

Trustees' Reports & Financial Statements

For the year ended 30th April 2015

**The Honourable
The Irish Society**

The Honourable The Irish Society Charity Information

Charity Registration number	1150776
Registered office	P O Box 270 Guildhall London EC2P 2EJ
Auditors	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
Principal Bankers	Danske Bank Corporate Banking P O Box 183 Belfast BT1 6JS
Investment managers	Baring Fund Managers Ltd 155 Bishopsgate London EC2M 3XY R C Brown Investment Management plc 1 The Square Temple Quay Bristol BS1 6DG Cazenove Capital Management 12 Moorgate London EC2R 6DA
Solicitors	Elliott Duffy Garrett Royston House 34 Upper Queen Street Belfast BT1 6FD

The Honourable The Irish Society Charity Information

List of Trustees 2014 – 2015:

Governor	Alderman Ian David Luder, JP BSc (Econ) <i>(to March 2015)</i> Alderman Sir David Hugh Wootton <i>(appointed 05/03/2015)</i>
Deputy Governor	Simon D'Olier Duckworth, OBE DL <i>(to 23/03/2015)</i> Roger Arthur Holden Chadwick <i>(from 23/03/2015)</i>
Aldermen	Alison Gowman William Anthony Bowater Russell
Commoners	Douglas Barrow, Deputy Peter Gerard Dunphy Brian Nicholas Harris, FRICS Christopher Michael Hayward <i>(appointed 05/03/2015)</i> Wendy Hyde Hugh Fenton Morris James Henry George Pollard, Deputy Richard David Regan, OBE, Deputy Elizabeth Rogula Ian Christopher Norman Seaton Michael Welbank, MBE, Deputy <i>(to March 2015)</i>

Officers:

Society's Representative (Northern Ireland) & Secretary	Edward Montgomery, MBE DL
Assistant Secretary	Candya L Farmer

The Honourable The Irish Society Report to the Trustees (continued)

The Trustees present their report together with the financial statements for the year ended 30th April 2015 which have been prepared in accordance with applicable UK accounting standards, Charities Act 2011 and Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), issued in March 2005. Comparative figures are for the year to 30th April 2014.

STRUCTURE, MANAGEMENT AND GOVERNANCE

The Society was founded in the early seventeenth century and since that time has maintained interests and ownership in land, buildings and river beds, principally in the county of Londonderry and neighbouring counties, and in particular in the city of Londonderry and the town of Coleraine, for the benefit of the community of County Londonderry and adjoining areas.

The Society was originally granted Royal Charters by King James I in 1613 and King Charles II in 1662. On 20th December 2012 the Society was granted a Supplemental Charter following which, in February 2013, it registered as a charity with the Charity Commission for England and Wales, with the Registration number 1150776. It has also been recognised as a charity by HM Revenue and Customs for many years. The Trustees are also monitoring the work of the recently-established Northern Ireland Charity Commission and have been advised that the Society will at some future date have to register with that body as a Section 167 Institution - meaning a charity that operates in Northern Ireland whilst being governed from elsewhere.

The Society is now administered by a Court consisting of a Governor, Deputy Governor and 13 other Trustees. The Trustees, who are all members of the Court of Common Council of the City of London Corporation, are elected onto the Court of the Society by fellow members of the Court of Common Council. The Trustees for the period covered by the Report & Financial Statements are listed under Charity Information. The Society requires all Trustees to commit to a written Code of Conduct governing their behaviour. All new Trustees are given an introduction to the work of the Society and are supplied with copies of recent accounts and minutes; they are also encouraged to undertake at least one trip to Northern Ireland as early as possible following appointment to see the operations of the Society and the difference its grants make to the community. The Charity's Secretary is based in Coleraine, Northern Ireland, and the Assistant Secretary at Guildhall in London.

The Trustees confirm that they are aware of the Guidance promulgated by the Charity Commission under the Charities Act 2011 in relation to Public Benefit, recognise their obligation to have regard thereto and are confident that their activities are delivering Public Benefit.

The Court has appointed a Finance Committee with the remit to consider and monitor the financial position of the Society and to recommend the approval of the annual financial statements to the Court. Membership of the Committee during the accounting year and currently is as follows: S D'O Duckworth (Deputy Governor & Chairman to March 2015), R A H Chadwick (Deputy Governor & Chairman from March 2015); P G Dunphy; Alderman A Gowman; B N Harris, R D Regan, *Deputy*, and I C N Seaton. The Governor is an ex-officio member of the Committee.

OBJECTS

The objects of the Society, as established by its seventeenth century Royal Charters, were many and far reaching and most have long been obsolete, as the public, political and local governance roles the Society held were gradually repealed by a variety of Acts of Parliament. For over 150 years the Society has been known for its charitable activities and grants for the benefit of the community of County Londonderry and adjoining areas.

The Honourable The Irish Society Report to the Trustees (continued)

The 2012 Supplemental Charter now defines the Society's objects as follows: The promotion of any exclusively charitable purpose for the benefit of the community of the County of Londonderry and neighbouring areas including those within the following descriptions:

- the advancement of education;
- the advancement of citizenship or community development;
- the advancement of the arts, culture, heritage or science;
- the advancement of amateur sport;
- the advancement of environmental protection or improvement; and/or
- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

Today the Society administers its property in County Londonderry (which includes the fishing rights and bed of the Lower Bann River) and makes small grants for the benefit of the local community. Its charitable activity includes environmental/heritage asset protection measures, especially in relation to the Lower Bann River.

Small grants are made to local 'not-for-profit' organisations which can apply to the Society using a formal yet simple application process; occasionally, applications from individuals are also considered. All applications are scrutinised by the Trustees, assisted by a Local Advisory Committee (LAC) comprised of cross-party elected representatives drawn from the three newly established (01/04/2015) local Councils in County Londonderry: Derry City & Strabane District Council, Causeway Coast & Glens Borough Council and Mid Ulster District Council. Prior to this restructure of local government the LAC was made up of representatives from Derry City Council and Coleraine Borough Council.

(A) Annual Small Grants Programme

Approximately 110 small grants were paid during the year: this was an increase of 20 compared to the previous year in terms of numbers; the average size of grants remained at about £400. One reason for the rise in number was a continuing improvement in the Society's finances that permitted the Trustees to increase the budget for small grants, but it was also due to the generosity of two of the Livery Companies, the Clothworkers and the Drapers, both of which doubled the amount previously donated to the Society in 2013 and gave a three-year commitment at this higher level. In the case of the Clothworkers, the fund is made available to charitable groups across the whole of Northern Ireland - for the first time enabling the Society to reach well beyond its traditional County Londonderry area of operation.

However, County Londonderry is still the main area in which the Society operates charitably. It is a mostly rural area with a population of around 250,000, about half of whom live in the city of Londonderry or close by. Around half of the grant applications emanate from Londonderry, and the rest are spread between three other smaller urban / rural areas: Coleraine, Limavady and Magherafelt. It is the aim of the Trustees that the grants are equally available to both main sections of Northern Ireland's divided community, the Roman Catholic and Protestant, on a wholly impartial basis. This reflects the broad makeup of the community in which the Society works; indeed, many of the grants made go to groups in which Catholics and Protestants work together in harmony promoting peace and reconciliation. Others, by necessity or definition, are single denomination groups. Repeat grants are not normally made to the same organisation until at least five years has elapsed.

The Honourable The Irish Society Report to the Trustees (continued)

There are relatively few charitable funders operating at a similar 'small grants' level in the area concerned, and the Society - thanks to its cross-community LAC - has a good reach across a wide spectrum of organisations such as amateur sports clubs, community and residents associations, senior citizens clubs, youth groups, schools and the like. This is widely acknowledged by local politicians of all shades of opinion. In order to give a fuller picture of the local impact of the Society's grant aid programme, we set out below a sample of individual grantees and what was achieved in each case:

Ballinderry Shamrocks Gaelic Football Club: This club operates in a rural area in south Londonderry, and plays an important part in the social and cultural life of the area, with over 250 members and 10 football and eight camogie teams playing Gaelic sports. Funding was requested towards the purchase of a laptop and printer for club administration, coaching and education including drug and alcohol awareness raising and child protection training. A grant of **£400** was awarded.

Coleraine Ulster-Scots Regeneration Group: This recently-formed organisation had requested funding towards the cost of purchasing a scanner and laptop to help them create a digital community archive of old photographs of the Coleraine area, focusing on historic Orange Lodge and band pictures. Their aim was to encourage families to bring their own pictures in for inclusion in the archive. Given the group's very modest resources, a grant of **£300** was approved.

Friends of Termonbacca: This application was received from the Carmelite Retreat Centre in Londonderry, which is housed in an elderly and somewhat dilapidated building on the edge of the Creggan Estate. The Centre is used by many organisations within the Catholic church and frequently hosts large groups from other parts of Ireland on residential courses, aimed at healing and reconciliation across a wide range of issues. Funding was requested towards the repair and re-upholstering of chairs in the conference room, and a grant of **£500** facilitated this.

Miss Ella Ryan: Miss Ryan is a 17 year old school girl from Londonderry who is a member of the North West Youth Climbing team (indoors). She had qualified for the UK Youth finals in Edinburgh but needed some financial help towards new climbing shoes and a safety harness. A grant of **£100** was approved.

Causeway Coast Ethnic Minority Support project: The project was initiated to improve the ability of ethnic minority males, mainly Poles living in the more deprived parts of the Coleraine area, to communicate better in English. Funding was requested to help pay for a suitably qualified teacher and room hire in an appropriate and accessible location in Coleraine. The project aims to reach those in most need, and operates in conjunction with other charities and support agencies. Funding of **£350** was agreed.

Londonderry Royal British Legion: To mark the anniversary of the start of WW1, a re-dedication ceremony was planned for the memorial windows in Londonderry's Guildhall following its refurbishment, organised and run by the local branch of the Royal British Legion, but incorporating local peace groups from all sides of the community. The Society was asked to fund a wall plaque commemorating the event and a grant of **£450** was given.

Garvagh Diamond Club: This organisation provides a social outlet for people of more mature years in the rural area around Garvagh village. The club meets twice a month and hosts talks and demonstrations on a wide range of subjects and topics. They wished to purchase a television / DVD player and photocopier and had asked for financial assistance of £381 towards these. A grant of **£200** was made.

Something Special, Eglinton: This organisation, based in a village near Londonderry, is a charity for local people with learning disabilities which was founded a few years ago by a local woman, Denise White. It does valuable work with young people of both sides of the community, and needed computer and office equipment to expand their work. It was noted that this charity was the Mayor of Londonderry's chosen charity for the year, and funding of **£300** was approved.

The Honourable The Irish Society Report to the Trustees (continued)

Clothworkers' Fund grants in Northern Ireland

- **The Rectory Residents Association:** This non-profit cross-community Association is based in the Rectory Estate in North Ballymena, County Antrim. Their main goal is to create a sense of community spirit in the deprived estate which has a considerable drug problem, in the hope that it will lead to greater personal involvement and more cultural, educational and social activities for the inhabitants, making it a better place to live in. Financial assistance was requested to help provide a 24/7 helpline for the elderly, regular coffee mornings and bi-annual bus outings. Funding of **£1,890** was approved, as it met the Clothworkers' special criteria of assisting the disabled and the disadvantaged elderly.
- **Community Change, Belfast:** Community Change delivers facilitation, training, consultancy and support sessions to the community, voluntary, statutory and private sectors across Northern Ireland. The charity requested financial assistance with the purchase three laptops and towards the publication costs of four funding bulletins. A grant of **£1,700** was approved, as it was considered that this initiative would have a significant positive impact across many areas of disadvantage.

(B) Schools & Education Support

Primary Schools (Ballougry, Culmore, D H Christie Memorial, The Irish Society's and Millburn): One special link which the Trustees maintain annually is a level of financial support for five primary schools in County Londonderry that were originally founded by the Society. The schools are all now in the state controlled sector and include both Protestant and Catholic children between the ages of four and 11. Each year, the Society grant-aids the annual prizes (and Trustees attend the prize-giving ceremonies), Christmas activities and, for the larger schools, assists with an educational trip to London for the older children. Over 1,300 children thus benefit from the support of the Society every year.

As in the past, during 2014-15 the Society continued to support these schools, and also provided annual prizes and visited **Coleraine Academical Institution**, the **Northern Regional College** and the **University of Ulster** (History Prize).

In addition, for the past few years the Society has forged links with **Sandelford School** in Coleraine, which caters for almost 200 children and young people from the ages of four to 19 who have a wide range (moderate to severe) of learning difficulties and special educational needs - providing opportunities for pupils to develop employability, social and life skills through a variety of relevant community, employment and educational links. The Society provides some financial support and undertakes an annual visit, normally in October, to present prizes.

Another new educational initiative was begun in 2014, involving Lisneal College and St Mary's College in Londonderry; the former is a co-educational secondary school which caters for the mainly Protestant area of the East of the city, whilst St Mary's is a girls' secondary school in the Catholic educational sector. Funding of **£2,500 pa for the next three years** was granted by the Society, to enable both schools to continue and expand a joint programme of after school activities and co-operation that had run out of funding. One of the benefits of the programme is that children who would otherwise live almost entirely separate lives are enabled to become friends and learn to work together, thus breaking down some of the barriers caused by the religious divide.

The Secretary also keeps abreast of current educational issues and provides ongoing active support to several schools in Coleraine and Londonderry by serving on their Boards of Governors. In particular during 2014-15, he has assisted with the provision of board meeting accommodation and other support 'in kind' for the Interim Board of the new Coleraine Grammar School, as well as serving on the Board.

The Honourable The Irish Society Report to the Trustees (continued)

Hatchery in the Classroom Educational Project: The Society has for several years funded and organised a cross-community project for a number of primary schools located in the Lower Bann River valley, the aim of which is to teach the children about the importance of caring for the aquatic environment, as well as to bring together classes of pupils from different sides of the religious divide in joint working. They experience nature in action by rearing salmon fry from eggs in special mini-hatcheries located in their own classrooms, and follow this by placing the fish in local rivers and streams, under expert guidance, concluding with a visit to the government-run Bushmills Salmon Research Station. The project delivers environmental, social, cultural and scientific educational benefits for the children involved, and is very popular with local schools, ever more of whom have applied to take part. In 2014, the Society's funding of **£5,000** once again enabled seven schools to participate in the project and a further 3 years of enhanced funding has been agreed by the Trustees.

(C) Lower Bann River Environmental Management and Property estate

In the management of the Lower Bann river bed and soil, and its fisheries, the Society has a large task on its hands. The river is 38 miles long, from Lough Neagh to the Atlantic Ocean, and has many small and large tributary rivers on which the fishing rights also belong to the Society. The Society has a voluntary sub-committee (Bann Division Committee) composed of four Trustees and four local fishery experts to manage these assets.

Three full-time members and one part-time member of staff are employed to perform river bailiffing, management and protection duties for the Society which involve regular patrolling of the river and its tributaries to prevent and deter poaching, pollution and predation of the fisheries. This is a very necessary role given the extent and importance of the Lower Bann fisheries to the local economy and environment and as a resource for recreation, tourism and education; the river system drains almost half of Northern Ireland and contains a significant percentage of its salmonid and coarse fish stocks (in addition to other indigenous animal and plant life) which are at constant threat from illegal fishing and pollution especially. The NI government, by contrast, has deployed its own fishery protection resources elsewhere and offers only limited support for the Lower Bann.

In order to fund its protection, management and habitat restoration measures, which involve a significant outlay (over £100,000 pa) on wages and overheads, patrol boats, engines, a vehicle and other equipment necessary, the Society has a policy of making charges to local and visiting anglers to fish the rivers under its control. The aim is to produce a modest operating surplus which can be directed by the Trustees to ensure that this vital asset and resource is sustained to the benefit of the environment, the enjoyment of local and visiting anglers to the Lower Bann and to the use and benefit of the community. For the past few years, the income from fishing has remained much lower than in the early 2000s, particularly in the premium salmon angling category, where a combination of deep economic recession in Northern Ireland and a general crisis in salmon stocks has caused sales to be considerably reduced. For those anglers who remain, unseasonal high river flows caused by increased summer rainfall and unhelpful management of the flow control gates by the government engineers has continued to make angling less attractive than before, especially on the main Carnroe beat of the Lower Bann.

The Society owns a number of investment properties with the aim of generating income to carry out its charitable activities. Trustees visited all the larger properties in County Londonderry during the course of the year. The former fishery research laboratory near Coleraine remains unlet, together with a small retail outlet in Coleraine where the tenant has just retired, but there are some grounds for optimism that letting conditions are starting to improve again following the steep decline in the Northern Ireland property market since 2007-8. The trustees have also undertaken some necessary minor restoration and refurbishment of Cutts House, its office near Coleraine.

The Honourable The Irish Society Report to the Trustees (continued)

Other activity in the Society's commercial property portfolio during the year has included:

- The sale of a small area of sporting rights along the Lough Foyle foreshore.
- The sale of a 3% shareholding in Maydown Precision Engineering Ltd owing to takeover, which will generate almost £25,000 over five years. Previously the shares had been written down to £100.
- The Licensing of sporting rights on lands in the Sperrin mountains to various commercial wind farm development companies, establishing a new income stream with an expected 40-year life span.
- In Londonderry, a building formerly let to local trustees under a 900-year lease has unexpectedly been surrendered back to the Society this year, which may enable a redevelopment project to take place.

The Society's Trustees are also actively considering a possible further investment in commercial property in Northern Ireland, thus demonstrating their faith in the region's improving economic prospects.

FINANCE REVIEW

It is the policy of the Trustees to generate and manage income while maintaining the overall value of the fund, so that it may continue to achieve its objectives in the future. The Trustees aim to spend resources on charitable activities based on budgeted income and expenditure so as to achieve a break even result, while at the same time maintaining sufficient reserves to meet the Society's expected, but uncommitted, capital requirements.

The Society has a number of mainly commercial properties and property interests which it uses to generate income for grant-giving purposes in support of its activities. The Society's property portfolio was professionally appraised in June 2011 and will be valued again during 2016. No adjustments have been made this year.

The Society also has an investment portfolio managed on a discretionary basis by a number of external fund managers. There are no restrictions on the investments that the Society can make. The listed investments are monitored against targets and the Trustees consider the performance satisfactory.

The Society's cash investments are deposited in the charities pooled fund operated by the City of London Corporation and managed externally on its behalf.

At 30th April 2015 free reserves amounted to £870,580 (2014: £724,081) (see Balance Sheet at page 13).

REVIEW OF CHARITABLE ACTIVITIES IN THE YEAR

Net Incoming Resources in the year to 30th April 2015 were £92,888 (2014: £60,711). Charitable expenditure amounted to £343,424 (2014: £318,600). Taking into account other recognised gains of £352,123 (2014: £234,315) as set out on page 11, this left an overall surplus for the year of £445,011 (2014: £295,026).

PLANS FOR FUTURE PERIODS

During the period, the Society has endeavoured to reduce its administration and other costs and streamline its operations. As a result, the Trustees were again able to allocate increased funds to the charitable budget during the year, and it is hoped this trend will continue into the future.

The Society has a long term aim of restructuring / developing its property portfolio where possible to produce an increased income. Resources will continue to be spent on enhancing the fishery assets and protecting the environment of the Lower Bann River and its tributaries in order to enable greater public use and enjoyment. Within the fishery business, steps are being taken which should lead eventually to the Society achieving an

The Honourable The Irish Society Report to the Trustees (continued)

operating surplus, which has not been possible in recent years. The Trustees will continue to work with NI government agencies to attract new angling visitors to the rivers under the Society's control to generate revenue to offset the costs of environmental and river maintenance, but it is recognised that this is a task that is likely to take some time to achieve.

STATEMENT OF THE COURT'S RESPONSIBILITIES

The Court is required to prepare financial statements for each accounting reference period, which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period in accordance with the Charities Act 2011 and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005). In preparing those financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the Society will continue in business.

The Court is responsible for maintaining proper accounting records, which should disclose at any time the financial position of the Society. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Court regularly reviews its Policy on Risk. The main area of risk is a fall in income from, or capital value of, a sizeable asset. The Court considers that the assets of the Society are well diversified. The commitments that the Society has to honour by law are not significant.

BY ORDER OF THE COURT



**Alderman Sir David Wootton
Governor**

13th July 2015

The Honourable The Irish Society

Independent Auditors' Report

We have audited the financial statements of The Honourable The Irish Society for the year ended 30th April 2015 which comprise Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Court's Responsibilities Statement set out on page 9, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the charity's Trustees as a body. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's 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 charity and the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30th April 2015 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 Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Mazars LLP, Chartered Accountants and Statutory Auditor
Tower Bridge House, St Katharine's Way, London. E1W 1DD

Date:

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Honourable The Irish Society
Statement of financial activities
For the year ended 30th April 2015

	Note	Unrestricted £	Restricted £	Year to 30 th April 2015 Total £	Year to 30 th April 2014 Total £
INCOMING RESOURCES					
Income from generated funds:					
Grants received		-	20,000	20,000	-
Income from charitable activities:					
Environmental protection and improvement		131,028	-	131,028	122,834
Investment income:					
Property rents		111,646	-	111,646	109,382
Investment income		264,700	-	264,700	238,858
Other income		5,552	-	5,552	7,676
Total Incoming Resources		<u>512,926</u>	<u>20,000</u>	<u>532,926</u>	<u>478,749</u>
RESOURCES EXPENDED					
Activities to generate funds:					
Investment management fees		38,860	-	38,860	43,995
Charitable activities					
Education	2	73,511	-	73,511	65,697
Community Development		79,824	20,000	99,824	81,341
Environmental protection and improvement		170,089	-	170,089	170,972
		<u>323,424</u>	<u>20,000</u>	<u>343,424</u>	<u>318,010</u>
Governance Costs	3	57,753	-	57,753	56,033
Total Resources Expended		<u>420,038</u>	<u>20,000</u>	<u>440,038</u>	<u>418,038</u>
NET INCOMING RESOURCES		92,888	-	92,888	60,711
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised gains on investments		314,216	-	314,216	141,234
Realised gains/ (losses) on investments		37,907	-	37,907	93,081
		<u>352,123</u>	<u>-</u>	<u>352,123</u>	<u>234,315</u>
Net movement in Funds		445,011	-	445,011	295,026
Balances brought forward		9,954,236	-	9,954,236	9,659,210
Balances carried forward		<u>10,399,247</u>	<u>-</u>	<u>10,399,247</u>	<u>9,954,236</u>

The Honourable The Irish Society
Statement of financial activities
For the year ended 30th April 2015

The notes on pages 13 to 21 form part of these financial statements.

The statement of financial activities has been prepared on the basis that all operations are continuing operations.

There were no recognised gains or losses other than those included above.

The Honourable The Irish Society
Balance sheet as at 30th April 2015

	Note	30 April 2015		30 April 2014	
		£	£	£	£
Fixed assets					
Tangible Fixed Asset	5		609,134		624,383
Investments	6		8,905,202		8,605,772
			<u>9,514,336</u>		<u>9,230,155</u>
Debtors: amounts falling due after more than one year					
			14,331		-
Current assets					
Debtors	7	47,579		54,124	
Cash at bank and in hand		906,090		791,753	
		<u>953,669</u>		<u>845,877</u>	
Liabilities falling due within one year					
	8	(83,089)		(121,796)	
Net current assets					
			<u>870,580</u>		<u>724,081</u>
Net assets					
			<u>10,399,247</u>		<u>9,954,236</u>
Funds					
Unrestricted	10		10,399,247		9,954,236
Restricted	9,10		-		-
			<u>10,399,247</u>		<u>9,954,236</u>

The notes on pages 13 to 21 form part of these financial statements.

Approved by the Court on 13th July 2015
and signed on its behalf by:



.....
Alderman Sir David Wootton
Governor

The Honourable The Irish Society

Notes to the financial statements

for the year ended 30th April 2015

1 Accounting Policies

The following are the more important accounting policies adopted in the preparation of these financial statements:

(a) Accounting convention

The financial statements have been prepared under the historic cost convention and in accordance with UK applicable accounting standards, as modified by the revaluation of investment properties and current investment where applicable to the charity, Charities Act 2011 and Statement of Recommended Practice and Reporting by charities (SORP 2005), issued in March 2005.

(b) Tangible fixed assets

The Society's properties were valued by O'Connor Kennedy Turtle, Chartered Surveyors, in June 2011 and were written down accordingly. As it is the Society's intention to carry out a formal valuation of its properties every five years no valuation has been carried out since then.

Investment Properties

No depreciation is provided on investment properties, in accordance with accounting standards. The majority of the investment properties which are generating rental income are valued by reference to yield. Those which are not generating income rental income have been valued at the Trustees' best estimates. The Trustees have adopted a policy to carry out a formal valuation at least once every five years, in accordance with SSAP 19.

Other Properties

Other properties occupied by the Society are not treated as investment properties. These are depreciated on a straight line over fifty years. The Trustees have adopted a policy to carry out a formal valuation at least once in every five years.

Other Fixed Assets

Fixed assets are depreciated at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Motor vehicles and boats	25%	straight line
Furniture and office equipment	20%	straight line
All other assets	15%	reducing balance.

(c) Investments

Listed investments are stated at mid market value as at the year end. Unrealised gains and losses are calculated by comparing the previous balance sheet valuation to the year end valuation.

Realised gains are calculated as the difference between the disposal proceeds and the previous year end valuation, or cost if purchased during the year.

The Property Bond is stated at the lower of cost and estimated net realisable value.

The Honourable The Irish Society

Notes to the financial statements

for the year ended 30th April 2015

(d) Fund accounting

Unrestricted funds comprise the accumulated unrestricted surplus or deficit on the statement of financial activities. They are available for use at the discretion of the Court in furtherance of the general objectives of the Society. Restricted funds are subject to restrictions on their expenditure imposed by the funder.

(e) Grants payable

Grants are recognised upon an obligation being created in accordance with FRS 12.

(f) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred, and irrecoverable VAT is charged against the category of resources expended for which it was incurred. Support costs include office and staff costs and have been allocated to activity cost category or on a basis consistent with the use of resources - eg, staff costs by the time spent, and other costs by their usage.

(g) Governance costs

Governance costs include the governance arrangements which relate to the general running of the charity as opposed to the direct management functions in generating funds, service delivery, project work and grant making. This includes such items as external, legal advice, Trustees' expenses to attend Court meetings and other costs associated with constitutional and statutory requirements.

(h) Taxation

The Society is not liable to tax on capital gains, rent, investment income and certain other income.

(i) Operating Leases

Rent payable for a room in Guildhall under a Licence to Occupy is charged on a straight line basis over the term of the licence.

(ii) Income

Income from grants received and income from investment properties and other investments is accounted for on an accruals basis.

(iii) Pensions

The Society participates in a defined benefit pension scheme. The costs of contributions to the defined benefit pension scheme are accounted for in the year to which they relate.

**The Honourable The Irish Society
Notes to the financial statements
for the year ended 30th April 2015**

2 Charitable activities

	Grants	Support costs	2015	2014
	£	£	Total	Total
			£	£
Education	19,830	53,681	73,511	65,697
Community	46,143	53,681	99,824	81,341
Environmental protection and improvement	9,044	161,045	170,089	170,972
	<u>75,017</u>	<u>268,407</u>	<u>343,424</u>	<u>318,010</u>
Support costs:-				
Staff costs			191,437	196,176
Property costs			3,193	5,705
Depreciation			15,691	16,804
Other costs			58,086	52,019
			<u>268,407</u>	<u>270,704</u>

The Society makes grants for assistance in line with the Society's aims of promoting the welfare of County Londonderry and adjoining areas in Northern Ireland. Grants are made on a cross-community basis to local organisations and individuals for deserving causes and to local primary, secondary and tertiary educational establishments. Details of some of the grants that the Society paid out during the year can be seen in the Trustees' Report on pages 4 to 6, and a full list is contained on the Society's website¹. Grants payable are payments made in furtherance of the charitable objectives of the charity.

3 Governance

	2015	2014
	£	£
Staff costs	35,843	35,673
Auditors' remuneration for audit work	6,180	6,000
Auditors' remuneration for non-audit work	1,500	1,975
Court and executive expenses	9,227	10,515
Legal	5,003	1,870
	<u>57,753</u>	<u>56,033</u>

¹ see <http://www.honourableirishsociety.org.uk/news-and-events/recent-grant-testimonials>

The Honourable The Irish Society
Notes to the financial statements
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4 Staff costs

	2015	2014
	£	£
Wages and salaries	179,423	183,807
Social security costs	13,755	14,226
Pension costs	34,103	33,816
	<u>227,280</u>	<u>231,849</u>

The average number of employees during the year was:

Direct charitable activities	5	5
Administration	2	2

None of the employees was paid more than £60,000 (2014: nil). No member of the Court received any remuneration.

A total of £9,227 (2014: £10,515) was paid by the Society for travel and subsistence on behalf of 10 trustees (2014: 10 trustees).

5 Tangible Fixed Assets

	Charitable properties	Office equipment	Vehicles, plant and equipment	Total
	£	£	£	£
Cost				
As at 1 May 2014	656,208	8,814	43,259	708,281
Additions	-	242	200	442
	<u>656,208</u>	<u>9,056</u>	<u>43,459</u>	<u>708,723</u>
Cost as at 30 April 2015	656,208	9,056	43,459	708,723
Depreciation				
As at 1 May 2014	39,348	7,947	36,603	83,898
Charge for the period	13,124	762	1,805	15,691
	<u>52,472</u>	<u>8,709</u>	<u>38,408</u>	<u>99,589</u>
Depreciation as at 30 April 2015	52,472	8,709	38,408	99,589
NBV as at 30 April 2015	<u>603,736</u>	<u>347</u>	<u>5,051</u>	<u>609,134</u>
NBV as at 30 April 2014	<u>616,860</u>	<u>867</u>	<u>6,656</u>	<u>624,383</u>

The Society owns paintings, silver and other fixed assets in Northern Ireland, which are included at a £Nil book value but were valued in June 2011 by Danny Kinahan Fine Art & Antiques at £272,630. The Society also owns some silver items, five badges of office, a 17th Century (copy) Royal Charter and a modern Charter, all normally held in London and together valued at £100,000.

**The Honourable The Irish Society
Notes to the financial statements
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6 Investments

	2015	2014
	£	£
Quoted investments		
Market value on 1 st May 2014	6,598,242	6,331,281
Additions at cost	2,969,162	1,269,036
Disposal proceeds	(3,016,019)	(1,236,390)
Investment gains – unrealised	314,216	141,234
Investment gains – realised	14,558	93,081
	<u>6,880,159</u>	<u>6,598,242</u>
Investment properties		
Asset value on 1 st May 2014	1,928,280	1,924,006
Additions	-	4,274
	<u>1,928,280</u>	<u>1,928,280</u>
Investment in Property Bond		
Asset value on 30 April 2015 & 30 April 2014	8,100	8,100
Cash held by Investment Manager	88,661	71,048
Unquoted investment (at cost)	7,500	7,500
Less: provision for impairment	(7,400)	(7,400)
Disposal proceeds	(23,449)	-
Investment gains – realised	23,349	-
	<u>-</u>	<u>100</u>
Other Investments (at cost)		
Bann System Limited – wholly owned	1	1
Fish Mourne Limited – 50% owned	1	1
	<u>8,905,202</u>	<u>8,605,772</u>
	<u><u>8,905,202</u></u>	<u><u>8,605,772</u></u>
	2015	2014
	£	£
Investments exceeding 5% of the total market value are as follows:		
Baring Asset Management Targeted Return Fund	2,231,944	2,087,580
Schroder Charity Multi-Asset Fund	2,456,248	2,356,248
	<u><u>2,231,944</u></u>	<u><u>2,087,580</u></u>
	<u><u>2,456,248</u></u>	<u><u>2,356,248</u></u>

**The Honourable The Irish Society
Notes to the financial statements
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7 Debtors

	2015	2014
	£	£
Prepayments	24,090	4,822
Other debtors	23,489	49,302
	<u>47,579</u>	<u>54,124</u>

8 Liabilities falling due within one year

	2015	2014
	£	£
VAT creditor	12,806	16,116
Accruals	13,682	15,045
Deferred income	54,556	88,335
Other creditors	2,045	2,300
	<u>83,089</u>	<u>121,796</u>

Deferred income mainly represents angling income received in advance relating to the 2015/2016 accounting period, as well as rental income received in advance.

There were no liabilities falling due after more than one year.

9 Restricted funds

	As at May 2014	Incoming resources	Resources expended	As at April 2015
	£	£	£	£
The Clothworkers' Company	-	10,000	(10,000)	-
The Drapers' Company	-	10,000	(10,000)	-
	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>

The funds donated by The Clothworkers' Company and The Drapers' Company were given to the Society for distribution as grants in respect of applications from County Londonderry and / or projects linked to their particular charitable objects. While the Drapers' funds were solely targeted at applications from within County Londonderry, the Clothworkers' requested that their fund be open to applicants from the whole of Northern Ireland.

The Honourable The Irish Society
Notes to the financial statements
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10 Net analysis of assets between funds

	Unrestricted	Restricted	Total 2015	Total 2014
	£	£	£	£
Tangible fixed assets	609,134	-	609,134	624,383
Investments	8,905,202	-	8,905,202	8,605,772
Debtors: amounts due after 1 year	14,331	-	14,331	
Current assets	933,669	20,000	953,669	845,877
Current liabilities	(63,089)	(20,000)	(83,089)	(121,796)
	<u>10,399,247</u>	<u>-</u>	<u>10,399,247</u>	<u>9,954,236</u>

11 Pension commitments

The Society operates a Pension Scheme providing benefits based on final pensionable pay for all of its employees.

The assets of the Scheme are held separately from those of the Society in the City of London Corporation Pension Fund.

The Scheme is a funded, defined benefit scheme. However it is also classified as a multi-employer scheme under Financial Reporting Standard 17 "Retirement benefits". Although the employer's contributions are affected by a surplus or deficit in the scheme, the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

As a result, the Scheme is accounted for as if it were a defined contribution scheme, as required by Financial Reporting Standard 17. The employer's contributions made to the Scheme in the period were £34,103 (2014: £33,816), with an employer's contribution rate of 17.5% of pensionable pay. Employees' contributions were between 5.5% and 12.5% of pensionable pay.

The results and assumptions of the most recent valuation of the City of London Corporation Fund are as follows:

Valuation date	31 st March 2013	31 st March 2010
Value of assets (smoothed)	£701,766,000	£549,294,000
Value of liabilities	£829,612,000	£641,306,000
Funding level of accrued benefits	85%	86%
Investment return on future contributions per annum	6.0% ²	6.90%
Investment return on accumulated assets per annum	6.0% ¹	12.10%
Salary scale increase per annum	1.00%	5.00%
Pension increases per annum	2.7%	3.00%
Rate of price inflation	3.5%	3.50%

² with a short term allowance for an additional 1% investment return for the three years to 31st March 2016

**The Honourable The Irish Society
Notes to the financial statements
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12 Obligations under operating leases

At 30th April 2015, the Society was committed to making the following payment under a non-cancellable operating lease in the year to 30th April 2016. This refers to the monthly Licence to Occupy arrangement with the City of London Corporation in respect of the Society’s office at Guildhall, London.

	2015	2014
	Land & Buildings	Land & Buildings
	£	£
Operating lease that expires within one year	550	550
	<u>550</u>	<u>550</u>