

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 2019

THE HENRY JACKSON SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S L Caplan Dr A L Mendoza D Rasouly Professor B P Simms G G Stuart G Defries	(Appointed 22 May 2019)
Charity number	1140489	
Company number	07465741	
Registered office	26th Floor Millbank Tower London SW1P 4QP	
Auditor	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom	
Bankers	Santander Business Banking PO Box 10102 21 Prescott Street London E1 8TN	

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees are pleased to present their report together with the financial statements of the company for the year ended 31 December 2019.

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, Louise Menard from 17 July 2019 until 10 June 2020 and now Kajol Kochar, as Director of Operations and Finance).

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.

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FOR THE YEAR ENDED 31 DECEMBER 2019

The scale and nature of volunteer activity

One of the charity's proudest achievements since its inception has been the way it has been able to utilize the willingness to help of hundreds of volunteers through its internship programme. 2019 proved to be no exception, and we were able to continue a high standard of internships, giving volunteers an opportunity to participate in the life of a think tank. We offered a range of engaging internships, and work experience opportunities aimed at politically-minded, self-motivated individuals with a wide variety of skills. Interns were taken on a full-time or part-time basis, to suit their requirements. The intern roles occupied throughout 2019 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 and the opportunity to be mentored by a senior researcher or member of the management team. They are also coached by the operations team on HR 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 exists between the two organisations, and all activity in the subsidiary is governed using this framework. This process is overseen by the Director of Finance and Operations, 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 charity's activities work towards achieving our legal purposes – educating the public on national and international political, social and economic policy. Our 2019 achievements in the field of research, 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

Building on from 2018's successful activity, the charity continued with a subject-based approach to policy and research projects that work towards achieving its strategic objectives. These are:

- **The Centre on Radicalisation and Terrorism:** the UK's leading centre on the subject, and one of HJS's key achievements, 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:** a long-running and very influential centre that 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 centre 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 monitors political, ideological, and military and security developments across the Middle East and provides informed assessments of their wide-ranging implications to key decision makers.
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FOR THE YEAR ENDED 31 DECEMBER 2019

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- **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 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 centre's work is respected across party lines and throughout academia.
 - **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". It has achieved global prominence because of its work on understanding the nature of the threat posed internationally by the rise of a China governed by a Communist dictatorship.
 - **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 charity also has two divisions 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. The charity is the leading policy events provider in terms of numbers of events held in Westminster, a position it has developed over many years.
- **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. The charity has consistently punched well above its weight in terms of generating media coverage and expert comment, which is testament to the quality of its research.

Objectives for 2019

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 developing 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 2019 objectives

The charity employed similar strategies to previous years which have been tried and tested in order to achieve its 2019 objectives. We expanded our membership programme and diversified our revenue streams across a range of funders in order to reduce reliance on any single sector. The charity continued hiring, replacing and developing staff, and improved its senior management team structure in order to help facilitate growth. Extra emphasis was also placed on training of staff in areas such as libel and defamation in order to ensure high standards were set.

The charity was able to build on its previous reputation to bring its work to an ever larger pool of beneficiaries. Together with traditional media and marketing focuses, we also looked to build our social media presence, recognizing the ever more important role this plays in publicising work. 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.

2019 main achievements and performance

2019 saw a continuation of the charity's long-standing achievements and high performance.

As always, the way was led with our research division, which produced 21 high quality publications covering all areas of the subjects of our expertise. These were widely circulated to the government, political world, academia, media and general public. Our policy research was well received and frequently cited in public discourse, and has had a discernible impact on government thinking and policy. Our experts have been consulted by a range of interlocutors including relevant government departments, the police, the military, academia and the media. They have also provided background information, guidance and commentary on a variety of topics and testimonies to Parliamentary inquiries, as well as

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FOR THE YEAR ENDED 31 DECEMBER 2019

providing commentary on national and international television and radio and in person at major conferences and summits. Of particular note in 2019 was the groundbreaking research that the charity commissioned into the UK's 5G development dilemmas, which placed it at the forefront of one of the largest national security debates to have occurred in recent British history.

Our events wing – the busiest in the Westminster world – also enjoyed continued success in 2019, with over 100 events being held, many of which were held in Parliament owing to the support of a cross-party group of Parliamentarians who often state the public service that the charity performs in bringing “the people’s representatives” into contact with “the people” themselves on areas of mutual interest. The events programme allows our research and the ideas of respected expert commentators to directly reach thought leaders and opinion formers, as well as the public attending them. This year, we continued to host critically acclaimed scholars, diplomats, and experts, attracting diverse and high-calibre audiences to engage in an exchange of ideas that is at the cornerstone of our mission.

Specific notable achievements included:

- The development and launch of a corporate membership stream in common with other think tanks in our sector.
- Hosting over 100 events and briefings in Parliament and at the HJS’ headquarters, welcoming current UK Prime Minister Boris Johnson MP, the former Prime Minister of Australia Malcom Turnbull, Congressman George Holding, Ambassador Robert Strayer, former World Trade Organisation head Pascal Lamy and Lieutenant General Eric Wesley.
- Producing 21 research publications. These ranged from in-depth reports, to shorter policy papers geared towards making policy-relevant recommendations, with major titles in the former category including:
 - *An Assessment of the Asia Pacific Economic Cooperation Members*
 - *An Assessment of the Countries of South America*
 - *Audit of Geopolitical Capability 2019: An Assessment of Twenty Major Powers*
 - *Extreme Speakers and Events: In the 2017-18 Academic Year*
 - *European Security at a Time of Transatlantic Uncertainty*
 - *The South China Sea: Why it Matters to ‘Global Britain’*
 - *Global Britain: A Twenty-First Century Vision*
 - *Radicalising our Children: An Analysis of Family Court Cases of British Children at Risk of Radicalisation*
 - *Infrastructure, Ideas and Strategy in the Indo-Pacific*
 - *Behind Global Britain: Public Opinion on the UK’s Role in the World*
 - *Defending our Data: Huawei, 5G and the Five Eyes*
 - *Islamic Human Rights Commission: Advocating for the Ayotollahs*
 - *Hong Kong: The Steady Erosion of Freedom*
 - *A Lost Tribe: Britain’s Young Eurosceptics*
 - *The Art of Deceit: How China and Russia use Sharp Power to subvert the West.*

Measures to assess success

The charity critically assesses its success against its objectives. Main key performance indicators include: the number of guests at events, interaction with officials and policy-makers, the number of printed and online media placements, the number of broadcast appearances, social media following, the number of individual and corporate members and the retention of donors plus development of new streams of funding. 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 charity 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.

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- 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 2020. This will be achieved by: increasing our income through our individual and corporate membership programme and events sponsorship; improving our influence with increased parliamentary and civil servant engagement, and furthering our impact with heightened media engagement. Organisational excellence, regulatory compliance and business improvement remain high in our priorities, with processes and policies being reviewed regularly.

Impact of Covid-19 on the charity's operations

During these unprecedented times owing to the COVID-19 global pandemic, the charity adjusted its offering in many ways. With the threat of infection looming, the first measure taken in mid March was for staff and volunteers to be asked to work from home for the foreseeable future, in order to safeguard their health. With the imposition of full national lockdown, all events booked in for the near future were cancelled or postponed. The charity started to consider possible long term damage to the economy and a permanent change to all businesses as a result of how they were able to adapt to the current coronavirus conditions. Given the financial uncertainty that loomed, the charity furloughed 4 members of staff – a fifth one was later furloughed – and extra checks were put in place around financial monitoring and planning.

At this point the charity changed its direction slightly away from its general day to day business, but still very much within its objectives. A decision was made to focus new research on Coronavirus related subjects that fitted in with our existing areas of expertise in order to attempt to maintain relevance in a period when only Covid-19 related projects were likely to generate any media or policy interest. Given the need to focus on retaining income, impact and influence, this was seen as the only viable strategy. It was noted there was a small chance that those unused to seeing the charity tackle new topics at such swift speeds might feel discombobulated by the change, but this was felt an acceptable risk to take in the context of an unprecedented crisis and where media and policy attention on the big issues of the day being covered by the charity would counteract any negativity.

The success of this strategy can be seen in the extraordinary impact that the charity has had globally – sparking conversation worldwide – on the issues of Coronavirus compensation and the need to reassert security of trade and supply from multiple sources in key industries linked to national security. The benefits have been:

1. Global media exposure
2. Global political exposure
3. Donors noticing our work, thereby protecting our income stream
4. The general public responding to our work

The charity further adapted by successfully running multiple virtual events during this period which have been attended by thousands of people worldwide, greatly furthering our reach and exposure. We also did not neglect more traditional areas of business, ensuring continuity as well as change.

Going forwards, the charity intends to continue focusing a stream of work on Coronavirus-related research, but will also look to tackle some of the non-Coronavirus issues of pressing concern that have been thrown up in the wake of the pandemic. The charity will continue to run virtual events for the near future and has a phased return to work plan in motion incorporating flexible working, government guidance and the health and safety of our staff at the forefront of what we do.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Review

The charity received a similar level of income in the year 2019 compared to the previous year. The total income for the year was £1,482,382 (2018: £1,418,650). The total expenditure for the year has decreased by 23% to £1,208,213 (2018: £1,560,197) due to a reduction in staff costs. The charity results show a surplus of £274,169 during the year (2018: £141,547 deficit). The unrestricted funds increased to £315,236 (2018: £41,067).

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 apply 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



08/09/20

D Rasouly
Trustee



08/09/20

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

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; 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HENRY JACKSON SOCIETY

Opinion

We have audited the financial statements of The Henry Jackson Society (the 'charity') for the year ended 31 December 2019 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 2019 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

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

8/10/20

THE HENRY JACKSON SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 £	Unrestricted funds 2018 £
<u>Income and endowments from:</u>			
Donations and legacies	3	1,464,687	1,392,828
Other trading activities	4	12,082	21,995
Investment income	5	14	7
Other income	6	5,599	3,820
Total income		1,482,382	1,418,650
<u>Expenditure on:</u>			
Charitable activities	7	1,208,213	1,560,197
Net income/(expenditure) for the year/ Net movement in funds		274,169	(141,547)
Fund balances at 1 January 2019		41,067	182,614
Fund balances at 31 December 2019		315,236	41,067

All income and expenditure derive from continuing activities.

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

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BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11		759		2,517
Investments	12		1		1
			<u>760</u>		<u>2,518</u>
Current assets					
Debtors	13	124,811		55,026	
Cash at bank and in hand		250,743		59,525	
		<u>375,554</u>		<u>114,551</u>	
Creditors: amounts falling due within one year	14	<u>(61,078)</u>		<u>(76,002)</u>	
Net current assets			314,476		38,549
Total assets less current liabilities			<u>315,236</u>		<u>41,067</u>
Income funds					
Unrestricted funds			315,236		41,067
			<u>315,236</u>		<u>41,067</u>

The financial statements were approved by the Trustees on 28/09/2020



Dr A L Mendoza

Trustee

Company Registration No. 07465741

THE HENRY JACKSON SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		192,203		(112,748)
Investing activities					
Purchase of tangible fixed assets		(999)		(1,610)	
Interest received		14		7	
Net cash used in investing activities			(985)		(1,603)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			191,218		(114,351)
Cash and cash equivalents at beginning of year			59,525		173,876
Cash and cash equivalents at end of year			250,743		59,525

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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)" (effective 1 January 2019). 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

As stated in note 18, the Trustees have considered the effect of the Covid-19 outbreak. The Trustees consider that the outbreak is likely to cause some disruption to the charity's operations. However, the Trustees have taken steps to reduce staff costs and expenditure on charitable activities. The Trustees are also satisfied that they will continue to receive support from Henry Jackson Society Inc, a separate US entity which has some shared common trustees, as necessary. The Trustees are satisfied that the Charity has sufficient cash resources to enable it to continue operating for at least the next 12 months. Accordingly, at the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. 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 2019

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.

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.

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.

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Donations and legacies

	2019	Unrestricted funds 2018
	£	£
Donations and gifts	1,428,603	1,365,854
Membership fees	36,084	26,974
	<u>1,464,687</u>	<u>1,392,828</u>

An amount of income previously classified in the 2018 financial statements within other trading activities has been reclassified to donations and legacies for presentation purposes.

4 Other trading activities

	Unrestricted funds 2019	Unrestricted funds 2018
	£	£
Activities for generating funds	<u>12,082</u>	<u>21,995</u>

5 Investment income

	Unrestricted funds 2019	Unrestricted funds 2018
	£	£
Bank deposit interest received	<u>14</u>	<u>7</u>

6 Other income

	2019	2018
	£	£
Other incoming resources	<u>5,599</u>	<u>3,820</u>

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Charitable activities

	2019 £	2018 £
Staff costs	746,815	915,316
Depreciation and impairment	2,757	4,119
Events	129,565	198,616
Research	10,052	14,491
Office costs	204,801	262,654
	<u>1,093,990</u>	<u>1,395,196</u>
Support costs (see note 8)	99,665	136,078
Governance costs (see note 8)	14,558	28,923
	<u>1,208,213</u>	<u>1,560,197</u>
Analysis by fund		
Unrestricted funds - general	<u>1,208,213</u>	<u>1,560,197</u>
	<u>1,208,213</u>	<u>1,560,197</u>

Included within charitable activities is rental operating lease expenditure of £148,294 (2018: £142,333).

8 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	40,750	6,558	47,308	72,977	18,584	91,561
Office costs	40,913	-	40,913	36,683	-	36,683
Legal and professional	18,002	-	18,002	26,418	-	26,418
Audit fees	-	8,000	8,000	-	10,339	10,339
	<u>99,665</u>	<u>14,558</u>	<u>114,223</u>	<u>136,078</u>	<u>28,923</u>	<u>165,001</u>

9 Trustees

Dr. Alan Mendoza, a trustee, received remuneration during the year of £137,599 (2018: £135,000), including £1,188 (2018: £670) 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 2019

10 Employees

Number of employees

The average monthly number of employees during the year was:

2019 Number	2018 Number
15	20
<u>15</u>	<u>20</u>

Employment costs

	2019 £	2018 £
Wages and salaries	704,145	899,490
Social security costs	75,090	95,753
Other pension costs	14,888	11,634
	<u>794,123</u>	<u>1,006,877</u>

The total amounts of employee emoluments received by the senior management team were £228,840 (2018: £329,000). The highest paid member of the senior management team received emoluments of £137,599 (2018: £135,000).

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

	2019 Number	2018 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2019	33,545
Additions	999
At 31 December 2019	<u>34,544</u>
Depreciation and impairment	
At 1 January 2019	31,028
Depreciation charged in the year	2,757
At 31 December 2019	<u>33,785</u>
Carrying amount	
At 31 December 2019	<u>759</u>
At 31 December 2018	<u>2,517</u>

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	17	1	1

Movements in fixed asset investments

		Shares £
Cost		
At 1 January 2019 & 31 December 2019		1
Carrying amount		
At 31 December 2019		1
At 31 December 2018		1

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	56,633	-
Amounts owed by subsidiary undertakings	2,790	6,713
Other debtors	32,419	16,303
Prepayments and accrued income	32,969	32,010
	124,811	55,026

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	23,805	26,435
Trade creditors	4,845	10,809
Other creditors	-	15,023
Accruals and deferred income	32,428	23,735
	61,078	76,002

Included in accruals and deferred income is an amount of £24,428 (2018: £11,919) which relates to membership fees received in advance for the year ended 31 December 2020.

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 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:

	2019	2018
	£	£
Within one year	96,942	28,753
Between two and five years	130,213	22,590
	<u>227,155</u>	<u>51,343</u>

16 Related party transactions

Transactions with related parties

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

	Donations received	
	2019	2018
	£	£
Henry Jackson Society Inc	537,439	664,809
	<u>537,439</u>	<u>664,809</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 2019

16 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2019		Amounts owed by related parties 2018		Net £
	Balance £	Provision £	Balance £	Provision £	
Strategic Analysis Limited	32,742	29,952	32,742	26,029	6,713
	<u>32,742</u>	<u>29,952</u>	<u>32,742</u>	<u>26,029</u>	<u>6,713</u>

THE HENRY JACKSON SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Subsidiaries

Details of the charity's subsidiaries at 31 December 2019 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	(2,771)	(31,685)

18 Non-adjusting post balance sheet event

The Trustees have considered the effect of the Covid-19 outbreak, which has been spreading throughout the world in early 2020, on the charity's activities. The outbreak is likely to cause some disruption to the charity's operations but at the date of approval of these financial statements, the extent and quantum of this disruption remains uncertain. The charity has, however, taken steps to reduce staff costs and expenditure on charitable activities in order to mitigate the impact of the disruption on its financial results and has the continued support of an entity which shares common trustees.

19 Cash generated from operations	2019 £	2018 £
Surplus/(deficit) for the year	274,169	(141,547)
Adjustments for:		
Investment income recognised in statement of financial activities	(14)	(7)
Depreciation and impairment of tangible fixed assets	2,757	4,119
Movements in working capital:		
(Increase)/decrease in debtors	(69,785)	25,132
(Decrease) in creditors	(14,924)	(445)
Cash generated from/(absorbed by) operations	192,203	(112,748)

20 Analysis of changes in net funds

The charity had no debt during the year.