

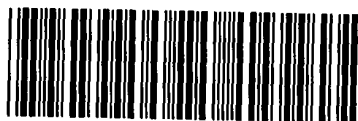
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Charity Registration No. 1140489

Company Registration No. 07465741 (England and Wales)

**THE HENRY JACKSON SOCIETY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

THURSDAY



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26/09/2019

#169

COMPANIES HOUSE

# THE HENRY JACKSON SOCIETY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	S L Caplan	
	Dr A L Mendoza	
	D Rasouly	
	Professor B P Simms	
	G G Stuart	
	G Defries	(Appointed 22 May 2019)
<b>Charity number</b>	1140489	
<b>Company number</b>	07465741	
<b>Registered office</b>	26th Floor Millbank Tower London SW1P 4QP	
<b>Auditor</b>	HW Fisher 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 2018***

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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 2018.

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 Adam Levin (resigned 22 May 2019)
- Dr Alan Mendoza
- Mr David Rasouly
- Professor Brendan Simms
- Ms Gisela Stuart

Mr Graham Defries (appointed 22 May 2019)

#### **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, or the Chief Operating Officer (Katie Parrett until 31 May 2019, now Louise Menard from 17 July 2019).

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 HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **The scale and nature of volunteer activity**

Throughout 2018, the organisation's internship programme continued to be a success. We offered a range of engaging internships, and work experience opportunities aimed at politically-minded, self-motivated individuals. Interns were taken on a full-time or part-time basis, to suit their requirements. The intern roles occupied throughout 2018 were: communications assistant, business intern, events assistant and several research assistants supporting our different research centres. All volunteers are offered access to internal training programmes, the opportunity to be mentored by a senior researcher or member of the management team. They are also coached by the Operations team on recruitment practices and career development.

#### **Subsidiary activity**

The subsidiary undertaking, Strategic Analysis Limited, traded during the year but its results are immaterial to the group. A Framework of Operations was established between the two organisations, and all activity in the subsidiary is governed using this framework. This process is overseen by the Chief Operating Officer, who is accountable to both Boards of Directors for the process. The results of Strategic Analysis Limited have not been consolidated within these financial statements.

#### **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 2018 achievements in landmark research publications, our extensive events programme, our national and international media coverage and education of the public, have ensured that these purposes were met.

##### **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 on 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 in relation to the effects of violent and non-violent extremism.
- **The Russia and Eurasia Studies Centre:** undertakes in-depth, analytically-focused research into domestic and foreign policy issues in Russia and the other post-Soviet states.
- **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 and studies extremism 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 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.
- **The Global Britain Programme:** established in June 2017, by a founding member of the Henry Jackson Society, the programme aims to educate the public on the need for an open, confident and expansive British geostrategic

# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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policy in the twenty-first century – drawing on the United Kingdom's unique strengths not only as an advocate for liberalism and national democracy, but also a custodian of both the European and international orders.

- **The Asia Studies Centre:** established in January 2017, the centre provides an in-depth understanding of the structural shifts, regional complexities and historic tensions that exist alongside the tremendous economic and social growth that traditionally characterize the "rise of Asia".
- **Centre for Social and Political Risk:** established in 2018, the centre's purpose is to underscore the potential harm that various forms of social, cultural and political insecurity, conflict and disengagement can pose to long-term sustainability of democracies.

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 and contribute to public education through dissemination of information.

#### Objectives for 2018

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 increasing the breadth of our academic research, events and media coverage across all expert communities. In addition to growing and diversifying our research centres, we aimed to expand our operational capability to support a growing research base and to increase our influence and impact.

#### Strategies for achieving 2018 objectives

The Henry Jackson Society (HJS) was able to expand our membership programme and diversify our revenue streams due to increased donations from a wider range of supporters. The charity saw the hiring, development and retention of staff, and the expansion of our management and operational teams due to this additional support.

The charity's work was brought to a larger audience than previous years due to a continued focus on marketing and media presence. We were able to respond swiftly to events, highlight our contribution to public education and demonstrate our position as educators on national and international issues due to our ongoing analysis on trends and forecasting around our specialist research centres.

#### 2018 main achievements and performance

In 2018 we celebrated major achievements and we continued to produce in-depth research and high-quality publications (21), which have been widely circulated to the government, media and general public. In addition, our policy research was received and echoed in public discourse, as well as being reflected in government policy, due to extensive government and media engagement. Our experts have been consulted by relevant government departments, the police, the military and the media. They have also provided background information, guidance and commentary on a variety of topics and testimonies to inquiry committees. Our experts have contributed to the development of key pieces of public policy through their research being adopted by others, and have educated about the growing and significant extremist presence on British university campuses.

Our thriving events programme has continued to be successful in 2018, with over 100 events, many of which were held in Parliament owing to the support of a cross-party group of Parliamentarians. This has allowed our message to directly reach thought leaders and opinion formers, as well as the public attending events. This year we hosted an outstanding range of scholars, diplomats, and world-leading experts, attracting diverse and high-calibre audiences, and reaffirming our prominence as the number one policy-hub in London.

# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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Specific notable achievements included:

- The launch of our new Centre for Social and Political Risk.
- Hosted over 100 events and briefings in Parliament and at the HJS' headquarters, welcoming Sir Geoffrey Nice QC, Prosecutor at the International Criminal Tribunal for the former Yugoslavia, Admiral James Foggo III commander, Allied Joint Forces Command, Naples, former Prime Minister of Israel, Ehud Olmert, Marina Litvinenko, activist and campaigner Secretary Michael Chertoff, former US Secretary of Homeland Security, Admiral Scott Swift and Bill Browder, investor and human rights activist.
- Produced 21 major research publications. These ranged from in-depth reports, to shorter policy papers geared towards making policy-relevant recommendation, including:
  - *Ballot Rigging, Bribery, Beatings and Elimination*
  - *Tolerating the Intolerant: A Report on Students not Suspects*
  - *Russia's Economic Prospects - Modernisation or Stagnation?*
  - *Terror Overseas: Understanding The GCC Counter Extremism and Counter Terrorism Trends*
  - *The Strange Investigation of a Strange Terrorist Attack*
  - *Wolves in Sheep's Clothing: How Islamist Extremists Exploit the UK Charitable Sector*
  - *Prison Management of Terrorism-Related Offenders: Is Separation Effective?*
  - *Profiting From Prejudice: How Mend's IAM Campaign Legitimised Extremism*
  - *Terror in The Dark: How Terrorists use Encryption, the Darknet and Cryptocurrencies*
  - *Going Ballistic: Responding to Iranian Missile Advances*
  - *Global Britain in the Indo-Pacific*
  - *Defending Europe: Global Britain and the Future of European Geopolitics*
  - *A Definition of Contemporary Russian Conflict: How Does the Kremlin Wage War?*
  - *SOSAC: What's it Good for?*
  - *Negotiating The Peace: Diplomacy on the Korean Peninsula*
  - *Radical Islam Anthology*
  - *Terrorism in the West: An Age of Extremes*
  - *Putin Sees & Hears It All: How Russia's Intelligence Agencies Menace the UK*
  - *Out of the Shadows: Conspiracy Thinking on Immigration*
  - *Extremism on the Airwaves*

#### 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 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 2019. This will be achieved by: increasing our income through our membership programme and developing a corporate membership stream in common with other thinktanks; events sponsorship; improving our influence with increased parliamentary and civil servant engagement, and

# THE HENRY JACKSON SOCIETY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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furthering our impact with heightened media engagement. Business improvement remains one of the Chief Operating Officer's priorities with processes and policies being reviewed regularly.

#### Financial Review

The charity received a similar level of income in the year 2018 compared to the previous year. The total income for the year was £1,418,650 (2017: £1,266,205). The total expenditure for the year increased by 19% to £1,560,197 (2017: £1,311,478) due to the expansion of its staff and activities. The charity incurred a deficit of £141,567 during the year 2018 (2017: £45,273 deficit). The unrestricted funds decreased to £41,067 (2017: £182,614).

#### Reserves Policy

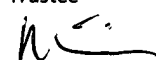
The charity aims to hold levels of reserves of at least three months operating expenses. It is not the intention of the Trustees to accumulate reserves and the Trustees seek to distribute all funds above the required level in accordance with the charity's stated objectives.

#### 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.

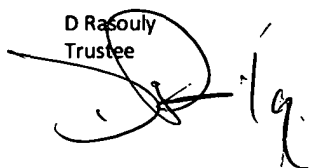
On behalf of the Board of Trustees

Professor B P Simms  
Trustee



5/09/19

D Rasouly  
Trustee



5/9/19



# THE HENRY JACKSON SOCIETY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### ***FOR THE YEAR ENDED 31 DECEMBER 2018***

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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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 financial statements 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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#### Opinion

We have audited the financial statements of The Henry Jackson Society (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements 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; or

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Rich (Senior Statutory Auditor)**  
for and on behalf of HW Fisher

**Chartered Accountants**  
**Statutory Auditor**  
Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom

25/9/19

# THE HENRY JACKSON SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds 2018 £	Unrestricted funds 2017 £
	Notes		
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	1,363,440	1,244,882
Other trading activities	4	51,383	17,602
Investment income	5	7	9
Other income	6	3,820	3,712
<b>Total Income</b>		<b>1,418,650</b>	<b>1,266,205</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	1,560,197	1,311,478
<b>Net expenditure for the year/ Net movement in funds</b>		<b>(141,547)</b>	<b>(45,273)</b>
Fund balances at 1 January 2018		182,614	227,887
<b>Fund balances at 31 December 2018</b>		<b>41,067</b>	<b>182,614</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

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	11		2,517		5,026
Investments	12		1		1
			<u>2,518</u>		<u>5,027</u>
<b>Current assets</b>					
Debtors	14	55,026		80,158	
Cash at bank and in hand		59,525		173,876	
		<u>114,551</u>		<u>254,034</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(76,002)</u>		<u>(76,447)</u>	
Net current assets			38,549		177,587
<b>Total assets less current liabilities</b>			<u>41,067</u>		<u>182,614</u>
<b>Income funds</b>					
Unrestricted funds			41,067		182,614
			<u>41,067</u>		<u>182,614</u>

The financial statements were approved by the Trustees on 05/09/2019



Dr A L Mendoza  
Trustee

5/09/19.

Company Registration No. 07465741

# THE HENRY JACKSON SOCIETY

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	19		(112,748)		34,888
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,610)		(6,386)	
Interest received		7		9	
<b>Net cash used in investing activities</b>			(1,603)		(6,377)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(114,351)		28,511
Cash and cash equivalents at beginning of year			173,876		145,365
<b>Cash and cash equivalents at end of year</b>			<u>59,525</u>		<u>173,876</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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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

The accounts have been prepared in accordance with FRS 102 "The Financial Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements 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 the trustees expect to continue to receive donations from major donors. The charity relies on continued support from Henry Jackson Society Inc, a US entity which has common trustees with The Henry Jackson Society. See note 17 for further information. 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.

##### 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.

Membership fee income is recognised on an accruals basis.

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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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, net of depreciation and any impairment losses.

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

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

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

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.

#### 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.

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.



# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 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.

#### 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 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the trustees, there are no accounting estimates or judgements that require disclosure in the financial statements.

### 3 Donations and legacies

	2018	Unrestricted funds 2017
	£	£
Donations and gifts	1,336,466	1,220,040
Membership fees	26,974	24,842
	<u>1,363,440</u>	<u>1,244,882</u>

All donations and gifts in 2017 and 2018 are unrestricted funds.

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Other trading activities

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Activities for generating funds	51,383	17,602

### 5 Investment income

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Bank deposit interest received	7	9

### 6 Other income

	2018 £	2017 £
Other incoming resources	3,820	3,712

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 Charitable activities

	2018 £	2017 £
Staff costs	915,316	796,883
Depreciation and impairment	4,119	3,717
Events	198,616	140,824
Research	14,491	14,194
Office costs	262,654	230,508
	<u>1,395,196</u>	<u>1,186,126</u>
Support costs (see note 8)	136,078	106,271
Governance costs (see note 8)	28,923	19,081
	<u>1,560,197</u>	<u>1,311,478</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	1,560,197	1,311,478
	<u>1,560,197</u>	<u>1,311,478</u>

Included within charitable activities is rental operating lease expenditure of £142,333 (2017: £90,918).

### 8 Support costs

	Support costs £	Governance costs £	2018 £	Support costs £	Governance costs £	2017 £
Staff costs	72,977	18,584	91,561	66,137	9,581	75,718
Office costs	36,683	-	36,683	16,738	-	16,738
Legal and professional	26,418	-	26,418	23,396	-	23,396
Audit fees	-	10,339	10,339	-	9,500	9,500
	<u>136,078</u>	<u>28,923</u>	<u>165,001</u>	<u>106,271</u>	<u>19,081</u>	<u>125,352</u>

### 9 Trustees

Dr. Alan Mendoza, a trustee, received remuneration during the year of £135,000 (2017: £120,000), including £670 (2017: £290) of pension contributions, for his role as Executive Director of the charity, in accordance with the charity's governing document. No other trustees received remuneration or were reimbursed expenses for their role as trustees.

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
	20	19

##### Employment costs

	2018 £	2017 £
Wages and salaries	899,490	785,212
Social security costs	95,753	83,984
Other pension costs	11,634	3,405
	<u>1,006,877</u>	<u>872,601</u>

The total amounts of employee emoluments received by the senior management team were £329,000 (2017: £311,594). The highest paid member of the senior management team received emoluments of £135,000 (2017: £120,000).

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

	2018 Number	2017 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
Over £90,001	1	1

#### 11 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 January 2018	31,935
Additions	1,610
At 31 December 2018	<u>33,545</u>
<b>Depreciation and impairment</b>	
At 1 January 2018	26,909
Depreciation charged in the year	4,119
At 31 December 2018	<u>31,028</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>2,517</u>
At 31 December 2017	<u>5,026</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	18	1	1

#### Movements in fixed asset investments

	Shares £
<b>Cost</b>	
At 1 January 2018 & 31 December 2018	1
<b>Carrying amount</b>	
At 31 December 2018	1
At 31 December 2017	1

### 13 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	23,016	36,902
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	37,648	42,254

### 14 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	10
Amounts owed by subsidiary undertakings	6,713	7,203
Other debtors	16,303	36,892
Prepayments and accrued income	32,010	36,053
	55,026	80,158

# HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Other taxation and social security	26,435	29,104
Trade creditors	10,809	1,700
Other creditors	15,023	16,997
Accruals and deferred income	23,735	28,646
	<u>76,002</u>	<u>76,447</u>

Included in accruals and deferred income is an amount of £11,919 (2017: £13,307) being deferred membership fees.

### 16 Operating lease commitments

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

	2018	2017
	£	£
Within one year	28,753	98,678
Between two and five years	22,590	22,729
	<u>51,343</u>	<u>121,407</u>

### 17 Related party transactions

#### Transactions with related parties

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

	Donations received	
	2018	2017
	£	£
Henry Jackson Society Inc	664,809	519,220
	<u>664,809</u>	<u>519,220</u>

The charity relies on continued support from Henry Jackson Society Inc, a separate US entity which has some shared common trustees with The Henry Jackson Society.

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 17 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2018			Amounts owed by related parties 2017		
	Balance £	Provision £	Net £	Balance £	Provision £	Net £
Strategic Analysis Limited	32,742	26,029	6,713	29,304	22,101	7,203
	<u>32,742</u>	<u>26,029</u>	<u>6,713</u>	<u>29,304</u>	<u>22,101</u>	<u>7,203</u>

# THE HENRY JACKSON SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 Subsidiaries

Details of the charity's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% 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	(£5,063)	(£28,914)

### 19 Cash generated from operations

	2018 £	2017 £
Deficit for the year	(141,547)	(45,273)
Adjustments for:		
Investment income recognised in statement of financial activities	(7)	(9)
Depreciation and impairment of tangible fixed assets	4,119	3,717
Movements in working capital:		
Decrease in debtors	25,132	53,184
(Decrease)/increase in creditors	(445)	23,269
Cash (absorbed by)/generated from operations	(112,748)	34,888