

Britain Yearly Meeting of the Religious Society
of Friends (Quakers)

Trustees' annual report

Including financial statements for the year ended December 2016



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Britain Yearly Meeting of the Religious Society of Friends (Quakers)

Registered charity number 1127633

Friends House
173 Euston Road
London
NW1 2BJ

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From the Clerk of Trustees and the Recording Clerk

Our lives speak peace, equality, respect for the earth and all its inhabitants. We offer friendship to all and solidarity to the marginalised. We speak truth to power with love. We hold those in power in the Light. We find creative and nonviolent ways to get our message across. We are in this for the long haul; we're not afraid to take risks. We are called to live in the place where our 'deep gladness and the world's deep hunger meet'

Our faith in the future

In these challenging, uncertain and rapidly-changing times, the need for Quaker work and witness, grounded in our worship and in the life of the Spirit, is as urgent as ever. The work of Britain Yearly Meeting, as described in this report, shows how we are striving to strengthen our meetings and to meet the challenges facing the world. We cannot do it all, but trustees and the central committees are working ever more closely to see where our work can be most effective and where we can work alongside others to bring about a more just, fair and peaceful world.

Your part in this – giving as much of your time, your service, your financial support and your prayers as you are able – is an essential part of being a Quaker. Once again we ask: Dear Friend, what canst thou do?



Ingrid Greenhow



Paul Parker

Britain Yearly Meeting explained

Quakers in Britain – also known as the Religious Society of Friends – is a faith community with worship at its heart. Founded in 1652, a period of religious turmoil, we welcome people of all faith backgrounds who want to deepen their experience of God and find a way of living harmoniously in today's troubled world.

Quakers worship in local meetings (480), grouped together into area meetings (70), the level at which individual membership (c.13,400, plus a further 9,700 attenders) is held. Local and area Quaker meetings manage their own affairs and own their own property; each area meeting is a separate charitable entity with its own trustees.

Members of these area meetings make up the membership of the Yearly Meeting of the Religious Society of Friends (Quakers) in Britain (Britain Yearly Meeting), a body that meets annually and that has ultimate authority for church affairs. Britain Yearly Meeting is also the name of the charity that implements the Society's central policy, owns its property, employs its staff and directs its work.

Britain Yearly Meeting works centrally to run the affairs of the Society as a whole and to support local meetings. We also work to raise awareness of the basic tenets of Quaker faith and to put Quaker thinking into practice for a just and peaceful world.

Public benefit statement

Britain Yearly Meeting (BYM) is an umbrella organisation, guiding, supporting and sustaining the 70 area and 480 local Quaker meetings throughout England, Wales and Scotland.

Our resources come from members' contributions, legacies, inherited funds, grants, the gift-aided surplus of our Hospitality Company, rents from properties, interest and dividends. These are described in these financial statements.

We spend these resources on deepening and sharing our spiritual experience and on acts of witness that arise from our faith. For Quakers, belief and witness are indivisible. We work for peace and justice, environmental sustainability, the alleviation of suffering, and the upholding of victims of oppression.

Our local meetings for worship are open to all: we have no tests of belief; membership of our Society is open to anyone who is sincerely seeking truth. Our governance is spread widely within our membership – in May around a thousand Quakers from across Britain gathered at Friends House, London, for Yearly Meeting. It marked the second of a three-year consideration of the theme 'Living out our faith in the world'. Attendance was high, with 704 people present at Saturday morning's sessions. 112 young Quakers took part in the accompanying programme. Junior Yearly Meeting ran separately in April with 72 young Quakers attending.

For over 360 years our faith has led us to testify to equality, simplicity, peace and truth. Our social witness work encompasses work for peace in Israel–Palestine and in Africa. It strives for environmental sustainability, a compassionate criminal justice system and for equality in Britain. It supports the poorer people in society through bursaries, relief payments and grants. We provide central support to the witness of our local meetings, for example through servicing networks of prison chaplains.

Friends House, our central London base opposite Euston Station, is a much-valued public building, made available for a wide variety of uses including worship by other faiths, education purposes and for open meetings organised by many third-sector organisations. Since 2009 Friends House has had a welcoming Quaker Centre, featuring a bookshop, café and worship space, open to all.

We are transparent in what we do: our website (www.quaker.org.uk) carries recent minutes of BYM Trustees as well as of Meeting for Sufferings (the standing representative council of Quakers in Britain) and Yearly Meeting itself. Our website also presents details of our work in the world and provides resources for local meetings and for those wanting to learn more about Quakers.

This report shows how our resources have been applied and how the public benefits from our work.

The charity's Trustees have complied with their duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. All Trustees give their time voluntarily and do not receive any personal financial benefit from the charity.

Governance

For some of us this does not seem sufficiently religious. I remember an outburst in Meeting for Sufferings, when Friends felt that Britain Yearly Meeting was becoming ‘just a well-run charity’. ‘I don’t want to be part of a well-run charity, I want to be part of a religious group, a church,’ said a weighty Friend. The point is that we need to be an ordinary well-run organisation, with good structures and sensible practices, which we then make extraordinary by transcending, not discarding them.

Beth Allen, 2007 (*Quaker faith & practice* 8.24)

The trustees of Britain Yearly Meeting (BYM) are responsible for ensuring that the governance of matters relating to the church and to the charity is carried out with integrity. Trustees are accountable to Quakers in Britain for the central work carried out in their name, and for ensuring that BYM complies with the law.

The Recording Clerk and Management Meeting advise, and are accountable to, trustees for the work that is undertaken. This work is contained within the operational plan and budget prepared annually for trustees by Management Meeting.

Our governance relies upon wide participation of members, and we depend on Friends to discover and exercise their gifts and to offer them in service to God and our community.

Governing document

The governing document of BYM was reviewed by Yearly Meeting in 2014. It is drawn largely from passages in *Quaker faith & practice*, the constitutional book of Christian discipline of BYM. In addition to governance, *Quaker faith & practice* contains advice and counsel, as well as encouragement to self-question and to hear each other in humility and love.

The book of discipline was first compiled in manuscript form in 1738 and is revised at intervals. The last complete revision was approved in 1994 and has been amended regularly since then. A fifth edition was published in 2013.

Yearly Meeting 2014 commissioned Quaker Stewardship Committee to carry out a review of the terms of reference of BYM trustees, and the new version was laid before Yearly Meeting in 2016. The terms of reference will be reviewed every three years.

The duty of trustees

It is the duty of BYM trustees to:

- ensure that the priorities for the work set out by Yearly Meeting and Meeting for Sufferings are taken forward with the right use of our resources
- ensure that the governance and management of the work carried out are in accordance with the objectives set out in the governing document and compliant with the law.

In addition, the board of directors of Friends House (London) Hospitality Limited is appointed by, and reports annually to, BYM trustees.

Trustees have three subcommittees: Audit Committee, Employment Committee, and Finance & Property Committee. Trustees are further supported by standing committees, whose work is included in this report. The trustees, together with the standing committees listed below, define policies and decide the work to be done.

- Quaker Committee for Christian & Interfaith Relations
- Quaker Life Central Committee
- Quaker Peace & Social Witness Central Committee
- Quaker World Relations Committee.

Trustees have now established a pattern of annual reporting by standing committees designed to ensure that they remain well-informed and that the work of standing committees is well scrutinised. Regular meetings of the trustees and committee clerks are also held.

Developments in governance

In reflecting on the Trustees' work in 2016, several areas of governance merit particular attention:

- Completed review of the Audit Committee and approved amended terms of reference
- Developed a more strategic and resilient management structure
- Developed a new approach to risk management (see below)

The conduct of business

All Trustees' meetings and those of committees and subcommittees are held as meetings for worship for business in accordance with *Quaker faith & practice*. Trustees appoint two elders each year to sustain and support the right holding of the meeting.

Trustees receive copies of the full minutes of Management Meeting, thus ensuring that those matters which are under consideration by our officers are known, while also ensuring that the boundaries between operational and strategic direction are preserved. The Recording Clerk attends all meetings of Trustees and reports to them on each occasion about the work of Management Meeting. Trustees also spend time without staff at each of their meetings.

Trustees have a good relationship with Meeting for Sufferings, the standing representative council of Quakers in Britain. All trustees are members of Meeting for Sufferings and attend its meetings regularly to participate in the discernment. There are regular opportunities for members of Meeting for Sufferings to engage with Trustees to ask questions and seek explanation and clarification of aspects of Trustees' business. Trust is central to all our relationships, and its preservation is a matter of vigilance and sensitivity.

Transparency of Lobbying, Non-party Campaigning & Trade Union Administration Act 2014

This legislation, which requires any charity campaigning in ways that might be deemed to influence the outcome of an election to register with the electoral commission if its election-related campaigning expenditure exceeds certain limits, came into effect in the autumn of 2014. Following careful consideration, and consultation with Meeting for Sufferings, Trustees decided to register as a non-party campaigner, but reaffirmed that, above all, our responsibility is to act and speak as we are guided by faith. Britain Yearly Meeting was compliant with the requirements of this legislation in 2015; there were no changes to planned activity as a result of the new requirements.

Safeguarding procedures

As Quakers, we seek to create a community where all can worship safely, whatever their age. There are also legal and regulatory safeguarding requirements laid upon us as a charity. The ministry of working with children or vulnerable adults may not be right for everyone, or open to all.

We have procedures to ensure that only appropriate staff and volunteers work with children and young people and that criminal records checks are undertaken as required. Our safeguarding procedures and policies are kept under review, with changes to safeguarding legislation and regulation being useful and periodic prompts.

Volunteer involvement

Britain Yearly Meeting has a policy for volunteers who work alongside paid staff, based on four principles:

- The roles of volunteers and those of the staff with whom they work must be clear.
- The work of volunteers should be seen as complementary to the work of staff, and volunteers should be supported in their work.
- Volunteers will not be used to replace staff posts.
- Staff and volunteers will work closely together.

Equal opportunities

In 2009 Britain Yearly Meeting adopted an equal opportunities policy:

“Britain Yearly Meeting is firmly committed to the principle of equality and to creating a working and service environment in which all employees, committee members, volunteers, Friends and other users of our buildings and services are treated with dignity and are free from unfair discrimination, victimisation or harassment on the grounds of gender, marital status, race, ethnic origin, nationality, national origin, class, language, disability, sexual orientation, religion, appearance or age.

We oppose all forms of discrimination and prejudice that disrespect the individual.”

Staff, committees and the Hospitality Company have been asked to develop procedures, appropriate to their areas, for implementing the policy.

Risk management

Quakers have historically been prepared to take risks if felt called to do so after careful discernment. Risks can be taken and managed because of the checks and balances of our robust decision-making processes. These also ensure that responsibility for actions and procedures is widely spread. Trustees and staff are working to embed risk assessment and mitigation into work programmes. The overall aim is to ensure that staff, committee members and trustees can manage the potential impact of risk.

Risk management policies and procedures

Trustees have paid increased attention to risk, both in their meetings and working with senior staff. In the last year this has led to a new approach to risk assessment and management. The Deputy Recording Clerk now holds strategic responsibility for risk management.

Risks are linked to the Operational Plan, which is a detailed outline of work programmes. Having identified relevant risks, operational managers analyse levels of risk, confirm mitigation, and, where appropriate, allocate resources. The Risk Register is reviewed and updated annually. It is discussed and approved by Management Meeting and trustees.

Trustees identified the high/major risks connected with the 2016 operational plan; they asked senior staff to ensure that these, and other risks, are carefully managed to reduce their impact; and to report regularly on high risk areas.

Other actions during the last year include enhancing the audit function with a smaller and more focussed Audit Committee which has a majority of external members. The Employment Committee and Finance & Property Committee have been reviewing policies and procedures to ensure that they are up to date and embed Quaker values in the workplace. Friends House (London) Hospitality Company which runs Friends House and Swarthmoor Hall engaged all the staff in a values exercise emphasising a shared commitment to high quality service.

Main risks

The most significant risks identified in 2016 and their management are:

Risk	Mitigation and management
<p>Ageing and declining membership. This is a long-term risk, with implications for the number of active Quaker Meetings; visibility; impact of work; and income from contributions.</p>	<p>Committees have begun to consider what demographic data is available to inform strategy.</p> <p>Trustees have made a significant investment in the Vibrancy in Meetings pilot project, jointly with Woodbrooke Quaker Studies Centre. The project will increase understanding of how we can support Quaker meetings to be stronger, more connected, confident and sustainable.</p> <p>An Engaging Young Adult Friends worker has been appointed.</p> <p>Extra effort was put into Quaker Week this year, resulting in a significant rise in enquiries.</p>
<p>HS2 development. Building work in the Euston area is expected to impact on access to and usage of Friends House; the ability to hold Quaker worship; and income.</p>	<p>Trustees have set up a Monitoring Group.</p> <p>We are working closely with other local charity business through the Stephenson Way Group.</p> <p>We have secured assurances from HS2 to mitigate potential risks. HS2 will be undertaking risk assessments and producing a mitigation plan.</p> <p>Noise- and pollution-reduction measures have been integrated into recent refurbishment.</p>
<p>IT interruptions. Hardware/software failures and cyber-security issues would impact most of BYM's day-to-day operations</p>	<p>We have implemented a network backup system, establishing three servers and providing extra server redundancy.</p> <p>Backup of the entire network is made both locally off-site and remotely through internet storage.</p>
<p>Social media. There are reputational risks attached to inappropriate use of social media by BYM, and insufficient monitoring of social media.</p>	<p>All social media accounts are set up by the web manager and monitored by the social media team.</p> <p>All central social media channels are moderated out-of-hours on a rota.</p> <p>A Social Media strategy is in place; a Digital Content strategy is being piloted.</p>

Sustainability

Quakers made a commitment in 2011 to become a low carbon community so as to reduce the risks associated with climate change and an unsustainable consumer-led lifestyle. Good progress has been made both in providing guidance to Quakers throughout Britain and reducing the environmental impact of the centrally managed work. In Friends House food in the restaurant and café comes from locally sustainable source. There is an ethical procurement programme and renewable energy is used for heating and lighting. The carbon footprint of the building has fallen by 12 per cent on 2015 and 29 per cent on the baseline year of 2009.

Health and safety

BYM trustees are responsible for the health and safety of their staff and for ensuring that the premises are safe places of work. Trustees received the annual health and safety report outlining the work carried out during the year at Friends House and Swarthmoor Hall.

Governance

Data protection

BYM trustees are responsible for data security and for legal compliance matters. As data controller for BYM, the Recording Clerk is responsible for checking annually that staff, committees and other constituent parts of BYM comply with the Data Protection Act 1998. Trustees have received the annual report from the staff Data Safety Group. The group works to terms of reference agreed by Management Meeting and trustees.

Grant-making

Grants from restricted funds are made according to the criteria laid down by the donor. Grants from unrestricted funds are allocated by reference to criteria specified in 2010. New grant-making processes were implemented in 2016, with further developments planned in 2017 to ensure consistency of best practice across the various programmes.

A full list of grants given is available on our website (www.quaker.org.uk).

Trustees serving during 2016 and up to the date of this report

David Burnell	London West AM
Sarah Donaldson	Manchester & Warrington AM
James Eddington	Lancashire Central & North AM
Nick Eyre (from 1 January 2017)	Lincolnshire AM
Nick Francis, Assistant Clerk	West Wiltshire & East Somerset AM
Ingrid Greenhow, Clerk	Chilterns AM
Alison Ironside (until 31 December 2016)	Central England AM
Roy Love	York AM
Lynn Moseley	South Wales AM
David Olver	Craven & Keighley AM
Virginia Pawlyn	Banbury & Evesham AM
Steve Pullan	Northumbria AM
Hazel Shellens (from 1 January 2017)	Cambridgeshire AM
Alastair Reid	West Scotland
Tim Southall	Bristol AM
Graham Taylor (until 31 December 2016)	Northumbria AM
Christine Willmore	Bristol AM
Peter Ullathorne, Treasurer	Central England AM

Recruitment of trustees, induction and training

Trustees are normally appointed for a term of three years, with possible reappointment for a second term.

Trustees are appointed by Yearly Meeting on the nomination of the Central Nominations Committee. Meeting for Sufferings is empowered to make interim appointments between Yearly Meetings. The Clerks of Trustees and the Yearly Meeting Treasurer are appointed annually by Yearly Meeting on the nomination of the Yearly Meeting Committee on Clerks. These nominating committees draw on a database of offers of service from Friends in membership of BYM. In making nominations for service as trustees, the Central Nominations Committee ensures that the Friends approached are aware of the legal responsibilities of trustees and of the legal position on eligibility.

Trustees keep their collective strengths and weaknesses under constant review. Trustees use regular training to reinforce those strengths and to address any weaknesses. All trustees are offered training in a range of areas related to their responsibilities. New trustees receive induction and briefing materials. They take part in a reflective review at the end of their first year of service, and again when they complete their term. The findings of these reviews are reported back to the Trustee body.

Britain Yearly Meeting staff

Britain Yearly Meeting employed 168 staff (135.4 full-time equivalent) across its departments in 2016, including 52 (41 full-time equivalent) at Friends House (London) Hospitality Ltd.

Management Meeting

Trustees delegate the responsibility for implementing decisions and managing work to senior staff (Management Meeting). In 2016, Management Meeting comprised:

Helen Drewery, Head of Witness and Worship
 Paul Grey, Head of Operations
 Lisa Kiew, Head of Finance and Resources
 Paul Parker, Recording Clerk
 Juliet Prager, Deputy Recording Clerk
 Richard Summers, General Secretary of Quaker Life (left May 2016)

Over 2016, Management Meeting personnel took on different roles, reflecting the broad themes of the work; this has enabled the charity to work more strategically and as a single joined-up organisation. The new structure has improved organisational resilience, risk management and impact reporting.

Staff remuneration

The salaries for all staff, including the Recording Clerk and members of Management Meeting, are agreed on behalf of BYM Trustees by their Employment Committee, which negotiates these where required with the workplace union representatives. For several years a formula has been in place to propose a cost-of-living increase which is agreed by trustees subject to certain affordability criteria.

It is a longstanding policy of Britain Yearly Meeting that no member of staff, either on our London or regional pay scale should receive a full-time salary more than four times that of any other. That policy, which results in a 1:4.7 ratio across the two pay scales, is one of the ways that Quakers are trying to put our faith into practice in the workplace. All staff are paid above the recommended Living Wage.

Relationships between Britain Yearly Meeting and related parties

Britain Yearly Meeting (BYM) works in close partnership with a number of other organisations.

Friends Trusts Ltd acts as custodian trustee or holding trustee, where the terms of trust permit, of property and investments held in trust for the benefit of or in connection with the Religious Society of Friends in Britain. Its directors are appointed by Meeting for Sufferings, and BYM provides secretarial support for its work.

Quaker Housing Trust is the national housing charity of BYM, with trustees appointed by Meeting for Sufferings. Britain Yearly Meeting provides secretarial support for its work.

Woodbrooke Quaker Study Centre is an independent learning organisation that supports and informs Quakers, as individuals and as a community, to enable our work in the world and in local communities from a place of understanding and spiritual renewal. Woodbrooke is a key partner in the development and delivery of a number of BYM's programmes of work.

The Quaker United Nations Office (QUNO) in Geneva works on behalf of Quakers worldwide on issues of sustainability, peace and human rights. It was formerly a part of BYM's work. It is now an independent charity registered in Switzerland. BYM makes a substantial grant towards the annual running costs of QUNO.

BYM works with and through a wide range of other like-minded organisations, including a number of other Quaker organisations, to deliver programmes of work rooted in Quaker concerns.

Fundraising practices

Britain Yearly Meeting raises funds within the Quaker community primarily via the contributions given by Area and Local Meetings annually. We also make applications to trusts and foundations for grant funding. No direct fundraising approaches are made to individuals, though donations and legacy bequests are received from individuals. No professional third party fundraiser or commercial participator carried out any fundraising activity on behalf of BYM. We have received no complaints regarding our fundraising practices in 2016. BYM is a member of Institute of Fundraising and subscribes to its code of conduct and the Fundraising Regulator's Code of Fundraising Practice.

With the exception of collection boxes at Friends House and Swarthmoor Hall, BYM does not raise funds from the general public. BYM is reviewing its fundraising practices in 2017 and will adopt a new fundraising strategy.

Governance

Reference and administrative details

Name and Registered Office

Britain Yearly Meeting of the Religious Society of Friends (Quakers)
Friends House, 173 Euston Road, London, NW1 2BJ
Registered charity number 1127633

Professional advisers

Auditor
Mazars LLP
Times House
Throwley Way, Sutton
Surrey SM1 4JQ

Legal advisers

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Investment managers

Rathbone Greenbank Investments
10 Queen Square
Bristol BS1 4NT

Main banker

The Co-operative Bank
3rd Floor
10 Warwick Lane
London EC2 7BP

Objectives and achievements

The charitable object of Britain Yearly Meeting (BYM) is “the furtherance of the general religious and charitable purposes of the Religious Society of Friends in Britain and beyond”. This purpose is further defined in *Quaker faith & practice* under four headings, which underpin the organisation of our work and the allocation of funds.

Sustaining our church and faith

We work to ensure that our church governance is responsive to the Holy Spirit and informed by Quaker testimony.

Quaker gatherings: Yearly Meeting 2016 saw over 1,000 Quakers of all ages welcomed to Friends House for a gathering which was well-supported by staff throughout the organisation. In 2017 Yearly Meeting will be a week-long residential held at Warwick University. Formal plans were confirmed during 2016, including a clear budget and a contract which involves bookings being co-ordinated by the University.

Governance: Our Yearly Meeting structures and committees rely on the active and effective participation of members. We reinstated workshops and training for committee clerks, new members and secretaries. However, our events and committee services team struggled to achieve all of its objectives in 2016; learning from this, we have increased staffing.

Linking with the wider church: Staff supported the registration by Meeting for Sufferings of the first four Quaker Recognised Bodies. This new approach, adopted in 2015 by Meeting for Sufferings, is intended to strengthen the relationship between centrally-managed work and independent groups, whose passion and commitment to particular areas of interest can deepen the life of the Society and breathe energy into more formal structures.

BYM Operations: We successfully implemented a new telephone system, improving functionality and reliability. Improvements to our IT network mean that our systems are more robust. Because the IT team struggled to achieve all of its objectives, we have delayed some planned work and will plan for a slower pace of change in future. Recognising that staff training and development has been patchy, we adopted a training strategy. We are investing in leadership development. We held our first Health Awareness Day for staff.

In 2016 we spent £0.7 million on sustaining our church and our faith.

Supporting meetings

Our 480 local Quaker meetings are the bedrock of the Religious Society of Friends in Britain. We work to deepen the spiritual life of Quaker meetings in Britain by providing support, training and advice.

Support which is relevant and accessible: In April we published the ‘Directory of Services’, providing information on how Quaker Meetings can access the resources and support available from Britain Yearly Meeting. Copies were sent to every Meeting, and the information is also on our website. We have recognised that, without a benchmark, it’s difficult to evaluate the success of this initiative.

Working jointly with Woodbrooke Quaker Studies Centre we appointed five staff to the Vibrancy in Meetings pilot project. This action-learning project will be evaluated, to increase understanding of how we can support Quaker meetings to be stronger, more connected, confident and sustainable.

Quaker children and young people: A Young Quakers Events Calendar was produced, helping younger people and the adults who work with them to access opportunities and to link with each other. The children and young people's team responded to 1,026 requests for resources.

'Journeys in the Spirit' provides resource materials for adult Quakers working with children and young people and is sent out regularly with a newsletter; during 2016, subscriptions increased by 140 to 1,862. 'Living as a Quaker' is a six-session programme providing facilitators with all they need to support young people exploring their Quaker identity, beliefs, values and interactions with others: we have added a new chapter on online bullying, which has been welcomed by users.

Quaker properties: By the end of 2016 the Quaker Meeting Houses Heritage project, in partnership with English Heritage (now Historic England), and with the invaluable help of Friends across the Yearly Meeting, had gathered information about all 345 meeting houses in England, Scotland, Wales and the Channel islands, as well as Friends House and Swarthmoor Hall. Reports about each building have been provided to local Friends, and the information will be compiled in a national overview report, to be completed in 2017. Grants were given from the Meeting Houses Fund to support works at three meeting houses in 2017.

Support for Quaker witness: The Turning the Tide programme helps groups to plan effective nonviolent campaigns for sustainable social change. In 2016, we worked with four Quaker Meetings; eight other Quaker bodies; and another 18 groups which had asked for support.

Quaker Meetings have been supported to divest from fossil fuel extraction. A 'how-to' briefing was downloaded over 50 times, and at least 5 Meetings decided to divest. About 100 Quakers joined a national sustainability gathering about sustainability: one participant wrote: 'I needed nourishment and refreshment and I got both'.

We published a new booklet about energy and the economy, which was used by reading groups in 20 Quaker Meetings.

Political engagement: Ahead of the EU Referendum, briefing papers were prepared and circulated to Quakers throughout Britain, including information about the EU institutions; how to plan and organise hustings; engaging with politicians; and working with the media. Representatives of Britain Yearly Meeting attended three party conferences.

In 2016 we spent £2.3 million on supporting meetings.

Promoting Quakerism

We strengthen our presence in the world by promoting our Quaker faith and values.

Improving how we communicate: A new communications strategy was adopted in 2016, to guide communications across the organisation in the coming five years.

February 2016 saw our new website become fully operational. Internally, authoring and editorial standards are more tightly monitored and maintained. Using an agile development approach, we have responded to feedback and made improvements, leading to a reduction in complaints. We are still learning how to use the site to its full advantage. For example, we introduced a weekly Featured News article: the analytics show this feature is not widely read, so we are considering our digital content strategy across all our channels

The high-quality 'Find a Quaker Meeting' function led to the decision not to print a new Book of Meetings every year. We were delighted that the website was a runner up in the Premier Digital Accessibility Award.

Library and archive: We are working to make the resources in our Library more widely accessible. The current phase of the Retrospective Cataloguing project was completed in 2016, seeing over 5,000 new records added to our catalogue; the manuscripts collection description project was also completed. Recognising that many Quakers are not aware of this rich resource, the space was opened up during Yearly Meeting and about 400 Quakers visited.

Governance

Outreach: New outreach material was produced for use nationally and by local Meetings. We supported a Quaker presence at the Greenbelt festival of arts, faith and justice. We offered 3 worship sessions and some 250 festival-goers had an experience of Quaker worship; distributed 1,000 books and captured 400 signatures captured on petitions; and organised 19 pop up talks on Ecumenical Accompaniers Programme in Palestine and Israel (EAPPI), Living Adventurously, Trident and Peace Education. Based on feedback from volunteers and participants, we plan for a different, more impactful presence at the festival in 2017.

In 2016 we spent £1.9 million promoting Quakerism.

Witness through action

As Quakers we are all activists and we are all worshippers. Through our personal and corporate testimony we live out our faith in the world.

Peace: The World War 1 project, raising awareness about Quakers and conscientious objection, reached an international audience of over 4.6 million. We stimulated engagement with the Peace Tax Bill.

In 2016 we completed a pilot project to build active nonviolence capacity among community change agents in Rwanda and Burundi, and made a commitment to continue the work.

A partnership with Christian Aid increased the social media reach of the Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI). At the annual EAPPI lobby of Brussels, ten Ecumenical Accompaniers met over 80 MEPs, focusing on the increase in demolitions. Ecumenical Accompaniers in Ireland organised a lobby of the Irish Parliament, meeting with 30 Teachta Dálas and Senators in November. Ecumenical Accompaniers met with the Middle East Desk Officer at the Department for Foreign Affairs in December as well as giving 236 public talks.

We supported Quakers and others to campaign against the replacement of Trident nuclear weapons, by disseminating information and organising events. We were disappointed by the timing and the result of the vote in the Westminster Parliament in July 2016, but heartened that nearly a quarter of MPs opposed replacement.

Equality: We continued to speak out against inequality, making submissions to relevant bills including the Welfare Reform and Work Bill, and writing both publicly and privately to policy-makers. Where possible, this is done with and alongside ecumenical bodies and other faith groups.

Many local Quaker Meetings are expressing concern about how refugees are treated, including by sending minutes to Meeting for Sufferings. We have appointed a Forced Migration Programme Developer, to clarify what work we can effectively do.

Housing and homelessness: We opposed government proposals to extend 'right to buy' to housing association homes, and were disappointed by the outcome, in spite of energetic Quaker advocacy. We appointed a Housing intern, who is based at Housing Justice, to increase Quaker effectiveness regarding this concern.

Criminal justice: Through a partnership with the Douglas House Project, our hospitality services employed two ex-offenders as apprentices, supporting them to pursue NVQ qualifications.

We spent £2.5 million on Quaker witness through action in 2016.

Review of financial activities in 2016

We would like to thank Friends for their financial support of Quaker work in 2016 that has enabled us to carry out our planned work, and respond to the leadings we have received. This support, from meetings, individuals and trusts, makes a connection to the work, and we hope that Friends will feel engaged with this, both in our work in the world and the support and resources offered to meetings throughout Britain.

Apart from contributions from individuals and Quaker meetings our income derives from five other principal sources: legacies, grants, the surplus from our trading subsidiary, investment income, and revenue from our charitable activities. Our revenue from all these sources in 2016 was £10.9 million (2015 £11.6 million).

Over the past few years legacies have varied from less than £1 million to over £5 million; in 2016 the amount totalled some £2.3 million (2015 £3.8 million). As explained last year, Trustees are allocating legacy funds in excess of the amount needed to support our regular work, to time limited projects. Since 2014 a total of £3.7million has been designated for this purpose, and projects totalling some £2.2million have been approved, many of which have already been completed. This leaves a fund of some £2.8million as at 31 December, of which £1.5 million remains to be committed to new projects.

Most contributions reach us in the last three months of the year. Contributions were just over £2.1 million, slightly exceeding 2015 total by £114,000. However, this includes £149,000 which was previously granted as interest-free loans, being converted to outright gifts. This support is absolutely necessary for our work, but we continue to stress the need to raise this by £1million over the next few years to sustain present levels of activity.

In 2016 we continued with our redevelopment of Friends House with refurbishment of the first-floor meeting rooms, further extending our capacity and ability to generate income. The garden project also came to a conclusion, attracting praise from Friends and the wider community for the sympathetic and welcoming environment created.

Friends House Hospitality Limited continues to make the most of the opportunities for raising income from conferences, meetings and catering provision at Friends House. The company also manages Swarthmoor Hall at Ulverston in Cumbria, and at the end of 2016, took over the management of the Quaker Bookshop. The company's trading income funds the bulk of the buildings' running costs, and after paying these and its operating cost, a surplus of £816,670 was available as a contribution towards our charitable work, the highest figure achieved in the company's ten-year history.

The market value of our investment portfolio at the end of 2016 was £22.4 million. Despite some investments being liquidated to fund refurbishment work on the first floor at Friends House, the portfolio continues to perform well with a net gain of £0.9 million. Where the surpluses on investments relate to long-term designated and restricted funds, amounts are allocated to these funds as appropriate to maintain their purchasing power. The investment policy together with a full listing of our investments as at 31 December 2016, is published on our website at www.quaker.org.uk. We have been working with QPSW staff and others to engage with the issue of tax justice in relation to the companies in which we hold shares. This work is ongoing.

The overall surplus for the year of £1.4 million arose mainly from net gains on listed investments, and the unrealised gains on revaluation of a number of our investment and functional properties. Our general reserves as at 31 December 2016 amount to some £10.8 million. Trustees regard this as a reasonable level required for the prudent stewardship of the yearly meeting's affairs. Trustees continue to review the reserves policy to ensure that free reserves are at an appropriate level for future planned activity, linked to the assessment of the risk environment we operate within.

Review of financial activities in 2016

Free reserves

	2016 (£000)	2015 (£000)
Total Funds as per Group balance sheet	58,643	57,235
Exclude:		
Endowment funds	5,590	5,475
Restricted funds	6,257	6,272
Designated funds tied up in fixed and heritage assets	26,888	26,763
Designated funds	9,047	7,540
Subtotal	10,861	11,185

Financial position

The overall position as at 31 December 2016 remains stable, despite the difficulties in the wider economy. Our net current assets (short-term bank deposits, monies owed to us, less monies owed by us and payable within one year) stood at £2.8 million. These should provide a suitable level of cash resources for our activities and enable us to meet the cost of capital projects throughout the year, without the need to reduce our long-term investments to any great extent.

Looking forward

Our financial position at the year-end was sufficient to accommodate fluctuations which may be caused by shortfalls in income or unexpected expenditure in the short- to medium-term. Although the income derived from any single source varies from year to year, the spread of income is sufficiently broad that we can plan our programmes of continuing work with confidence. As ever, we continue to monitor carefully both income and expenditure, and cash requirements.

Support of Friends

Our work is the result of discernment by many generations of Friends of the priorities for the work in the world that we are called to do. We continue to refine the ways we work, and the needs that we can meet. Meeting for Sufferings, our national representative council, has defined the current broad priorities through its document *Our Faith in the Future*, and the central committees and Trustees supervise this being translated into practice. All our work aims to further the kingdom of God on earth. We continue to believe that regular prayerful giving to support our work is part of our personal Quaker witness, and we look to Friends for financial support of the Society's work in the future as in the past.

Approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on 31 March 2017 and signed on their behalf by:

Peter Ullathorne, Treasurer



Future plans

Trustees undertake, on behalf of Yearly Meeting, legal compliance, monitoring and scrutiny functions. They also ensure that the centrally managed work is being properly governed and managed in accordance with the religious and charitable objects of Britain Yearly Meeting.

Quaker faith and practice 8.16

The trustees are paying attention to four development priorities.

- Information Technology – in early 2017 we expect to have adopted a five-year IT strategy plan. This will inform the development of BYM's IT hardware and support requirements.
- Strategic oversight and management – we are committed to developing committees' capacity for strategic decision-making (see section above 'The conduct of business'). Our work is informed and underpinned by the new framework document, *Our Faith in the Future*, adopted by Meeting for Sufferings in 2015. During 2017 committees will finalise and take forward their strategies for the coming years. Clearer information from staff about the difference the work is making will inform resourcing and policy decisions.
- Income generation – in 2017 our priorities are to grow contributions from Quakers and Quaker meetings; and to increase income from other sources.

Sustaining our church and faith

In 2017, we will hold a week long residential Yearly Meeting Gathering at Warwick University on the theme of Movement Building. This concludes our three year consideration of 'Living out our faith in the world.'

A legacy-funded project is scoping techniques and provisions to increase the involvement and visibility of young adults in the life of Britain Yearly Meeting and its constituent meetings. The project will also develop a strategy to facilitate the retention and engagement of young adults in the life of meetings and the society.

We continue the project supporting Quakers in Britain to prepare for a possible revision of our book of discipline. It is helping to increase shared knowledge of *Quaker faith & practice*; and setting up a process for collecting materials for any future book. This work aims to ensure our Yearly Meeting is ready to make and act on an informed decision when the time is right.

Supporting Quaker meetings

BYM provides a wide range of support, to help Quaker meetings be strong, confident and connected. In 2017 we will undertake a review of the printed materials we provide, as well as develop a digital content strategy in line with our communications strategy.

We continue with our Vibrancy in Meetings pilot project, testing jointly with Woodbrooke Quaker Study Centre, whether locally based workers can help Woodbrooke and BYM reach meetings more effectively, helping them to be strong, confident and connected.

In 2017 a legacy-funded project is looking at developing ways to empower local and area meetings to look after their property confidently and sustainably.

We continue to provide opportunities for children and young people to meet with each other, and to help adults working with them. In 2017 we will review and update the Children and Young People resources catalogue and promote the materials more widely. We will run a family day at Friends House, an event for Quaker young people and their friends developing the understanding of Quaker values, and a Participation Day for young Quakers alongside Meeting for Sufferings.

Witness through action

We work to help Quakers to exercise "responsibilities as a citizen for the conduct of local, national, and international affairs" (*Quaker faith & practice* 1.02.34). In 2017, we will update the election resources disseminated to Quaker. We will engage with elected politicians, policy-makers and businesses in relation to conscientious objection; nuclear weapons; violent conflict in the Middle East; housing inequality; the regulation of corporate power; and economic inequality.

Statement of trustees' responsibilities

We continue to enable Quakers and others to take action, non-violently. In East Africa we continue to support the development of nonviolent activism for human rights and good governance in Kenya, Rwanda and Burundi. We will also contribute to a new book on Peaceful Schools for educationalists, and create new Peace Week resources.

We work collaboratively. In 2017 we will strengthen Quaker work for housing equality through an intern placed with Housing Justice. We will continue to provide rooms at Friends House to partner organisations. Working with partners, in 2017 we will focus on promoting resources for educators, particularly materials challenging militarisation in schools; and to tackle economic inequality, corporate power and tax injustice.

We have been tasked with supporting Quakers to live by our shared commitment to becoming a low-carbon, sustainable community. In 2017 we will continue to include providing briefings on sustainability and energy justice, grants to help local action, and promoting divestment from fossil fuel extraction.

Promoting Quakerism

In 2017 Quaker Life Central Committee continues its review of outreach strategy. We will review current outreach resources. In partnership with Woodbrooke we have started a development project to ensure that, by 2018, our Libraries are better equipped to share knowledge about Quaker heritage.

Statement of trustees' responsibilities

Trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (FRS102)).

The law applicable to charities in England and Wales requires trustees to prepare, for each financial year, financial statements that give a true and fair view of the state of affairs of the charity, the group, and the income and the expenditure of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and that enable them to ensure that the financial statements comply with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, the charity's trustees certify that:

There is no relevant audit information of which the charity's auditors are unaware; and that the trustees of the charity have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees' report was approved by the trustees on 1 April 2017 and signed on their behalf by:

Ingrid Greenhow, Clerk



Independent auditor's report to the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers)

We have audited the financial statements of Britain Yearly Meeting of the Religious Society of Friends for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cashflows 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) including FRS 102.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities set out on page 18, 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 Ethical Standards for Auditors. This report is made solely to 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 group and the charity's affairs as at 31 December 2016 and of the group's income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102
- have been prepared in accordance with the requirements of 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' Annual Report is inconsistent in any material respect with the financial statements
- sufficient accounting records have not been kept
- the financial statements are not in agreement with the accounting records and returns
- we have not received all the information and explanations we require for our audit.

Mazars LLP, Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey SM1 4JQ

1 April 2017

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

Consolidated statement of financial activities Year to 31 December 2016

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2016 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds
Income and endowments from:									
. Donations and legacies	1	4,207	918	-	5,125	5,350	313	650	6,313
. Charitable activities	2	380	23	-	403	371	19	-	390
. Other trading activities	3	3,750	(18)	-	3,732	3,510	(15)	-	3,495
. Investment income	4	1,490	152	-	1,642	1,188	164	-	1,352
Total		<u>9,827</u>	<u>1,075</u>	<u>-</u>	<u>10,902</u>	<u>10,419</u>	<u>481</u>	<u>650</u>	<u>11,550</u>
Expenditure on:									
. Raising funds	1,3,4	3,228	-	-	3,228	3,656	-	-	3,656
. Charitable activities	2,5	6,485	955	-	7,440	6,447	1,025	-	7,472
Total		<u>9,713</u>	<u>955</u>	<u>-</u>	<u>10,668</u>	<u>10,103</u>	<u>1,025</u>	<u>-</u>	<u>11,128</u>
Net gains on listed investments	14	679	26	173	878	1,156	42	288	1,486
Net income/(expenditure)		<u>793</u>	<u>146</u>	<u>173</u>	<u>1,112</u>	<u>1,472</u>	<u>(502)</u>	<u>938</u>	<u>1,908</u>
Transfers between funds		270	(212)	(58)	-	(199)	199	-	-
Pension deficit reduction		-	-	-	-	(5,905)	-	-	(5,905)
Unrealised gains on investment properties		26	51	-	77				
Unrealised gains on functional properties		219	-	-	219				
Net movement in funds		<u>1,308</u>	<u>(15)</u>	<u>115</u>	<u>1,408</u>	<u>(4,632)</u>	<u>(303)</u>	<u>938</u>	<u>(3,997)</u>
Reconciliation of funds:									
Total funds brought forward		45,488	6,272	5,475	57,235	50,120	6,575	4,537	61,232
Fund balances carried forward at 31 December		<u>46,796</u>	<u>6,257</u>	<u>5,590</u>	<u>58,643</u>	<u>45,488</u>	<u>6,272</u>	<u>5,475</u>	<u>57,235</u>
2016 (2015)									

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

Balance sheets as at 31 December 2016

	Notes	Group		Charity	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed assets:					
Property plant and equipment	12				
. Functional property		20,987	20,647	20,987	20,647
. Other		1,612	736	1,612	736
Heritage assets	13	602	602	602	602
Investments	14				
. Property		10,167	10,090	10,167	10,090
. Securities		22,386	22,849	22,386	22,849
Total fixed assets		55,754	54,924	55,754	54,924
Current assets:					
Stocks and work in progress		69	73	66	69
Receivables	16	2,244	2,100	2,227	2,120
Cash at bank and in hand		1,806	2,162	1,801	1,918
Total current assets		4,119	4,335	4,094	4,107
Liabilities:					
Payables: amounts falling due within one year	17	(1,230)	(2,024)	(2,022)	(2,474)
Net current assets		2,889	2,311	2,072	1,633
Total net assets		58,643	57,235	57,826	56,557
The funds of the charity:					
Capital funds					
Permanent endowment funds	18	5,590	5,475	5,590	5,475
Income funds					
Restricted funds	18	6,257	6,272	6,257	6,272
Unrestricted funds					
. Designated funds	18	35,935	34,303	35,935	34,303
. General reserve	18	10,861	11,185	10,044	10,507
		58,643	57,235	57,826	56,557

These accounts, which have been prepared in accordance with the accounting policies on pages 23 to 27, were approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on April 1 2017 and signed on their behalf by:



Peter Ullathorne



Ingrid Greenhow

Consolidated statement of cashflows Year to 31 December 2016

	2016	2015	
	£'000	£'000	
Cash flow from operating activities:			
Net income	1,112	1,908	
Adjustments for:			
Pension buyout payment	-	(5,905)	
Depreciation	580	537	
(Gain) on investments	(878)	(1,486)	
Investment income and interest	(1,642)	(1,352)	
Interest-free loans	193	-	
Trade and other receivables	(144)	(966)	
Inventories	4	(11)	
Trade and other payables	(795)	33	
Cash used in operations	(1,570)	(7,241)	
Interest-free loans	(193)	-	
Net cash used in operating activities	(1,763)	(7,241)	
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,384)	(1,607)	
Purchase of investments	(519)	(615)	
Proceeds on disposal of investments	3,143	3,188	
Investment income and interest	1,642	1,352	
Cash generated from investment activities	2,882	2,318	
Cash flows from financing activities			
Interest-free loans	(193)	-	
Cash generated from financing activities	(193)	-	
Net increase/(decrease) in cash and cash equivalents	926	(4,923)	
Analysis of cash and cash equivalents			
	2015	Cashflows	2016
	£'000	£'000	£'000
Cash at bank	2,162	(356)	1,806
Cash with investment managers	722	1,282	2,004
Total cash and cash equivalents at 31 December	2,884	926	3,810

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS102) and the Companies Act 2006.

Britain Yearly Meeting of the Religious Society of Friends (Quakers) meets the definition of a public benefit entity under FRS102. The accounts have been prepared under the historical cost convention as modified by the inclusion of certain functional freehold properties at valuation, investments at market value and in accordance with the requirements of the Charities Act 2011.

Consolidation

Consolidated financial statements ('group financial statements') have been prepared in respect of Britain Yearly Meeting of the Religious Society of Friends (Quakers) and its wholly owned subsidiary, Friends House (London) Hospitality Limited. The results of Friends House (London) Hospitality Limited have been consolidated on a line-by-line basis.

Income and endowments

Income is recognised in the period in which the charity is entitled to receipt and where the amount can be measured with reasonable certainty. Income is deferred only when the charity must fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is expended in a future accounting period.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes any attributable but irrecoverable VAT. Expenditure comprises the following:

(a) Raising funds. These include salaries, direct costs and a share of support costs; these are analysed into three categories:

- raising voluntary income
- activities to raise funds from hospitality
- raising investment income.

(b) Charitable activities. These include salaries, direct costs and a share of support costs (or indirect overheads) and are analysed into the following four categories:

- **Sustaining our church and faith:** this is defined in *Quaker faith & practice* as organising and maintaining the Yearly Meeting itself as responsive to the leadings of the Holy Spirit; this entails calling, briefing and running decision-making meetings with all the facilities necessary for their efficient and effective functioning. It also includes conducting relations with other churches, faiths and ecumenical bodies.
- **Supporting meetings:** this is defined in *Quaker faith & practice* as supporting Friends in their local organisations by providing services and advice relevant to the current demands of the Quaker community; for example, such work may relate to children, elderly people, those about to be married, those with responsibility for meeting houses, and those raising funds.
- **Promoting Quakerism:** this is defined in *Quaker faith & practice* as raising awareness and developing understanding within and without Britain Yearly Meeting of the Religious Society of Friends (Quakers) concerning the basic tenets of Quaker faith and practice such as spirituality, peace and human rights.
- **Witness through action:** this is defined in *Quaker faith & practice* as putting Quaker thinking into practice in relation to the problems and needs of people in Britain and abroad, for example through conference resources, restorative justice, lobbying both the European Union and the United Nations, working with those in positions of power, and supporting social and development projects.

(c) Support and management costs. These include salaries and other costs and are analysed into the following

three categories, the total being charged out to categories (a) to (c) above on the following basis:

- Support costs relating to the operation and maintenance of Friends House are allocated on the basis of area occupied.
- Support costs relating to finance, human resources, IT and office services are allocated to the functional departments on the basis of total gross salaries within those functional departments.
- Support costs relating to departmental administration within the functional departments are allocated on the basis of gross salary charged to each departmental activity.

Property, plant and equipment

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

(a) Functional freehold property

Functional freehold properties are included in the accounts at valuation. Professional valuers revalue the properties every five years.

Functional freehold properties are depreciated at a rate of 2% per annum on a straight-line basis in order to write off the buildings over their estimated useful life.

There are three significant functional freehold properties:

- Friends House

Friends House comprises freehold land and buildings included at a valuation of £12.7m determined as at September 2012 by Eddisons Commercial (Property Management) Ltd, on an open market value basis for existing use, in accordance with guidelines issued by the Royal Institution of Chartered Surveyors, plus subsequent additions at cost.

- Swarthmoor Hall Estate

The Swarthmoor Hall Estate comprises freehold land and buildings at a valuation of £1,973k as determined at September 2012 by Carter Jonas Property Consultants, on an open market value basis for existing use plus subsequent additions at cost. The valuation took account of the fact that (a) Swarthmoor Hall Farm comprises a stock-rearing and dairy farm run organically by a sitting tenant with further succession rights and that (b) Swarthmoor Hall Wood has been let on a 999-year lease, with effect from 30 December 1995, to the Woodland Trust at a peppercorn rent.

- Quaker House Brussels

Quaker House Brussels comprises freehold land and buildings included at a valuation of £1,493k determined as at August 2016 by Marc Panichelli, Expert Immobilier, on an open market basis.

(b) Other tangible fixed assets

Other tangible fixed assets are capitalised and are depreciated at the following annual rates in order to write them off over their estimated useful lives:

- office works – 12.5% per annum based on cost
- furniture and general office equipment – 20% per annum based on cost
- computer and similar equipment – 33.3% per annum based on cost.

Other tangible fixed assets, which have been fully depreciated, are written out of the accounts as their net realisable value is considered to be negligible.

Heritage assets

These comprise artefacts, books, paintings and manuscripts relating to Quaker history, which have been purchased by or donated to the Society. These are made available to visitors, academics and researchers to promote an understanding of Quakerism.

These are included either at market value, if available, or at nil value where conventional valuation approaches lack sufficient meaning. No depreciation is charged.

Investment properties

Investment properties are included in the accounts at a valuation. Every five years, professional valuers revise the values based on prevailing market conditions with the Trustees reassessing the valuations in the interim with professional assistance and making adjustments if they are deemed appropriate. Realised and unrealised gains (or losses) are credited (or charged) to the statement of financial activities in the year in which they arise.

Investment properties include:

- Drayton House, which comprises freehold land and buildings, which were valued at £9.5m by Eddisons Commercial (Property Management) Ltd as at September 2012 on an open market basis. The use of the building has been changed from office to educational for the specific period of the tenancy.
- Courtauld House, which comprises freehold land and buildings. On 7 March 2011 a long lease was granted on Courtauld House and its value was written down to £1.
- The Jordans Estate, which comprises freehold land and buildings, was valued at £341k by Carter Jonas, property consultants, in August 2016 on an open market basis adjusted to reflect the fact that in excess of 15 acres of pasture land are let on an annual contract, 5 acres of pasture land are subject to a long lease and 4.61 acres of pasture land are subject to a different long lease. The valuation also reflects the fact that this land is held (inter alia) upon trusts for the protection of the quiet, seclusion and amenities of Jordans Meeting House and burial grounds.
- Three small properties valued by the trustees' Finance & Property Committee with professional assistance, at a valuation of £310k based on open market value adjusted, where necessary, to reflect the existence of sitting or life tenants.

Other investments

Equity and bond investments are included in the accounts at their market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or charged) to the statement of financial activities in the year in which they arise.

Net current assets

Stocks and work in progress comprise stocks of publications and consumables for resale, valued at the lower of cost and net realisable value.

Debtors comprise loans advanced and sundry debtors. Interest-free loans are advanced to meetings for the purchase and improvement of meeting houses. They are repayable in annual instalments over periods of up to ten years.

Creditors comprise loans received from Quakers or Quaker meetings, legacies received where Britain Yearly Meeting of the Religious Society of Friends (Quakers) is acting as agent for other Quaker organisations, and sundry creditors. Interest-free loans from Quakers or Quaker meetings are repayable on demand.

Fund accounting

Endowment funds comprise monies that must be held indefinitely as capital. Endowment income is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes, in which case it is credited to restricted funds.

Endowment funds:

- The Kingsmead and Kingsmead Close Funds, the income of which is restricted to providing training for Quaker Peace & Social Witness (QPSW) workers or, if the whole of the said income is not required for such purposes, then for the maintenance and support of QPSW workers.
- The Friends Educational Foundation Joint Bursary Scheme, the income of which is restricted to providing bursary grants at Quaker schools.
- The Friends Educational Foundation Higher Education Awards, the income of which is restricted to providing grants for higher education (note 21).
- The R. Penney Fund is held on trust with the income to be used for the general purposes of the Society.

- The Sawell Family Fund is held on trust with the income to be used in respect of the Property Upkeep Fund and the Meeting Houses Fund.
- Others: the income of five small funds is restricted within the terms of the relevant fund.

Restricted funds:

Restricted funds comprise the unexpended income earmarked for specific purposes by donors together with those property funds whose assets are held subject to specific restrictions on use.

The main restricted funds are:

- The Swarthmoor Hall Field Fund, which is restricted to work at Swarthmoor Hall, including the estate. The fund is governed by a separate trust document (note 22).
- The Swarthmoor Hall Fund (note 22), which exists to defray running expenses at Swarthmoor Hall and includes the value of the functional property and estate as assets of the fund.
- The Albert Moore Fund, which is held to acquire and maintain the heritage assets currently on display at Swarthmoor Hall. These assets are excluded from the Swarthmoor Hall Fund at the express wish of the original donor.
- The QPSW Relief Fund, which is held for the relief of poverty, the relief of suffering and general relief.
- The Jordans Estate Fund, which is held upon trust for the protection of the quiet, seclusion and amenities of the Jordans Meeting House and burial grounds.
- The Hope Fund, which is held to provide grants connected with unemployment.
- The Friends Educational Foundation Joint Bursary Scheme, which provides bursaries to pupils at Friends schools. These are managed in conjunction with the schools (note 21).
- The QPS Retired Workers Fund, which is held to provide pensions for life to a small group of former overseas workers who are not covered by other pension provisions.
- Friends Educational Foundation Higher Education Awards, which makes grants in higher education (note 21).

Twenty-seven other funds are restricted to various purposes. These include departmental funds whose income is earmarked for a particular department but which is not restricted to specific work within that department.

Designated funds

Designated funds comprise monies set aside by Britain Yearly Meeting of the Religious Society of Friends (Quakers) out of unrestricted general funds but designated for specific future purposes or projects. The main funds are:

- The Cadbury Staines Fund, which is held for items of major non-routine expenditure at the discretion of Meeting for Sufferings. The income from this fund is applied towards grants to associated Quaker bodies and for the relief of individuals through the Overseers Relief Fund.
- The Property Upkeep Fund, which is held to fund the structural maintenance of all the properties owned for the central work of Britain Yearly Meeting of the Religious Society of Friends (Quakers).
- The Meeting Houses Fund, which is held to make interest-free loans to meetings around Britain in order that they may purchase or renovate local meeting houses. Income from this fund is also used to make grants to local meetings for the same purpose. Grants of £15k had been committed, not yet paid, at 31 December 2016.
- The Project Development Fund, which is held to develop time-limited projects including a three-year project to implement the fundraising strategy.
- The legacy-funded short projects fund supports development work in areas including peace and disarmament, nonviolence, advocacy and supporting meetings.
- The Investment Property Fund, which comprises property held to provide an income. Drayton House is currently let to University College London.
- The Functional Property Fund, which comprises property held for specific work of the Society including Friends House and Quaker House Brussels, as well as Swarthmoor Hall and Estate.

- The Heritage Assets Fund, which comprises artefacts, books, paintings and manuscripts relating to Quaker history, which have been purchased by or donated to the Society. These are made available to visitors, academics and researchers to promote an understanding of Quakerism.

General reserves represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charitable objects of Britain Yearly Meeting of the Religious Society of Friends (Quakers). They are held to meet working capital needs, to equalise fluctuations in income and as a contingency against routine expenditure.

Taxation

Britain Yearly Meeting of the Religious Society of Friends (Quakers) is a charity registered with the Charity Commission under number 1127633, and is not liable to income or corporation taxes on income derived from its charitable activities.

Irrecoverable VAT is treated as a cost to the charity and is included within the relevant expense.

Foreign currencies

All transactions in foreign currencies are converted into sterling at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Pension costs

Employer contributions to defined contribution pension schemes and to employees' personal pension plans are charged as expenditure in the year in which they fall due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going concern basis

Britain Yearly Meeting of the Religious Society of Friends (Quakers) reported a group cash inflow of £926,000 for the year. This is mainly due to larger cash balances held by investment managers pending investment opportunities. Trustees are of the view that the high value of liquid investments and secured rental income from properties are sufficient for the immediate future of the charity for the next 12 to 18 months and on this basis the charity is a going concern. There are no material uncertainties about the charity's ability to continue.

I. Donations and legacies

Group				2016				2015
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Contributions	2,045	77	-	2,122	1,960	48	-	2,008
Legacies and gifts	1,730	579	-	2,309	3,058	49	650	3,757
Grants	432	262	-	694	332	216	-	548
	<u>4,207</u>	<u>918</u>	<u>-</u>	<u>5,125</u>	<u>5,350</u>	<u>313</u>	<u>650</u>	<u>6,313</u>
Less								
Cost of raising funds								
. Direct costs	(211)	-	-	(211)	(242)	-	-	(242)
. Support costs	(87)	-	-	(87)	(326)	-	-	(326)
	<u>(298)</u>	<u>-</u>	<u>-</u>	<u>(298)</u>	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>(568)</u>
Net voluntary income for charitable activities	<u>3,909</u>	<u>918</u>	<u>-</u>	<u>4,827</u>	<u>4,782</u>	<u>313</u>	<u>650</u>	<u>5,745</u>

In 2016, one individual donation was received in excess of £50,000. In 2015, no single individual donation was received in excess of £50,000. Included in the cost of raising funds is the cost of related support to meetings. The cost of raising funds directly for Britain Yearly Meeting totalled £50,847 in 2016 and consisted of staff costs and a short consultancy. For every £1 we spent on raising funds for Britain Yearly Meeting, we raised £101 in 2016.

2. Charitable activities

Group				2016				2015
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Sustaining our church and faith	32	4	-	36	3	6	-	9
Supporting meetings	333	15	-	348	361	4	-	365
Promoting Quakerism	15	1	-	16	7	3	-	10
Witness through action	-	3	-	3	-	6	-	6
	<u>380</u>	<u>23</u>	<u>-</u>	<u>403</u>	<u>371</u>	<u>19</u>	<u>-</u>	<u>390</u>
Less								
Cost of charitable								
. Direct costs	(4,704)	(692)	-	(5,396)	(4,709)	(749)	-	(5,458)
. Support costs	(1,781)	(261)	-	(2,043)	(1,738)	(276)	-	(2,014)
	<u>(6,485)</u>	<u>(954)</u>	<u>-</u>	<u>(7,439)</u>	<u>(6,447)</u>	<u>(1,025)</u>	<u>-</u>	<u>(7,472)</u>
Net cost of charitable activities	<u>(6,105)</u>	<u>(931)</u>	<u>-</u>	<u>(7,036)</u>	<u>(6,076)</u>	<u>(1,006)</u>	<u>-</u>	<u>(7,082)</u>

3. Other trading activities (Hospitality Company)

Group	2016				2015			
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Room lettings	2,153	-	-	2,153	2,127	-	-	2,127
Equipment hire	214	-	-	214	159	-	-	159
Restaurant	1,544	-	-	1,544	1,412	1	-	1,413
Commercial discounts	(59)	-	-	(59)	(51)	-	-	(51)
Discounts for Quaker organisations	(102)	(18)	-	(120)	(137)	(16)	-	(153)
	<u>3,750</u>	<u>(18)</u>	<u>-</u>	<u>3,732</u>	<u>3,510</u>	<u>(15)</u>	<u>-</u>	<u>3,495</u>
Less								
Cost of activities for raising funds								
. Direct costs	(2,043)	-	-	(2,043)	(1,841)	-	-	(1,841)
. Support costs	(823)	-	-	(823)	(1,149)	-	-	(1,149)
	<u>(2,866)</u>	<u>-</u>	<u>-</u>	<u>(2,866)</u>	<u>(2,990)</u>	<u>-</u>	<u>-</u>	<u>(2,990)</u>
Net surplus (deficit) of activities for raising funds	<u>884</u>	<u>(18)</u>	<u>-</u>	<u>866</u>	<u>520</u>	<u>(15)</u>	<u>-</u>	<u>505</u>

Direct costs consist of staff and other operating costs such as food. Support costs include the contribution to the costs of running Friends House.

4. Investment income

Group	2016				2015			
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Rental income	927	-	-	927	582	-	-	582
Dividend income	542	152	-	694	556	153	-	710
Interest received	21	-	-	21	50	11	-	61
	<u>1,490</u>	<u>152</u>	<u>-</u>	<u>1,642</u>	<u>1,188</u>	<u>164</u>	<u>-</u>	<u>1,352</u>
Less								
Cost of managing investments								
. Direct costs	(63)	-	-	(63)	(95)	-	-	(95)
. Support costs	(1)	-	-	(1)	(3)	-	-	(3)
	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>(64)</u>	<u>(98)</u>	<u>-</u>	<u>-</u>	<u>(98)</u>
Net investment income available for charitable activities	<u>1,426</u>	<u>152</u>	<u>-</u>	<u>1,578</u>	<u>1,090</u>	<u>164</u>	<u>-</u>	<u>1,254</u>

5. Expenditure on charitable activities

Group	Direct costs £'000	Support costs £'000	2016 Total costs £'000	Direct costs £'000	Support costs £'000	2015 Total costs £'000
Sustaining our church and faith (see below)	556	166	722	417	143	560
Supporting meetings (see below)	1,568	696	2,264	1,887	665	2,552
Promoting Quakerism (see below)	1,335	570	1,905	1,330	612	1,942
Witness through action (see below)	1,937	612	2,549	1,824	594	2,418
	<u>5,396</u>	<u>2,044</u>	<u>7,440</u>	<u>5,458</u>	<u>2,014</u>	<u>7,472</u>

Sustaining our church and faith	Direct costs £'000	Support costs £'000	2016 Total costs £'000	Direct costs £'000	Support costs £'000	2015 Total costs £'000
Within Yearly Meeting	321	107	428	170	75	245
Within other Quaker bodies	175	6	181	191	12	203
Within other faiths and denominations	60	16	76	56	15	71
Management oversight	-	37	37	-	41	41
	<u>556</u>	<u>166</u>	<u>722</u>	<u>417</u>	<u>143</u>	<u>560</u>

Supporting meetings	Direct costs £'000	Support costs £'000	2016 Total costs £'000	Direct costs £'000	Support costs £'000	2015 Total costs £'000
General	909	391	1,300	1,325	390	1,715
Spirituality and membership	119	107	226	52	32	84
Children and young people	282	121	403	276	150	426
Finance and property	232	30	262	202	32	234
Employment and wardenship	7	-	7	9	5	14
Witness of meetings	19	10	29	23	15	38
Management oversight	-	37	37	-	41	41
	<u>1,568</u>	<u>696</u>	<u>2,264</u>	<u>1,887</u>	<u>665</u>	<u>2,551</u>

Promoting Quakerism	Direct costs £'000	Support costs £'000	2016 Total costs £'000	Direct costs £'000	Support costs £'000	2015 Total costs £'000
General	319	114	433	300	(52)	248
Outreach	374	96	470	362	76	438
Web development	134	28	162	80	122	202
Publications	131	61	192	129	107	236
Library	358	231	589	428	313	741
Other	19	3	22	31	5	36
Management oversight	-	37	37	-	41	41
	<u>1,335</u>	<u>570</u>	<u>1,905</u>	<u>1,330</u>	<u>612</u>	<u>1,942</u>

5. Expenditure on charitable activities (continued)

	Direct costs £'000	Support costs £'000	2016 Total costs £'000	Direct costs £'000	Support costs £'000	2015 Total costs £'000
Witness through action						
General	23	1	24	39	7	46
Peace witness	920	360	1,280	892	363	1,255
Social witness	451	209	660	452	178	630
United Nations work	543	5	548	441	5	446
Oversight and management	-	37	37	-	41	41
	<u>1,937</u>	<u>612</u>	<u>2,549</u>	<u>1,824</u>	<u>594</u>	<u>2,418</u>

6a. Trustees' remuneration

No trustee received any remuneration in respect of services given as trustee in 2016 or 2015.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. The amount reimbursed to the trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) (15 Trustees in 2016 and 15 Trustees in 2015) and included in direct costs was £7,886 (2015: £8,286). Much of the work of governance is carried out through delegated authority, although the trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) retain the ultimate responsibility for the work carried out. The direct costs of the governance structure include the cost of staff supporting the various committees.

Waived trustees' expenses are estimated at £464.

6b. Related party transactions

By the nature of their role, charity trustees are deemed to be related parties.

Donations received by Britain Yearly Meeting of the Religious Society of Friends (Quakers) without conditions from trustees totalled £21,784 in 2016 (£14,052: 2015).

In the course of normal charity business, grants were given to the following organisations that share trustees in common with Britain Yearly Meeting of the Religious Society of Friends (Quakers):

	£
Friends World Committee for Consultation	53,770
Quaker Peace Studies Trust	4,365

In 2015, grants of £4,946 to Quaker Peace Studies Trust and £48,050 to Friends World Committee for Consultation were given.

7. Expenditure

Group	Unrestricted	Restricted	Endowment	2016	Unrestricted	Restricted	Endowment	2015
	funds	funds	funds	Total	funds	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (note 8)	5,548	509	-	6,057	5,432	538	-	5,970
Premises and equipment costs	617	34	-	651	1,030	19	-	1,049
Office and publicity costs	1,185	54	-	1,239	1,246	24	-	1,270
Event and trading costs	855	44	-	899	801	38	-	839
Travel and other costs	633	119	-	752	744	143	-	887
Grants paid (note 9)	875	195	-	1,070	850	263	-	1,113
	<u>9,713</u>	<u>955</u>	<u>-</u>	<u>10,668</u>	<u>10,103</u>	<u>1,025</u>	<u>-</u>	<u>11,128</u>
Pension deficit reduction	-	-	-	-	5,905	-	-	5,905
	<u>-</u>	<u>955</u>	<u>-</u>	<u>10,668</u>	<u>16,008</u>	<u>1,025</u>	<u>-</u>	<u>17,033</u>

Governance costs for 2016 totalled £838,079, (2015: £762,000) .

8a. Staff costs

Group	Unrestricted	Restricted	Endowment	2016	Unrestricted	Restricted	Endowment	2015
	funds	funds	funds	Total	funds	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Recruitment	33	6	-	39	33	8	-	41
Basic pay (UK)	4,276	404	-	4,680	4,089	413	-	4,502
Basic pay (non-UK)	-	22	-	22	-	19	-	19
Employer's National Insurance	407	38	-	445	375	39	-	414
Employer's pension contributions	365	36	-	401	356	34	-	390
Other allowances	82	1	-	83	26	3	-	29
Agency and temporary staff	280	1	-	281	256	21	-	277
Staff training and debriefing	55	-	-	55	49	1	-	50
Other	50	-	-	50	248	-	-	248
	<u>5,548</u>	<u>509</u>	<u>-</u>	<u>6,057</u>	<u>5,432</u>	<u>538</u>	<u>-</u>	<u>5,970</u>

8b. Staff costs (continued)

The average number of employees during the year, analysed by function, was as follows:

Group	2016 Full-time headcount	2016 Part-time headcount	2016 Full-time equivalent	2015 Full-time headcount	2015 Part-time headcount	2015 Full-time equivalent
Raising income	28	24	41	29	32	44.1
Charitable activities	56	37	72.9	55	23	69.6
Governance	4	2	6.2	3	2	4.2
Support services	13	4	15.3	13	2	13.6
	101	67	135.4	100	59	131.5

8c. Analysis of redundancy or termination payments in the year

No redundancies took place in the year. Voluntary settlement agreements were reached with three members of staff during the course of the year with payments paid or committed totaling £38,047. All payments are accounted for and funded at the point of commitment.

Our policy regarding redundancy is to pay one month's salary for each complete year of service, and proportionate amounts based on the nearest month of service rounded up, subject to a maximum of 20 years and an additional sum in recognition of reduced pension expectations calculated as 1.5% of salary for each year and month of service (rounded up to the nearest month) up to a maximum of 20 years. This has informed our practice for settlement agreements.

8d. The following number of employees (including those who joined or left in the course of the year) earned emoluments within the bands shown below

Emoluments include salaries, amounts in lieu of notice, and compensation or redundancy payments, and exclude employer pension costs.

	2016 number	2015 number
£60,001–£70,000	4	3
£70,001–£80,000	-	2
£80,001–£90,000	1	1

8e. Remuneration and benefits received by key management personnel

In 2016 Britain Yearly Meeting of the Religious Society of Friends (Quakers) considered the following posts to be key management personnel:

Recording Clerk	Head of Witness and Worship
Deputy Recording Clerk	Head of Finance and Resources
Head of Operations	

Total remuneration received by key management personnel was £360,746 (2015: £470,364). Included in the total remuneration figure is the post of General Secretary, Quaker Life which ended in May 2016.

The Recording Clerk acts as chief executive and earns a salary of £80,909. Salaries for key management personnel range between £55,638–£63,848.

All staff are auto-enrolled into a defined-contribution stakeholder pension scheme with employer contribution of 8% subject to an employee contribution of 3% of gross salary.

Other key benefits available to all staff are death-in-service benefit at twice annual salary and permanent health insurance – income protection up to 75% salary.

Britain Yearly Meeting of the Religious Society of Friends (Quakers) operates a 1:4.7 ratio between its lowest and highest paid posts across its London and regional payscales.

8f. The Pensions Trust

In October 2015, Britain Yearly Meeting of the Religious Society of Friends (Quakers) fully discharged its liabilities in relation to the cessation of participation as an employer under the pension scheme operated by Pensions Trust.

9. Grants paid

Group	Unrestricted	Restricted	Endowment	2016	Unrestricted	Restricted	Endowment	2015
	funds	funds	funds	Total	funds	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants to individuals	-	29	-	29	6	19	-	25
Grants to Quaker bodies	740	79	-	819	661	136	-	797
Other grants	135	87	-	222	183	108	-	291
	<u>875</u>	<u>195</u>	<u>-</u>	<u>1,070</u>	<u>850</u>	<u>263</u>	<u>-</u>	<u>1,113</u>

One grant was made, during the year, to a Quaker meeting of which a Trustee was a member.

Britain Yearly Meetings made over 84 grants and programme funding awards including reimbursement of expenses to individuals and organisations in 2016 totalling £1,070,371.

Organisations in receipt of over £10,000 in order of the total amount of cash paid to recipients are listed below:

Recipient	Total Funding 2016
	£
Quaker United Nations Office (QUNO)	450,725
Sibford School on behalf of Friends Schools Council [Friends Schools Joint Bursaries Fund]	66,734
Alternatives to Violence (AVP)	67,228
Friends World Committee for Consultation (FWCC)	53,770
World Council of Churches	41,797
Woodbrooke Quaker Study Centre	30,468
Cuba Yearly Meeting	30,044
Friends World Committee for Consultation - Europe and Middle East Sections (FWCCC: EMES)	21,704
Quaker Council for European Affairs (QCEA)	21,518
Turning the Tide - Rwanda	18,537
Ministry for Peace and Reconciliation under the Cross (Mi-PAREC)	17,425
The Friend Publications Ltd	14,535
Horfield Quaker Meeting (Bristol Area Quaker Meeting)	14,110

Grants and awards of £10,000 or less totalling £105,045 were given to a further 41 organisations.

In addition, 30 grants to individuals were given totalling £29,424.

A full list of grants and programme funding awards given to organisations in 2016 is on our website: www.quaker.org.uk.

10. Friends House support costs

Group	2016 Total funds £'000	2015 Total funds £'000
Building services (including staff costs)		
Routine maintenance	24	22
Long-term maintenance	69	436
Reception and security	208	237
Cleaning	227	209
Utilities	173	198
Other	42	34
	743	1,136
Finance, human resources, IT and office services		
Finance	502	831
Information technology	291	282
Office services	602	468
Human resources	332	349
Membership database	82	88
	1,809	2,018
Departmental administration		
Quaker Life	90	89
Quaker Communications	53	206
Recording Clerk's Office	75	145
Quaker Peace & Social Witness	137	117
	355	557
	2,907	3,711

Support costs are then analysed into three categories and apportioned to the 'expenditure' categories as follows:

- Support costs relating to the Friends House building are apportioned on the basis of area occupied.
- Support costs relating to finance, human resources, IT and office services are apportioned on the basis of total gross salaries within the functional departments.
- Support costs relating to departmental administration within the functional departments are apportioned on the basis of gross salary charged to each departmental activity.

Support costs are recharged to the 'expenditure' categories:

Group	2016 Total funds £'000	2015 Total funds £'000
Raising funds		
. Voluntary income	87	326
. Activities for raising funds	823	1,149
. Investment income	1	3
Charitable activities	2,044	2,015
	2,955	3,493

II. Net incoming (outgoing) resources before transfers

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2016 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000
Depreciation	563	17	-	580	537	-	-	537
Auditors' remuneration								
. Audit	27	-	-	27	27	-	-	27
. Other	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>

12. Property, plant and equipment

Group and charity	Functional freehold property £'000	Office equipment £'000	2016 Total £'000	Functional freehold property £'000	Office equipment £'000	2015 Total £'000
Cost or valuation						
At 1 January	21,847	986	22,833	20,783	443	21,226
Additions	<u>644</u>	<u>1,152</u>	<u>1,796</u>	<u>1,064</u>	<u>543</u>	<u>1,607</u>
At 31 December	<u>22,491</u>	<u>2,138</u>	<u>24,629</u>	<u>21,847</u>	<u>986</u>	<u>22,833</u>
Depreciation						
At 1 January	1,200	250	1,450	774	139	913
Charge for year	444	276	720	426	111	537
On revaluation	<u>(140)</u>	<u>-</u>	<u>(140)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>1,504</u>	<u>526</u>	<u>2,030</u>	<u>1,200</u>	<u>250</u>	<u>1,450</u>
Net book values						
At 31 December 2016	<u>20,987</u>	<u>1,612</u>	<u>22,599</u>	<u>20,647</u>	<u>736</u>	<u>21,383</u>
At 31 December 2015	20,647	736	21,383	20,009	304	20,313

13. Heritage assets

The pictures, paintings and sketches at Friends House and the historical artefacts at Swarthmoor Hall are recognised in the accounts at a professional valuation.

The pictures, paintings, sketches and prints were valued by Andrew Colvin, Fine Art Valuers, in February 2006. The historical artefacts at Swarthmoor Hall were valued for insurance purposes by Tennants Auctioneers in September 2003.

	2016	2015	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000
Historical artefacts at Swarthmoor Hall	423	423	423	423	423
Friends House picture collection	179	179	179	179	179
	602	602	602	602	602

The charity also holds manuscripts and printed materials in the Library at Friends House. These assets are acknowledged to be of historical importance to Quakers and must be held indefinitely in direct furtherance of the charitable objects, that is to promote the advancement and awareness of Quakerism.

These assets meet the definition of heritage assets in the charity Statement of Recommended Practice 2015 in that they are held in perpetuity as a permanent record of the charity's history. As reliable cost information is not available and conventional valuation approaches lack sufficient meaning, given that certain aspects of the manuscripts and their historical significance are irreplaceable, no value is included on the balance sheet in respect of them.

All expenditure incurred on the maintenance and preservation of these assets is accounted for through the statement of financial activities.

The following information regarding the heritage assets not included on the balance sheet is given to provide an understanding of their nature:

	2016	2015	2014	2013	2012
Books and pamphlets	91,133	90,685	90,000	90,000	90,000
Periodicals	3,000	3,000	3,000	3,000	3,000
Quaker archives*	301	300	300	300	300
Bound manuscripts	970	970	970	970	970
Other manuscripts*	244	240	215	215	215
Photographs, museum objects and medals	40,042	40,025	40,000	40,000	40,000

The figures above refer to the approximate number of volumes/items held, other than items marked *, where the figures refer to metres of shelf space used for the collections.

The archives and manuscripts dating from the 17th to 20th centuries are valued, for insurance purposes only, at £5.7 million, based on a valuation as at December 2009 by Robert Kirkman Limited, Antiquarian Booksellers.

The books and other printed materials are valued, for insurance purposes only, at £1.8 million, based on a valuation as at November 2008 by Bertram Rota Limited, Antiquarian Booksellers.

The nature of each collection and, in particular, the type of material held by the Library, has remained unchanged over the past five years, in line with the charity's collections policy.

14. Investments

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Listed investments (including cash)	22,386	22,849	22,386	22,849
Investment properties	10,167	10,090	10,167	10,090
Subsidiary undertaking	-	-	-	-
	32,553	32,939	32,553	32,939

Listed investments

	2016 £'000	2015 £'000
Group and charity	22,127	23,215
Investment holdings		
Market value at 1 January 2016	22,127	23,215
Additions at cost	519	615
Disposals at book value (proceeds: £3,143k, realised gain £202k)(2015 proceeds: £3,188k, realised gain £838k)	(2,940)	(2,350)
Unrealised gains	676	647
Market value 31 December 2016	20,382	22,127
Cash held by investment managers	2,004	722
	22,386	22,849

Listed investments held at 31 December 2016 were

	2016 £'000	2015 £'000
Group and charity	15,754	16,180
General funds	1,558	1,567
Designated funds	658	662
Restricted funds	4,416	4,440
Endowment funds	22,386	22,849
Subtotal		

Listed investments held at 31 December 2016, all of which were dealt in on a recognised stock exchange, comprised the following:

	2016 £'000	2015 £'000
UK fixed income	333	760
UK equities	18,907	20,419
Overseas equities	610	460
Property funds	2,004	722
Alternatives	532	488
	22,386	22,849

The investment policy and full listing of our investments at 31 December 2016 is published on our website at www.quaker.org.uk.

I4. Investments (continued)**Investment properties**

Investment properties held at 31 December 2016 and their movements during the year were as follows:

Group and charity	Total £'000
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Market value

At January 1 2016	10,090
Adjustments to valuation	77
At 31 December 2016	10,167

	2016 £'000	2015 £'000
Group and charity	9,516	9,516
Drayton House	341	290
Woodland and pasture at Jordans	140	124
Deanscale	70	60
Land at Lakenheath	100	100
Lesser Slatters	10,167	10,090

15. Investment in subsidiary undertaking and related charity

Britain Yearly Meeting of the Religious Society of Friends (Quakers) has one subsidiary company, Friends House (London) Hospitality Limited. This company is incorporated in England and Wales; its registered office is located at Friends House, 173 Euston Road, London NW1 2BJ. The principal activities of the company are the provision of meeting rooms, conference facilities, hospitality and restaurant services. The investment of Britain Yearly Meeting of the Religious Society of Friends (Quakers) in Friends House (London) Hospitality Limited comprises two ordinary shares of £1 each, being the entire issued share capital of that company. Friends House (London) Hospitality Limited donates its taxable profits to Britain Yearly Meeting of the Religious Society of Friends (Quakers) by Gift Aid. A summary of the financial results of the company for the year to 31 December 2016 is shown below. Accounts of the company will be filed with the Registrar of Companies.

	2016	2015
	£'000	£'000
Profit and loss account		
Turnover	3,696	3,479
Operating expenses and shared costs	(2,876)	(3,030)
Operating profit	820	449
Interest paid	(3)	(4)
Profit for the year before Gift Aid and taxation	817	445
Gift Aid payable to Britain Yearly Meeting of the Religious Society of Friends (Quakers)	(817)	(445)
Summarised balance sheet		
Current assets	1,435	968
Creditors: amounts falling due within one year	(370)	(273)
Net assets	1,067	695
Called up share capital (£2)	-	-
Debenture	250	250
Profit and loss account	817	445
	1,067	695

This note is the company note. The group note (note 2: Activities for raising funds) is shown before £150,000 rent and debenture interest payable to Britain Yearly Meeting of the Religious Society of Friends (Quakers).

Note

Britain Yearly Meeting of the Religious Society of Friends (Quakers) has advanced £250,000 to Friends House (London) Hospitality Limited ("the Company") for the purposes of providing working capital. This loan is secured by a fixed and floating charge over the assets and undertaking of the Company and is repayable on Britain Yearly Meeting of the Religious Society of Friends (Quakers) giving 24 months' written notice. The terms of the loan agreement includes the payment of interest at an arm's length commercial rate of 1.00% above the Co-operative Bank base rate for the time being, calculated on a daily basis.

16. Receivables

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Receivable within one year				
Loans advanced to meetings (see below)	23	30	23	30
Other loans advanced	45	50	45	50
Trade debtors	251	254	10	24
Amount owed by subsidiary company	-	-	-	-
Insurance prepayment	109	108	109	108
Project balances	-	-	-	-
Accrued income	1,241	1,291	1,241	1,291
Other debtors	353	77	327	77
	2,022	1,810	1,755	1,580
Receivable after more than one year				
Loans advanced to meetings (see below)	222	290	222	290
Subsidiary company	-	-	250	250
	2,244	2,100	2,227	2,120

Interest-free loans are made to meetings for the purchase and improvement of meeting houses. They are repayable in annual instalments over periods of up to ten years.

	2016 £'000	2015 £'000
Interest-free loans, group and charity		
Balance outstanding at 1 January	320	148
Loans advanced during the year	-	220
	320	368
Repayments made	(75)	(48)
Balance outstanding at 31 December	245	320
Due within one year	23	30
Due after one year	222	290
	245	320

17. Payables: amounts falling due within one year

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Interest-free loans (see below)	150	333	150	333
Social security and other taxes	201	101	201	118
Pensions contributions	58	55	58	55
Expense creditors	45	71	1	21
Accruals	356	694	314	649
Canadian legacy	136	166	136	166
Other	284	604	1,162	1,132
	1,230	2,024	2,022	2,474

	2016 £'000	2015 £'000
Interest-free loans - group and charity	333	333
Balance outstanding at 1 January	10	-
Loans received in the year	343	333
Repayments made	(44)	-
Converted to gifts	(149)	-
Balance outstanding at 31 December	150	333

All interest-free loans are repayable on demand.

I8. Reconciliation of movement in funds

Group and charity	At 1 January 2016 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 December 2016 £'000
Endowment funds					
. FEF Joint Bursary Scheme (note 21)	1,525	-	-	55	1,580
. QPS Kingsmead	1,450	-	-	52	1,502
. FEF Higher Education Awards (note 21)	1,120	-	-	40	1,160
. QPS Kingsmead Close	472	-	-	17	489
. R. Penny	156	-	-	6	162
. Sawell Family Fund	650	-	-	(58)	592
. Other endowment funds	102	-	-	3	105
Total endowment funds	5,475	-	-	115	5,590

Group and charity	At 1 January 2016 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 December 2016 £'000
Restricted funds					
. Swarthmoor Hall Field Fund (note 22)	940	20	-	(65)	895
. Swarthmoor Hall Fund (note 22)	1,684	-	(82)	(21)	1,581
. Albert Moor Fund	536	-	-	-	536
. Quaker Peace & Social Witness Relief Fund	126	9	(21)	-	114
. Jordans Estate Fund	282	-	-	59	341
. Hope Fund	106	-	(6)	-	100
. Friends Educational Foundation Joint Bursary Scheme (note 21)	67	46	(68)	-	45
. Friends Educational Foundation Higher Education Awards (note 21)	57	38	(3)	-	92
. Gerald A J Hodgett Fund	444	-	(69)	-	375
. Other restricted funds	683	962	(706)	(254)	685
. Functional property funds	1,347	-	-	146	1,493
Total restricted funds	6,272	1,075	(955)	(135)	6,257

18. Reconciliation of movement in funds (continued)

	At 1 January 2016 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 December 2016 £'000
Unrestricted funds					
Designated funds					
. Cadbury Staines Fund	1,549	50	(126)	61	1,534
. Property Upkeep Fund	3,169	922	(42)	165	4,214
. Meeting Houses Fund	342	-	(39)	(58)	245
. Project Development Fund	62	-	-	(62)	-
. Legacy-funded short-term projects	2,238	10	(216)	843	2,875
. Courtauld House Income Fund	181	-	(2)	-	179
. Investment Property Fund	9,700	-	-	126	9,826
. Functional Property Fund	16,883	-	-	-	16,883
. Heritage Assets Fund	179	-	-	-	179
Total designated funds	34,303	982	(425)	1,075	35,935
General reserve	11,185	9,566	(9,566)	(324)	10,861
Total unrestricted funds	45,488	10,548	(9,991)	751	46,796
Total funds	57,235	11,622	(10,950)	735	58,643

19. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2016 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000
Group and charity								
Fund balances at 31 December 2016 are represented								
Tangible fixed assets	19,323	3,878	-	23,201	18,251	3,734	-	21,985
Investments	26,305	658	5,590	32,553	26,803	661	5,475	32,939
Net current assets	1,168	1,721	-	2,889	435	1,876	-	2,311
Total net assets	46,796	6,257	5,590	58,643	45,489	6,271	5,475	57,235

20. Consolidated trusts

The trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) are also the trustees for Swarthmoor Hall and Friends Educational Funds. These are treated as restricted funds within these accounts. Details of the movements on these funds are given in notes 21 and 22 below.

21. Friends Educational Funds

	Higher Education Award funds		Joint Bursary Scheme		Total 2016	Higher Education Awards funds		Joint Bursary Scheme		Total 2015
	Income fund	Endowment fund	Income fund	Endowment fund		Income fund	Endowment fund	Income fund	Endowment fund	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income										
From raised funds										
. Voluntary income	6	-	3	-	9	5	-	21	-	26
. Investment income	32	-	43	-	75	33	-	46	-	79
Total net assets	38	-	46	-	84	38	-	67	-	105
Expenditure										
Charitable activities	(3)	-	(68)	-	(71)	(12)	-	(54)	-	(66)
	(3)	-	(68)	-	(71)	(12)	-	(54)	-	(66)
Net income/ (expenditure)	35	-	(22)	-	13	26	-	13	-	39
Realised gains on investments	49	(40)	68	(55)	22	-	43	-	59	102
Unrealised gains on investments	-	80	-	110	190	-	24	-	32	56
Net movement in funds	84	40	46	55	225	26	67	13	91	197
Reconciliation of funds										
Funds brought forward at 1 January	57	1,120	67	1,525	2,769	31	1,053	54	1,434	2,572
Funds carried forward at 31 December	141	1,160	113	1,580	2,994	57	1,120	67	1,525	2,769
Fixed assets										
Investments	-	1,160	-	1,580	2,740	-	1,120	-	1,525	2,645
Current assets										
Cash at bank and in hand	141	-	113	-	254	57	-	67	-	124
Net assets	141	1,160	113	1,580	2,994	57	1,120	67	1,525	2,769

22. Swarthmoor Hall restricted

	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2016 £'000	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2015 £'000
Income						
From raised funds						
. Voluntary income	-	2	2	-	3	3
. Investment income	20	-	21	21	-	21
From charitable activities: programme	-	(15)	(15)	-	(12)	(12)
Transfer from Field Fund	-	-	-	-	-	-
	<u>20</u>	<u>(13)</u>	<u>7</u>	<u>21</u>	<u>(9)</u>	<u>12</u>
Expenditure						
Charitable activities						
. Programme	-	(73)	(73)	-	(40)	(40)
. Estate	-	(27)	(27)	-	(27)	(27)
. Other	-	(9)	(9)	-	(13)	(13)
Transfer from Field Fund	(90)	-	(90)	-	-	-
	<u>(90)</u>	<u>(109)</u>	<u>(199)</u>	<u>-</u>	<u>(80)</u>	<u>(80)</u>
Net income/(expenditure)	(70)	(122)	(192)	21	(89)	(68)
Unrealised gains on investments	-	20	20	-	15	15
Realised gains on investments	27	-	27	27	-	27
Net movement in funds	(43)	(102)	(145)	48	(74)	(26)
Reconciliation of funds						
Funds brought forward at 1 January	<u>938</u>	<u>1,683</u>	<u>2,621</u>	<u>890</u>	<u>1,757</u>	<u>2,647</u>
Funds carried forward at 31 December	<u>895</u>	<u>1,581</u>	<u>2,476</u>	<u>938</u>	<u>1,683</u>	<u>2,621</u>
Fixed assets						
Tangible assets	-	1,581	1,581	-	1,683	1,683
Investments	735	-	735	778	-	778
	<u>735</u>	<u>1,581</u>	<u>2,316</u>	<u>778</u>	<u>1,684</u>	<u>2,461</u>
Current assets						
Debtors	-	-	-	-	-	-
Cash at bank and in hand	160	-	160	160	-	160
	<u>160</u>	<u>-</u>	<u>160</u>	<u>160</u>	<u>-</u>	<u>160</u>
Liabilities						
Creditors: due within one year	-	-	-	-	-	-
	<u>160</u>	<u>-</u>	<u>160</u>	<u>160</u>	<u>-</u>	<u>160</u>
Net current assets	<u>160</u>	<u>-</u>	<u>160</u>	<u>160</u>	<u>-</u>	<u>160</u>
Net assets	<u>895</u>	<u>1,581</u>	<u>2,476</u>	<u>938</u>	<u>1,683</u>	<u>2,621</u>

23. Operating lease commitments

At 31 December 2016, Britain Yearly Meeting of the Religious Society of Friends (Quakers) is committed to making the following payments under non-cancellable operating leases:

	2016	2015
	£	£
Operating leases that expire		
Within one year	6,038	29,670
Between two and five years	14,879	26,777
Later than two years	-	1,050
	<hr/> 20,917	<hr/> 57,497

The total expense for operating lease costs incurred in 2016 was £27,654.

Britain Yearly Meeting of the Religious Society of Friends (Quakers)

Registered charity number 1127633

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