

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

Annual report, including financial statements

for the year ended December 2017



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

Registered charity number 1127633

Friends House
173 Euston Road
London
NW1 2BJ

Accessible versions of this document are available. For large print or electronic formats, please contact the publications manager at publications@quaker.org.uk or call 020 7663 1162.

For a copy of *Our faith, our work*, which contains information about the work of Quakers in Britain in 2017, please contact the publications manager at the address above.

Contents

From the Clerk of Trustees and the Recording Clerk	4
Britain Yearly Meeting explained	5
Public benefit statement	5
Governance	6
Strategic report and review of financial activities in 2017	16
Future plans	19
Statement of trustees' responsibilities	20
Independent auditor's report	21
Consolidated statement of financial activities	24
Consolidated and charity balance sheets	25
Consolidated statement of cash flow	26
Principal accounting policies	27
Notes to financial statements	32

From the Clerk of Trustees and the Recording Clerk

What does it mean to live out our faith in the world, and to work with others to make a difference? The source of our strength comes from our worship and our Quaker community.

YM Epistle 2017

We are living in uncertain and volatile times, both nationally and globally. Our fragile planet and its peoples need our help in bringing about peace and positive change more than ever before. The work described in this report shows how Britain Yearly Meeting is working for and on behalf of Quakers. It is our willingness to support this work – through discernment, service, our financial support and our prayers – that enables change to happen, both in our meetings and in the world. We are a ‘do it together’ church: together we can help make the world a fairer, better place for everyone.

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 – are a faith community with worship at the heart. Founded in 1652, in 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 (472), grouped together into area meetings (70), the level at which individual membership (c13,200, plus a further 9,500 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. It also works 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 472 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 July, more than 1,700 Friends from across Britain attended the week-long Yearly Meeting Gathering at the University of Warwick. As well as attending Yearly Meeting sessions, Friends gathered for community-building activities. We concluded a three-year consideration of 'Living out our faith in the world'. 1,204 Friends attended the Sunday morning Yearly Meeting session, with around 1,000 attending sessions during the rest of the week. 62 young Quakers participated in Junior Yearly Meeting and 165 participated in the Children and Young People's programmes.

For over 360 years our faith has led us to testify to equality, simplicity, peace and truth. Our social witness 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 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 minutes of BYM Trustees, Meeting for Sufferings (the standing representative council of Quakers in Britain) and Yearly Meeting itself. Our website also gives details of our work, and provides resources for local meetings and 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

I have developed a passion for good governance – in Quaker terms, Gospel Order – and see this as something of which we, you and I in the Religious Society of Friends in Britain, are stewards as surely as we are stewards of the Earth... Stewardship involves prayer, and it involves thought, and it involves applying what emerges from the two. As individuals our particular talents may lead us to greater emphasis on one of those elements, but they can never be wholly divided within any of us, and as a community we need to be faithful to all three: prayer, thought and application.

Christine A M Davis, 2008 (*Quaker faith & practice* 15.01)

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 2016. 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, and encourages self-questioning and hearing 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 by BYM in 1994 and it 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 established a pattern of annual reporting by standing committees designed to ensure they remain well-informed and the work of standing committees is well scrutinised. Regular meetings of trustees and committee clerks are also held.

Developments in governance

In reflecting on the trustees' work in 2017, three areas of governance are noteworthy:

- work towards a fundraising strategy
- commissioning a review of our management of legacy-funded projects
- commissioning a review of Swarthmoor Hall governance arrangements.

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 2016

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 2016. 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. Under the act, campaigning in the regulated period of 12 months prior to a general election requires registration once a threshold of spending is crossed. BYM registered under the legislation at the 2017 UK General Election held in June. However it is likely BYM crossed the threshold limit in October 2016, almost six months before the election was called and so, unknowingly, we were not complying with the legislation in this period. We have raised our concerns with government through the Office for Civil Society, and by engaging with the regulator, the Electoral Commission, over the implementation of the act. Britain Yearly Meeting continues to campaign for improvements to this area of regulation.

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 a useful and periodic prompt.

Governance

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 our hospitality company have been asked to develop procedures appropriate to their areas for implementing the policy.

In 2017, the annual staff conference was centred on equality in a Quaker workplace and what a truly equal workplace looks like. A full staff survey was also conducted which told us BYM has an aspirational culture and its employees share a strong unity of purpose. BYM staff are loyal, committed, and proud of their workplace and its values.

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 are widely spread. 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. The Deputy Recording Clerk, who holds strategic responsibility for risk management, has helped us develop our approach to risk assessment and management. In 2017 we have improved our reporting and clarified risk management responsibilities.

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 frequently during the year by operational managers, Management Meeting and trustees. Six risks have been identified as high/major risks and are managed at strategic-level; Management Meeting manages these risks while trustees maintain oversight.

The Audit Committee, constituted of one trustee and three external members, has reviewed our risk management approach this year and embarked on a programme of other audit work. The Employment Committee and Finance & Property Committee has been reviewing policies and procedures to ensure that they are up to date, and to embed Quaker values in the workplace. Friends House (London) Hospitality Company, which runs Friends House and Swarthmoor Hall, engaged all its staff in a values exercise, emphasising a shared commitment to high quality service.

Main risks

The most significant risks identified in 2017 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. Management Meeting reviewed this risk at the end of 2017 to explore its basis and so underlying risks can be made more explicit.</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>The Engaging Young Adult Friends project started in 2017 aiming to build engagement of young adults with Quakers and to nurture and empower young adult Quakers.</p> <p>Our Quaker Life team has developed a five year strategy with aims to sustain Quaker communities and to foster ministry and outreach.</p> <p>A ‘Support for meetings’ strategy is being developed.</p> <p>Grant fundraising work has been strengthened.</p>
<p>HS2 development. Disruption to workplace and hospitality business from 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 a Monitoring Group to maintain a reviewing role.</p> <p>We are working closely with other local charity businesses 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 are being integrated into refurbishment plans.</p>
<p>IT infrastructure not fit for purpose – not accessible, portable, agile, robust or secure. Hardware/software failures and cyber-security issues would impact most of BYM’s day-to-day operations</p>	<p>We have produced an IT strategy with an improvement plan.</p> <p>We continue to update our infrastructure. In 2017, data was migrated to a new server and the IT team has been strengthened with the appointment of an infrastructure specialist.</p> <p>We have improved our software patch management protocols and upgraded other security controls.</p> <p>Backup of the entire network is made both locally off-site and remotely through internet storage.</p>
<p>BYM fails to use appropriate communication tools to help Quakers be widely known and understood. This would contribute to the declining impact of work and engagement of Friends.</p>	<p>Plans are created for our multiple communications channels.</p> <p>Social media accounts follow procedures for content and moderation set out in a social media strategy.</p> <p>A monitoring strategy is being developed to help us understand more fully, and report on, the impact of communications work.</p>
<p>Difficulties with recruitment and retention of staff in current political and economic climate. Increased challenge from Brexit in some areas of our work – principally in hospitality. Implications of high cost of living in London to recruit to Friends House.</p>	<p>BYM operates ethical employment practices including payment of the living wage, maintaining a low ratio between highest and lowest salaries.</p> <p>Investment in training, learning and development including personal development plans.</p> <p>Reviewing recruitment processes.</p> <p>Increasing capability for remote working.</p>

Governance

Risk management process fails to identify, control or manage risks appropriately. Oversight and ownership of risks needs to be at appropriate level of management. Controls and mitigations need to be effective.	Risk management strategy implemented. Audit Committee has reviewed our risk management process. Frequent oversight by trustees and Management Meeting.
--	--

Sustainability

Quakers made a commitment in 2011 to become a sustainable 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 mainly from locally sustainable sources. There is an ethical procurement programme and renewable energy is used for heating and lighting. The carbon footprint of the building has fallen by 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.

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. BYM has planned for the introduction of new legislation in May 2018 – General Data Protection Regulation (GDPR) – so that our systems and processes are compliant.

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. Following a good practice review of all criteria, advice and processes relating to the funds from which grants are allocated, more robust processes and documentation have been developed, particularly relating to our expectations of those in receipt of grants. A review of grants made over the last seven years was also undertaken, the outcome of which will inform grant-making strategy in 2018 and beyond.

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

Trustees serving during 2017

Alison Breadon (from 1 January 2018)	Wirral & Chester Area Meeting
David Burnell (until 31 December 2017)	London West Area Meeting
Sarah Donaldson	Manchester & Warrington Area Meeting
James Eddington	Lancashire Central & North Area Meeting
Nick Eyre	Lincolnshire Area Meeting
Nick Francis, Assistant Clerk (until 31 December 2017)	West Wiltshire & East Somerset Area Meeting
Ingrid Greenhow, Clerk	Chilterns Area Meeting
Roy Love	York Area Meeting
Lynn Moseley (until 31 December 2017)	South Wales Area Meeting
Caroline Nursey, Assistant Clerk (from 1 January 2018)	London West Area Meeting
David Olver	Craven & Keighley Area Meeting
Virginia Pawlyn (until 31 December 2017)	Banbury & Evesham Area Meeting
Steve Pullan	Northumbria Area Meeting
Alastair Reid	West Scotland Area Meeting
Hazel Shellens	Cambridgeshire Area Meeting
Tim Southall (until 31 December 2017)	Bristol Area Meeting
Graham Torr (from 1 January 2018)	Kingston & Wandsworth Area Meeting
Peter Ullathorne, Treasurer	Central England Area Meeting
Frances Voelcker (from 1 January 2018)	North Wales Area Meeting
Christine Willmore	Bristol Area Meeting

Recruitment of trustees, induction and training

Trustees are normally appointed for a term of three years, with 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 175 staff (136.7fte) across its departments in 2017, including 66 (50.3fte) at Friends House (London) Hospitality Ltd.

Governance

Management Meeting

Trustees delegate the responsibility for implementing decisions and managing work to senior staff (Management Meeting).

In 2017, 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

In 2016, Management Meeting personnel took on different roles, reflecting the broad themes of the work to enable the charity to work more strategically and as a single joined-up organisation. The new structure improved organisational resilience, risk management and impact reporting. Trustees agreed to assess these new arrangements through an interim review to report in early 2018 with a full review in 2019.

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 BYM 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 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 Great 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 the Religious Society of Friends in Great Britain, with trustees appointed by Meeting for Sufferings. BYM provides secretarial support for its work.

Woodbrooke Quaker Study Centre is an independent learning organisation which 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. In 2017 the two trustee bodies of BYM and Woodbrooke agreed a Memorandum of Understanding to provide a framework for our working relationship.

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 2017. BYM is registered with the Fundraising Regulator and subscribes to its 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 has been reviewing its fundraising practices and will adopt a new fundraising strategy in 2018.

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

Preparation began for Yearly Meeting 2018, which will reflect on our book of discipline. To that end we published *God, words and us*, which summarises the findings of the think-tank set up by the Revision Preparation Group of Meeting for Sufferings. It has proved very popular with meetings and sold out of its first run. Many meetings are running reading groups around its contents.

BYM operations implemented a corporate induction process for all new staff, which more effectively communicates the values of the organisation, its structures, departments and their link to the wider Society of Friends. We also developed a training and development zone on the intranet to assist staff in the developing their skills. Our IT Support team worked hard to stay on top of cyber threats by implementing a new patch management tool and upgrading our antivirus defences. As a result we received certification from the Cyber Essentials Scheme.

In 2017 we spent £0.77 million on sustaining our church and our faith.

Governance

Supporting meetings

Our 472 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.

Yearly Meeting Gathering 2017 saw 1,494 Quaker adults, and 213 under-18s, attend a week-long residential held at Warwick University. The 2017 Meeting concluded a three-year reflection on 'Living out our faith in the world', with the focus at Warwick on 'working with others to make a difference' and movement building.

Our 'Vibrancy in meetings' project is now well established and is offering regional based support in four pilot areas. Learning is starting to emerge about this model and the NCVO Charities Evaluation Service will submit an assessment in late 2018. Its early findings report noted that "Development workers are beginning to feed useful suggestions from meetings back to BYM".

In 2017 we committed to encouraging Quaker meetings to engage with families. We produced an 'All are welcome' resource for elders and overseers and held two conference days, with over 80 attendees in total. More than 200 people requested the resource and subscriptions to our resource for children's meetings, 'Journeys in the Spirit', have increased by 40.

The Advocacy & Public Relations team was able to respond quickly to help meetings with the snap General Election. We produced materials to advise meetings on how to approach the key topics and run hustings. Each meeting received at least one copy and several requested more.

The library ran a free event for records custodians in meetings in March. This was one of the ways in which we keep meetings in touch with the history of the society. Others include librarians visiting local meetings to give talks.

In 2017 we spent £3.1 million on supporting meetings.

Promoting Quakerism

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

Our Outreach team helped co-ordinate more than 160 events during Quaker Week 2017. These events engaged local communities with shared meals, speakers and craft activities, from Shetland to Devon. Almost a quarter of meetings were involved. Print adverts were placed in publications with a total 877,500 circulation. For that week, 1,587 copies of 'Quakers: a guide for young people' were requested by meetings, along with a further 1,358 worship leaflets. We also received 8,000 likes or shares of Quaker Week content on Facebook.

This year saw our first foray into interactive digital materials with an innovative online timeline. This, part of our efforts to communicate Quaker values digitally, contributed to significant increases in social media uptake in 2017: 28.5% on Facebook and 21.7% on Twitter. We also launched a new blog offering Friends and the general public a way find out more about Quaker faith, Quaker work and the issues that are important to us. It is already reaching more than 1,500 people with its most popular posts.

Audiences are now hearing about witness work through the Q:Witness podcast. Around 1,300 people per episode are now listening to Quaker guests speaking on topics such as nonviolent direct action, the Ethical Landlords Association, and developing a culture of sanctuary for refugees in Europe.

The library at Friends House loaned objects from its collections to the Imperial War Museum London for its exhibition, 'People Power: Fighting for Peace'. This was a significant public reminder of the Quaker role in the British peace movement.

In June more than a thousand people visited our exhibition stand at Hay Festival of Literature and the Arts. More than 700 people also bought tickets to listen to three Quaker writers talk about their spiritual journey. At least four people have started attending Quaker worship as a result.

In Scotland we agreed to extend a three-year political advocacy project with clear criteria to measure success.

In 2017 we spent £2.1 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.

Quaker Peace & Social Witness staff member Tim Wallis made substantial contributions to the negotiation of the Nuclear Weapons Ban Treaty at the United Nations in New York. He spent time encouraging the positive engagement of diplomats and helping to coordinate civil society contributions. The treaty was eventually agreed by 122 states.

Our peace staff helped plan a week of action to stop the DSEI arms fair in London, and we provided meeting room space for the coalition of bodies who coordinated it. About 200 Friends, aged 1–98, joined the faith day of action; several were arrested for their faithful opposition to the arms trade.

Quakers contributed a witness statement and coordinated input into a judicial review against the UK government's proposed guidance banning local councils from making ethical choices in their pension investments. The government had to change its guidance as a result.

In its tenth anniversary year our hospitality company won awards that highlight its commitment to ethical and sustainable practices: a 'Support the Community' award from Food Made Good and 'Best New or Refurbished Venue' at the London Venue Awards – recycled materials and sustainable best practices have been used throughout the refurbishments.

Our Economics Sustainability & Peace team has been working with meetings in their witness around economic and climate justice. BYM's lead in divestment from fossil fuel extraction has served as a model for meetings – half now have no investment in these industries. The team also published more booklets in the New Economy series. There are now more than 50 reading groups investigating the subject and considering how they can contribute towards building a more just and sustainable economy.

Through the work of our Forced Migration Programme Developer, more than 50 meetings have now committed to become 'sanctuary meetings'. We are supporting these meetings to get involved in local refugee welcome and anti-racism initiatives, and challenge policy makers on the government's stated intention to create a hostile environment for migrants.

In East Africa, peacebuilders, trained by Turning the Tide (TTT) programme, continue to form strong and active networks and to run effective peace and justice campaigns in their communities. TTT Kenya focused on a national campaign to prepare citizens for the 2017 general elections. It carried out 124 election related events, reaching several thousand Kenyans. Eleven community dialogues, peace walks and rallies were held. In Rwanda, campaigners focused on women's empowerment in property management, children's rights and on addressing local corruption. Some of their public gatherings attracted over 500 people. In 2017, 183 people were trained on basic TTT tools. TTT Burundi successfully launched campaigns addressing land conflicts, around children's rights abuses and supported mediation processes between Hutus and Tutsis. There are now over 140 people trained in basic TTT tools.

With staff support, more than 200 Friends attended meeting for worship for witness atop Pendle Hill, to demonstrate Quaker opposition to fracking. In Scotland BYM helped co-ordinate the Quaker response to the Scottish government's consultation on fracking. It has since been banned there.

Meetings in Scotland are now well-supported in their engagement with politics. Our campaigns are seeing great success – for example the SNP, the majority party, recently voted to ban the military recruitment of under 18s.

The Ecumenical Accompaniment Programme in Palestine and Israel, which we run in the UK and Ireland on behalf of a number of churches and church agencies, helped lead the Balfour Project, which urged people to take effective action to promote justice, security and peace for Palestinians and Israelis. The Centenary Declaration was signed by 86 people in public life including 42 MPs. 'Ecumenical accompaniers' employed and trained by us to act as human-rights observers logged 172 speaking engagements in UK and Ireland on return from their service in Israel and Palestine, as well as 21 media interactions. They had 18 meetings with MPs (one agreed to sign an Early Day Motion on child detention and one signed the Balfour Centenary Declaration) and 27 contacts with religious leaders and churches in 2017.

We spent £2.9 million on Quaker witness through action in 2017.

Strategic report and review of financial activities in 2017

We would like to thank Friends for their financial support of Quaker work in 2017 that has enabled us to: provide advice, resources, training and events to strengthen and empower Quaker meetings; uphold the structures and discipline that keep our church and our work spirit-led; operate a range of programmes in Britain and overseas that translates our faith into action; and carry out outreach, media and advocacy work that builds public awareness of who we are and of the things that matter to us. Our total expenditure in 2017 was £13.1 million (2016: £10.7 million).

Meeting for Sufferings, our national representative council, has defined the current broad priorities through its document 'Our Faith in the Future' (www.quaker.org.uk/our-organisation/meeting-for-sufferings/our-faith-in-the-future) and the central committees and trustees supervise this being translated into practice. Quaker work is your work, and you are a vital part of it. Without your generous gifts – whether they be of time, money or prayerful support – none of it would be possible.

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 2017 was £13.0 million (2016 £10.9 million).

Over the past few years legacies have varied from less than £1 million to over £5 million; in 2017 the amount totalled £3.5 million (2016 £2.3 million). Trustees continue to allocate legacy income in excess of the amount needed to support our regular work to time-limited projects. Since 2016 a total of £4.7 million has been designated for this purpose, and projects totalling some £2.8 million have been approved, many of which have already been completed. The balance on the legacy fund at 31 December 2017 was £2.3 million, of which £0.4 million has been allocated to specific projects, leaving £1.9 million to be committed to new projects.

The largest proportion of contributions reach us in the last three months of the year. Contributions were just over £2.2 million, slightly exceeding 2016 total by £126,000. However, 58 per cent of this increase in contributions came from £73,900 in interest-free loans being converted to outright gifts.

Friends House (London) Hospitality Limited celebrated ten years of operation during 2017. It continues to raise income from conferences, meetings and catering provision at Friends House. The company also manages Swarthmoor Hall at Ulverston in Cumbria, and the Quaker Bookshop. The company's trading income funds the bulk of the buildings' running costs, and after paying these and its operating costs, a surplus of £965,307 was available as a contribution towards our charitable work, the highest figure achieved in the company's history.

The market value of our investment portfolio at the end of 2017 was £25.4 million. The portfolio continues to perform well with a net gain of £2.9 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 2017, is published on our website at www.quaker.org.uk. We continue to work with QPSW staff and others to engage with the issue of tax justice in relation to the companies in which we hold shares. A review of the investment policy will be carried out in 2018.

The overall surplus for the year of £21.6 million arose mainly from the unrealised gains on revaluation of our investment (Drayton House) and functional properties (Friends House and Swarthmoor Hall estate). While we see Friends House and Swarthmoor Hall as places of worship, witness, work and outreach, we are required to recognise these properties as assets in our accounts, and therefore, given our good stewardship and the excellent facilities we have, a commercial valuation attributes a large value to them. By incorporating the valuations in our accounts, we show an increase in reserves of some £22 million – reserves we cannot spend without destroying the wonderful resource we have built up.

Reserves

Reserves held by BYM comprise four categories, the nature and policies of which are described below.

Endowments

Endowments are monies received by BYM with the requirement that the capital should be held permanently, and the income used for various aspects of the charitable purposes. Trustees are reviewing each of these endowments to see whether the objectives might be achieved better by seeking Charity Commission

permission to spend the capital in the light of the increased demands in some areas of work and the levels of returns available. Some endowments have been reclassified as restricted funds this year following such permission.

Restricted funds

Restricted funds are monies received by BYM with a specified area of expenditure, within the general objectives but with limited application. Some are intended to be held for the long term to finance the named purposes and beneficiaries, in which case capital gains and income are attributed to these funds annually. Others are held for immediate expenditure over a shorter time horizon (normally no more than five years), in which case no addition is made for income or gains arising.

Designated funds

Designated funds are monies set aside by Trustees to be spent or held to cover specific expenditure or projects. Some designated funds represent the main functional and investment properties held for the long term by BYM. These include Swarthmoor Hall, Friends House, and Drayton House. The Legacy-funded short-term projects fund represents monies set aside for immediate expenditure within the next five years on approved projects. Others are monies allocated to areas of expenditure that cover more than one year. Trustees will be reviewing these designated funds during 2018 to ensure that the set purposes remain valid, and if not to ascertain if some can be released for more pressing needs.

General reserves

The general reserve represents monies accumulated after each year's financial accounts are completed and all necessary provisions and attributions to designated funds are implemented. These monies are available for the immediate use of BYM, subject to retaining such amounts as are prudent for the smooth running of the charity's activities. In the normal course of our activities we aim to balance income and expenditure over the medium term. Accordingly, general reserves are used to provide working capital cash needs, and to finance short-term deficits where necessary.

	2017 (£'000)	2016 (£'000)
Total funds as per group balance sheet	80,252	58,643
Exclude:		
Endowment funds	5,581	5,590
Restricted funds	6,258	6,257
Designated funds tied up in fixed and heritage assets	49,580	26,888
Designated funds	9,024	9,047
General reserves	9,809	10,861

Our reserves policy focuses on the level of BYM's general reserves. Our general reserves as at 31 December 2017 amount to around £10 million. The target for general reserves is six months operating costs (£6,053,000), plus planned capital expenditure for the next twelve months (£739,000). We currently hold additional general reserves representing three months operating costs to enable BYM to mitigate the financial impact of major events such as the HS2 developments near Friends House and impact of Brexit on the economy that could lead to a significant shortfall in income or unplanned expenditure. We also need to be able to take advantage of future strategic development opportunities that may arise, for example partnership working with Quaker and other bodies in areas of common concern.

While general reserves are above the minimum necessary at present, plans are being developed to invest in the future of the Society over the next few years. To meet the objectives of 'Our Faith in Future', BYM recognises that a significant investment will need to be made to support Quakers in Britain to be a bold, vibrant, diverse, all-age and growing community. New areas of work being planned will need reliable funding if we are to commit to them in the long term; these include a youth workers pilot scheme, engagement with young adult Quakers,

Strategic report and review of financial activities in 2017

working with families and the ‘Vibrancy in meetings’ project. In addition, we need to improve the support we currently provide to meetings on a whole range of issues, from the practical (e.g. property support) to the spiritual (nurture). We also need to ensure that Quakers are well-known and widely understood and to provide the resources to support meetings to reach out to the wider population. We are planning upgrades of our IT infrastructure and contract management system in next 1–3 years to enable us to keep abreast of changes in communication and technology and to work more efficiently and effectively

Financial position

The overall position as at 31 December 2017 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 £3.5 million. These should provide a satisfactory level of cash resources for our planned activities and enable us to meet the cost of capital projects throughout the year.

Looking forward

Our financial position at the year-end was sufficient to accommodate fluctuations that may be caused by shortfalls in income or unexpected expenditure. 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. In addition, our legacy projects are fully funded. As ever, we continue to monitor carefully both income and expenditure, and cash requirements.

We look forward to investing in the future of the Society over the next few years. However, we must not be complacent about what current levels of annual giving by Friends and meetings can achieve in making the world a fairer, better place for everyone. Many Friends would like to see more work done in their name, and for Quakers in Britain to be a bold, vibrant, diverse, all-age and growing community, giving adventurously and living generously.

Future plans

Our plan for 2018 includes 356 separate activities, varying in time, complexity and scope. Highlights include:

- work to support committees more effectively
- work to improve diversity in our committees, membership and work
- upgrading our financial software and improving our IT infrastructure
- our hospitality company's continuing work on delivering the Environmental Sustainability strategic plan
- developing digital platforms for engagement, outreach and resources
- encouraging Friends to engage with economic issues and climate and energy justice.

Sustaining our church and faith

In 2018, we will hold our Yearly Meeting at Friends House. The theme will be our book of discipline, and its revision. Children and young people will be encouraged to have a say in these decisions.

We will be exploring gender issues for young people, as well as how Quaker meetings can respect and support all young people. We will run a conference for Area Meeting Children and Young People's Work Advocates and those working with young Quakers.

All BYM satellite websites will be moved to a new server to mitigate against risk.

We will be analysing our communications outputs to ensure compliance with new data regulations.

We will be undertaking a staff benefits review to ensure that we are in line with the sector, and conducting a gender reporting project to identify whether BYM has a gender pay gap.

Supporting Quaker meetings

We plan on widening the range of ways in which people can access the Library collections, looking at a mixture of online and onsite resources. We will also increase access to more high-quality digital images with our image library.

Two workers will be employed in local areas to develop new opportunities for engaging with 11 to 18-year-olds. We will be evaluating this work over three years.

We will be compiling briefings for meetings on how to engage allies and local government with Quaker values.

Witness through action

Through the Inspire project, we will engage large numbers of schools and young people in thinking about and working for peace, as we mark the centenary of the end of WWI. Large-scale events are planned. This project continues to grow in scope, with Church of England schools joining, bringing hundreds of thousands of students.

We will continue to support the creation of peaceful schools, equipping young people with the skills and resources to deal with conflict in their lives, and providing resources such as the Peace Week pack to support a critical analysis of peace and war, and creative approaches to dealing with conflict and violence. Quaker work will feature in a documentary about militarism in schools; 'War School' will be released in 2018.

We will continue to support Quaker action for climate justice, locally and nationally. We will initially focus on the government's Clean Growth Strategy and hold policy makers to their commitments under the Paris climate agreement.

We will play a key part in the Rethinking Security project with a national conference planned in June. The project brings together practitioners and academics in search of a new vision for the future of our common peace and security.

We will continue to support sanctuary meetings, to provide refugees with a safe and welcoming environment.

Promoting Quakerism

We will review our strategic audiences to reflect our communications objectives.

We will become a partner of the Greenbelt festival, where we will run several Quaker-themed events. More than 11,000 people are expected to attend. We will also be exhibiting at the Hay Festival of Literature and the Arts.

We will be revamping the exterior of Friends House to attract new visitors.

Quaker Week 2018 will engage meetings and the wider public with the issue of diversity and welcome.

Statement of trustees' responsibilities

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).

The law applicable to charities in England and Wales requires the trustees to prepare, for each financial year, financial statements which give a true and fair view of the state of affairs of the charity, the group, 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
- making 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 the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and which 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.

This trustees' report was approved by the trustees on 6 April 2018 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)

Opinion

We have audited the financial statements of the Britain Yearly Meeting of the Religious Society of Friends (the 'charity') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2017 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Auditor's report

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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

Signed:

Mazars LLP Chartered Accountants and Statutory Auditor
Times House, Throwley Way, Sutton, Surrey SM1 4JQ

7 April 2018

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Financial statements

Year to 31 December 2017

Consolidated statement of financial activities Year to 31 December 2017

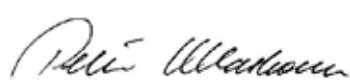
		Unrestricted funds	Restricted funds	Endowment funds	2017 Total funds £'000	Unrestricted funds	Restricted funds	Endowment funds	2016 Total funds £'000
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:									
Donations and legacies	1	6,050	355	-	6,405	4,207	918	-	5,125
Charitable activities	2	812	8	-	820	380	23	-	403
Other trading activities	3	4,343	(11)	-	4,332	3,750	(18)	-	3,732
Investment income	4	1,320	157	4	1,481	1,490	152	-	1,642
Total		12,525	509	4	13,038	9,827	1,075	-	10,902
Expenditure on:									
Raising funds (including trading)	1,3,4	4,179	-	-	4,179	3,228	-	-	3,228
Charitable activities	2,5	8,036	883	-	8,919	6,485	955	-	7,440
Total		12,215	883	-	13,098	9,713	955	-	10,668
Net gains on listed investments	14	2,267	86	578	2,931	679	26	173	878
Net income/ (expenditure)		2,577	(288)	582	2,871	793	146	173	1,112
Transfers between funds		762	(171)	(591)	-	270	(212)	(58)	-
Other recognised gains/ (losses)									
Unrealised gains on investment properties		8,484	-	-	8,484	26	51	-	77
Unrealised gains on functional properties		9,794	460	-	10,254	219	-	-	219
Net movement in funds		21,617	1	(9)	21,609	1,308	(15)	115	1,408
Reconciliation of funds:									
Total funds brought forward		46,796	6,257	5,590	58,643	45,488	6,272	5,475	57,235
Fund balances carried forward at 31 December									
2017 (2016)		68,413	6,258	5,581	80,252	46,796	6,257	5,590	58,643

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 2017

	Notes	Group		Charity	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
Fixed assets:					
Property plant and equipment	12				
Functional property		31,820	20,987	31,820	20,987
Other		354	1,612	354	1,612
Heritage assets	13	602	602	602	602
Investments	14				
Property		18,651	10,167	18,651	10,167
Securities		25,366	22,386	25,366	22,386
Total fixed assets		76,793	55,754	76,793	55,754
Current assets:					
Stocks and work in progress		82	69	80	66
Receivables	16	2,298	2,244	2,223	2,227
Cash at bank and in hand		2,812	1,806	2,776	1,801
Total current assets		5,192	4,119	5,079	4,094
Liabilities:					
Payables: amounts falling due within one year	17	(1,733)	(1,230)	(2,585)	(2,022)
Net current assets		3,459	2,889	2,494	2,072
Total net assets		80,252	58,643	79,287	57,826
The funds of the charity:					
Capital funds					
Permanent endowment funds	18	5,581	5,590	5,581	5,590
Income funds					
Restricted funds	18	6,258	6,257	6,258	6,257
Unrestricted funds					
. Designated funds	18	58,604	35,935	58,604	35,935
. General reserve	18	9,809	10,861	8,844	10,044
		80,252	58,643	79,287	57,826

These accounts, which have been prepared in accordance with the accounting policies on pages 27 to 31, were approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on April 6 2018 and signed on their behalf by:



Peter Ullathorne



Ingrid Greenhow

Consolidated statement of cash flow Year to 31 December 2017

	2017	2016	
	£'000	£'000	
Cash flow from operating activities:			
Net income	2,871	1,112	
Adjustments for:			
Depreciation	892	580	
(Gain) on investments	(2,931)	(878)	
Investment income and interest	(1,481)	(1,642)	
Interest-free loans	74	193	
Trade and other receivables	(54)	(144)	
Inventories	(13)	4	
Trade and other payables	504	(795)	
Cash used in operations	(138)	(1,570)	
Interest-free loans	(74)	(193)	
Net cash (outflow) from operating activities	(212)	(1,763)	
Cash flows from investing activities			
Purchase of property, plant and equipment	(146)	(1,384)	
Proceeds on disposal of property, plant and equipment			
Purchase of investments	(3,208)	(519)	
Proceeds on disposal of investments	2,267	3,143	
Investment income and interest	1,481	1,642	
Cash generated from investment activities	394	2,882	
Cash flows from financing activities			
Interest-free loans	(74)	(193)	
Cash generated from financing activities	(74)	(193)	
Net increase in cash and cash equivalents	108	926	
Analysis of cash and cash equivalents			
	2016	Cashflows	2017
	£'000	£'000	£'000
Cash at bank	1,806	1,006	2,812
Cash with investment managers	2,004	(898)	1,106
Total cash and cash equivalents at 31 December	3,810	108	3,918

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 2017) – 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. No separate income and expenditure of the charity has been presented, as permitted by Section 408 of the Companies Act 2006 and para 15.11 of the SORP. The gross income for the charity for the year was £8.9 million (2016 £7.4 million) and its gross expenditure was £9.9 million (2016 £7.9 million).

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 to be 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:
- generating voluntary income
 - activities to generate funds from hospitality
 - generating 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 at home 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 cent 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, which comprises freehold land and buildings included at a valuation of £27.9m determined as at September 2017 by Third Sector Property 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.
- The Swarthmoor Hall Estate, which comprises freehold land and buildings at a valuation of £2.4m as determined at September 2017 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, which 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 cent per annum based on cost
- furniture and general office equipment – 20 per cent per annum based on cost
- computer and similar equipment – 33.3 per cent 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 £18m by Third Sector Property Ltd as at September 2017 on an open market basis. The use of the building has been changed from office to educational use for the specific period of the tenancy.
- Courtauld House, which comprises freehold land and buildings. On March 7, 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 Friends Meeting House and burial grounds.
- three small properties valued by Britain Yearly Meeting, 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; these are treated as concessionary loans and are carried at cost rather than the net present value of future payments.

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; these are treated as concessionary loans and are carried at cost rather than the net present value of future payments.

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 (FEF) Joint Bursary Scheme: the income of which is restricted to providing bursary grants at Quaker schools.
- The Friends Educational Foundation (FEF) 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.
- Others: the income of five small funds is restricted within the terms of the relevant fund.

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 Friends Meeting House and burial grounds.
- The Hope Fund, which is held for providing grants connected with unemployment.
- The Friends Educational Foundation (FEF) 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 (FEF) Higher Education Awards, which makes grants in higher education (note 21).

Twenty-nine 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 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 for making interest-free loans to meetings around the country 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 2017.
- The legacy-funded short projects fund supports development work in the areas including peace and disarmament, non-violence, 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 £108,000 for the year. 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.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of Britain Yearly Meeting that have the most significant effect on the amounts recognised in the financial statements.

Estimation uncertainty

Britain Yearly Meeting makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurement

Britain Yearly Meeting uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. The charity bases the assumptions on observable data as far as possible but this is not always available. In that case, Britain Yearly Meeting uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

I. Donations and legacies

Group				2017				2016
	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	2,209	39	-	2,248	2,045	77	-	2,122
Legacies and gifts	3,447	90	-	3,537	1,730	579	-	2,309
Grants	394	226	-	620	432	262	-	694
	<u>6,050</u>	<u>355</u>	<u>-</u>	<u>6,405</u>	<u>4,207</u>	<u>918</u>	<u>-</u>	<u>5,125</u>
Less								
Cost of raising funds								
. Direct costs	(294)	-	-	(294)	(211)	-	-	(211)
. Support costs	(142)	-	-	(142)	(87)	-	-	(87)
	<u>(436)</u>	<u>-</u>	<u>-</u>	<u>(436)</u>	<u>(298)</u>	<u>-</u>	<u>-</u>	<u>(298)</u>
Net voluntary income for charitable activities	<u>5,614</u>	<u>355</u>	<u>-</u>	<u>5,969</u>	<u>3,909</u>	<u>918</u>	<u>-</u>	<u>4,827</u>

Included in the contributions figure are interest free loans converted to gifts totalling £73,900 (£148,600 2016). Legacies and gifts includes the proceeds of the sale of a house gifted to BYM totalling £440,000 and a restricted major gift totalling £80,000. In 2017, two individual donations were received in excess of £50,000. In 2016, one 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 £48,203 in 2017 and consisted of staff costs and Fundraising Regulator Levy. For every £1 we spent on raising funds for Britain Yearly Meeting, we received £133 in donations and legacies in 2017 (£101 2016).

2. Charitable activities

Group				2017				2016
	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	1	3	-	4	32	4	-	36
Supporting meetings	806	2	-	808	333	15	-	348
Promoting Quakerism	5	-	-	5	15	1	-	16
Witness through action	-	3	-	3	-	3	-	3
	<u>812</u>	<u>8</u>	<u>-</u>	<u>820</u>	<u>380</u>	<u>23</u>	<u>-</u>	<u>403</u>
Less								
Cost of charitable activities (note 5)								
. Direct costs	(6,057)	(666)	-	(6,723)	(4,704)	(692)	-	(5,396)
. Support costs	(1,979)	(217)	-	(2,196)	(1,781)	(262)	-	(2,043)
	<u>(8,036)</u>	<u>(883)</u>	<u>-</u>	<u>(8,919)</u>	<u>(6,485)</u>	<u>(955)</u>	<u>-</u>	<u>(7,440)</u>
Net cost of charitable activities	<u>(7,224)</u>	<u>(875)</u>	<u>-</u>	<u>(8,099)</u>	<u>(6,105)</u>	<u>(931)</u>	<u>-</u>	<u>(7,036)</u>

Income from charitable activities arises mainly from event fees and subscriptions. Events fees from Yearly Meeting Gathering are included under Supporting Meetings.

3. Other trading activities (Friends House Hospitality Company Ltd)

Group	2017			2017 Total funds £'000	2016			2016 Total funds £'000
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	
Room lettings	2,505	-	-	2,505	2,153	-	-	2,153
Equipment hire	254	-	-	254	214	-	-	214
Restaurant	1,749	-	-	1,749	1,544	-	-	1,544
Commercial discounts	(38)	-	-	(38)	(59)	-	-	(59)
Discounts for Quaker organisations	(127)	(11)	-	(138)	(102)	(18)	-	(120)
	<u>4,343</u>	<u>(11)</u>	<u>-</u>	<u>4,332</u>	<u>3,750</u>	<u>(18)</u>	<u>-</u>	<u>3,732</u>
Less								
Cost of activities for raising funds								
. Direct costs	(2,297)	-	-	(2,297)	(2,043)	-	-	(2,043)
. Support costs	(1,378)	-	-	(1,378)	(823)	-	-	(823)
	<u>(3,675)</u>	<u>-</u>	<u>-</u>	<u>(3,675)</u>	<u>(2,866)</u>	<u>-</u>	<u>-</u>	<u>(2,866)</u>
Net surplus (deficit) of activities for raising funds	<u>668</u>	<u>(11)</u>	<u>-</u>	<u>657</u>	<u>883</u>	<u>(18)</u>	<u>-</u>	<u>866</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	2017			2017 Total funds £'000	2016			2016 Total funds £'000
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	
Rental income	766	-	-	766	927	-	-	927
Dividend income	547	157	4	708	542	152	-	694
Interest received	7	-	-	7	21	-	-	21
	<u>1,320</u>	<u>157</u>	<u>4</u>	<u>1,481</u>	<u>1,490</u>	<u>152</u>	<u>-</u>	<u>1,642</u>
Less								
Cost of managing investments								
. Direct costs	(66)	-	-	(66)	(63)	-	-	(63)
. Support costs	(2)	-	-	(2)	(1)	-	-	(1)
	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>(68)</u>	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>(64)</u>
Net investment income available for charitable activities	<u>1,252</u>	<u>157</u>	<u>4</u>	<u>1,413</u>	<u>1,426</u>	<u>152</u>	<u>-</u>	<u>1,578</u>

5. Expenditure on charitable activities

Group	Direct costs £'000	Support costs £'000	2017 Total costs £'000	Direct costs £'000	Support costs £'000	2016 Total costs £'000
Sustaining our church and faith (see below)	580	193	773	556	166	722
Supporting meetings (see below)	2,303	816	3,119	1,568	696	2,264
Promoting Quakerism (see below)	1,406	677	2,083	1,335	570	1,905
Witness through action (see below)	2,433	511	2,944	1,937	612	2,549
	6,722	2,197	8,919	5,396	2,044	7,440

Sustaining our church and faith	Direct costs £'000	Support costs £'000	2017 Total costs £'000	Direct costs £'000	Support costs £'000	2016 Total costs £'000
Within Yearly Meeting	324	130	454	321	107	428
Within other Quaker bodies	195	6	201	175	6	181
Within other faiths and denominations	61	15	76	60	16	76
Management oversight	-	42	42	-	37	37
	580	193	773	556	166	722

Supporting meetings	Direct costs £'000	Support costs £'000	2017 Total costs £'000	Direct costs £'000	Support costs £'000	2016 Total costs £'000
General	1,767	569	2,336	909	391	1,300
Spirituality and membership	180	71	251	119	107	226
Children and young people	201	81	282	282	121	403
Finance and property	132	43	175	232	30	262
Employment and wardenship	1	-	1	7	-	7
Witness of meetings	22	11	33	19	10	29
Management oversight	-	41	41	-	37	37
	2,303	816	3,119	1,568	696	2,264

Promoting Quakerism	Direct costs £'000	Support costs £'000	2017 Total costs £'000	Direct costs £'000	Support costs £'000	2016 Total costs £'000
General	321	126	447	319	114	433
Outreach	446	78	524	374	96	470
Web development	73	29	102	134	28	162
Publications	134	62	196	131	61	192
Library	403	331	734	358	231	589
Other	29	9	38	19	3	22
Management oversight	-	42	42	-	37	37
	1,406	677	2,083	1,335	570	1,905

5. Expenditure on charitable activities (continued)

	Direct costs £'000	Support costs £'000	2017 Total costs £'000	Direct costs £'000	Support costs £'000	2016 Total costs £'000
Witness through action						
General	19	1	20	23	1	24
Peace witness	1,057	356	1,413	920	360	1,280
Social witness	399	112	511	451	209	660
United Nations work	958	-	958	543	5	548
Oversight and management	-	42	42	-	37	37
	2,433	511	2,944	1,937	612	2,549

6a. Trustees' remuneration

No trustee received any remuneration in respect of services given as trustee in 2017 or 2016.

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 2017 and 15 Trustees in 2016) and included in direct costs was £9,507 (2016 £7,886).

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.

Waivered trustees expenses are estimated at £494.

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 £16,315 in 2017 (£21,784 2016).

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

Friends World Committee for Consultation (FWCC)	£57,785
Child Rescue Kenya UK	£2,000
Alford Quaker Meeting (Lincolnshire Area Quaker Meeting)	£600

In 2016, grants were given of £4,365 to Quaker Peace Studies Trust and £53,770 to Friends World Committee for Consultation.

6c. Transactions with subsidiary company

Distribution received from trading subsidiary:	£816,670
Payments received from subsidiary:	
Rent	£150,000
Interest on debenture loan	£3,242
Payments made to subsidiary:	
Staff discount in restaurant	£30,000
Creditor: balance due to subsidiary:	£1,457,053

7. Expenditure

Group	2017			2017 Total funds £'000	2016			2016 Total funds £'000
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	
Staff costs (note 8)	6,139	504	-	6,643	5,548	509	-	6,057
Premises and equipment costs	1,123	34	-	1,157	617	34	-	651
Office and publicity costs	1,438	59	-	1,497	1,185	54	-	1,239
Event and trading costs	1,568	34	-	1,602	855	44	-	899
Travel and other costs	699	(60)	-	639	633	119	-	752
Grants paid (note 9)	1,392	168	-	1,560	875	195	-	1,070
	<u>12,359</u>	<u>739</u>	<u>-</u>	<u>13,098</u>	<u>9,713</u>	<u>955</u>	<u>-</u>	<u>10,668</u>

Governance costs for 2017 totalled £843,725, (2016 £838,079)

8a. Staff costs

Group	2017			2017 Total funds £'000	2016			2016 Total funds £'000
	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	
Recruitment	44	9	-	53	33	6	-	39
Basic pay (UK)	4,596	345	-	4,941	4,276	404	-	4,680
Basic pay (non-UK)	-	24	-	24	-	22	-	22
Employer's National Insurance	438	31	-	469	407	38	-	445
Employer's pension contributions	403	32	-	435	365	36	-	401
Other allowances	78	1	-	79	82	2	-	84
Agency and temporary staff	390	3	-	393	280	1	-	281
Staff training and debriefing	78	-	-	78	55	-	-	55
Other	112	59	-	171	50	-	-	50
	<u>6,139</u>	<u>504</u>	<u>-</u>	<u>6,643</u>	<u>5,548</u>	<u>509</u>	<u>-</u>	<u>6,057</u>

8b. Staff costs (continued)

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

Group	2017 Full-time headcount	2017 Part-time headcount	2017 Full-time equivalent	2016 Full-time headcount	2016 Part-time headcount	2016 Full-time equivalent
Raising income	28	37	41.8	28	24	41.0
Charitable activities	54	34	74.3	56	37	72.9
Governance	4	2	6.2	4	2	6.2
Support services	13	3	14.5	13	4	15.3
	99	76	136.8	101	67	135.4

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

Two redundancies took place in the year, and related payments were made totalling £74,840. A voluntary settlement agreement was reached with one employee and a payment of £3,949 was made.

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 agreement.

8d. Higher paid staff

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.

	2017 number	2016 number
£60,001–£70,000	3	4
£70,001–£80,000	2	0
£80,001–£90,000	1	1

8e. Remuneration and benefits received by key management personnel

In 2017 Britain Yearly Meeting of the Religious Society of Friends (Quakers) considered the following posts to be key management personnel:

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

Total remuneration received by key management personnel was £349,660 (2016 £360,746).

The Recording Clerk acts as Chief Executive and earns a salary of £82,624. Salaries for key management personnel range between £56,818–£65,202.

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

Other key benefits available to staff: 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 paycales.

9. Grants paid

Group	Unrestricted	Restricted	Endowment	2017	Unrestricted	Restricted	Endowment	2016
	funds	funds	funds	Total	funds	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grants to individuals	1	24	-	25	-	29	-	29
Grants to Quaker bodies	1,164	50	-	1,214	740	79	-	819
Other grants	227	94	-	321	135	87	-	222
	1,392	168	-	1,560	875	195	-	1,070

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 2017 totalling £1,556,419.

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

Recipient	Total Funding 2017
	£
Quaker United Nations Office (QUNO)	948,824
Alternatives to Violence (AVP)	139,644
Friends World Committee for Consultation (FWCC)	57,785
World Council of Churches	52,226
Sibford School on behalf of Friends Schools Council [Friends Schools Joint Bursaries Fund]	46,117
Woodbrooke Quaker Study Centre	36,852
Ministry for Peace and Reconciliation under the Cross (Mi-PAREC)	30,409
Quaker Council for European Affairs (QCEA)	27,948
Turning the Tide-Rwanda	22,665
Friends World Committee for Consultation: Europe and Middle East Section (FWCC: EMES)	22,122
The Friend Publications Ltd	14,826
Meeting of Friends in Wales	11,173

Grants and awards of £10,000 or less totalling £120,329 were given to a further 32 organisations.

40 grants to individuals were given totalling £29,079.

A full list of grants and programme funding awards given in 2017 to organisations is on our website: www.quaker.org.uk.

I0. Friends House support costs

Group	2017 Total funds £'000	2016 Total funds £'000
Building services (including staff costs)		
Routine maintenance	271	24
Long-term maintenance	29	69
Reception and security	206	208
Cleaning	271	227
Utilities	220	173
Other	32	41
	1,029	743
Finance, human resources, IT and office services		
Finance	504	502
Information technology	354	291
Office services	555	602
Human resources	361	332
Membership database	80	82
	1,854	1,809
Departmental administration		
Quaker Life	64	90
Quaker Communications	41	53
Recording Clerk's Office	86	75
Quaker Peace & Social Witness	124	137
	315	355
	3,198	2,907

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	2017 Total funds £'000	2016 Total funds £'000
Raising funds		
. Voluntary income	142	87
. Activities for raising funds	1,378	823
. Investment income	2	1
Charitable activities	2,196	2,044
	3,718	2,955

II. Net income/ (expenditure) before transfers

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2017 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2016 Total funds £'000
Depreciation	867	25	-	892	563	17	-	580
Auditors' remuneration								
. Audit	28	-	-	28	27	-	-	27
. Other	1	-	-	1	1	-	-	1

12. Property, plant and equipment

Group and charity	Functional freehold property £'000	Office equipment £'000	2017 Total £'000	Functional freehold property £'000	Office equipment £'000	2016 Total £'000
-------------------	---------------------------------------	---------------------------	------------------------	---------------------------------------	---------------------------	------------------------

Cost or valuation

At 1 January	22,491	2,138	24,629	21,847	986	22,833
Additions		183	183	644	1,152	1,796
Transfer	1,566	(1,566)	-	-	-	-
On revaluation	7,763	-	7,763	-	-	-
At 31 December	<u>31,820</u>	<u>755</u>	<u>32,575</u>	<u>22,491</u>	<u>2,138</u>	<u>24,629</u>

Depreciation

At 1 January	1,504	526	2,030	1,200	250	1,450
Charge for year	427	465	892	444	276	720
Transfer	590	(590)	-	-	-	-
On revaluation	(2,521)	-	(2,521)	(140)	-	(140)
At 31 December	<u>-</u>	<u>401</u>	<u>401</u>	<u>1,504</u>	<u>526</u>	<u>2,030</u>

Net book values

At 31 December 2017	<u>31,820</u>	<u>354</u>	<u>32,174</u>	<u>20,987</u>	<u>1,612</u>	<u>22,599</u>
At 31 December 2016	20,987	1,612	22,599	20,647	736	21,383

Included in the office equipment figure is intangible assets consisting of IT software with a netbook value of £32,353 (£54,490 2016).

Friends House was revalued at £27.9m in September 2017 by Third Sector Property Ltd.

Swarthmoor Hall Estate was revalued at £2.4m in September 2017 by Carter Jonas Property Consultants.

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.

Group and charity	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'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 historic importance to Quakers and must be held indefinitely in direct furtherance of the charitable objects, i.e. 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:

	2017	2016	2015	2014	2013
Books and pamphlets	95,487	91,133	90,685	90,000	90,000
Periodicals	3,000	3,000	3,000	3,000	3,000
Quaker archives*	301	301	300	300	300
Bound manuscripts	970	970	970	970	970
Other manuscripts*	251	244	240	215	215
Photographs, museum objects and medals	40,049	40,042	40,025	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 (c.f. <http://www.quaker.org.uk/about-collections>).

14. Investments

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Listed investments (including cash)	25,366	22,386	25,366	22,386
Investment properties	18,651	10,167	18,651	10,167
Subsidiary undertaking	-	-	-	-
	44,017	32,553	44,017	32,553

Listed investments

	2017 £'000	2016 £'000
Group and charity	20,382	22,127
Investment holdings		
Market value at 1 January 2017	20,382	22,127
Additions at cost	3,208	519
Disposals at book value (proceeds: £2,267k, realised loss £85k)(2016 proceeds: £3,143k, realised gain £202k)	(2,352)	(2,940)
Unrealised gains	3,026	676
Market value 31 December 2017	24,264	20,382
Cash held by investment managers	1,102	2,004
	25,366	22,386

Listed investments held at 31 December 2017 were

	2017 £'000	2016 £'000
Group and charity	17,851	15,754
General funds	1,766	1,558
Designated funds	745	658
Restricted funds	5,004	4,416
Endowment funds	25,366	22,386

Listed investments held at 31 December 2017, all of which were dealt in on a recognised stock exchange, comprised the following:

	2017 £'000	2016 £'000
UK fixed income	248	333
UK equities	20,219	18,907
Overseas equities	3,261	610
Property funds	1,102	2,004
Alternatives	536	532
	25,366	22,386

No individual holding made up more than 5% of the total portfolio in either the current or prior year.
The historic cost of investments at 31 December 2017 was £15,701,689 (£15,174,403 2016)

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

Investment properties held at 31 December 2017 and their movements during the year were as follows:

	Total £'000	
Market value		
At 1 January 2017	10,167	
Gain on revaluation	8,484	
At 31 December 2017	18,651	
	2017	2016
Group and charity	£'000	£'000
Drayton House	18,000	9,516
Courtauld House	-	-
Woodland and pasture at Jordans	341	341
Deanscale	140	140
Land at Lakenheath	70	70
Lesser Slatters	100	100
	18,651	10,167

Drayton House was revalued at £18m in September 2017 by Third Sector Property Ltd.

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 (Company number 6204129). 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 2017 is shown below. Accounts of the company will be filed with the Registrar of Companies.

	2017	2016
	£'000	£'000
Profit and loss account		
Turnover	4,287	3,696
Operating expenses and shared costs	(3,319)	(2,876)
Operating profit	968	820
Interest paid	(3)	(3)
Profit for the year before Gift Aid and taxation	965	817
	2017	2016
Summarised balance sheet	£'000	£'000
Current assets	1,820	1,435
Creditors: amounts falling due within one year	(605)	(369)
Net assets	1,215	1,067
Called up share capital (£2)	-	-
Debenture	250	250
Profit and loss account	965	818
	1,215	1,067

This note is the company note. The group note (note 3: Other trading activities) 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 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Receivable within one year				
Loans advanced to meetings (see below)	23	23	23	23
Other loans advanced	31	45	31	45
Trade debtors	331	251	6	10
Amount owed by subsidiary company	-	-	-	-
Insurance prepayment	114	109	114	109
Project balances	5	-	5	-
Accrued income	1,513	1,241	1,513	1,241
Other debtors	104	353	104	327
	2,121	2,022	1,796	1,755
Receivable after more than one year				
Loans advanced to meetings (see below)	177	222	177	222
Subsidiary company	-	-	250	250
	2,298	2,244	2,223	2,227

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.

	2017 £'000	2016 £'000
Interest-free loans, group and charity		
Balance outstanding at 1 January	245	320
Loans advanced during the year	-	-
	245	320
Repayments made	(45)	(75)
Balance outstanding at 31 December	200	245
Due within one year	23	23
Due after one year	177	222
	200	245

17. Payables: amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Interest-free loans (see below)	76	150	76	150
Social security and other taxes	140	201	140	201
Pensions contributions	71	58	71	58
Expense creditors	-	45	-	1
Accruals	607	356	588	314
Canadian legacy	43	136	43	136
Other	796	284	1,667	1,162
	1,733	1,230	2,585	2,022

	2017 £'000	2016 £'000
Interest-free loans - group and charity	150	333
Balance outstanding at 1 January	-	10
Loans received in the year	150	343
Repayments made	-	(44)
Converted to gifts	(74)	(149)
Balance outstanding at 31 December	76	150

All interest-free loans are repayable on demand.

I8. Reconciliation of movement in funds

Group and charity	At 1 January 2017 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 December 2017 £'000
Endowment funds					
. FEF Joint Bursary Scheme (note 21)	1,580	-	-	183	1,763
. QPS Kingsmead	1,502	-	-	177	1,679
. FEF Higher Education Awards (note 21)	1,160	-	-	135	1,295
. QPS Kingsmead Close	489	-	-	58	547
. R. Penny	162	-	-	19	181
. Sawell Family Fund	592	-	-	(591)	-
. Other endowment funds	105	4	-	6	116
Total endowment funds	5,590	4	-	(13)	5,581

Details of the purpose of individual endowment funds are included in the accounting policies on page 29.

Group and charity	At 1 January 2017 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 December 2017 £'000
Restricted funds					
. Sawell Family Fund	-	10	-	592	602
. Swarthmoor Hall Field Fund (note 22)	895	23	-	(4)	914
. Swarthmoor Hall Fund (note 22)	1,581	(6)	(92)	62	1,545
. Albert Moor Fund	536	-	-	-	536
. Quaker Peace & Social Witness Relief Fund	114	24	(26)	(1)	111
. Jordans Estate Fund	341	-	-	(6)	335
. Hope Fund	100	-	-	-	100
. Friends Educational Foundation Joint Bursary Scheme (note 21)	45	56	(50)	-	51
. Friends Educational Foundation Higher Education Awards (note 21)	92	39	(6)	-	125
. Gerald A J Hodgett Fund	375	-	(15)	-	360
. Outreach	-	80	-	-	80
. Other restricted funds	685	283	(694)	(268)	6
. Functional property funds	1,493	-	-	-	1,493
Total restricted funds	6,257	509	(883)	375	6,258

Details of the purpose of individual restricted funds are included in the accounting policies on page 30.

In 2017 the Sawell Family Fund was converted from an endowment to a restricted fund as per BYM trustees' resolution under Section 282 of the Charities Act 2011 with agreement from the Charity Commission.

The movements on other restricted funds arises from the reconciliation of programmes at the end of the year.

18. Reconciliation of movement in funds (continued)

Group and charity	At 1 January 2017 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 December 2017 £'000
Unrestricted funds					
Designated funds					
. Cadbury Staines Fund	1,534	50	(151)	201	1,634
. Property Upkeep Fund	4,214	1,210	(727)	-	4,697
. Meeting Houses Fund	245	-	-	(45)	200
. Legacy-funded short-term projects	2,875	10	(775)	205	2,315
. Courtauld House Income Fund	179	-	(1)	-	178
. Investment Property Fund	9,826	-	-	8,825	18,651
. Functional Property Fund	16,883	-	-	13,444	30,327
. Heritage Assets Fund	179	-	-	423	602
Total designated funds	35,935	1,270	(1,654)	23,053	58,604
General reserve	10,861	11,255	(10,561)	(1,956)	9,809
Total unrestricted funds	46,796	12,525	(12,215)	21,307	68,413
Total funds	58,643	13,038	(13,098)	21,669	80,252

Details of the purpose of individual designated funds are included in the accounting policies on page 30.

19. Analysis of net assets between funds

Group and charity	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2017 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2016 Total funds £'000
Fund balances at 31 December 2017 are represented by:								
Tangible fixed assets	28,824	3,952	-	32,776	19,323	3,878	-	23,201
Investments	38,268	745	5,004	44,017	26,305	658	5,590	32,553
Net current assets	1,321	1,560	578	3,459	1,168	1,721	-	2,889
Total net assets	68,413	6,257	5,582	80,252	46,796	6,257	5,590	58,643

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 2017 £'000	Higher Education Awards funds		Joint Bursary Scheme		Total 2016 £'000
	Income fund £'000	Endowment fund £'000	Income fund £'000	Endowment fund £'000		Income fund £'000	Endowment fund £'000	Income fund £'000	Endowment fund £'000	
Income										
From raised funds										
. Voluntary income	6	-	11	-	17	6	-	3	-	9
. Investment income	33	-	45	-	78	32	-	43	-	75
Total income	39	-	56	-	95	38	-	46	-	84
Expenditure										
Charitable activities	(6)	-	(50)	-	(56)	(3)	-	(68)	-	(71)
	(6)	-	(50)	-	(56)	(3)	-	(68)	-	(71)
Net income/ (expenditure)	33	-	6	-	39	35	-	(22)	-	13
Realised (losses)/gains on investments	-	(4)	-	(6)	(10)	-	(40)	-	(55)	95
Unrealised gains on investments	-	139	-	189	328	-	80	-	110	190
Net movement in funds	33	135	6	183	357	35	40	(22)	55	108
Reconciliation of funds										
Funds brought forward at 1 January	92	1,160	45	1,580	2,877	57	1,120	67	1,525	2,769
Funds carried forward at 31 December	125	1,295	51	1,763	3,234	92	1,160	45	1,580	2,877
Fixed assets										
Investments	-	1,295	-	1,763	3,058	-	1,160	-	1,580	2,740
Current assets										
Cash at bank and in hand	125	-	51	-	176	92	-	45	-	137
Net assets	125	1,295	51	1,763	3,234	92	1,160	45	1,580	2,877

22. Swarthmoor Hall restricted funds

	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2017 £'000	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2016 £'000
Income						
From raised funds						
. Voluntary income	-	2	2	-	2	2
. Investment income	23	-	23	20	-	20
From charitable activities: programme	-	(9)	(9)	-	(15)	(15)
	<u>23</u>	<u>(6)</u>	<u>16</u>	<u>20</u>	<u>(13)</u>	<u>7</u>
Expenditure						
Charitable activities						
. Programme	-	(72)	(72)	-	(73)	(73)
. Estate	-	(13)	(13)	-	(27)	(27)
. Other	-	(6)	(6)	-	(9)	(9)
Transfer from Field Fund	-	-	-	(90)	-	(90)
	<u>-</u>	<u>(91)</u>	<u>(91)</u>	<u>(90)</u>	<u>(109)</u>	<u>(199)</u>
Net income / (expenditure)	23	(98)	(75)	(70)	(122)	(192)
Unrealised gains on investments	-	62	62	-	20	20
Realised (losses)/gains on investments	(4)	-	(4)	27	-	27
Net movement in funds	19	(36)	(17)	(43)	(102)	(145)
Reconciliation of funds						
Funds brought forward at 1 January	895	1,581	2,476	938	1,683	2,621
Funds carried forward at 31 December	914	1,545	2,459	895	1,581	2,476
Fixed assets						
Tangible assets	-	1,545	1,545	-	1,581	1,581
Investments	754	-	754	735	-	735
	<u>754</u>	<u>1,545</u>	<u>2,299</u>	<u>735</u>	<u>1,581</u>	<u>2,316</u>
Net current assets						
	<u>160</u>	<u>-</u>	<u>160</u>	<u>160</u>	<u>-</u>	<u>160</u>
Net assets						
	<u>914</u>	<u>1,545</u>	<u>2,459</u>	<u>895</u>	<u>1,581</u>	<u>2,476</u>

23. Operating lease commitments

At 31 December 2017, Britain Yearly Meeting of the Religious Society of Friends (Quakers) is committed to making the following payments under non-cancellable operating leases:

	2017	2016
	£	£
Payments falling due		
Within one year	14,351	6,038
Between two and five years	5,080	14,879
Later than two years	40,423	-
	<u>59,854</u>	<u>20,917</u>

The total expense for operating lease costs incurred in 2017 was £15,621 (2016: £27,654).

24. Pension commitments**General**

During 2017, the Religious Society of Friends (Quakers) participated in one pension plan on behalf of its employees, a group personal pension Scheme offered by Aviva.

Where an employee participates in one of these pension schemes, the employer, the Religious Society of Friends (Quakers), makes a contribution to that scheme equivalent to 8% of the employee's salary. Where the employee had joined a scheme before 2005, the rate of employer contributions is 11% of the employee's salary. The employee is required to make a contribution to the scheme, generally at the rate of 4% of his or her salary.

Aviva

Among the benefits of the Aviva personal pension scheme are lower administration charges, complete portability of an employee's accumulated fund and a wide choice of investment vehicles able to receive pension savings, including a choice of Aviva ethical & socially responsible funds.

As at December 31, 2017 there were 174 members of the Aviva pension scheme employed by Britain Yearly Meeting of the Religious Society of Friends (Quakers). Other than the obligation to make employer pension contributions, Britain Yearly Meeting of the Religious Society of Friends (Quakers) has no financial liability arising from the Aviva pension scheme.

Quakers share a way of life, not a set of beliefs. Their unity is based on shared understanding and a shared practice of silent worship, where they seek a communal stillness.

Quakers seek to experience God directly, within themselves and in their relationships with others and the world around them. They meet together for worship in local meetings, which are open to all who wish to attend.

Quakers try to live with honesty and integrity. This means speaking truth to all, including people in positions of power. The Quaker commitment to peace arises from the conviction that love is at the heart of existence and that all human beings are unique and equal.

This leads Quakers to put their faith into action by working locally and globally to change the systems that cause injustice and violent conflict.

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

Registered charity number 1127633

Friends House, 173 Euston Road, London, NW1 2BJ

Follow us on social media @BritishQuakers.

www.quaker.org.uk