asset consist of one £1 share in Strategic Analysis Ltd, being the whole of the issued share capital of the company.

1.5 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 2. 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.

1.6 Fund Accounting

Unrestricted funds are those 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.

1.7 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

	2014	2013
	£	£
Donations and Gifts	1,072,753	1,023,705

3 INVESTMENT INCOME

	2014	2013
	£	£
Bank deposit interest received	180	17

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Un-restricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Grants and donations received	-	419,290	419,290	218,143

5 OTHER INCOMING RESOURCES

	2014	2013
	£	£
Income from educational and other activity	57,259	43,229

6 TOTAL RESOURCES EXPENDED

Charitable activities	Staff £'000s	Depreciation £'000s	Other £'000s	Total 2014 £'000s	Total 2013 £'000s
Research in social and economic policy					
Activities undertaken directly	764,035	6,606	991,523	1,762,164	1,187,147
Governance costs			13,902	13,902	9,579
	764,035	6,606	1,005,425	1,776,066	1,196,726

Governance costs includes payments to the auditors of £6,800 (2013 : £6,000) for audit fees and £7,102 (2013 £3,579) for other services.

7 ACTIVITIES UNDERTAKEN DIRECTLY

Other costs relating to research in social & economic policy comprise:

	2014 £	2013 £
Event costs	580,115	85,848
Office costs	245,451	167,270
Legal & Professional	56,825	154,614
Advertising, marketing and publishing	51,817	57,381
Travel & entertainment	57,315	62,312
	991,523	527,425

8 TRUSTEES

Dr Alan Mendoza, a trustee, received remuneration of £90,000 during the year (2013 : £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. One trustee was reimbursed an amount of £233.60 for travelling expenses incurred for attendance at meetings.

9 EMPLOYEES

Number of employees	2014 Number	2013 Number
The average number of employees during the year was	17	15

Employment costs

	2014 £	2013 £
Wages & salaries	687,908	589,156
Social security costs	76,127	65,611
	764,035	654,767

The number of employees whose annual emoluments were £60,000 or more was:-	2014 Number	2013 Number
£60,001 - £70,000	2	0
£70,001 - £80,000	0	2
£80,001 - £90,000	1	0
	3	2

10 TANGIBLE FIXED ASSETS

Fixtures, fittings & equipment	2014 £
Cost at 1 January 2014	18,457
Additions	6,605
At 31 December 2014	25,062
Depreciation at 1 January 2014	11,072
Charge for year	6,606
At 31 December 2014	17,678
Net book value at 31 December 2014	7,384
Net book value at 31 December 2013	7,385

11 FIXED ASSET INVESTMENTS

Investment in subsidiary

Value at 1 January 2014 and 31 December 2014	£1

The company holds the entire issued share capital of Strategic Analysis Ltd, a company incorporated in England. This company has not traded since June 2014. It has capital and reserves (£48,704) and in 2014 it made a profit of £11,054. The figures for this company have not been consolidated into the account as they are not material to the group. There are no current plans for Strategic Analysis to recommence trading.

12 DEBTORS	2014	2013
	£	£
Trade Debtors	9,603	33,970
Amounts owed by group undertaking	69,304	64,304
Other debtors	8,208	11,216
Rent deposit - Millbank Tower offices	27,275	-
Prepayments & accrued income	3,643	24,561
	118,033	134,051

The rent deposit represents 3 months rental on the Society's offices in Millbank Tower and is returnable on surrender of the lease.

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	20,220	5,392
Taxation & Social Security	19,707	21,431
Other loans	75,000	50,000
Accruals & deferred income	44,065	5,000
	158,992	81,823

14 CREDITORS : AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Loan	100,000	175,000
Analysis of loans		
Wholly repayable within five years	175,000	225,000
Included in current liabilities	(75,000)	(50,000)
	100,000	175,000
Loan maturity analysis		
Debt due in one year or less	75,000	50,000
In more than one year but not more than two years	100,000	75,000
In more than two years but not more than five years	-	100,000
	175,000	225,000

Interest free loans totalling £175,000 (2013 : £225,000) made by Lord Harry Dalmeny, the former husband of Lady Caroline Dalmeny, who was a Trustee until June 2014, were outstanding at the year-end. This has been included as £75,000 in creditors as other loans falling due within one year as payment has been made in March 2015 and £100,000 in creditors as 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 amount only.

15 RESTRICTED FUNDS

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

	Balance at 1.1.2014	Incoming resources	Resources expended	Balance at 31.12.2014
	£	£	£	£
Conference on inclusive capitalism	197,180	419,290	(616,470)	0
Other restricted	15,000	-	(15,000)	0

Conference on Inclusive Capitalism - this was a major conference held in London in May 2014. Speakers included Prince Charles, President Bill Clinton, Mark Carney and Christine Lagarde. The conference was created 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, with the charity acting as its secretariat. Following the Conference the charity received a claim against it, which was settled in October 2014 with no admission of liability.
With all commitments having been fully discharged and having decided to cease its work in this area of operations, the remaining funds received for Inclusive Capitalism were transferred externally by the charity to assist with continuing efforts to further work in this important area of education.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2014 are represented by:			
Tangible fixed assets	7,384	0	7,384
Investments	1	0	1
Current assets	260,023	0	260,023
Creditors : amounts due within one year	(158,992)	0	(158,992)
Creditors : amounts falling due within one year	(100,000)	0	(100,000)
	8,416	0	8,416

17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:-

	2014	2013
	£	£
Expiring between two and five years	148,630	2,868

18 RELATED PARTY TRANSACTIONS

Interest free loans totalling £175,000 made by Lord Harry Dalmeny, the former husband of former Trustee Lady Caroline Dalmeny, were outstanding at the year-end. This has been included as £75,000 in creditors due within one year as payment was made in March 2015, and £100,000 in creditors as other loans falling due in more than one year.

The company has provided an interest free loan facility of up to £90,000 to Strategic Analysis Ltd, a wholly owned subsidiary. A total of £80,000 was borrowed and at the year-end £69,304 was outstanding and is shown within debtors.