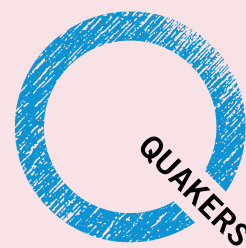
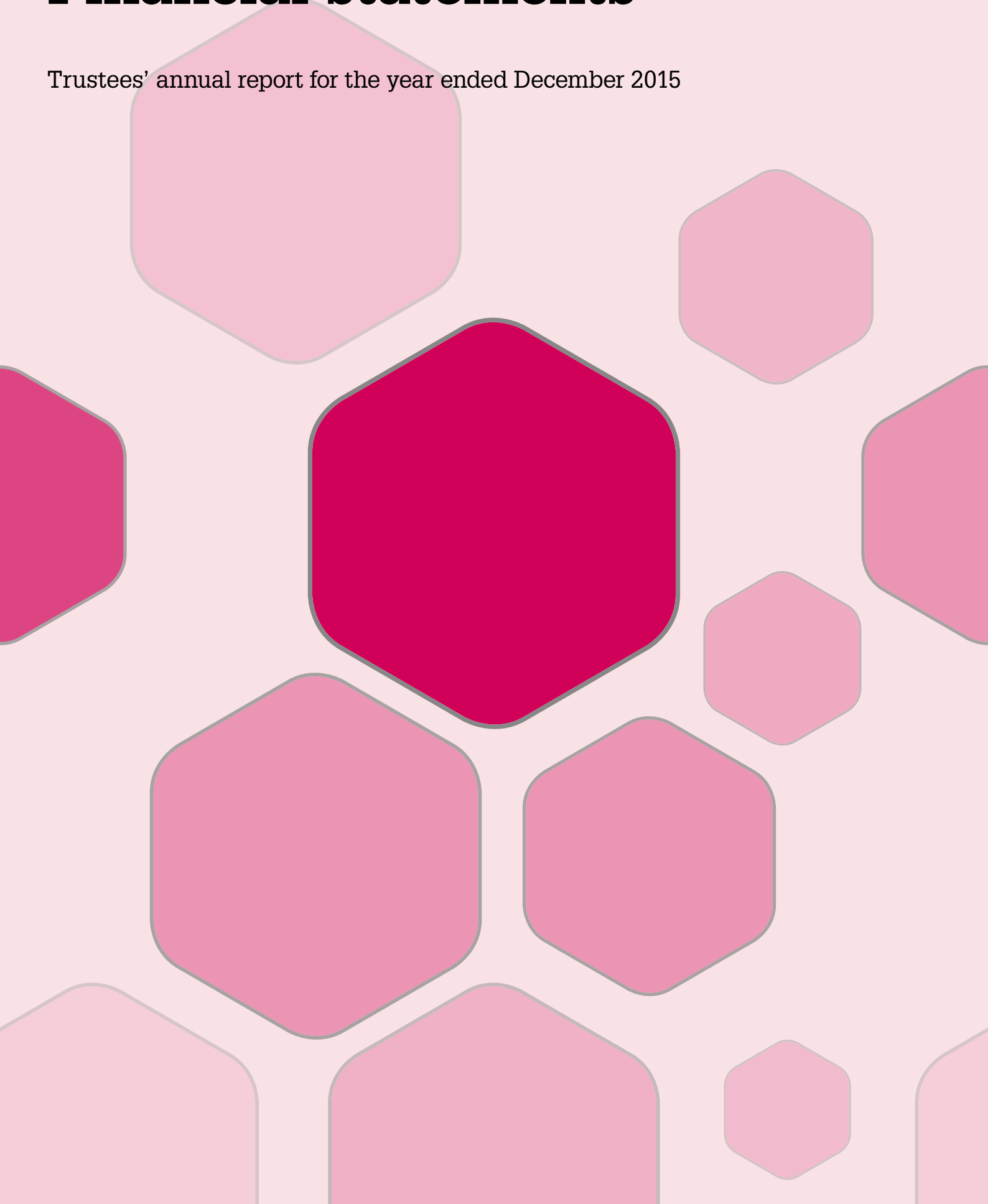


Britain Yearly Meeting of the Religious Society
of Friends (Quakers)



Financial statements

Trustees' annual report for the year ended December 2015



Financial statements

for the year ended December 2015

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

Registered charity number 1127633

Friends House
173 Euston Road
London
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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 *Worship and action*, which contains information about the work of Quakers in Britain in 2015, please contact the publications manager at the address above.

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From the Clerk of Trustees and the Recording Clerk

“We are all activists and we are all worshippers. Our worship and action spring from the same spiritual source. The light not only illumines us but pushes us to seek change... We are also called to be a community of Friends as a yearly meeting, pushed towards the important things we can only do together. We have a body of experience we can draw on and maintain. We are in this for the long haul.” (Yearly Meeting 2015, minute 36, ‘The call for equality’)

We need both to strengthen our worshipping communities and to act. The work of Britain Yearly Meeting, described in this report, helps us to do both.

Last year, Meeting for Sufferings approved *Our faith in the future*, setting out clear aspirations for Quaker work in the years ahead. It challenges us to seek a future where:

- meeting for worship is the bedrock of living as a Quaker
- Quaker communities are loving, inclusive and all-age
- all Friends understand and live by Quaker discipline
- Quaker values are active in the world
- Quakers work collaboratively
- Quakers are well known and widely understood.

Trustees, together with the committees that guide Britain Yearly Meeting’s work, are committed to aligning all Britain Yearly Meeting’s work with this vision.

Even as we look forward as Friends, we need constantly to remind ourselves of our Quaker discipline and heritage. The work of the Book of Discipline Revision Preparation Group, by taking us through a programme of reading *Quaker faith & practice*, is reconnecting us all to our history and deepening our understanding of the practices that help us to respond to the promptings of the light.

“All this work can only happen with the support of our Quaker community. It requires owning and upholding the work that is already being done by Friends and in our name; helping to fund that work as generously as possible; and becoming involved in however small a way. For ourselves we need to find some action however simple to do now.” (Yearly Meeting 2015, minute 36, ‘The call for equality’)

Dear Friend, what canst thou do?



Ingrid Greenhow



Paul Parker

Britain Yearly Meeting explained

Quakers in Britain – also known as the Religious Society of Friends – is a faith community with worship at its heart. Founded in 1652, 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, grouped together into area meetings, the level at which individual membership (c.14,000, plus a further 10,000 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 over church affairs. Britain Yearly Meeting is also the name of the charity that implements the Society's central policy, owns its property, employs its staff and directs its work.

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

Public benefit statement

Britain Yearly Meeting (BYM) is an umbrella organisation, guiding, supporting and sustaining the 70 area and 473 local Quaker meetings throughout England, Wales and Scotland.

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

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

Our local meetings for worship are open to all: we have no tests of belief; membership of our Society is open to anyone who is sincerely seeking truth. Our governance is spread widely within our membership – in May 2015 around a thousand Quakers from across Britain gathered at Friends House, London, for Yearly Meeting. This marked the first year of a three-year consideration of the theme 'Living out our faith in the world'. Attendance was high, with 825 people present at Saturday's sessions. Over 130 young Quakers also explored issues around justice and equality at Junior Yearly Meeting

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

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

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

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

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

Governance

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

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

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

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

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

Governing document

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

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

Yearly Meeting 2014 commissioned Quaker Stewardship Committee to carry out a review of the terms of reference of BYM trustees, with a new version expected to be laid before Yearly Meeting in 2016.

The duty of trustees

It is the duty of BYM trustees to:

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

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

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

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

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

Developments in governance

In reflecting on the Trustees' work in 2015, several areas of governance merit particular attention:

- a reorganisation of the Finance & Property Committee and its subcommittees to reduce duplication and over-governance, and to clarify the delegation of responsibilities
- compliance with the requirements of the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014
- commissioning a review of the Audit Committee, which will report to the trustees during 2016
- developing a more strategic and resilient management structure
- developing a new approach to risk management (see below)
- supporting Meeting for Sufferings in the development of *Our faith in the future*, a document that outlines BYM's vision for the future.

The conduct of business

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

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

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

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

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

Safeguarding procedures

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

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

Volunteer involvement

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

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

Equal opportunities

In 2009 Britain Yearly Meeting adopted an equal opportunities policy:

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

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

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

Risk management

Quakers have historically been prepared to take risks if felt called to do so after careful discernment. Risks can be taken and managed because of the checks and balances of our robust decision-making processes. These also ensure that responsibility for actions and procedures is widely spread. Trustees have given increased emphasis to the management of risk during the past year. The overall aim is to ensure that staff, committee members and trustees can manage the potential impact of risk.

Risk management policies and procedures

The management of risk is part of a system of elements intended to respond to risks in the areas of governance, finance, the environment, compliance and reputation. The elements include:

- Trustees workshops to review and understand strategic management and risk
- a risk register that is reviewed and updated annually and approved by trustees
- an operational plan that covers all the centrally managed work that describes detailed work programmes including measurements of achievements
- an Audit Committee with the responsibility for overseeing the audit function and that includes an external member
- external auditors to audit the accounts and give guidance on procedures
- policies and procedures covering human resources, financial regulations, investments, procurement, disaster recovery and other key areas are regularly reviewed
- use of external consultants to review specific areas; in the past year the finance function and staffing structure was reviewed and the recommendations implemented
- a regular reporting structure from committees and staff to trustees and from trustees to Yearly Meeting and Meeting for Sufferings
- Management Meeting, consisting of senior staff reporting regularly to trustees
- Friends House (London) Hospitality Ltd, a major subsidiary undertaking, which compiles a comprehensive risk register and business plan.

Main risks

The most significant risks identified in 2015 and their management are:

Risk	Mitigation and management
Ageing and declining membership	In the short term the effects on income are mitigated by commercial activities and reliance on high legacy income. In the long term outreach work among the young and a new programme of work to strengthen local meetings.
Loss of one or more significant income streams	Continuous review of all income streams (member contributions, legacies, grants, surplus of trading subsidiary, investments). Maintaining relatively high levels of free reserves and recognising the interconnection between these and other major risks.
Vulnerability to IT failures	The increased importance and reliance on IT heightens the risks of failures. A new post of IT Strategy Manager has been created. A new mobile-friendly website has been produced with robust cloud back-up procedures.
Impact of disruption caused by HS2	The redevelopment of Euston Station for HS2 is predicted to cause major disruption to the area around Friends House and hence potentially to the centrally managed work. A petition has been lodged with Parliament to seek changes to the HS2 Bill to mitigate the impact of the disruption.
Loss of key members of staff	Review of strategic management with the aim of ensuring that the senior team will be able to continue to manage strategically in a way that is clearly defined, effective, trusted and enables delegation to staff at the next level.

Sustainability

Quakers made a commitment in 2011 to become a low-carbon community so as to reduce the risks associated with climate change and an unsustainable consumer-led lifestyle. Good progress has been made both in providing guidance to Quakers throughout Britain and reducing the environmental impact of the centrally managed work. In Friends House food in the restaurant and café comes from locally sustainable sources. There is an ethical procurement programme and renewable energy is used for heating and lighting. The carbon footprint of the building has been reduced by 21% since 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.

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. During 2012 Trustees reviewed grant-making processes to ensure the effective and efficient processing of this aspect of our work. The implementation of this was reviewed during 2015, resulting in further developments of our processes and procedures.

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

Trustees serving during 2015

Jennifer Barraclough – Clerk	Oxford & Swindon Area Meeting (AM)
Sarah Donaldson	Manchester & Warrington AM
James Eddington	Lancashire Central & North AM
Nick Francis	West Wiltshire & East Somerset AM
Sheila Gatiss	Cambridgeshire AM
Ingrid Greenhow – Assistant Clerk	Chilterns AM
Alison Ironside	Central England AM
Roy Love	York AM
Lynn Moseley	South Wales AM
David Olver	Craven & Keighley AM
Virginia Pawlyn	Banbury & Evesham AM
Michael Phipps	Chilterns AM
Alastair Reid	West Scotland
Tim Southall	Bristol AM
Graham Taylor	Northumbria AM
Peter Ullathorne – Treasurer	Central England AM

Recruitment of trustees, induction and training

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

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

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

Britain Yearly Meeting staff

Britain Yearly Meeting employed 159 staff (131 full-time equivalent) across its departments in 2015, including 61 (44.1 full-time equivalent) at Friends House (London) Hospitality Ltd.

Management Meeting

Trustees delegate the responsibility for implementing decisions and managing work to senior staff (Management Meeting). In 2015, Management Meeting comprised:

Helen Drewery, General Secretary of Quaker Peace & Social Witness

Gina Fenton, Head of Communications & Services (left September 2015)

Paul Grey, Head of Facilities & Hospitality

Lisa Kiew, General Secretary of Quaker Finance & Property (joined November 2015)

Paul Parker, Recording Clerk

Vincent Poupard, General Secretary of Quaker Finance & Property (left December 2015)

Juliet Prager, Deputy Recording Clerk

Richard Summers, General Secretary of Quaker Life

Staff remuneration

The salaries for all staff, including the Recording Clerk and members of Management Meeting, are agreed on behalf of the 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 that is agreed by trustees subject to certain affordability criteria.

Britain Yearly Meeting is committed to a 1:4 ratio between the highest- and lowest-paid staff on its salary scale; this includes senior management personnel. An adjusted scale is applied to posts based outside London. All staff are paid above the recommended living wage.

Relationships between Britain Yearly Meeting and related parties

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

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

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

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

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

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

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 Greenback Investments
10 Queen Square
Bristol BS1 4NT

Main banker

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

Objectives and achievements

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

Sustaining our church and faith

We work to ensure that our church governance is responsive to the Holy Spirit and informed by Quaker testimony. The holding of Yearly Meeting, the annual deliberative gathering of around 1,000 Quakers, and Meeting for Sufferings, our standing representative body, are key to this work.

- We helped Friends to prepare for a possible revision of our book of discipline, launching ‘reading *Quaker faith & practice*’ via Facebook (715 followers) and Twitter (238), an online calendar, and written materials.
- In September Meeting for Sufferings approved a new framework document, *Our faith in the future*. Printed copies of the document were sent to all Quaker meetings directly and via national representatives; 69 meetings asked for additional copies. By the end of 2015, 6,500 copies had been circulated. *Our faith in the future* will be published in various formats, including a Welsh language version, in 2016.

Our faith in the future sets out a vision of what Quakers in Britain today would like the Society to be in the future. Trustees are encouraging and expecting central and standing committees and staff to review and re-shape work programmes so we can all work towards this vision.

In 2015 we spent £0.6 million on this work.

Supporting meetings

Our 473 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.

- Over 300 young Quakers were involved in creating *Living our beliefs*, a publication about Quaker faith and practice due to come out early in 2016.
- A Young People’s Participation Day brought 29 young Quakers together to explore and develop Quaker thinking alongside Meeting for Sufferings; 16 young Quakers joined a Facilitation and Leadership programme; and we brought together over 50 Quaker youth workers and advocates for children and young people to support them in their work.
- Training for elders and overseers is provided in partnership with Woodbrooke, and demand remains high. We sold over 1,000 copies of our 2015 publication *With a tender hand*, a resource for eldership and oversight, resulting in a second printing.

- The Quaker Life Network creates opportunities for Quakers to volunteer for a wide range of Quaker service as well as to connect with each other. This year the network grew to 1,744 members.
- Being Friends Together is an online resource offering Quaker meetings a fresh way of developing as living communities of faithful people. We increased the staffing available to support the resource. By the end of 2015, 204 meetings had subscribed; we ran three training sessions for volunteers, and this led to five volunteer visits to local meetings.

From 2016 our work to support meetings will be enhanced by the Vibrancy in Meetings pilot, helping us to understand better how BYM and Woodbrooke can reach meetings more effectively, helping them to be strong, confident and connected.

In 2015 we spent £2.6 million on supporting meetings.

Promoting Quakerism

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

We engaged with candidates during the 2015 general election. We distributed 3,800 copies of *General election 2015: A Quaker guide*. Some 500 people attended two hustings we organised at Friends House, and we hosted two webinars (on housing, and on climate justice and energy justice).

We developed our advocacy in Scotland, working in partnership with Quakers in Scotland. We appointed a Scottish Parliamentary Engagement Officer who is based in Edinburgh. This work now has a presence online (300 followers on Twitter and 207 on Facebook), and in person: Quakers as a body attended the Scottish National Party Conference for the first time, and we have links with MSPs and with MPs who represent constituencies in Scotland, in the Westminster Parliament. In 2015 our Scottish advocacy priorities were militarisation in Scottish schools, economic justice and social welfare.

Following strong demand, we invested in a new website for Quakers in Britain, which was launched in late 2015. It has fewer pages and more straightforward navigation, and we hope this will improve two-way communication with Quakers and with those who are interested in the Quaker way. As the website develops, we will continue to monitor how well it is helping us to do this.

Quakers were a partner with Greenbelt 2015 Festival, which is attended by 8,000 people. We supported 17 volunteers to run a Quaker stand. Around 400 people participated in Quaker meetings for worship, 500 came to panel discussions and over 300 came to family-friendly workshops (kite-making, sacred storytelling through Godly Play and singing).

In 2015 we spent £1.9 million supporting this work.

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. In 2015 we made a corporate call for equality, campaigned for climate justice and challenged the militarisation of education.

- We help young Friends to understand justice and equality and to take action based on faith. In 2015 we published 'Be the change', a resource for young Quakers taking action on issues of Quaker concern (www.yqspace.org.uk/bethechange). In May and September groups of young people held meetings for worship and vigils at the British Museum, protesting about its reliance on sponsorship by oil company BP. In September, young Quakers joined a vigil at the Defence and Security Equipment International arms fair.
- We prepared, sent and supported 21 voluntary Ecumenical Accompaniers (EA) to Israel–Palestine. After their return we helped them to speak out about their experience. Returned volunteers told us of 178 speaking engagements they gave to their local communities. EAs and staff also engaged with government officials, elected representatives and faith leaders throughout 2015 on a number of issues and parliamentary activities. A new blog site (www.eyewitnessblogs.com) was launched in April 2015. Nearly 100 blogs posts have since been published and the site has received over 41,000 views.
- We published educational materials related to the centenary of World War I. 'Conscience' and 'Conviction' are available electronically, via the Quaker and other websites (around 1,000 downloads from the TES website alone) and on paper (700 sales from the Quaker bookshop) – and formed the

Governance

basis of a Peace Education workshop in Manchester for 30 people. We also worked with the Peace Education Network to publish a new edition of the 'Teach Peace' pack – the first edition had sold out.

This work will continue into 2016, as we support Quakers to work nonviolently for change; to engage appropriately with elections in Scotland and Wales; and to work collaboratively with others who share our aims. Because our witness is based on faith, Quakers will continue to test our concerns, at Yearly Meeting, Meeting for Sufferings and in our committees.

We spent £2.4 million on Quaker witness in 2015.

Review of financial activities in 2015

We would like to thank Friends for their financial support of Quaker work in 2015. This support, from meetings, individuals and trusts, makes a connection to the work, and we hope that Friends will feel engaged with this, both in our work in the world and the support and resources offered to meetings.

Apart from contributions from individuals and Quaker meetings, our income derives from five 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 2015 was £11.6 million (2014: £11.3 million). Although the income derived from any single source varies from year to year, the spread of income is sufficiently broad that we are able to confidently plan our programmes of continuing work.

The area where we have experienced a good deal of volatility has been legacy receipts. Over the past few years legacies have varied from less than £1 million to over £5 million; in 2015 the amount totalled some £3.8 million (2014: £3.7 million). Trustees have designated funds arising from above-average legacy years in a way that honours the intentions of testators and makes a difference to the level of work we can undertake, without committing to long-term obligations that may not be sustainable. We will continue to work with central committees and others in 2016 to discern the projects that our legacy funds should support.

The majority of contributions from Quaker meetings reaches us in the last three months of the year. Contributions were just over £2 million, slightly exceeding the 2014 total (by £4,000). We are greatly encouraged by this; it indicates Friends' continuing support for the work done in their name.

A full programme of work was able to be completed in accordance with the budget. In 2015 we continued with our redevelopment of Friends House with improvements to accessibility at the garden entrance, a redesign of the garden and an upgrade to our power supply. We also began refurbishing our accommodation at Swarthmoor Hall and in July launched the Barn Café.

Friends House Hospitality Limited continues to make the most of the opportunities for raising income from conferences, meetings and catering provision at Friends House, and in 2015 achieved the highest level of revenue since its inception. At the beginning of the year, the company took over the management of Swarthmoor Hall at Ulverston in Cumbria. The company's trading income funds the bulk of the two buildings' running costs, and, after paying these, a surplus of £445,388 was available as a contribution towards our charitable work.

The market value of our investment portfolio at the end of 2015 was £22.8 million. Despite some investments being liquidated in order to fund buy-out of the pension scheme deficit, the portfolio continues to perform well with a net gain of £1.5 million. Much of the surpluses on investments relates to designated and restricted funds, and amounts have therefore been 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 2015, is published on our website at www.quaker.org.uk. In 2016 we will continue to engage with the issue of tax justice in relation to the companies in which we hold shares, both through engagement by our brokers and research on some of the companies' affairs.

The total deficit for the year of £4 million arose mainly from paying off BYM's share of the deficit in the Pension Trust Growth Plan. The payment of £5.9 million is shown as an exceptional item on the statement of financial activities, and releases BYM from any further liability. Trustees planned for this expenditure in 2014 and a fund was set aside for the purpose.

Our general (or free) reserves as at 31 December 2015 amount to some £11 million. Trustees regard this as a reasonable level for the prudent stewardship of the yearly meeting's affairs. Trustees continue to review the reserves policy in order to ensure that free reserves are at an appropriate level for future planned activity and to take account of future risks and opportunities.

Financial position

As at 31 December 2015 our net current assets (short-term bank deposits and monies owed to us, less monies owed by us and payable within one year) stood at £2.3 million. These provide a suitable level of cash resources

Review of financial activities in 2015

for our activities and enable us to meet the cost of capital projects throughout the year, without the need to sell any of our long-term investments.

Looking forward

Although the resolution of the pension deficit and the capital works on the garden have reduced our liquid assets, our financial position at the year-end was sufficient to accommodate fluctuations that may be caused by shortfalls in income or unexpected expenditure. As ever, we continue to carefully monitor income and expenditure as well as short-term cash flow.

Support of Friends

At Yearly Meeting last May, we heard impassioned ministry urging us to demonstrate our backing for the work that is being done on our behalf by increasing our financial contributions. Part of minute 36 reads, “We ask Friends and meetings to engage with the evil of social and economic injustice which creates a world in which the wrong things are valued. To do this requires owning and upholding the work that is already being done by Friends and in our name, helping to fund that work as generously as possible.” Contributions make the vital link between faith and action, and uphold our staff and committees as they labour on our behalf in building God’s kingdom.

Approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on 1 April 2016 and signed on their behalf by:

Peter Ullathorne, Treasurer



Future plans

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

Quaker faith and practice 8.16

The trustees are paying attention to four development priorities.

- Risk management – we have asked staff, in 2016, to work with Trustees to improve the way we assess and monitor risk.
- Information technology – by the end of 2016 we expect to have adopted a five-year IT strategy plan. This will inform a review of Britain Yearly Meeting's IT hardware and support requirements.
- Strategic oversight and management – we are committed to developing committees' capacity for strategic decision-making (see section above: 'The conduct of business'). Our work is informed and underpinned by the new framework document *Our faith in the future*, adopted by Meeting for Sufferings in 2015. During 2016 committees will review their strategies. Clearer information from staff about the difference the work is making will inform resourcing and policy decisions.
- Income generation – in 2016 our priorities are to sustain contributions from Quakers and Quaker meetings, and to increase income from sales.

Sustaining our church and faith

A legacy-funded project is supporting Britain Yearly Meeting (BYM) to prepare for a possible revision of our Book of discipline. It is helping to increase shared knowledge of *Quaker faith & practice* and setting up a process for collecting materials for any future book. This work aims to ensure our Yearly Meeting is ready to make and act on an informed decision when the time is right.

Supporting Quaker meetings

BYM provides a wide range of support, to help Quaker meetings be strong, confident and connected. To make this better known, in 2016 we will publish a directory of the services and support offered by BYM to Quaker meetings; it will be evaluated in 2017 and adapted as needed. Quakers have also asked us to improve the way we communicate with local meetings. In 2016, building on the new-look website, launched in 2015, we will create a BYM e-newsletter.

Research has told us that, to some Quakers, support offered from Friends House feels distant and irrelevant. To address this a major pilot project will run from 2016 to 2020, jointly with Woodbrooke Quaker Study Centre. We will test whether locally based workers can help Woodbrooke and BYM to reach meetings more effectively, helping them to be strong, confident and connected.

We continue to provide opportunities for children and young people to meet with each other, and to help adults working with them. In 2016 we will produce new materials for children and young people, parents and guardians, relating to faith in action, learning about Quakers; and online bullying.

Following Meeting for Sufferings' review of BYM's relationship with other Quaker groups, which concluded in 2015, we will implement a three-year programme to clarify and confirm mutual responsibilities, and to help Meeting for Sufferings 'recognise' Quaker bodies where appropriate.

Witness through action

We work to help Quakers to exercise "responsibilities as a citizen for the conduct of local, national, and international affairs" (*Quaker faith & practice* 1.02.34). In 2016, we will produce materials for elections in Scotland and Wales as well as information in advance of the EU referendum. We will engage with elected politicians, policy-makers and businesses in relation to conscientious objection, nuclear weapons, violent conflict in the Middle East, housing inequality, the regulation of corporate power and voting rights for prisoners.

We continue to enable Quakers and others to take action, nonviolently. Our priorities in the next three years are to offer training and support to Quaker groups in Britain and to community leaders in East Africa.

Statement of trustees' responsibilities

We work collaboratively. We will continue to provide rooms at Friends House to partner organisations. Working with partners, in 2016 we will focus on promoting resources for educators, particularly materials challenging militarisation in schools, and to tackle economic inequality, corporate power and tax injustice.

We have been tasked with supporting Quakers to live by our shared commitment to becoming a low-carbon, sustainable community. In 2016 this will include providing briefings on sustainability and energy justice, grants to help local action and promoting divestment from fossil fuel extraction.

Promoting Quakerism

In 2016 Quaker Life Central Committee will start a review of its outreach strategy. We will review current outreach resources. In partnership with Woodbrooke Quaker Study Centre, we are starting a development project to ensure that, by 2018, our libraries are better equipped to share knowledge about Quaker heritage. We will publish a new guide to help Quaker meetings to produce exhibitions about the Quaker way.

Statement of trustees' responsibilities

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

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

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

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

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

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

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

We have audited the financial statements of Britain Yearly Meeting of the Religious Society of Friends for the year ended 31 December 2015, which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (FRS102)).

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of trustees' responsibilities set out on page 18, the trustees are responsible for the preparation of the financial statements, which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors. This report is made solely to the charity's trustees as a body. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the charity's affairs as at 31 December 2015 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.

Matters on which we are required to report by exception

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

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

Mazars LLP, Chartered Accountants and Statutory Auditor

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

1 April 2016

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

Consolidated statement of financial activities Year to 31 December 2015

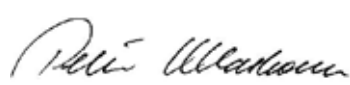
		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds (restated) £'000
	Notes								
Income and endowments from:									
. Donations and legacies	1	5,350	313	650	6,313	5,680	801	-	6,481
. Charitable activities	2	371	19	-	390	825	90	-	915
. Other trading activities	3	3,510	(15)	-	3,495	2,615	5	-	2,620
. Investment income	4	1,188	164	-	1,352	1,170	150	-	1,320
Total		<u>10,419</u>	<u>481</u>	<u>650</u>	<u>11,550</u>	<u>10,290</u>	<u>1,046</u>	<u>-</u>	<u>11,336</u>
Expenditure on:									
. Raising funds	1,3,4	3,656	-	-	3,656	2,868	-	-	2,868
. Charitable activities	2,5	6,447	1,025	-	7,472	6,546	1,148	-	7,694
Total		<u>10,103</u>	<u>1,025</u>	<u>-</u>	<u>11,128</u>	<u>9,414</u>	<u>1,148</u>	<u>-</u>	<u>10,562</u>
Net gains on listed investments	14	1,156	42	288	1,486	653	24	163	840
Net income/(expenditure)		1,472	(502)	938	1,908	1,529	(78)	163	1,614
Transfers between funds		(199)	199	-	-	(234)	234	-	-
Pension deficit reduction		(5,905)	-	-	(5,905)	(372)	-	-	(372)
Net movement in funds		<u>(4,632)</u>	<u>(303)</u>	<u>938</u>	<u>(3,997)</u>	<u>923</u>	<u>156</u>	<u>163</u>	<u>1,242</u>
Reconciliation of funds:									
Total funds brought forward		50,120	6,575	4,537	61,232	49,197	6,419	4,374	59,990
Fund balances carried forward									
at 31 December 2015 (2014)		<u>45,488</u>	<u>6,272</u>	<u>5,475</u>	<u>57,235</u>	<u>50,120</u>	<u>6,575</u>	<u>4,537</u>	<u>61,232</u>

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

Balance sheet as at 31 December 2015

	Notes	Group		Charity	
		2015 £'000	2014 (restated) £'000	2015 £'000	2014 (restated) £'000
Fixed assets:					
Property plant and equipment	12				
. Functional property		20,647	20,009	20,647	20,009
. Other		736	304	736	304
Heritage assets	13	602	602	602	602
Investments	14				
. Property		10,090	10,090	10,090	10,090
. Securities		22,849	23,354	22,849	23,354
Total fixed assets		54,924	54,359	54,924	54,359
Current assets:					
Stocks and work in progress		73	62	69	60
Receivables	16	2,100	1,134	2,120	959
Cash at bank and in hand		2,162	7,668	1,918	7,663
Total current assets		4,335	8,864	4,107	8,682
Liabilities:					
Payables: amounts falling due within one year	17	(2,024)	(1,991)	(2,475)	(1,820)
Net current assets		2,311	6,873	1,633	6,862
Total net assets		57,235	61,232	56,557	61,221
The funds of the charity:					
Capital funds					
Permanent endowment funds	18	5,475	4,537	5,475	4,537
Income funds					
Restricted funds	18	6,272	6,575	6,271	6,575
Unrestricted funds					
. Designated funds	18	34,303	36,607	34,303	36,607
. General reserve	18	11,186	13,513	10,508	13,502
		57,235	61,232	56,557	61,221

These accounts, which have been prepared in accordance with the accounting policies on pages 23 to 27, were approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on April 1 2016 and signed on their behalf by:



Peter Ullathorne



Ingrid Greenhow

Consolidated statement of cash flow Year to 31 December 2015

	2015 £'000	2014 £'000
Cash flow from operating activities:		
Net incoming resources	1,908	1,614
Adjustments for:		
Pension deficit reduction	(5,905)	(372)
Depreciation	537	400
(Gain) on investments	(1,485)	(840)
Investment income and interest	(1,352)	(1,320)
Trade and other receivables	(966)	973
Inventories	(11)	3
Trade and other payables	33	(135)
Cash generated from operations	(7,241)	363
Interest paid	-	(16)
Net cash (outflow)/inflow from operating activities	(7,241)	347
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,607)	(3,307)
Purchase of investments	(615)	(1,473)
Proceeds on disposal of investments	3,188	1,248
Investment income and interest	1,352	1,320
Cash flows from financing activities		
Interest-free loans	-	(16)
Net (decrease) in cash and cash equivalents	(4,923)	(1,881)

Analysis of cash and cash equivalents

	2014 £'000	Cashflows £'000	2015 £'000
Cash at bank	7,668	(5,506)	2,162
Cash with investment managers	139	583	722
Total cash and cash equivalents at 31 December	7,807	(4,923)	2,884

Basis of accounting

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

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

Consolidation

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

Income and endowments

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

Expenditure

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

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

- 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 in Britain and abroad, for example through conference resources, restorative justice, lobbying both the European Union and the United Nations, working with those in positions of power, and supporting social and development projects.

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

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

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

Property, plant and equipment

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

(a) Functional freehold property

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

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

There are three significant functional freehold properties:

- **Friends House**

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

- **Swarthmoor Hall Estate**

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

- **Quaker House Brussels**

Quaker House Brussels comprises freehold land and buildings included at a valuation of £1,375k determined as at November 2011 by Marc Panichelli, Expert Immobilier, on an open market basis.

(b) Other tangible fixed assets

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

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

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

Heritage assets

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

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

Investment properties

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

Investment properties include:

- Drayton House, which comprises freehold land and buildings, which were valued at £9.5m by Eddisons Commercial (Property Management) Ltd as at September 2012 on an open market basis. The use of the building has been changed from office to educational for the specific period of the tenancy.
- Courtauld House, which comprises freehold land and buildings. On 7 March 2011 a long lease was granted on Courtauld House and its value was written down to £1.
- The Jordans Estate, which comprises freehold land and buildings, was valued at £290k by Carter Jonas, property consultants, in April 2011 on an open market basis adjusted to reflect the fact that in excess of 15 acres of pasture land are let on an annual contract, 5 acres of pasture land are subject to a long lease and 4.61 acres of pasture land are subject to a different long lease. The valuation also reflects the fact that this land is held (inter alia) upon trusts for the protection of the quiet, seclusion and amenities of Jordans Meeting House and burial grounds.
- Three small properties valued by the trustees' Finance & Property Committee with professional assistance, at a valuation of £284k based on open market value adjusted, where necessary, to reflect the existence of sitting or life tenants.

Other investments

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

Net current assets

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

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

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

Fund accounting

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

Endowment funds:

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

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

Restricted funds:

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

The main restricted funds are:

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

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

Designated funds

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

- The Cadbury Staines Fund, which is held for items of major non-routine expenditure at the discretion of Meeting for Sufferings. The income from this fund is applied towards grants to associated Quaker bodies and for the relief of individuals through the Overseers Relief Fund.
- The Property Upkeep Fund, which is held to fund the structural maintenance of all the properties owned for the central work of Britain Yearly Meeting of the Religious Society of Friends (Quakers).
- The Meeting Houses Fund, which is held to make interest-free loans to meetings around Britain in order that they may purchase or renovate local meeting houses. Income from this fund is also used to make grants to local meetings for the same purpose. Grants of £15k had been committed, not yet paid, at 31 December 2015.
- The Project Development Fund, which is held to develop time-limited projects including a three-year project to implement the fundraising strategy.
- The legacy-funded short projects fund supports development work in areas including peace and disarmament, nonviolence, advocacy and supporting meetings.
- The Investment Property Fund, which comprises property held to provide an income. Drayton House is currently let to University College London.
- The Functional Property Fund, which comprises property held for specific work of the Society including Friends House and Quaker House Brussels, as well as Swarthmoor Hall and Estate.

- The Heritage Assets Fund, which comprises artefacts, books, paintings and manuscripts relating to Quaker history, which have been purchased by or donated to the Society. These are made available to visitors, academics and researchers to promote an understanding of Quakerism.
- The Pension Provision Fund, which was set aside in 2012 to meet a potential liability to contribute to the Pensions Trust Series 1, 2 and 3 funding shortfall (see note 25).

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.

Transition to FRS102

The opening fund balances at the date of transition have been restated due to a liability for holiday pay but no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 January 2014.

Going concern basis

Britain Yearly Meeting of the Religious Society of Friends (Quakers) reported a group cash outflow of £4,923,000 for the year. This was due mainly to paying off the charity's share of the deficit in the Pension Trust Growth Plan, and releases the charity from any further liability. 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 that on this basis the charity is a going concern. There are no material uncertainties about the charity's ability to continue.

I. Donations and legacies

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Contributions	1,960	48	-	2,008	1,625	379	-	2,004
Legacies and gifts	3,058	49	650	3,757	3,550	170	-	3,720
Grants	332	216	-	548	505	252	-	757
	<u>5,350</u>	<u>313</u>	<u>650</u>	<u>6,313</u>	<u>5,680</u>	<u>801</u>	<u>-</u>	<u>6,481</u>
Less								
Cost of raising funds								
. Direct costs	(242)	-	-	(242)	(189)	-	-	(189)
. Support costs	(326)	-	-	(326)	(69)	-	-	(69)
	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>(568)</u>	<u>(258)</u>	<u>-</u>	<u>-</u>	<u>(258)</u>
Net voluntary income for charitable activities	<u>4,782</u>	<u>313</u>	<u>650</u>	<u>5,745</u>	<u>5,422</u>	<u>801</u>	<u>-</u>	<u>6,223</u>

In 2015, no single individual donation was received in excess of £50,000.

In 2014, no single individual donation was received in excess of £50,000.

2. Charitable activities

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Sustaining our church and faith	3	6	-	9	21	17	-	38
Supporting meetings	361	4	-	365	800	8	-	808
Promoting Quakerism	7	3	-	10	4	57	-	61
Witness through action	0	6	-	6	-	8	-	8
	<u>371</u>	<u>19</u>	<u>-</u>	<u>390</u>	<u>825</u>	<u>90</u>	<u>-</u>	<u>915</u>
Less								
Cost of charitable activities (note 5)								
. Direct costs	(4,709)	(749)	-	(5,458)	(4,834)	(859)	-	(5,693)
. Support costs	(1,738)	(276)	-	(2,014)	(1,712)	(289)	-	(2,001)
	<u>(6,447)</u>	<u>(1,025)</u>	<u>-</u>	<u>(7,472)</u>	<u>(6,546)</u>	<u>(1,148)</u>	<u>-</u>	<u>(7,694)</u>
Net cost of charitable activities	<u>(6,076)</u>	<u>(1,006)</u>	<u>-</u>	<u>(7,082)</u>	<u>(5,721)</u>	<u>(1,058)</u>	<u>-</u>	<u>(6,779)</u>

3. Other trading activities (Hospitality Company)

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Room lettings	2,127	-	-	2,127	1,644	-	-	1,644
Equipment hire	159	-	-	159	114	-	-	114
Restaurant	1,412	1	-	1,413	1,032	5	-	1,037
Commercial discounts	(51)	-	-	(51)	(23)	-	-	(23)
Discounts for Quaker organisations	(137)	(16)	-	(153)	(152)	-	-	(152)
	<u>3,510</u>	<u>(15)</u>	<u>-</u>	<u>3,495</u>	<u>2,615</u>	<u>5</u>	<u>-</u>	<u>2,620</u>
Less								
Cost of activities for generating funds								
. Direct costs	(1,841)	-	-	(1,841)	(1,468)	-	-	(1,468)
. Support costs	(1,149)	-	-	(1,149)	(976)	-	-	(976)
	<u>(2,990)</u>	<u>-</u>	<u>-</u>	<u>(2,990)</u>	<u>(2,444)</u>	<u>-</u>	<u>-</u>	<u>(2,444)</u>
Net surplus (deficit) of activities for generating funds	<u>520</u>	<u>(15)</u>	<u>-</u>	<u>505</u>	<u>171</u>	<u>5</u>	<u>-</u>	<u>176</u>

4. Investment income

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Rental income	582	-	-	582	592	4	-	596
Dividend income	556	153	-	709	481	132	-	613
Interest received	50	11	-	61	97	14	-	111
	<u>1,188</u>	<u>164</u>	<u>-</u>	<u>1,352</u>	<u>1,170</u>	<u>150</u>	<u>-</u>	<u>1,320</u>
Less								
Cost of managing investments								
. Direct costs	(95)	-	-	(95)	(162)	-	-	(162)
. Support costs	(3)	-	-	(3)	(4)	-	-	(4)
	<u>(98)</u>	<u>-</u>	<u>-</u>	<u>(98)</u>	<u>(166)</u>	<u>-</u>	<u>-</u>	<u>(166)</u>
Net investment income available for charitable activities	<u>1,090</u>	<u>164</u>	<u>-</u>	<u>1,254</u>	<u>1,004</u>	<u>150</u>	<u>-</u>	<u>1,154</u>

5. Resources expended on charitable activities

Group	Direct costs £'000	Support costs £'000	2015 Total costs £'000	Direct costs £'000	Support costs £'000	2014 Total costs £'000
Sustaining our church and faith (see below)	417	143	560	402	119	521
Supporting meetings (see below)	1,887	665	2,552	1,852	477	2,329
Promoting Quakerism (see below)	1,330	612	1,942	1,547	749	2,296
Witness through action (see below)	1,823	595	2,418	1,978	570	2,548
	5,458	2,014	7,472	5,779	1,915	7,694
Sustaining our church and faith	Direct costs £'000	Support costs £'000	2015 Total costs £'000	Direct costs £'000	Support costs £'000	2014 Total costs £'000
General	-	-	-	43	-	43
Within Yearly Meeting	170	75	245	128	45	173
Within other Quaker bodies	191	12	203	174	9	183
Within other faiths and denominations	56	15	71	57	14	71
Management oversight	-	41	41	-	51	51
	417	143	560	402	119	521
Supporting meetings	Direct costs £'000	Support costs £'000	2015 Total costs £'000	Direct costs £'000	Support costs £'000	2014 Total costs £'000
General	1,325	390	1,715	1,295	230	1,525
Spirituality and membership	52	32	84	83	43	126
Children and young people	276	150	426	261	118	379
Finance and property	202	32	234	185	27	212
Employment and wardenship	9	5	14	13	4	17
Witness of meetings	23	15	38	15	5	20
Management oversight	-	41	41	50	-	50
	1,887	665	2,552	1,852	477	2,329
Promoting Quakerism	Direct costs £'000	Support costs £'000	2015 Total costs £'000	Direct costs £'000	Support costs £'000	2014 Total costs £'000
General	301	(52)	249	470	108	578
Outreach	362	76	438	407	98	505
Web development	80	122	202	82	36	118
Publications	129	107	236	143	67	210
Library	428	313	741	418	384	802
Other	30	5	35	27	5	32
Management oversight	-	41	41	-	51	51
	1,330	612	1,942	1,547	749	2,296

5. Resources expended on charitable activities (continued)

	Direct costs £'000	Support costs £'000	2015 Total costs £'000	Direct costs £'000	Support costs £'000	2014 Total costs £'000
Witness through action						
General	39	7	46	256	5	261
Peace witness	891	364	1,255	815	338	1,153
Social witness	452	178	630	461	171	632
United Nations work	441	5	446	446	5	451
Oversight and management	-	41	41	-	51	51
	1,823	595	2,418	1,978	570	2,548

6a. Trustees' remuneration

No trustee received any remuneration in respect of services given as trustee in 2015 or 2014.

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 2015 and 15 Trustees in 2014) and included in direct costs was £8,286 (2014: £14,182). Much of the work of governance is carried out through delegated authority, although the trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) retain the ultimate responsibility for the work carried out. The direct costs of the governance structure include the cost of staff supporting the various committees.

Waived trustees' expenses are estimated at £460.

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 £14,052 in 2015 (£12,621: 2014).

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

	£
Friends World Committee for Consultation	48,050
Quaker Peace Studies Trust	4,946
Meeting of Friends in Wales	6,730
Glenthorne Quaker Trust	5,897

Grants of £6,600 to Meeting of Friends in Wales and £55,790 to the Friends World Committee for Consultation were given in 2014.

7. Resources expended

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Staff costs (note 8)	5,432	538	-	5,970	4,703	594	-	5,297
Premises and equipment costs	1,030	19	-	1,049	974	69	-	1,043
Office and publicity costs	1,246	24	-	1,270	1,100	49	-	1,149
Event and trading costs	801	38	-	839	1,217	55	-	1,272
Travel and other costs	744	143	-	887	674	207	-	881
Grants paid (note 9)	850	263	-	1,113	746	174	-	920
	<u>10,103</u>	<u>1,025</u>	<u>-</u>	<u>11,128</u>	<u>9,414</u>	<u>1,148</u>	<u>-</u>	<u>10,562</u>
Pension deficit reduction	5,905	-	-	5,905	372	-	-	372
	<u>16,008</u>	<u>1,025</u>	<u>-</u>	<u>17,033</u>	<u>9,786</u>	<u>1,148</u>	<u>-</u>	<u>10,934</u>

Governance costs for 2015 totalled £762,000 (2014: £877,000).

8a. Staff costs

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Recruitment	33	8	-	41	29	8	-	37
Basic pay (UK)	4,089	413	-	4,502	3,762	452	-	4,214
Basic pay (non-UK)	-	19	-	19	-	19	-	19
Employer's National Insurance	375	39	-	414	351	42	-	393
Employer's pension contributions	356	34	-	390	322	36	-	358
Other allowances	26	3	-	29	69	10	-	79
Agency and temporary staff	256	21	-	277	114	24	-	138
Staff training and debriefing	49	1	-	50	53	2	-	55
Other	248	-	-	248	3	1	-	4
	<u>5,432</u>	<u>538</u>	<u>-</u>	<u>5,970</u>	<u>4,703</u>	<u>594</u>	<u>-</u>	<u>5,297</u>

8b. Staff costs (continued)

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

Group	2015 Full-time headcount	2015 Part-time headcount	2015 Full-time equivalent	2014 Full-time headcount	2014 Part-time headcount	2014 Full-time equivalent
Raising income	29	32	44.1	32	17	44.7
Charitable activities	55	23	69.6	62	19	76.3
Governance	3	2	4.2	2	2	3.5
Support services	13	2	13.6	9	1	9.2
	100	59	131.5	105	39	133.7

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

No redundancies took place in the year.

Voluntary settlement agreements were reached with five members of staff during the course of the year with payments paid or committed totalling £236,537. All payments are accounted for and funded at the point of commitment.

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

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

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

	2015 number	2014 number
£60,001–£70,000	3	3
£70,001–£80,000	2	1
£80,001–£90,000	1	1

8e. Remuneration and benefits received by key management personnel

In 2015 Britain Yearly Meeting of the Religious Society of Friends (Quakers) considered the following posts to be key management personnel:

Recording Clerk	Head of Facilities & Hospitality
Deputy Recording Clerk	General Secretary of Quaker Finance & Property
General Secretary of Quaker Peace & Social Witness	General Secretary of Quaker Life
Head of Communications and Services	

Total remuneration received by key management personnel was £470,364 (2014: £454,436).

The Recording Clerk acts as chief executive and earns a salary of £79,228. Salaries for other key management personnel range between £55,638 and £63,848.

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

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

Britain Yearly Meeting of the Religious Society of Friends (Quakers) operates a 1:4 ratio between its lowest and highest paid posts, including senior management personnel.

9. Grants paid

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Grants to individuals	6	19	-	25	6	60	-	66
Grants to Quaker bodies	661	136	-	797	630	68	-	698
Other grants	183	108	-	291	110	46	-	156
	850	263	-	1,113	746	174	-	920

No grant was made, during the year, to any Quaker meeting of which a trustee was a member.

Britain Yearly Meeting made over 100 grants and programme funding awards including reimbursement of expenses to individuals and organisations in 2015 totalling £1,112,853.

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

Recipient	Total Funding 2015 £
Quaker United Nations Office (QUNO)	430,931
Change Agents for Peace	134,002
Friends World Committee for Consultation (FWCC)	55,050
Sibford School [Friends School Joint Bursaries Fund]	53,705
Friends Historical Society [Gerald A J Hodgett Fund]	45,873
World Council of Churches	37,758
Quaker Council for European Affairs (QCEA)	24,200
Woodbrooke Quaker Study Centre	18,916
Friends World Committee for Consultation - Europe and Middle East Sections (FWCCC: EMES)	18,440
Beverley Quaker Meeting	16,205
Pickering & Hull Area Quaker Meeting	16,205
Ilfield Quaker Meeting	15,000
Stockport Quaker Meeting	15,000
The Friend Publications Ltd	14,320
Ministry for Peace and Reconciliation under the Cross (Mi-PAREC)	12,369
Friends of Hlekweni	11,539

Grants and awards of £10,000 or less totalling £157,687 were given to a further 54 organisations.

In addition, 24 grants to individuals were given, totalling £25,129.

A full list of grants and programme funding awards given to organisations in 2015 is on our website: www.quaker.org.uk.

10. Friends House support costs

Group	2015 Total funds £'000	2014 Total funds £'000
Building services (including staff costs)		
Routine maintenance	22	21
Long-term maintenance	436	562
Reception and security	237	183
Cleaning	209	226
Utilities	198	188
Other	34	34
	1,136	1,214
Finance, human resources, IT and office services		
Finance	831	374
Information technology	282	273
Office services	468	473
Human resources	349	261
Membership database	88	114
Other	-	-
	2,018	1,495
Departmental administration		
Quaker Life	89	69
Quaker Communications	206	11
Recording Clerk's Office	145	149
Quaker Peace & Social Witness	117	107
	557	336
	3,711	3,045

Support costs are then analysed into three categories and apportioned to the 'resources expended' 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 'resources expended' categories:

Group	2015 Total funds £'000	2014 Total funds £'000
Generating funds		
. Voluntary income	326	69
. Activities for generating funds	1,149	976
. Investment income	3	4
Charitable activities	2,015	2,203
	3,493	3,252

II. Net incoming (outgoing) resources before transfers

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 Total funds £'000
Depreciation	537	-	-	537	380	20	-	400
Auditors' remuneration								
. Audit	27	-	-	27	26	-	-	26
. Other	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

12. Property, plant and equipment

Group and charity	Functional freehold property £'000	Office equipment £'000	2015 Total £'000	Functional freehold property £'000	Office equipment £'000	2014 Total £'000
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Cost or valuation

At 1 January	20,783	443	21,226	17,666	253	17,919
Additions	<u>1,064</u>	<u>543</u>	<u>1,607</u>	<u>3,117</u>	<u>190</u>	<u>3,307</u>
At 31 December	<u>21,847</u>	<u>986</u>	<u>22,833</u>	<u>20,783</u>	<u>443</u>	<u>21,226</u>

Depreciation

At 1 January	774	139	913	421	92	513
Charge for year	<u>426</u>	<u>111</u>	<u>537</u>	<u>353</u>	<u>47</u>	<u>400</u>
At 31 December	<u>1,200</u>	<u>250</u>	<u>1,450</u>	<u>774</u>	<u>139</u>	<u>913</u>

Net book values

At 31 December 2015	<u>20,647</u>	<u>736</u>	<u>21,383</u>	<u>20,009</u>	<u>304</u>	<u>20,313</u>
At 31 December 2014	20,009	304	20,313	17,245	161	17,406

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	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Historical artefacts at Swarthmoor Hall	423	423	423	423	423
Friends House picture collection	179	179	179	179	179
	602	602	602	602	602

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

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

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

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

	2015	2014	2013	2012	2011
Books and pamphlets	90,685	90,000	90,000	90,000	90,000
Periodicals	3,000	3,000	3,000	3,000	3,000
Quaker archives*	300	300	300	300	300
Bound manuscripts	970	970	970	970	970
Other manuscripts*	240	215	215	215	215
Photographs, museum objects and medals	40,025	40,000	40,000	40,000	40,000

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

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

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

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

14. Investments

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Listed investments (including cash)	22,849	23,354	22,849	23,354
Investment properties	10,090	10,090	10,090	10,090
Subsidiary undertaking	-	-	-	-
	32,939	33,444	32,939	33,444

Listed investments

	2015 £'000	2014 £'000
Group and charity		
Investment holdings		
Market value at 1 January 2015	23,215	22,150
Additions at cost	615	1,473
Disposals at book value (proceeds: £3,188k, realised gain £838k) (2014 proceeds: £1,248k, realised gain £57k)	(2,350)	(1,191)
Unrealised gains	647	783
Market value 31 December 2015	22,127	23,215
Cash held by investment managers	722	139
	22,849	23,354

Listed investments held at 31 December 2015 were

	2015 £'000	2014 £'000
Group and charity		
General funds	16,180	16,538
Designated funds	1,567	1,602
Restricted funds	662	676
Endowment funds	4,440	4,538
	22,849	23,354

Listed investments held at 31 December 2015, all of which were dealt in on a recognised stock exchange, comprised the following:

	2015 £'000	2014 £'000
UK fixed income	760	933
UK equities	20,419	19,930
Overseas equities	460	438
Property funds	722	1,415
Alternatives	488	499
	22,849	23,215

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

Investment properties held at 31 December 2015 and their movements during the year were as follows:

	Total £'000
Group and charity	
Market value	
At 1 January 2015	10,090
Additions	-
Disposals	-
Adjustments to valuation	-
At 31 December 2015	10,090

	2015 £'000	2014 £'000
Group and charity		
Drayton House	9,516	9,516
Courtauld House	-	-
Woodland and pasture at Jordans	290	290
Deanscale	124	124
Land at Lakenheath	60	60
Lesser Slatters	100	100
	10,090	10,090

15. Investment in subsidiary undertaking and related charity

Britain Yearly Meeting of the Religious Society of Friends (Quakers) has one subsidiary company, Friends House (London) Hospitality Limited. This company is incorporated in England and Wales; its registered office is located at Friends House, 173 Euston Road, London NW1 2BJ. The principal activities of the company are the provision of meeting rooms, conference facilities, hospitality and restaurant services. The investment of Britain Yearly Meeting of the Religious Society of Friends (Quakers) in Friends House (London) Hospitality Limited comprises two ordinary shares of £1 each, being the entire issued share capital of that company. Friends House (London) Hospitality Limited donates its taxable profits to Britain Yearly Meeting of the Religious Society of Friends (Quakers) by charitable distribution. A summary of the financial results of the company for the year to 31 December 2015 is shown below. Accounts of the company will be filed with the Registrar of Companies.

	2015 £'000	2014 restated £'000
Profit and loss account		
Turnover	3,478	2,642
Operating expenses and shared costs	(3,029)	(2,593)
Operating profit	449	49
Interest paid	(4)	(4)
Profit for the year before Gift Aid and taxation	445	45
Charitable distribution payable to Britain Yearly Meeting of the Religious Society of Friends (Quakers)	(445)	(45)
Net profit (loss) for the year before taxation	-	-
Taxation on ordinary activities	-	-
Profit (loss) for the financial year retained in subsidiary	-	-
Summarised balance sheet		
Current assets	968	586
Creditors: amounts falling due within one year	(273)	(325)
Net assets	695	261
Called up share capital (£2)	-	-
Debenture	250	250
Profit and loss account	445	11
	695	261

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 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Receivable within one year				
Loans advanced to meetings (see below)	30	22	30	22
Other loans advanced	50	55	50	55
Trade debtors	254	428	24	14
Amount owed by subsidiary company	-	-	-	-
Insurance prepayment	108	101	108	101
Project balances	-	13	-	13
Accrued income	1,291	254	1,291	254
Other debtors	77	135	77	124
	1,810	1,008	1,580	583
Receivable after more than one year				
Loans advanced to meetings (see below)	290	126	290	126
Subsidiary company	-	-	250	250
	2,100	1,134	2,120	959

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.

	2015 £'000	2014 £'000
Interest-free loans, group and charity		
Balance outstanding at 1 January	148	114
Loans advanced during the year	220	55
	368	169
Repayments made	(48)	(21)
Balance outstanding at 31 December	320	148
Due within one year	30	22
Due after one year	290	126
	320	148

17. Payables: amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Interest-free loans (see below)	333	333	333	333
Social security and other taxes	101	143	118	143
Pensions contributions	55	54	55	54
Expense creditors	71	139	21	115
Accruals	694	587	649	570
Canadian legacy	166	206	166	206
Other	604	529	1,133	399
	2,024	1,991	2,475	1,820

	2015 £'000	2014 £'000
Interest-free loans - group and charity		
Balance outstanding at 1 January	333	349
Loans received in the year	-	-
	333	349
Repayments made	-	(7)
Converted to gifts	-	(9)
Balance outstanding at 31 December	333	333

All interest-free loans are repayable on demand.

I8. Reconciliation of movement in funds

	At 1 January 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers, gains and losses £'000	At 31 December 2015 £'000
Group and charity					
Endowment funds					
. FEF Joint Bursary Scheme (note 21)	1,434	-	-	91	1,525
. QPS Kingsmead	1,363	-	-	87	1,450
. FEF Higher Education Awards (note 21)	1,053	-	-	67	1,120
. QPS Kingsmead Close	444	-	-	28	472
. R. Penny	147	-	-	9	156
. Sawell Family Fund	-	650	-	-	650
. Other endowment funds	96	-	-	6	102
Total endowment funds	4,537	650	-	288	5,475

	At 1 January 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers, gains and losses £'000	At 31 December 2015 £'000
Group and charity					
Restricted funds					
. Swarthmoor Hall Field Fund (note 22)	890	22	-	27	939
. Swarthmoor Hall Fund (note 22)	1,757	(9)	(66)	2	1,684
. Albert Moor Fund	536	-	-	-	536
. Quaker Peace & Social Witness Relief Fund	127	44	(45)	-	126
. Jordans Estate Fund	282	-	-	-	282
. Hope Fund	110	-	(4)	-	106
. Friends Educational Foundation Joint Bursary Scheme (note 21)	54	67	(54)	-	67
. Friends Educational Foundation Higher Education Awards (note 21)	31	39	(13)	-	57
. Gerald A J Hodgett Fund	537	-	(93)	-	444
. Other restricted funds	904	317	(750)	212	683
. Functional property funds	1,347	-	-	-	1,347
Total restricted funds	6,575	479	(1,025)	241	6,272

18. Reconciliation of movement in funds (continued)

	At 1 January 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers, gains and losses £'000	At 31 December 2015 £'000
Group and charity					
Unrestricted funds					
Designated funds					
. Cadbury Staines Fund	1,522	52	(128)	102	1,548
. Property Upkeep Fund	2,779	614	(425)	201	3,169
. Meeting Houses Fund	342	16	(53)	37	342
. Project Development Fund	62	-	-	-	62
. Legacy-funded short-term projects	-	8	(103)	2,333	2,238
. Courtauld House Income Fund	181	-	-	-	181
. Investment Property Fund	9,700	-	-	-	9,700
. Functional Property Fund	16,883	-	-	-	16,883
. Heritage Assets Fund	179	-	-	-	179
. Pension Provision Fund	4,959	-	-	(4,959)	-
Total designated funds	36,607	690	(709)	(2,286)	34,302
General reserve	13,513	9,745	(9,447)	(2,625)	11,186
Total unrestricted funds	50,120	10,435	(10,156)	(4,911)	45,488
Total funds	61,232	11,565	(11,181)	(4,382)	57,235

19. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2015 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2014 (restated) Total funds £'000
Group and charity								
Fund balances at 31 December 2015 are represented by:								
Tangible fixed assets	18,251	3,734	-	21,985	16,920	3,995	-	20,915
Investments	26,803	661	5,475	32,939	28,231	676	4,537	33,444
Net current assets	435	1,876	-	2,311	4,969	1,904	-	6,873
Total net assets	45,489	6,271	5,475	57,235	50,120	6,575	4,537	61,232

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			Higher Education Awards funds		Joint Bursary Scheme		
	Income fund £'000	Endow- ment fund £'000	Income fund £'000	Endow- ment fund £'000	Total 2015 £'000	Income fund £'000	Endow- ment fund £'000	Income fund £'000	Endow- ment fund £'000	Total 2014 £'000
Income										
From generated funds										
. Voluntary income	5	-	21	-	26	5	-	16	-	21
. Investment income	33	-	46	-	79	29	-	40	-	69
Total net assets	38	-	67	-	105	34	-	56	-	90
Expenditure										
Charitable activities	(13)	-	(54)	-	(66)	(43)	-	-56	-	(99)
	(13)	-	(54)	-	(66)	(43)	-	-56	-	(99)
Net income/ (expenditure)	26	-	13	-	39	(9)	-	-	-	(9)
Realised gains on investments	-	43	-	59	102	-	3	3	3	9
Unrealised gains on investments	-	24	-	32	56	-	35	-	49	84
Net movement in funds	26	67	13	91	197	(9)	38	3	52	84
Reconciliation of funds										
Funds brought forward at 1 January	31	1,053	54	1,434	2,572	40	1,015	51	1,382	2,488
Funds carried forward at 31 December	57	1,120	67	1,525	2,769	31	1,053	54	1,434	2,572
Fixed assets										
Investments	-	1,120	-	1,525	2,645	-	1,053	-	1,434	2,487
Current assets										
Cash at bank and in hand	57	-	67	-	124	31	-	54	-	85
Net assets	57	1,120	67	1,525	2,769	31	1,053	54	1,434	2,572

22. Swarthmoor Hall restricted funds

	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2015 £'000	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2014 £'000
Income						
From generated funds						
. Voluntary income	-	3	3	-	13	13
. Investment income	22	-	22	19	5	24
From charitable activities: programme	-	(12)	(12)	-	91	91
	<u>22</u>	<u>(9)</u>	<u>13</u>	<u>19</u>	<u>109</u>	<u>128</u>
Resources expended						
Charitable activities						
. Programme	-	(40)	(40)	-	(170)	(170)
. Estate	-	(27)	(27)	-	(61)	(61)
. Other	-	(13)	(13)	(2)	-	(2)
	<u>-</u>	<u>(80)</u>	<u>(80)</u>	<u>(2)</u>	<u>(231)</u>	<u>(233)</u>
Net income / (expenditure)	22	(89)	(67)	17	(122)	(105)
Unrealised gains on investments	-	15	15	57	-	57
Realised gains on investments	<u>27</u>	<u>-</u>	<u>27</u>	<u>2</u>	<u>-</u>	<u>2</u>
Net movement in funds	49	(74)	(25)	76	(122)	(46)
Reconciliation of funds						
Funds brought forward at 1 January	<u>890</u>	<u>1,757</u>	<u>2,647</u>	<u>814</u>	<u>1,879</u>	<u>2,693</u>
Funds carried forward at 31 December	<u>939</u>	<u>1,683</u>	<u>2,623</u>	<u>890</u>	<u>1,757</u>	<u>2,647</u>
Fixed assets						
Tangible assets	-	1,684	1,684	-	1,757	1,757
Investments	<u>779</u>	<u>-</u>	<u>779</u>	<u>676</u>	<u>-</u>	<u>676</u>
	<u>779</u>	<u>1,684</u>	<u>2,463</u>	<u>676</u>	<u>1,757</u>	<u>2,433</u>
Current assets						
Cash at bank and in hand	<u>160</u>	<u>-</u>	<u>160</u>	<u>214</u>	<u>-</u>	<u>214</u>
	<u>160</u>	<u>-</u>	<u>160</u>	<u>214</u>	<u>-</u>	<u>214</u>
Liabilities						
Creditors: due within one year	-	-	-	-	-	-
Net current assets	<u>160</u>	<u>-</u>	<u>160</u>	<u>214</u>	<u>-</u>	<u>214</u>
Net assets	<u>939</u>	<u>1,684</u>	<u>2,623</u>	<u>890</u>	<u>1,757</u>	<u>2,647</u>

23. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. At the date of transition in applying the requirement to recognise liabilities or assets arising from employee benefits, an asset was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The initial asset recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of fund balances	31 December	31 December
	2014	2013
	£'000	£'000
Fund balances as previously stated	61,185	59,919
Short-term compensated absences	47	71
Funds balances as restated	61,232	59,990

24. Operating lease commitments

At 31 December 2015, Britain Yearly Meeting of the Religious Society of Friends (Quakers) is committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	2015	2014 (restated)
	£	£
Operating leases that expire		
Within one year	29,670	29,111
Between two and five years	26,777	26,777
Later than two years	1,050	-
	57,497	55,888

The total expense for operating lease costs incurred in 2015 was £33,368.

25. Pension commitments

General

During 2015, Britain Yearly Meeting of the Religious Society of Friends (Quakers) participated in two pension plans on behalf of its employees: the Pensions Trust Growth Plan and 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 than the Pensions Trust scheme (see below), 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 and socially responsible funds. The employer and employee contribution rates are identical to those pertaining to the Pensions Trust pension scheme.

As at 31 December 2015 there were 137 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.

The Pensions Trust

Prior to 1 January 2004, the staff of Britain Yearly Meeting of the Religious Society of Friends (Quakers) had the opportunity of joining the Pensions Trust's Growth Plan or the Pensions Trust's Ethical Fund. With effect from 1 January 2004, access to this scheme was no longer available to new entrants.

The Growth Plan is a multi-employer pension plan that is, in most respects, a money-purchase arrangement, although it offers some guarantees. Contributions received by the Plan up to and including September 2001 were converted into defined amounts of pension, payable from the member's normal retirement date. From October 2001 contributions were invested in individual funds that have capital guarantees and that are converted, on retirement, to pension entitlement either within the Growth Plan or by the purchase of an annuity.

The Plan, which is funded, is not contracted out of the state scheme. The rules of the Growth Plan allow for the declaration of bonuses and investment credits if this is within the financial capacity of the Plan, assessed on a prudent basis. The declaration of bonuses or investment credits is at the discretion of the Plan's trustee, but once made cannot be withdrawn.

Britain Yearly Meeting of the Religious Society of Friends (Quakers) paid contributions at rates of up to 11% of relevant salaries for existing members during the accounting period under review. Members paid contributions, before tax relief, at the rate of 4%.

In September 2014, the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) decided to cease membership of the Pension Growth Plan, and to determine the debt arising under section 75 of the Pensions Act 2005. In October 2015, Britain Yearly Meeting of the Religious Society of Friends (Quakers) fully discharged its liabilities in relation to the cessation of participation as an employer under the pension scheme operated by the Pensions Trust.

