



Friends  
House

# Friends House (London) Hospitality Limited

Annual Report and Financial Statements  
31 December 2009



**Friends House (London)  
Hospitality Limited**

**Annual Report and Financial  
Statements**

31 December 2009

Company Registration Number  
6204129 (England and Wales)

## Legal and administrative information

<b>Directors</b>	Ron Barden Sandra Horsfall Stan Lee (Chairman) John Marsh
<b>Secretary</b>	Anthony Woolhouse (to 30 September 2009) Gillian Palmer (from 1 October 2009)
<b>Registered office</b>	173 Euston Road London NW1 2BJ
<b>Registered number</b>	6204129 (England and Wales)
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	The Cooperative Bank 62/65 Southampton Road London WC1B 4AR
<b>Solicitors</b>	Bates, Wells and Braithwaite 2-6 Cannon Street London EC4M 6YH

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## Chairman's statement on behalf of the Board 31 December 2009

The company is the trading arm of the Religious Society of Friends (Quakers) and is a wholly owned subsidiary of that body, which is constituted under the name of Britain Yearly Meeting of the Religious Society of Friends (Quakers) (BYM). The Hospitality Company shares the ethos and values of its parent, and attempts to put them into practice in the process of providing hospitality services to those who visit Friends House, some of whom are Quakers, and many of whom are not.

The company has been able to build on a good strong team of dedicated staff, led by Paul Grey, who strive to provide a welcoming and safe environment for the many groups visiting Friends House for conferences, meetings, or simply for refreshment. Echoing the developing testimony to the earth of BYM, the company has united under the slogan "Where events don't cost the Earth". On this theme, a review of purchasing has been undertaken with the objective of sourcing a larger proportion of sustainably sourced and organically produced produce than hitherto. The company was successful in obtaining "The Good Egg Award" from Compassion in World Farming by ensuring that the purchase of all eggs is from barn, free range, or organic sources. As well as raising the standard of food purchased, the review led to some useful cost savings.

The opening of the Quaker Centre at Friends House was a great success, and the café in that location has significantly increased its business as a result of the more open and welcoming design and the wider range of refreshments provided.

There has been more emphasis on marketing than in prior years, although there is a need, if the company is to continue to hold its own in the current very competitive environment, to spend rather more than is currently the case. Marketing should be construed as raising our visibility and our attractiveness to prospective clients, rather than in some more aggressive or other unquakerly way.

As a result of the endeavours of those who work for us, in the year under review, the company was able to increase its revenues from £1,959k to £2,420k, and because of the work done to improve margins, the operating profit increased from £54k to £399k. After picking up its share of costs from the parent company, the Hospitality company was able to set aside £399k to be Gift Aided to BYM.

The prospects for the coming year must take into account the continuing poor economic climate, and given that a good deal of our business is in sectors which may be particularly vulnerable, such as education and the charitable sector, it would be wrong to be anything but guarded about the possibilities for the coming year. Despite this, there are a number of projects which the company is considering in order to grow the contribution to BYM over the next few years. Much work continues to be done to further improve the ambience, as well as developing the internal processes and upgrading the IT systems.



Stan Lee

16 March 2010

## Directors' report 31 December 2009

The directors present their report together with the financial statements of the company for the year ended 31 December 2009.

### Principal activity

The principal activity of the company in the year under review was the provision of meeting rooms, conference facilities, hospitality and restaurant services at Friends House, Euston Road, London. The company is a wholly owned subsidiary of Britain Yearly Meeting of the Religious Society of Friends (Quakers), a charity registered in England and Wales, Charity Registration Number 1127633.

### Review of business

A summary of the results of the year, is given on page 6 of the financial statements.

The company did not commence trading until 1 April 2008. Therefore, the comparative year reflects 9 months of trading, as compared to a full year's trading in 2009.

Turnover amounted to £2,419,869 (2008 - £1,958,700) and a net profit of £399,382 (2008 - £59,741) was achieved. The company's taxable profits are donated to Britain Yearly Meeting of the Religious Society of Friends (Quakers) via GiftAid. During the year a donation of £399,382 was made. This is deemed a charitable contribution.

### Future developments

The activities of the company are kept under constant review with the objective of improving the facilities and services at Friends House.

### Directors

The directors in office during the year were as follows:

	Appointed	Resigned
Ron Barden	5 April 2007	
Paul Gibson	18 July 2007	31 December 2009
Sandra Horsfall	18 July 2007	
Paul Kenny	18 July 2007	31 December 2009
Stan Lee	18 July 2007	

John Marsh was appointed a director subsequent to the year end on 1 January 2010.

None of the directors had any beneficial interests in the issued ordinary share capital of the company at any time during the period.

**Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ follow applicable United Kingdom Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- ◆ the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of directors:



Secretary

Approved by the board on 16 March 2010

**Independent auditors' report to the shareholder of Friends House (London) Hospitality Limited**

We have audited the financial statements of Friends House (London) Hospitality Limited for the year ended 31 December 2009, which comprise the profit and loss account, the balance sheet, the principal accounting policies 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).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

As explained more fully in the statement of directors' responsibilities set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit 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 Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Buggacott LLP

Amanda Francis, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

19 April 2010

## Profit and loss account Year to 31 December 2009

	Notes	Year to 31 December 2009	Year to 31 December 2008
		£	£
Turnover	1	2,419,869	1,958,700
Administrative expenses		2,021,257	1,904,283
<b>Operating profit</b>		<b>398,612</b>	54,417
Interest receivable		770	5,324
<b>Profit on ordinary activities before Gift Aid and taxation</b>	2	<b>399,382</b>	59,741
<b>Gift Aid</b>	3	<b>(399,382)</b>	(59,741)
<b>Profit on ordinary activities before taxation</b>		—	—
<b>Taxation</b>		—	—
<b>Profit for the financial year</b>		—	—
<b>Retained profits at 1 January 2009</b>		—	—
<b>Retained profits at 31 December 2009</b>		—	—

The company commenced trading on 1 April 2008. Therefore, the comparative year reflects 9 months of trading, as compared to a full year's trading in 2009.

All of the company's activities derived from continuing operations.

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

**Balance sheet** 31 December 2009

	Notes	2009 £	2008 £
<b>Current assets</b>			
Stock		8,437	8,905
Debtors	4	205,267	202,225
Cash at bank and in hand		1,308,434	1,095,890
		<b>1,522,138</b>	1,307,020
<b>Creditors: amounts falling due within one year</b>			
	5	<b>(1,522,136)</b>	(1,307,018)
<b>Net assets</b>			
		<b>2</b>	2
<b>Total assets less current liabilities</b>			
		<b>2</b>	2
<b>Capital and reserves</b>			
Equity interests:			
Called up share capital	6	2	2
Profit and loss account		—	—
<b>Shareholder's funds</b>			
	7	<b>2</b>	2

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board of directors and signed on their behalf by:

Director

Approved on 16 March 2010

## **Principal accounting policies** 31 December 2009

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the going concern concept, given the agreement of the company's parent undertaking to provide financial support to the company. The preparation of the financial statements is in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Turnover**

Turnover consists of revenue at invoiced value, excluding VAT.

### **Stock**

Stock is included in the financial statement at the lower of cost and net realisable value.

### **Cash flow**

The financial statements do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

**Notes to the financial statements** 31 December 2008

**1 Turnover**

Turnover and the profit on ordinary activities before taxation arise solely from the company carrying out its principal activity in the United Kingdom.

**2 Profit on ordinary activities before Gift Aid and taxation**

	Year to 31 December 2009 £	Year to 31 December 2008 £
This is stated after charging:		
Auditors' remuneration		
. Audit	8,000	6,000
. Other services	—	—

None of the directors received any remuneration (2008 - £nil).

**3 Gift Aid and taxation**

During the year the company made a donation to its parent charity equal to its taxable profits. The amount payable was £399,382 (2008 - £59,741).

No taxation was payable for the year (2008 - £nil).

**4 Debtors**

	2009 £	2008 £
Trade debtors	205,267	202,225

**5 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	59,687	13,211
Deposits and other income in advance	105,087	65,865
Accruals, deferred income and other creditors	42,960	41,884
Amount due to parent undertaking (note 8)	1,314,402	1,186,058
	<b>1,522,136</b>	<b>1,307,018</b>

**Notes to the financial statements** 31 December 2008

**6 Called up share capital**

	2009 £	2008 £
Authorised 1,000 ordinary shares of £1 each	<b>1,000</b>	1,000
Allotted, called up and fully paid 2 ordinary share of £1	<b>2</b>	2

**7 Reconciliation of movements in shareholder's funds**

	2009 £	2008 £
<b>Equity Funds</b>		
Profit for the financial year	—	—
Opening shareholder's funds at 1 January 2009	<b>2</b>	2
Closing shareholder's funds at 31 December 2009	<b>2</b>	2

**8 Ultimate parent and controlling party**

The company is a wholly owned subsidiary of Britain Yearly Meeting of the Religious Society of Friends (Quakers) (the ultimate parent), a charity registered in England and Wales (Charity Registration No.1127633). The principal address of Britain Yearly Meeting of the Religious Society of Friends (Quakers) is Friends House, 173 Euston Road, London NW1 2BJ.

**9 Related parties**

Related party	Nature of relationship
Britain Yearly Meeting of the Religious Society of Friends (Quakers)	Parent

As a 100% controlled subsidiary undertaking, Friends House (London) Hospitality Limited is exempt from the requirement to disclose such transactions under Financial Reporting Standard 8 'Related Party Disclosures'.

There were no other related party transactions (2008 - none).

## Detailed profit and loss account Year to 31 December 2009

This page does not form part of the statutory financial statements.

	2009 Total £	2008 Total £
<b>Turnover</b>		
Lettings	1,580,125	1,378,038
Restaurant and provision of catering to letting customers	<b>839,744</b>	580,662
	<b>2,419,869</b>	1,958,700
<b>Business and administrative expenses</b>		
Salaries and related costs	585,868	443,045
Travel and subsistence costs	1,634	2,136
Food and consumables costs	299,060	241,183
Audit and accountancy fees	8,988	6,000
Agency staff, fees and consultancy	18,401	49,930
Staff training	-	1,762
Equipment and hire charges	36,723	49,458
Maintenance and IT support costs	45,876	51,840
Rent, rates and service charges	130,000	97,500
Advertising and marketing	10,293	4,204
Office support recharge	872,025	938,746
Bad debts write off	5,791	767
Office expenses and sundries	6,598	17,712
	<b>2,021,257</b>	1,904,283
Operating profit	<b>398,612</b>	54,417
Interest receivable	770	5,324
<b>Profit</b> for the financial year before Gift		
Aid and taxation	<b>399,382</b>	59,741

The company commenced trading on 1 April 2008. Therefore, the comparative year reflects 9 months of trading, as compared to a full year's trading in 2009.

