

CHARITY NO 1150776

THE HONOURABLE THE IRISH SOCIETY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

IRWIN DONAGHEY STOCKMAN LLP

**FERGUSON HOUSE
23/25 QUEEN STREET
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THE HONOURABLE THE IRISH SOCIETY

**CONTENTS PAGE
FOR THE YEAR ENDED 30 APRIL 2016**

Contents	Page
Charity information	1-2
Report of the Trustees	3-9
Report of the Auditors	10-11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15-24

THE HONOURABLE THE IRISH SOCIETY

**CHARITY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2016**

Charity Registration number: 1150776

Registered office: P O Box 270
Guildhall
LONDON
EC2P 2EJ

Auditors: Irwin Donaghey Stockman LLP
Ferguson House
23/25 Queen Street
COLERAINE
BT52 1BG

Principal Bankers: Danske Bank
Corporate Banking Centre
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
FOR THE YEAR ENDED 30 APRIL 2016**

List of Trustees 2015 - 2016

Governor:	Alderman Sir David Hugh Wootton
Deputy Governor:	Roger Arthur Holden Chadwick, <i>(Deputy)</i>
Deputy Governor Elect:	James Henry George Pollard, <i>(Deputy)</i>
Aldermen:	Alison Gowman William Anthony Bowater Russell
Commoners:	Douglas Barrow <i>(Deputy)</i> Simon D'Olier Duckworth, OBE, DL Peter Gerard Dunphy Brian Nicholas Harris, FRICS <i>(Deputy)</i> Christopher Michael Hayward Wendy Hyde Hugh Fenton Morris Richard David Regan, OBE <i>(Deputy)</i> Elizabeth Rogula <i>(Deputy)</i> Ian Christopher Norman Seaton
Officers:	
Society's Representative (Northern Ireland) & Secretary:	Edward Montgomery, MBE DL
Assistant Secretary:	Candya L Farmer

THE HONOURABLE THE IRISH SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2016

The Trustees present their annual report and financial statements of the Society for the year ended 30 April 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts, the Charities Act 2011 and 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 published on 16 July 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 20 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 H M 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: R A H Chadwick (Deputy Governor & Chairman from March 2015); P G Dunphy; Alderman A Gowman; B N Harris, R D Regan, J H Pollard (Deputy Governor Elect and Deputy Chairman), S D'O Duckworth 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 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.

THE HONOURABLE THE IRISH SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2016

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.

With the support of the City of London Corporation and some of the City's Livery Companies, the Society has been able to achieve a much greater charitable impact in Northern Ireland. An example of this was the recent announcement by the City of London Corporation that half of its £50,000 contribution to UK charities to help Syrian refugee children will be going to support those families who are being resettled in the North West of Northern Ireland. This equates to one third of the fund being raised by The Community Foundation for NI. These funds would not have been committed to Northern Ireland without the Society's presence there and its relationship to the City of London Corporation.

(A) Support for the National Citizen Service in Co. Londonderry

This year the Society has embarked on a major new charitable initiative. In September 2015 the Society signed a Memorandum of Understanding with Co-Operation Ireland, the delivery body for the NCS in Northern Ireland, in support of its programme of training young people in the North West for the next three years. The NCS is a government-backed programme which seeks to develop life skills in young people aged 15-17 while helping them contribute to their communities. Teams of up to 12 young people from all different backgrounds work together under expert guidance for a period of some weeks learning team-building and personal skills culminating in a community project. Since it started in the UK in 2011, over 100,000 young people have taken part, and almost 1,000 from Northern Ireland.

The cost for each student is about £1,200, and the Society has committed to fund teams in Londonderry and Coleraine to the extent of £11,000 a year for three years. In addition however, the Society has engaged the City of London Corporation in support to match fund this commitment, and two of the Livery Companies (Mercers and Clothworkers) have done likewise. Therefore the project commitment currently stands at £99,000 over the three year period, and it is hoped that this amount may yet be increased further if more Livery Companies can be persuaded to take part.

(B) Annual Small Grants Programme in Northern Ireland

Approximately 110 small grants were paid during the year: this was similar to the previous year in terms of numbers; the average size of grants remained at about £300. One reason for the 13% rise in amount 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 continuing generosity of two of the Livery Companies, the Clothworkers and the Drapers, both of which maintained the amount previously donated to the Society in 2014. 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, 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. Some grants in 2015 have also gone to groups representing minority ethnic communities in County Londonderry, such as the Filipino Community (Kabalikat in North West).

THE HONOURABLE THE IRISH SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2016

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 (all from 2015-16).

- **Divert-Dove House Community Trust**

Based in Londonderry's Bogside District, this group provides drug and alcohol awareness assistance and advice. A grant of £400 was approved towards the replacement of worn out protective clothing, including waterproofs and walking boots.

- **Alzheimer's Society, Coleraine**

This organisation runs a peer group providing information and support for people with any form of dementia and their carers. A grant of £328 was approved towards a "Memory Book" project for 25 patients. Research has shown the value of creating scrapbooks which are vital in the communication and trigger of positive memories. The process of assembling photographs and anecdotes helps carers to understand the person behind the condition, their history and personality – and the Memory Books are especially helpful when transferring patients.

- **The Flame Youth initiative**

Based in the village of Eglinton, this project aims to promote mutual respect, tolerance and acceptance of others by providing a supervised drop-in centre where young people can meet for social interaction and participate in recreational activities. A grant of £500 was approved towards a shopping list of items for the centre and employment of a full time youth worker.

- **Flowerfield Bobbin Lace Group**

As a result of classes held at the Flowerfield Arts Centre and in response to increasing demand since the W.I. introduced bobbin lace ribbon into its extensive craft syllabus, this Portstewart group requested assistance towards the cost of tuition fees for learning the historical craft of bobbin lace making. A constant stream of new lace makers has placed incredible burden on the group to explore new techniques and different styles, and a grant of £360 enabled them to persuade a recently retired, experienced lace maker to return to full-time teaching with amazing results.

- **Ten 5, Macosquin Primary School**

A newly formed afterschool club attached to Macosquin Primary School, this group received a grant of £400 towards the cost of new indoor play equipment – as much of what they were using was dated or worn out.

- **Strand Foyer, Derry**

This organisation offers sheltered living for young people aged 18-25 who have a history of problems with alcohol, drugs and relationships - partly tackled by the provision of education and training. A grant of £400 was paid towards the cost of a 25 week art course for residents. A number of testimonials are included on the Irish Society's website, demonstrating the difference the project made to some of those who took part. See www.honourableirishsociety.org.uk/news-and-events/recent-grants/march-2015

Clothworkers' Fund grants in Northern Ireland

- **Rural Support, Cookstown**

Set up in 2002 following the Foot and Mouth Disease outbreak in 2001, this charity provides a unique confidential and non-judgemental support service to farmers, their families and rural communities. They run a 24/7 telephone helpline and outreach service, offering a listening ear and signposting other options to deal with a range of issues from farming problems, elderly isolation and loneliness, emotional health, suicide risk and relationships; plus financial mentoring to those experiencing debt difficulties. A grant of £1,500 was given towards branded clothing (polo shirts, fleeces, body warmers) - essential for their team of 33 volunteers, the backbone of the charity, who work both on-site and out in the farming community across the whole of Northern Ireland.

THE HONOURABLE THE IRISH SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2016

o **Sólás, Belfast**

Established six years ago to deliver assistance to children with special needs right across Northern Ireland, this charity requested financial assistance towards the purchase of books, games and sensory equipment and ICT items for a “chill out” space for teenagers with special needs including ASD and autism. A grant of £1,500 was made.

The Programme Coordinator confirmed how the grant "... helped us purchase furnishings for a 'chill out space' as part of our Patch training and development programme for young adults with special needs. We are able to provide a fun, supportive environment for them to relax and socialise while they are with us developing horticulture skills. Our project's aim is to improve post-school employment prospects for teens in transition".

(C) Schools & Education Support

Primary Schools (Ballougy, 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 4 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 2015-16 the Society continued to support these schools, and also provided annual prizes and visited **Coleraine Academical Institution**, the **Northern Regional College** and the **Ulster University** (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 4 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 make a presentation.

Support for the **Star Programme** – an educational initiative begun in 2014, involving **Lisneal College** and **St Mary's College** in Londonderry - continued in 2015. 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 p.a.** was again 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 2015, he has joined the Board of the new **Coleraine Grammar School** – established as a result of an amalgamation between Coleraine High School and Coleraine Academical Institution.

Hatchery in the Classroom Educational Project: The Society has for almost 10 years funded and organised this 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 2015, the Society's increased funding of **£5,500** once again enabled seven schools to participate in the project and a further two years of enhanced funding has been agreed by the Trustees.

The City of London Corporation support described in the Financial Review (see Page 8) will help to ensure that the Society's small grants programme will be able to continue while some of its capital resources are employed in the development of the newly-purchased Spanboard factory site in Coleraine.

THE HONOURABLE THE IRISH SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2016

(D) 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 who work together to manage these assets.

One full-time member and three part-time members 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.

As protection, management and habitat restoration measures involve a significant outlay (over £100,000 p.a.) on wages and overheads, patrol boats, engines, a vehicle and other equipment necessary, the Society charges local and visiting anglers to fish the rivers. 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 and local community. The income from fishing has continued to be much lower than in previous years, 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 a decline in sales.

Following a review of this situation in 2015, it was concluded that with no sign of a recovery in the medium term in fishery revenues, action had to be taken to reduce the overheads in this sector of the charities operations. Two voluntary redundancies took effect at the end of the fishing season in the autumn of 2015 and while the additional severance and pension costs that were paid have worsened the position in the current year, the Trustees are confident that the fishery business will return to profitability in 2016-17 and beyond.

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. 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. A small retail outlet in Coleraine where the tenant has just retired was re-let for four years from 1 November 2015 to Community Rescue Service Limited. The Trustees have also undertaken some necessary minor restoration and refurbishment of Cutts House, its office near Coleraine.

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

- The purchase of a 22 acre vacant site adjacent to the charity's headquarters in Coleraine and the Lower Bann River, for redevelopment over the next 10 years (see reference under Financial Review on page 8).
- Further licensing of Sporting Rights to commercial wind farm operators in the Sperrin Mountains.
- Gradual progress towards the re-letting of the former fishery research laboratory site near Coleraine for a boutique hotel.
- The writing down of expected gains from the Maydown Precision Engineering Ltd sale following the bankruptcy of the purchaser.

KEY MANAGEMENT PERSONNEL REMUNERATION

The Trustees consider the board of Trustees and the Secretary as comprising the key management personnel of the Society in charge of directing and controlling the Society and running and operating the Society on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in the notes to the accounts.

Trustees are required to disclose all relevant interests and register them with the Secretary and in accordance with the Society's policy, withdraw from decisions where a conflict of interest arises. The Assistant Secretary maintains a Register using information drawn from the City of London Corporation's declarations of interest.

The pay of the Society's Secretary is reviewed annually and normally increased in accordance with average earnings.

THE HONOURABLE THE IRISH SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2016

In view of the nature of the Society, its economy of operations, and the extensive use of professional advisers, the Trustees consider that a multiple of up to three times the median average salary for UK employees is appropriate for this role. The remuneration is also bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

RISK MANAGEMENT

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.

FINANCIAL REVIEW

It is the policy of the Trustees to generate and manage income while maintaining the overall value of the Society's assets, so that it may continue to achieve its charitable objectives in the future. The Trustees continue 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.

Given the financial outlay necessary to purchase the former factory site of 22 acres in Coleraine for future redevelopment, the Society has obtained a generous 10 year commitment from the City of London Corporation to support its NI grant-giving with the sum of £25,000 p.a., starting in the next financial year 2016-17. The aim is to offset the reduction in the Society's charitable giving that would otherwise have been caused by a loss of income from the capital committed to purchase the site. The purchase of the site was the main contributing factor to the significant fall in cash at bank and in hand as at 30 April 2016 (see Balance Sheet at page 13). The site is included in the financial statements as an investment property addition in the current year (see Note 10).

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 as at April 2016 after a five year interval. The result is a modest overall increase in capital values.

The Society also has an investment portfolio managed on a discretionary basis by 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 overall.

However, following a review, in January 2016 the Trustees decided to reduce the number of investment firms employed from three to two.

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 30 April 2016 unrestricted funds amounted to £10,244,214 (2015: £10,399,247) (see Balance Sheet at page 13).

REVIEW OF CHARITABLE ACTIVITIES IN THE YEAR

The net expenditure in the year to 30 April 2016 was £155,033 (2015: net income of £445,011). Charitable expenditure amounted to £497,049 (2015: £401,178). Taking into account a loss on investments of £176,591 (2015: gain of £352,123) and a gain on revaluation of fixed assets of £78,340 (2015: £nil) as set out on page 12, this left an overall deficit for the year of £76,693 (2015: surplus of £445,011).

PLANS FOR FUTURE PERIODS

During the period, the Society has endeavoured to control tightly its administration and other costs. 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 managing the fishery assets and protecting the environment of the Lower Bann River and its tributaries in order to enable greater public use and enjoyment. As mentioned above, within the fishery business, steps were taken which should lead to the Society achieving an operating surplus, which

THE HONOURABLE THE IRISH SOCIETY

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2016**

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 and to offset the costs of environmental and river maintenance. As an example, the Society has contributed financially and is actively collaborating with a project led by Waterways Ireland and other local statutory bodies to identify development potential in the Lower Bann River for tourism and recreation.

STATEMENT OF THE COURT'S RESPONSIBILITIES

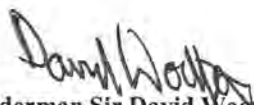
The Court is responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and Relevant Financial Reporting Framework. The Court is required to prepare financial statements for each year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources of the Society for that period. In preparing those financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- 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 that disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charities (Accounts and Reports) Regulations. 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 is responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

BY ORDER OF THE COURT



**Alderman Sir David Wootton
Governor**

18 July 2016

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE HONOURABLE THE IRISH SOCIETY

We have audited the financial statements of The Honourable The Irish Society for the year ended 30 April 2016, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Relevant Financial Reporting Framework.

Respective responsibilities of Trustees and Auditor

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 and for being satisfied that they 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 Financial Reporting Council (FRC'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 that 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 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 [https://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](https://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

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 30 April 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with Relevant Financial Reporting Framework; and
- have been prepared in accordance with the Charities Act 2011.

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Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in Ireland

Members: Ian Donaghey MBE Brian Stockman Roger Dallas Alison Wallace
Consultant: Derek Irwin



**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE HONOURABLE THE
IRISH SOCIETY**

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' Annual 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.

Irwin Donaghey Stockman LLP

18 July 2016

Irwin Donaghey Stockman LLP
Statutory Auditor
23-25 Queen Street, Coleraine, BT52 1BG

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

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Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in Ireland

Members: Ian Donaghey MBE Brian Stockman Roger Dallas Alison Wallace
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THE HONOURABLE THE IRISH SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
AS AT 30 APRIL 2016**

	Note	Unrestricted Funds £	Restricted Funds £	Year to 30 April 2016 Total £	Year to 30 April 2015 Total £
Income					
Donations and grants		27,000	20,000	47,000	20,000
Charitable activities		110,796	-	110,796	131,028
Other trading activities		124,003	-	124,003	111,646
Investment income	2	274,679	-	274,679	264,700
Other income		5,314	-	5,314	5,552
Total income		541,792	20,000	561,792	532,926
Expenditure					
Raising funds	3	43,185	-	43,185	38,860
Charitable activities	4	477,049	20,000	497,049	401,178
Total expenditure		520,234	20,000	540,234	440,038
Net income/(expenditure) before gains/(losses) on investments		21,558	-	21,558	92,888
Net gains/(losses) on investments		(176,591)	-	(176,591)	352,123
Net income/(expenditure)		(155,033)	-	(155,033)	445,011
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		78,340	-	78,340	-
Net movement in funds		(76,693)	-	(76,693)	445,011
Reconciliation of funds:					
Total funds brought forward		10,399,247	-	10,399,247	9,954,236
Total funds carried forward		10,322,554	-	10,322,554	10,399,247

The notes on pages 15 to 24 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 losses on investments reflect the general drop in global stock markets during the period, as opposed to the previous year when markets performed strongly.

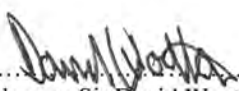
THE HONOURABLE THE IRISH SOCIETY

**BALANCE SHEET
AS AT 30 APRIL 2016**

	Note	30 April 2016 £	£	30 April 2015 £	£
FIXED ASSETS					
Tangible assets	9	682,101		609,134	
Investments	10	9,725,672		8,905,202	
		<u>10,407,773</u>		<u>9,514,336</u>	
DEBTORS: falling due after more than one year			-		14,331
CURRENT ASSETS					
Debtors	11	110,932		47,579	
Cash at bank and in hand		97,659		906,090	
		<u>208,591</u>		<u>953,669</u>	
LIABILITIES: falling due within one year	12	<u>(293,810)</u>		<u>(83,089)</u>	
NET CURRENT ASSETS			<u>(85,219)</u>		870,580
NET ASSETS			<u>10,322,554</u>		<u>10,399,247</u>
FUNDS OF THE CHARITY					
Unrestricted funds	13	10,244,214		10,399,247	
Restricted income funds	13	-		-	
Revaluation reserve	13	78,340		-	
		<u>10,322,554</u>		<u>10,399,247</u>	

The notes on pages 15 to 24 form part of these financial statements.

Approved by the Court on 18 July 2016
And signed on its behalf by:


.....
Alderman Sir David Wootton
Governor

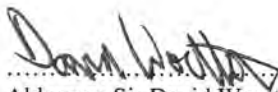
THE HONOURABLE THE IRISH SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016**

	Note	2016 £	2015 £
Net cash used in operating activities	15	(30,537)	(163,755)
Cash flows from investing activities:			
Purchase of fixed assets		(12,328)	(442)
Net income from investments		231,497	225,840
Realised gain on unlisted investments		-	23,349
Purchase of investment properties		(1,025,000)	-
Management fees deducted from cash held by fund manager		27,937	29,344
Net cash provided by investing activities		(777,894)	- 278,091
Cash flows from financing activities:			
Repayments of borrowing		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(808,431)	114,336
Cash and cash equivalents brought forward		906,090	791,754
Cash and cash equivalents carried forward		97,659	906,090

The notes on pages 15 to 24 form part of these financial statements.

Approved by the Court on 18 July 2016
And signed on its behalf by:


.....
Alderman Sir David Wootton
Governor

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Society constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Society's ability to continue as a going concern. With respect to the next reporting period, 2016-17, the most significant areas of uncertainty that affect the carrying value of assets held by the Society are the levels of investment return and the performance of investment markets (see the Risk Management and Financial Review sections of the Trustees' annual report for more information).

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income

Net income/(expenditure) as previously stated	£ 92,888
Adjustment for gains/(losses) on investments now treated as a component of net income	352,123
	<hr/>
2015 net income as restated	445,011
	<hr/> <hr/>

(c) Funds structure

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. Further details of the funds are disclosed in Note 9.

(d) Income recognition

All income is recognised once:

- the charity has entitlement to the income;
- it is probable that the income will be received; and
- the amount of income receivable can be measured reliably.

(e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Society to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

THE HONOURABLE THE IRISH SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

(f) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(g) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Support costs include office and staff costs and have been allocated to the activity cost category or on a basis consistent with the use of resources – e.g. staff costs by the time spent, and other costs by their usage.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. 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. These costs include such items as external legal advice, Trustees' expenses to attend Court meetings, other costs associated with constitutional and statutory requirements and an apportionment of staff costs.

The allocation of support and governance costs is analysed in Note 4.

(h) Costs of raising funds

The costs of generating funds consists solely of investment management fees.

(i) Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in Note 4.

(j) Tangible fixed assets and depreciation

The Society's properties were valued by O'Connor Kennedy Turtle, Chartered Surveyors, providing a market view as at 30 April 2016. As it is the Society's intention to carry out a formal valuation of its properties every five years in accordance with FRS 102, a valuation was carried out in the current year.

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

Other properties occupied by the Society are not treated as investment properties. These are depreciated on a straight line over fifty years. They are similarly valued at least once in every five years and included in the above report.

(k) 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 rental income have been valued at the Trustees' best estimates.

(l) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Society does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Society is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The Property Bond – held with Industrial Multi Property Trust - is stated at the lower of cost and estimated net realisable value.

(m) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(n) 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 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.

2. Investment income

	2016 £	2015 £
Dividends – equities	274,679	264,700
	<u>274,679</u>	<u>264,700</u>

3. Costs of raising funds

	2016 £	2015 £
Investment management fees	43,185	38,860
	<u>43,185</u>	<u>38,860</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

4. Charitable activities expenditure and allocation of governance and support costs

The Society undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

	Governance Costs £	Grants £	Support Costs £	2016 Total £	2015 Total £
Funded from unrestricted funds:					
Education	11,373	37,031	65,362	113,766	85,062
Community	11,373	38,799	65,361	115,533	91,375
Environmental protection & improvement	34,117	17,548	196,085	247,750	204,741
Funded from restricted funds:					
Education	-	-	-	-	-
Community	-	20,000	-	20,000	20,000
Environmental protection & improvement	-	-	-	-	-
	<u>56,863</u>	<u>113,378</u>	<u>326,808</u>	<u>497,049</u>	<u>401,178</u>
Support costs:				2016 £	2015 £
Staff costs				191,873	191,437
Redundancy costs				35,000	-
Property costs				8,194	3,193
Depreciation				17,702	15,691
Bad debt provision re Maydown Precision Engineering Ltd				15,000	-
Other costs				59,039	58,086
				<u>326,808</u>	<u>268,407</u>
Governance costs:				2016 £	2015 £
Staff costs				36,165	35,843
Auditors' remuneration for audit work				2,413	6,180
Auditors' remuneration for non-audit work				1,600	1,500
Court & executive fees				8,463	9,227
Legal fees				8,222	5,003
				<u>56,863</u>	<u>57,753</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 3 to 9 and a full list is contained on the Society's website. Grants payable are payments made in furtherance of the charitable objectives of the charity.

THE HONOURABLE THE IRISH SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

5. Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Education	36,274	757	37,031
Community	58,799	-	58,799
Environmental protection & improvement	17,548	-	17,548
	<u>112,621</u>	<u>757</u>	<u>113,378</u>

6. Staff costs and remuneration of key management personnel

	2016 £	2015 £
Salaries and wages	162,953	179,423
Redundancy costs	35,000	-
Social security costs	12,856	13,755
Pension costs	52,229	34,103
	<u>263,038</u>	<u>227,281</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 (2015: £nil). No member of the Court received any remuneration.

The Society considers its key management personnel to comprise the Trustees & the Society's Representative (Northern Ireland). The total employment benefits including employer pension contributions of the key management personnel were £72,872 (2015: £71,321).

No employees had employee benefits in excess of £60,000 (2015: none).

7. Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2015: £nil). A total of £8,505 (2015: £9,227) was paid by the Society for travel and subsistence on behalf of 10 Trustees (2015: 10 Trustees).

8. Auditor's remuneration

The auditor's remuneration constituted an audit fee of £2,400 (2015: £6,000) and additional accounts preparation work of £1,600 (2015: £1,500).

9. Tangible Fixed Assets

	Charitable Properties £	Vehicles, plant and equipment £	Office equipment £	Total £
Cost				
As at 1 May 2015	656,208	43,459	9,055	708,722
Additions	6,171	-	6,157	12,328
Revaluation	12,620	-	-	12,620
Cost as at 30 April 2016	<u>674,999</u>	<u>43,459</u>	<u>15,212</u>	<u>733,670</u>
Depreciation				
As at 1 May 2015	52,472	38,407	8,709	99,588
Charge for the period	13,248	3,051	1,402	17,701
Revaluation	(65,720)	-	-	(65,720)
Depreciation as at 30 April 2016	<u>-</u>	<u>41,458</u>	<u>10,111</u>	<u>51,569</u>
NBV as at 30 April 2016	<u>674,999</u>	<u>2,001</u>	<u>5,101</u>	<u>682,101</u>
NBV as at 30 April 2015	<u>603,736</u>	<u>5,052</u>	<u>346</u>	<u>609,134</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. No further valuations have been obtained since June 2011.

10. Fixed asset investments

	2016	2015
	£	£
Quoted investments		
Market value on 1 May 2015	6,880,158	6,598,242
Additions at cost	1,283,219	2,969,162
Disposal proceeds	(1,290,799)	(3,016,019)
Investment gains – unrealised	(457,336)	314,216
Investment gains – realised	14,997	14,558
	<u>6,430,239</u>	<u>6,880,159</u>
Investment properties		
Asset value on 1 May 2015	1,928,279	1,928,280
Additions – Spanboard site	1,025,000	-
Revaluation	239,728	-
	<u>3,193,007</u>	<u>1,928,280</u>
Investment in Property Bond		
Asset value on 30 April 2016 & 30 April 2015	8,100	8,100
Cash held by Investment Manager	94,324	88,661
Unquoted investment (at cost)	-	7,500
Less: provision for impairment	-	(7,400)
Disposal proceeds	-	(23,449)
Investment gains – realised	-	23,349
	<u>-</u>	<u>-</u>
Other Investments (at cost)		
Bann System Limited – wholly owned	1	1
Fish Mourne Limited – 50% owned	1	1
	<u>9,725,672</u>	<u>8,905,202</u>
	2016	2015
	£	£
Investments exceeding 5% of the total market value are as follows:		
Baring Asset Management Targeted Return Fund	2,100,877	2,231,944
Schroder Charity Multi-Asset Fund	2,273,477	2,456,248
	<u>2,100,877</u>	<u>2,231,944</u>
	<u>2,273,477</u>	<u>2,456,248</u>

11. Debtors

	2016 £	2015 £
Trade debtors	74,943	12,832
Prepayments and accrued income	31,986	24,090
Other debtors	4,003	10,657
	<u>110,932</u>	<u>47,579</u>

All debtor balances relate to unrestricted funds both in 2016 and 2015.

12. Creditors falling due within one year

	2016 £	2015 £
Trade creditors	2,759	2,045
VAT creditor	22,050	12,806
Accruals	14,547	13,682
Deferred income	154,454	54,556
Balance payable in relation to the purchase of Spanboard site	100,000	-
	<u>293,810</u>	<u>83,089</u>

Deferred income mainly represents angling income received in advance relating to the 2016/17 accounting period, as well as rental income received in advance and some donations towards the Organ event on 26 June 2016 and National Citizen Service 2016-17. All creditor balances relate to unrestricted funds both in 2016 and 2015.

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

13. Analysis of charitable funds

	Total funds b/fwd £	Income £	Expenditure £	Other Gains/ (Losses) £	Total funds c/fwd £
Unrestricted funds:					
(a) General reserve	10,399,247	522,842	(501,284)	(176,591)	10,244,214
Restricted funds:					
(b) The Clothworkers' Company	-	10,000	(10,000)	-	-
(b) The Drapers' Company	-	10,000	(10,000)	-	-
Revaluation reserve:					
Gains on revaluation of fixed assets	-	-	-	78,340	78,340
Total funds	<u>10,399,247</u>	<u>542,842</u>	<u>(521,284)</u>	<u>(98,251)</u>	<u>10,322,554</u>

(a) The general reserve represents the free funds of the Society which are not designated for particular purposes.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

14. Net analysis of assets between funds

	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
Tangible fixed assets	682,101	-	682,101	609,134
Investments	9,725,672	-	9,725,672	8,905,202
Debtors: amounts due after 1 year	-	-	-	14,331
Current assets	188,591	20,000	208,591	953,669
Current liabilities	(273,810)	(20,000)	(293,810)	(83,089)
	<u>10,322,554</u>	<u>-</u>	<u>10,322,554</u>	<u>10,399,247</u>

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds	(76,693)	445,011
(Gains)/losses on investments	176,591	(352,123)
(Gains)/losses on revaluation of fixed assets	(78,340)	-
Net income from investments	(231,494)	(225,840)
Depreciation	17,702	15,690
Decrease/(increase) in debtors	(49,022)	(7,786)
Increase/(decrease) in creditors	210,719	(38,707)
Net cash used in operating activities	<u>(30,537)</u>	<u>(163,755)</u>

16. 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 £27,113 (2015: £34,103), with an employer's contribution rate of 17.5% of pensionable pay. Employee's 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 March 2013	31 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 contribution's per annum	6.0%	6.90%
Investment return on accumulated assets per annum	6.0%	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%

17. Obligations under operating leases

At 30 April 2016, the Society was committed to making the following payment under a non-cancellable operating lease in the year to 30 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.

	2016	2015
	Land & Buildings £	Land & Buildings £
Operating lease that expires within one year	<u>550</u>	<u>550</u>