



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

Trustees' Annual Report and Financial Statements

for the year ended December 2010

Britain Yearly Meeting explained

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

We worship in local meetings (479), which are grouped together into larger area meetings (70), the level at which individual membership (c.15,000, plus a further 10,000 attenders) is held. Local and area Quaker meetings own and manage their own affairs and property; each area meeting is a separate charitable entity.

Members of these area meetings make up the membership of Britain Yearly Meeting, a body which meets annually and which has ultimate authority for church affairs. Britain Yearly Meeting is also the name for the charity which owns and / or manages the Society's central policy, property, staff and 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.

The charitable object of Britain Yearly Meeting is "the furtherance of the general religious and charitable purposes of the Religious Society of Friends in Britain and beyond".

Further information on our governance is given on page 44 of this report.

Britain Yearly Meeting of the
Religious Society of Friends (Quakers)
Registered charity number 1127633
www.quaker.org.uk
Friends House
173 Euston Road
London NW1 2BJ

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From the clerk of Britain Yearly Meeting trustees

This report shows how the work of Britain Yearly Meeting (BYM) has been maintained and developed in 2010. It shows how we have used the resources available to implement the strategic priorities set by Meeting for Sufferings in *A framework for action 2009-2014* on behalf of the membership, and how we have sustained the resources in good order for the future.

The report's structure follows the seven strategic priorities and, in the spirit of the *framework*, also refers to work carried out by meetings, Quaker bodies and individual Friends throughout the country, which is supported by staff employed centrally at Friends House. From next year the financial report will follow the same priorities. In addition, we include information from the annual reports and financial statements of Friends House (London) Hospitality Ltd (pages 42-43). The Hospitality Company is a separate business, owned by BYM, which runs the restaurant, café and lettings operation in Friends House and passes its profits to BYM to use for charitable purposes.

Significant among the achievements of 2010 is work in relation to the passage, through Parliament, of the Equality Bill, culminating in the provision of the Equality Act of April 2010 to end the prohibition on the use of religious premises for the celebration of civil partnerships. For Quakers, this milestone reflects recognition of one of our testimonies and work continues towards the implementation of its far-reaching implications. Another significant example is the Quaker Centre in Friends House (page 18), opened in autumn 2009, which has now come into its own with an enterprising programme of speakers, book launches, public lectures and spiritual outreach activities. Its café is well used as a meeting place by Quakers and others from all walks of life. The report shows how these achievements and others reflecting Quaker values of peace, justice, simplicity and sustainability have been made real at home and abroad.

Looking outwards from the difficult economic climate of 2010, Quakers expressed concern at the effect on those in society least able to withstand the impact of these economic forces. The BYM trustees, faced with uncertainty over income levels, renewed their commitment to a strong fundraising strategy and, following careful assessment, confirmed steps towards investing in the facilities in Friends House so as to secure future income generation and improved working conditions for our staff. Our 2010 budget was supported by drawing on some reserves built up in previous years. It was only later in the year that, fortuitously, contributions and legacy income exceeded expectations and led to a surplus. We are now able to go forward into 2011 in a stronger position.

During the year, Gillian Ashmore stepped down as Recording Clerk (a role known in other bodies as chief executive). The trustees record their gratitude to Gillian Ashmore for her support and guidance and for the expertise she brought to the role during a period of challenge and change. Paul Parker has been appointed to succeed Gillian Ashmore as Recording Clerk. We are very grateful to Michael Hutchinson, who has served as Acting Recording Clerk, and to other staff who have taken on increased responsibilities during the interim period.

We are thankful for the commitment of the many Quakers and others who support our work through service on committees, as volunteers and through financial contributions. We pay tribute to our staff for their work.



Jonathan Fox
Clerk of Trustees
Britain Yearly Meeting

Public benefit statement

Britain Yearly Meeting (BYM) is an umbrella organisation, guiding, supporting and sustaining the 70 area and 479 local Quaker meetings throughout England, Wales and Scotland.

Our financial resources come from members' contributions, legacies, inherited funds, grants, the profit from our Hospitality Company, rents from properties, interest and dividends. Our income and expenditure for 2010 are displayed 'at a glance' on page 53, and in the financial statements.

We use our resources to deepen and share our spiritual experience and to support acts of witness which arise from our faith. For Quakers, belief and witness are indivisible. We work for peace and justice; a sustainable environment; the alleviation of suffering; and the upholding of victims of oppression.

Our advocacy work in relation to the Equality Act 2010 resulted in a change in the law which will be of direct benefit to same-sex couples in other faith organisations.

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 2010 about 800 members and attenders were involved directly in national decision-taking processes at our Yearly Meeting held in May at Friends House in London.

Our faith has led us to testify to equality, simplicity, peace and truth for over 350 years. Our social witness includes work for peace in Israel–Palestine (page 22), Africa and Asia (pages 21 and 22); for environmental sustainability (page 24); criminal justice and equality in Britain (pages 35-37); and support for poorer people in society through bursaries, relief grants and grants for children's work projects (page 11 and pages 31-33).

We also support the witness of local meetings, for example through servicing networks of prison chaplains (pages 36-37) and people working with asylum-seekers and refugees in Britain (page 32). New funding streams have been set up to support work for more inclusive communities (page 31).

Friends House, our central London base opposite Euston Station, is a much-valued public building, available for a wide variety of uses including worship by other faiths, education and open meetings organised by many third-sector organisations (page 28 and pages 40-43). It offers a welcoming Quaker Centre (page 18), with a bookshop, café and worship space, which is open to all.

We are transparent about what we do. The main site at www.quaker.org.uk (page 43) gives details of our work in the world and provides resources for local meetings and for those wanting to know more about Quakers. We also publish recent trustee papers and minutes, and those of some of our committees, on our website (www.quaker.org.uk/minutes). This report shows how our resources have been spent and how the public benefits from our work.

Working with our framework

The *Trustees' Report 2010* on Quaker work is structured within the priorities set out in *A framework for action 2009-2014*. These priorities provide a clear guide for the use of our resources, but also allow flexibility to respond to change.

Based on the challenges for 2010 (as set out in the *Trustees' Report 2009*) and to help Friends plan ahead, we list our highlights (of 2010) and challenges (for 2011) under the *framework's* seven priorities.

1. Strengthening our spiritual roots (p.8)

Highlights

- 'Becoming Friends' project established to better nurture all those new to Friends
- Development and flourishing of the Quaker Life Network
- Cross-departmental working to support Yearly Meeting and more coordinated service to local meetings

Challenges

- Improve service to meetings as explained in 'Mode of working' (see *A framework for action 2009-2014*, page 4)
- Increase partnership projects where meetings take the lead



2. Speaking out in the world (p.16)

Highlights

- The Equality Act, passed April 2010, allowing civil partnerships on religious premises in England and Wales
- Government action on ending detention of child immigrants; part of the coalition agreement in May 2010
- Developed popular events programme in the Quaker Centre

Challenges

- Speak out on equality of impact for government funding cuts
- Build on Equality Act to maintain pressure for full equality in marriage
- Develop Quaker advocacy capacity

**I'm a midwife,
a marathon runner,
(and a Quaker).**



3. Peace (p.20)

Highlights

- A new programme of peacework implemented in East Africa
- Reviewed work in South Asia to develop advocacy capacity
- Developed innovative advocacy to influence peacebuilding work

Challenges

- Consolidate work in East Africa (including extension beyond Kenya)
- Effect change in employment conditions for 16-year-olds in Armed Forces Bill
- Commemorate 1660 / 1661 Peace Testimony declaration
- Review peace education work



4. Sustainability (p.24)

Highlights

- Launched 'Sustainability & Peace' programme to strengthen our response to climate change
- Supported partnership sustainability projects
- Improved our pledges to sustainability at Friends House

Challenges

- Sustainability theme at Yearly Meeting Gathering 2011
- Publish *Meeting House Sustainability Toolkit*, together with Living Witness
- Review Meeting for Sufferings and Britain Yearly Meeting trustees



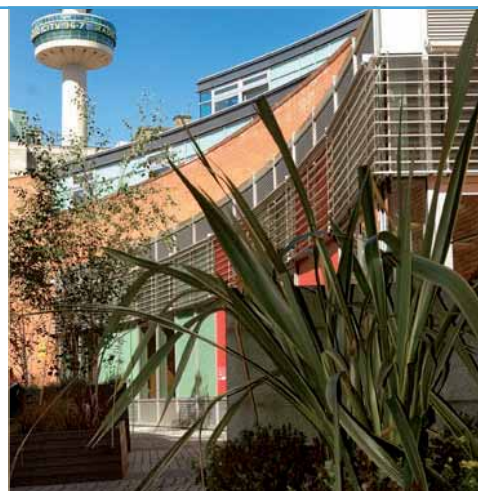
5. Strengthening local communities (p.30)

Highlights

- Launched 'Supporting Local Initiatives' pilot project developing social cohesion and work with local meetings
- Conference at Woodbrooke for Friends engaged in interfaith work
- Quaker Life Network developed work on diversity, inclusion and equality

Challenges

- Work with local meetings to plan, support and evaluate activities
- Involve more Friends in the 'Supporting Local Initiatives' programme
- New publication on the interfaith agenda



6. Crime, community and justice (p.34)

Highlights

- The 'Learning from experience' project developed personal narratives relating to UK sentencing policy
- UN General Assembly adopted the Bangkok Rules for the treatment of women accused of crimes or serving custodial and community-based sentences

Challenges

- Analyse results from the 'Learning from experience' project
- Assist UN member states with implementing the Bangkok Rules



7. Using our resources well (p.38)

Highlights

- Refurbished Large Meeting House (Friends House)
- Developed 'ministry of giving' Treasurers' support project
- Developed support of central committees and closer working relationships
- Encouraged nominations of trustees and use of expertise to further the work of the Society

Challenges

- Renovation and reorganisation of staff offices
- Development of plans for use of Large Meeting House



Strengthening our spiritual roots

“During the workshop on the value of silence, I found myself thinking more clearly on how I felt about ministry in meetings and how much I personally value silence.”

Feedback from a young person who attended Junior Yearly Meeting 2010

Quakers share a way of life rather than a set of beliefs. We seek to experience God directly, within ourselves, in our relationships with others and in the world around us. These direct encounters with the Divine are where Quakers find meaning and purpose.

This chapter includes:

- Pastoral and spiritual care of our meetings and Friends
- Locating Quakerism in its historical context
- Deepening our knowledge resources

Pastoral and spiritual care of our meetings and Friends

Our Meetings for Worship are at the core of our being. They are the bedrock of our faith and our community. Fundamental to our spiritual growth are caring for each other, learning together and individually, sharing and valuing the contributions of all age-groups and conditions, welcoming and nurturing those encountering Quakerism. "Without this none of the other priorities has integrity" (*A framework for action 2009-2014*, page 8).

The 'Becoming Friends' project

Becoming Friends is a partnership project of Quaker Life and Woodbrooke Quaker Study Centre. It is designed to help open up the Quaker faith and make it more transparent for those new to our Society. It will help them grow in understanding and connection with Quakerism through online, written material or both with the support of a Friend acting as companion or mentor should they so wish. We hope that it will support meetings in addressing the 'gap' between initial outreach initiatives such as National Quaker Week, or Quaker Quest, and newcomers developing knowledge of, and a sense of identity with, the Society of Friends. It aims to help newcomers deepen their understanding of Quaker faith and their sense of 'belonging' in meetings, whether or not they are considering applying for membership.

Becoming Friends, launched in January 2010, has really taken off. Over 230 people have signed up for the online Becoming Friends course, and 1,200 packs have been sold. Course forums are already busy with lively, reflective conversations and many individuals and meetings are using the Becoming Friends materials, both in one to one and small group settings.

Becoming Friends invites meetings to offer newcomers the support of an experienced Friend as 'companion' while they work with the learning materials. Feedback from Becoming Friends participants shows that the companion role is valued by newcomers and experienced Friends alike. It enables sharing knowledge of Quaker faith.

The Becoming Friends experience

A survey recently carried out by Quaker Life and Woodbrooke to review the success of the Becoming Friends learning experience found that the response was very positive. Of the 98 people who were surveyed:

- 60% were newcomers
- 40% were companions, study group facilitators, or experienced Friends
- 86% found the course enjoyable
- 88% found it interesting
- 80% found the Becoming Friends course easy to access
- 78% felt they had learned or gained from it
- 40% were Friends with some experience, who said that they had deepened their understanding or learned something.

In the nine months since its launch Becoming Friends learning materials proved successful with its users, but there is more work to do in establishing it in local meetings. It takes time for a new initiative to be taken up across the Yearly Meeting (YM). Importantly, Ginny Wall, as Becoming Friends Project Developer, will continue to support the project until the new Nurturing Friends and Meetings tutor at Woodbrooke is in post in early 2011 – they will then take over this role.

Another important thing to note is the age of course participants. The online course is reaching a younger group than conventional Quaker courses – of the newcomers who responded to the survey, seven per cent were under 35 and a further 35% were aged between 36 and 50. This is encouraging because this age group is very difficult to support through more conventional learning groups and courses, probably due to the restrictions on their time as a result of work and family commitments.

Cross-departmental working

We recognise that the needs of Friends and their work, outlined in *A framework for action*, have to be met through new ways of working, moving beyond traditional committees and departmental structures. Some examples of this new approach can be seen in our work, which benefitted from cross-departmental project teams. These were set up to improve our preparation for YM and also to coordinate the resources we offered to support National Quaker Week 2010.

Quaker Life Network

This area of our work is proving essential to supporting the life of our meetings, and has helped to support the spiritual development of those participating in it.

During the year, the Network has provided opportunities for Friends to:

- work as volunteers at Children & Young People's (CYP) events
- become a part of an Outreach cluster
- review Quaker Week
- assist in assessing the Eldership and Oversight handbooks
- review CYP programmes
- facilitate Enquirers' Weekends
- become 'resident Friends' at Swarthmoor Hall.

Young Quakers, and others in the wider community, have the opportunity to volunteer for a variety of opportunities, through signing up to be part of Quaker Life's new young people's network.



Photo © Mike Pinches

Explorations

'Explorations' is a Quaker Life initiative which offers external facilitators to meetings. Drawing from the expertise of members of the Quaker Life Network, we have found Friends who volunteer to travel the country to visit meetings.

The facilitators act as a catalyst, enabling a meeting to build momentum, release untapped energy and find potential. Requests have been received from all over Britain Yearly Meeting (BYM). In 2010, Explorations visits were requested and held at over 20 meetings. This will continue in 2011.

Feedback has been overwhelmingly positive, showing that we have been meeting a need within Friends to strengthen the spiritual roots in our meetings and in ourselves.



Woodbrooke Quaker Study Centre

Woodbrooke Quaker Study Centre

We have worked with Woodbrooke in a variety of other ways. We collaborated over their education programme and have run a number of partnership events such as 'Managing our Meeting House', and 'Mental Health in Meetings'.

Two highly successful weekends were organised for Friends on the theme of 'Small Meetings'. We worked in partnership with Woodbrooke to offer an opportunity for sixth-formers from Quaker schools to explore Quaker values. Twenty-five 16- and 17-year-olds from five different schools participated.

Our Quaker World Relations Committee organised a conference on 'Worldwide Friends' jointly with (and at) Woodbrooke. This was enjoyable as well as informative and valuable to the 40-plus participants.

The Quaker Committee for Christian & Interfaith Relations has established an annual joint Woodbrooke conference to enable Friends, and others, to explore an area of joint concern.

Yearly Meeting 2010

Quakers have a long tradition of challenging power and advocating reform. Yearly Meeting (YM) 2010 took a fresh look at ways to engage in the political process at a key moment when the new coalition government challenges old ways of working.

Other business at YM, held from 28 to 31 May in London, included an update on the radical decision Quakers made in 2009 to treat same-sex and opposite-sex marriages equally. The recession gave particular focus to a well-received session on the ministry of giving, recognising the need for different forms of giving, praying, paying and acting. Attendance at the sessions varied from 412 to 802, significantly more than the previous YM held in London during 2008 when attendance varied from 344 to 660.

During the four days of YM, there were two public lectures, the Salter Lecture (under the auspices of Quaker Socialist Society) and the Swarthmore Lecture (arranged by Woodbrooke Quaker Study Centre).

- **Salter Lecture:** Roy Hattersley, former deputy leader of the Labour Party, spoke 'In Praise of Equality' about political and social priorities against the background of a changing political landscape.
- **Swarthmore Lecture:** Paul Lacey, (until recently) Presiding Clerk of the American Friends Service Committee, spoke on 'The Unequal World We Inhabit'. He addressed themes of terrorism, fundamentalism and Quaker commitment to peace in the face of such issues. (Attendance at the 2010 lecture was 988, up from the previous Swarthmore Lecture held in London, which saw an attendance of 815.)

Supporting our children and young people

The staff of the CYP team met eight requests from meetings to host workshops on a variety of themes concerning children and young people's work.



Children at Yearly Meeting 2010

We were pleased that four young people had the opportunity to serve on the BYM agenda committee throughout the year. Twenty young Quakers attended the Peer Pathways weekend where they received training in group work and facilitation skills. We also worked with 35 Friends who participated in the Quaker Youth Work Conference that focused on mental health and young people. The day offered a chance to consider and focus on mental health issues and young people at Quaker events.

CYP at YM: London and the Lea Valley YHA

A well-supported programme for children and young people took place at Friends House and at Lea Valley YHA as an integral part of our YM.

Of the 115 children and young people who attended: 50 were age 0-12; 65 were age 12-18; 7 team-members involved in planning and facilitating the event were under 20; and 22 team-members were aged over 20.

What they said:

- 91% said that YM enabled them to explore their spirituality
- 85% said they understood more about Quaker faith, practice and witness because of attending
- 78% said they had the opportunity to contribute
- 82% said that they explored issues of relevance to them
- 80% said that they developed as a person and as a young Quaker.

Junior Yearly Meeting (JYM): Pioneer Centre, Kidderminster.

One hundred and fifty young people aged 15 to 18 participated. They represented 48 area meetings, four Quaker schools and three European yearly meetings.

What they said:

- 93% said JYM developed their understanding of Quakerism
- 64% said they developed their spirituality
- 86% said JYM led to personal growth
- 90% said they explored issues relevant to them.



Photo: Michael Wood

Safeguarding children and vulnerable people

Meetings need to be aware of changes and proposed changes to safeguarding requirements. Our staff have devoted substantial time to this area of our work, including answering questions, both generally about safeguarding and specifically about individuals, especially where someone may have served a sentence for a crime which resulted in their being added to the sex offenders register.

Locating Quakerism in its historical context

Swarthmoor Hall and 1652 Country

Swarthmoor Hall in Cumbria continues to act as an important outreach resource for Friends in the North. It benefits greatly from the help of about 27 volunteers from the surrounding area, most of whom are not Quakers. As well as helping with conservation and maintenance, they offer tours of the historic rooms and welcomed almost 100 people to the annual Heritage Open Days.

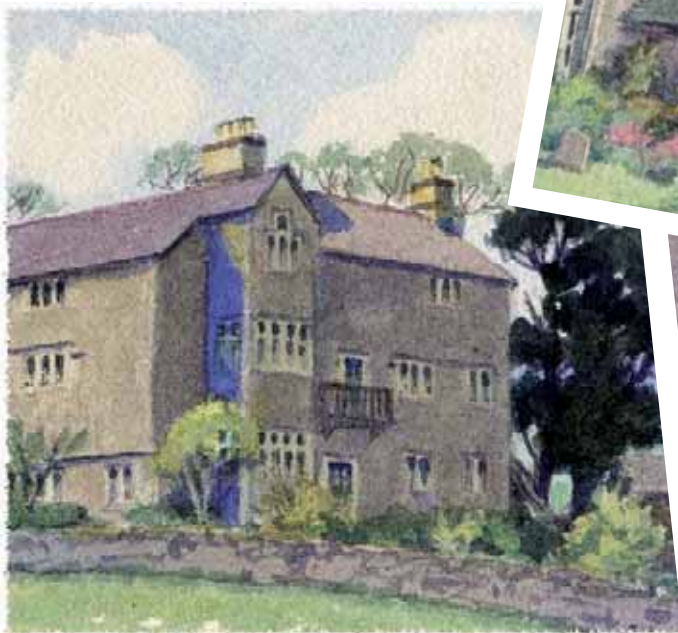
Quaker Life reviewed the work of Swarthmoor Hall and 1652 Committee in summer 2010. The review was pleased with progress at the Hall. Although the Hall is only used by a very small percentage of Friends, it is well run with a good mix of uses including involvement of the local community and volunteers.

The review group recognised the importance of the Hall and 1652 Country in helping Friends to locate their contemporary Quakerism within the context of our history and tradition.

Quaker Life is focusing on promoting this work in 2011 (we have redesigned the 1652 booklet and leaflets and will be emphasising the importance of this work at Quaker Life Representative Council in the spring).

The review group questioned the need for the 1652 Committee as most of the work in connection with 'pilgrimages' is undertaken by the pilgrimage secretary and volunteers. Therefore, Quaker Life laid the committee down and is planning to support the work in future by making the pilgrimage secretary role a paid post (using the financial resources that would be used to fund committee meetings) and developing a 1652 'cluster' within the Quaker Life Network that will work with the pilgrimage secretary on the actual delivery of the pilgrimages. Swarthmoor Hall Committee will provide oversight and we believe this will help us to integrate the work.

We have also commissioned a replacement for Elfrida Vipont Foulds' classic book on the 1652 Country, *The Birthplace of Quakerism* (published in 1952, now out of print), which will contain updated and more detailed information for modern scholarship. The new book will be published in 2011.



Images of the 1652 Country; original watercolours by Kenneth Mortimer Angus

Deepening our knowledge resources

Friends House Library

The Library continues to provide an important international resource for scholars working on a range of issues. The number of reader visits during 2010 increased by 6%.

Details of the printed materials are now available through the Library's online catalogue. The archives' catalogue will be launched in 2011, also making archives available online.

The web archive project, undertaken in collaboration with the British Library, has continued to grow. So far it has captured and archived more than 200 British Quaker websites.

The Library continues to manage the Society's modern records and provides advice and support to meetings. A successful course for those responsible for meeting records was held at Woodbrooke in November.

We continue to work towards opening up our library collections through digital cataloguing and restoration, making our Quaker story accessible to all.

An 'Ideas Store' has been established in the resources section of the BYM website for sharing ideas for our work with children and young people, with over 150 ideas to suit all age-groups in any meeting. Linking up with the resources of *Journeys in the Spirit* is proving invaluable for meetings.

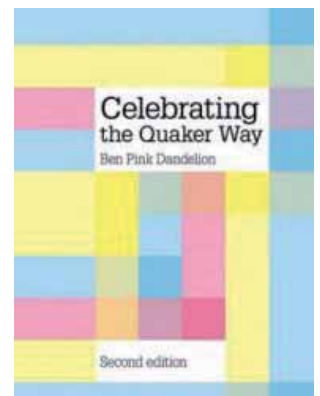


Publications

Quaker Voices, the new publication from Quaker Life, has proved popular with readers. Subscribers have praised the new format, one wrote: "The merest note to congratulate you on the latest *Quaker Voices*, which has just come and which I am enjoying enormously – such a great mix of views and subjects and backgrounds and experience."

Following a review by Quaker Life Central Committee, *Journeys in the Spirit* has been reformatted. This resource for those working with children and young people in Quaker settings now offers extra online resource material. At the end of 2010 there were 983 subscriptions across the two editions.

Ben Pink Dandelion's *Celebrating the Quaker Way*, first published in 2009, has sold more than 3,000 copies. In 2010, we brought out a second edition, including a set of questions to help meetings study the book together.



Quaker meeting and me (opposite) is a friendly booklet for 3- to 8-year-olds to explore the nature of a Quaker meeting for worship, produced by the Children & Young People's staff team.



Friends House Library. Photo: Colin Edwards

The wider Quaker community

Quaker World Relations Committee (QWRC) has the responsibility for maintaining contact between BYM and other yearly meetings and with Friends World Committee for Consultation (FWCC).

The FWCC Europe & Middle East section has been preparing for the forthcoming World Conference of Friends in Kenya. QWRC is working to raise awareness of it among Quakers in Britain.

Committee members have worked with Quaker Peace & Social Witness to find and appoint a Friend from BYM to serve on a European working group on 'Global Change', feeding into the World Conference. The committee has worked with Central Nominations Committee and area meetings to bring names forward to represent BYM at the 2012 World Conference. It continues to seek Friends to serve as Friends in Residence at Pendle Hill Study Centre, Pennsylvania. In its work, the committee strives to maintain a balance between experienced Friends and those new to international work.

The wider faith community

Our Committee for Christian & Interfaith Relations has been working to reduce its representative commitments to committees and bodies among other churches and faiths while discerning stronger structures for supporting and listening to local Friends.

We continue to send Friends to the major church and faith representative bodies on behalf of the YM (General Meeting for Scotland undertakes this work in Scotland). An annual news-sheet (*CIRcular*) is sent to all meetings. A network of local Friends who keep the committee informed about their work is being established.

A major task in 2010 was the development, within our meetings, of an awareness and understanding of Quaker interfaith work. To this end, in September 2010 a national conference was run with Woodbrooke and a booklet is to follow.



Pictures from *Quaker meeting and me*: original paintings by Rebecca Price

Speaking out in the world

"I would like Quakers to be known as people who take their faith out into the world and live it."

Paul Parker, Recording Clerk (from May 2011)

This objective reflects Friends' increased confidence in speaking out in the world in support of Quaker values. The wider context of the UK General Election in 2010 offered us the opportunity to do this.

This chapter includes:

- Our voice in public life
- Quaker outreach
- Media coverage

Our voice in public life

Quakers in Britain have become less directly involved in party politics in recent years. In 1945 there were 12 MPs with Quaker affiliations; in 2010 there were none. Nevertheless, a general election campaign represents a challenge for Friends to present their values of equality and just relationships in the context of public policy. Quakers contributed to an ecumenical election briefing pack, *Faith in Politics*, as well as to specialist resources on international development and climate change.

A developing campaign

Members of the Quaker Asylum and Refugee Network have been active in campaigning against the detention of children for immigration purposes.

- 2005-2010, just over 7,000 children were locked up pending their removal from Britain. They faced an average 13 days in detention.
- The Parliamentary Liaison Secretary, Michael Bartlet, raised this issue during the election campaign.
- May 2010, as part of the coalition agreement, the government announced its intention of ending the practice.
- 16 December 2010, Nick Clegg promised that the practice would end within months and that the family wing of Yarl's Wood immigration centre, Bedford, would close immediately.

Quakers have long opposed the renewal of Britain's £20 billion Trident nuclear weapons system (one of the main policy differences dividing the coalition partners). Senior Liberal Democrats appear increasingly confident that they can secure a delay in approving the renewal until after the 2015 General Election. Quaker Peace & Social Witness campaign materials 'Don't Renew Trident' are still available, and this is an issue where Quakers, both individually and in their meetings, can present a confident and coherent voice.



Same-sex marriage

The decision of Yearly Meeting Gathering 2009 to offer Quaker marriages to same-sex couples, and to work towards the necessary changes in UK law, brought unexpectedly rapid results.

A House of Lords amendment to the 2010 Equality Bill, proposed by Labour peer Waheed Alli with cross-bench support, proposed to end the ban on the use of religious premises for, and religious language in, the celebration of civil partnerships in England and Wales.

Although opposed by Church of England bishops, speaker after speaker gave warm support for the argument for religious freedom advocated by Quakers, Liberal Jews, Buddhists and Unitarians. Tireless work by Friends House staff, notably Gillian Ashmore, Recording Clerk, and Michael Bartlet, Parliamentary Liaison Secretary, together with vigorous lobbying by many Friends throughout the country, contributed to this result – in one debate Hansard recorded at least nine references to Quakers.

The Equality Bill, with the relevant amendment, survived the General Election 'wash-up' and became law on 8 April 2010.

In the ongoing discussions about implementing the act, we continue to argue the Quaker case for full equality in marriage. On 21 September 2010, the Liberal Democrats became the first major political party to support same-sex marriage when its annual conference approved a policy motion, 'Equal Marriage in the United Kingdom'.

General Meeting for Scotland is looking for similar opportunities to move towards equality in marriage in Scottish legislation.

Quaker outreach

Friends House Library

Earlier in the year another exhibition recalled Friends' work in Madagascar from 1867 to 1927. Objects on display included animal horn stuffed with hair, teeth and nails, presented to Olaf Hodgkin while he was an educational missionary and said by the Malagasy to give their owner great courage and daring. The exhibition also referred to Friends' current work through Swansea Meeting's Money for Madagascar initiative.



A group of missionaries from 1895; picture from the Madagascar exhibition at Friends House Library

In August 2010, Quaker Peace & Social Witness (QPSW) found a new means of communication when Friends House hosted the Hiroshima–Nagasaki A-bomb exhibition, which explored the destruction of the two cities by nuclear weapons through photographs and artefacts recovered from the wreckage. Transported from Japan and on display in London for the first time, this exhibition represented a unique opportunity to see clearly the destructive capabilities of nuclear weapons. It was featured in *The Independent* and was the subject of a 'Face to Faith' piece in *The Guardian*.

Quaker Centre events

Some 30 events, attracting almost 2,000 people, were organised by the Quaker Centre during its first full year of operation. In March, Tim Jackson, author of *Prosperity Without Growth*, and Kate Pickett, joint author of *The Spirit Level*, attracted an audience of 300, while in June, Karen Armstrong's

talk 'The Case for God: What Religion Really Means' filled the ground floor of the Large Meeting House.

The book launch for Geoffrey Durham's *The Spirit of the Quakers* in Quaker Week 2010 was very successful. Demand for the book is considerable. There have also been three Quaker history events since the summer, two were regular 'fourth Tuesday' meetings and the other was a thoughtful panel discussion on the importance (or otherwise) of Quaker history, held during Quaker week.

Following the successful event with Karen Armstrong in the summer, we plan a further series of events on contemporary faith, to be organised jointly with London Quakers.

Other events held at the Quaker Centre included talks on or by:

- Quaker history, including several aspects of women's history
- a Hiroshima survivor and an ecumenical accompanier from Israel–Palestine
- Quaker poets, Philip Gross and Kim Morrissey
- the illumination of a little-known picture collection in Friends House Library.

Net bookshop sales for the year were £193,220, which is a 32% increase on 2009 (£148,656) and 16% up on 2008 (£169,717).

Quaker Week 2010

This year's Quaker Week focused on our understanding of peace and social justice. A poster campaign which complemented this proved popular. It focused on how a variety of individual Friends put their faith into action. We also used advertising space on Facebook to get our message out. We sent out 270 Quaker Week packs, and during October we had 375 new requests for packs, an increase on the last two years. The emerging pattern of meetings participating in Quaker Week, either every other year or every third year, is an encouraging sign of the popularity of Quaker Week.

Media coverage

Publications

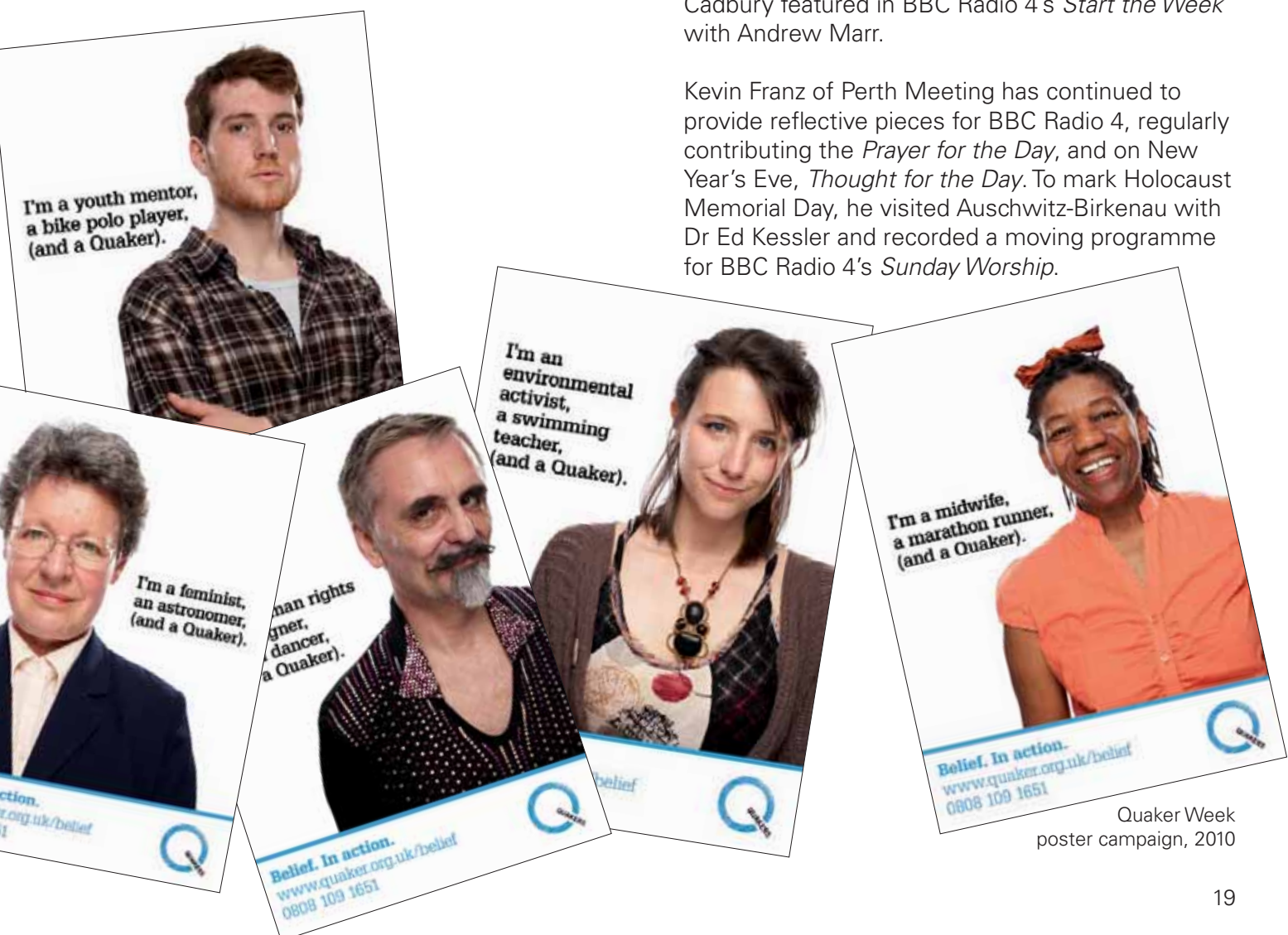
We have benefitted greatly this year from mainstream publishers' interest in Quaker books and Quaker authors. Geoffrey Durham's *The Spirit of the Quakers*, a new anthology covering 350 years of Quaker writing, was published by Yale University Press, which described it as "an engaging, often moving guide to this accessible and open-hearted religious faith." Aled Jones' interview with Geoffrey Durham on BBC Radio 2's *Good Morning Sunday* drew over a thousand people to the BYM website.

Symon Hill's *The No-Nonsense Guide to Religion* was published by New Internationalist. Described as "a small book which tackles the big issues head on", it explores religion's relationship with power, politics, culture, violence, freedom and truth.

Quaker support for the amendment to the Equality Act was widely reported in the national press, including the *Daily Telegraph*, *The Times*, the *Daily Mail*, *Jewish Chronicle*, *Pink News* and BBC Radio 4's *Sunday*. Our press releases were picked up throughout the Equality Bill's passage through Parliament. During Quaker Week we worked with *The Times* on a feature on Quaker concerns, including the Ecumenical Accompaniment Programme in Palestine and Israel. A press release on Quaker concern for under-18s in the armed forces was picked up by the BBC, leading to eight interviews on local radio stations.

Quakers have been interviewed on national BBC radio on being conscientious objectors, philanthropy and Quaker worship. The takeover of the Cadbury firm brings a steady stream of requests for interviews and there are many references to the family's Quaker history. Deborah Cadbury featured in BBC Radio 4's *Start the Week* with Andrew Marr.

Kevin Franz of Perth Meeting has continued to provide reflective pieces for BBC Radio 4, regularly contributing the *Prayer for the Day*, and on New Year's Eve, *Thought for the Day*. To mark Holocaust Memorial Day, he visited Auschwitz-Birkenau with Dr Ed Kessler and recorded a moving programme for BBC Radio 4's *Sunday Worship*.



Quaker Week poster campaign, 2010

Peace

“To be placed here by the Quakers to assist in this work is an opportunity and a blessing ...”

Marike Blunck, UK Peacemaker, Crisis Action

Work for peace goes to the core of Quaker witness. At the practical level, it requires constant review to check that it is meeting the needs of those involved in conflict and post-conflict situations. At the political level, it requires high-level advocacy to expose the underlying causes of violence and the importance of peacebuilding.

This chapter includes:

- International peacebuilding
- Investing in the future

International peacebuilding

East Africa

In 2010, the East Africa programme made a new beginning. After a period of research, wide consultation and reflection, we finalised a strategic plan, designed to implement our vision of small-scale, locally-built peace projects which can shine beyond the borders of East Africa. We established a partnership with Change Agents for Peace International in Kenya and are collaborating with the Quaker Peace & Social Witness (QPSW) 'Turning the Tide' programme to deliver training in active nonviolence to peacebuilders and community activists in Western Kenya.

Quakers in Kenya played a significant role responding to violence in the wake of Kenya's 2007 elections. The next election is in two years time, so our Kenya work is part of a comprehensive plan led by African Great Lakes Initiative in close collaboration with Friends Church Peace Teams to prevent election violence.

We reported in 2009 on the closure of our peacebuilding programme in Gulu, Northern Uganda. We have not cut our ties there completely and we are continuing, in a limited way, our partnership with Empowering Hands to explore the most helpful way forward.

In North Kivu, Democratic Republic of Congo, we supported a Quaker organisation in its efforts to prepare the way for three groups of 'enemies', displaced by armed conflict, to return to their communities and integrate with one another again. This organisation, the Centre for the Healing and Reconstruction of Grassroots Communities, offers training in mediation, trauma recovery and conflict transformation. The result was the establishment of various peace committees who volunteer their time to intervene and mediate conflicts as community tensions rise.

We also helped prepare one of their staff members, Zawadi Nikuze, for a trip to the Quaker United Nations Office in New York, drafting a policy brief and consulting on strategies for raising the profile of their community work.

In Burundi, QPSW peaceworkers along with the American Friends Service Committee and Healing and Rebuilding our Communities, an initiative of Burundi Yearly Meeting, worked together in the lead-up to elections in June 2010.

Elizabeth Cave, of Ealing Meeting in London, offered a workshop on 'Growing Together' as a means to help HIV-positive women to grow the balanced, nutritious, diet needed for good health.



South Asia

Our work in South Asia aims to strengthen the local nonviolence movement by acting as catalyst and connector. After seven years of engagement with the people of six countries (Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka), including the establishment of the South Asia Peace Alliance in 2006, QPSW is now working to support local leaders as they take forward this work.

To this end, Rajagopal, leader of *Ekta Parishad* (Unity Forum), was invited to be a key speaker at the QPSW conference in August, and gave other talks in the UK, highlighting the next *Janadesh*, or foot-march for justice, planned for 2012.

QPSW supports this regional network through two local staff posts, distance management and some financial support. After a review in February 2010, QPSW worked towards encouraging increased ownership of the project by the South Asia Peace Alliance Core Group.

After a meeting in Nepal in August 2010, the Group took an important step towards owning the work, confirming its purpose "to strengthen the capacity of common people at the community level to handle conflict in nonviolent ways, bringing sustainable change in their lives through the tools of mobilisation and advocacy".

Nagaland, north-east India

Working principally with the Forum for Naga Reconciliation, we continue to support key groups and individuals in their efforts to move away from recourse to violent conflict. With two or three minor exceptions there has been no return to violence between the armed groups. Members of the QPSW Naga Conciliation Group visited Nagaland in March to April 2010, refreshing and extending its connections through meetings with large delegations of tribal councils and with women.



Photo: EAPPI

Israel and the occupied Palestinian territories

In 2010, we sent 18 people on the Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI) and helped to coordinate their advocacy work on their return. Two Irish ecumenical accompaniers made a presentation to the Joint Irish Government Committee on European Affairs in Dublin on the subject of Palestinian child detainees. The joint biennial conference of the Quaker Council for European Affairs and QPSW in October 2010 focused on working for peace in the Middle East. It included the role of the ecumenical accompaniers as well as the European Union trade agreements originally made with Israel and the Palestine Liberation Organisation and the issue of ending trade with Israeli settlements.

In 2011, the World Council of Churches is extending the EAPPI to include accompaniers from the global south. In November 2010, in Manila, EAPPI Programme Co-ordinator Lynda MacInnes took part in training the first ecumenical accompaniers from the Philippines.

Peacebuilding and local meetings

Each year QPSW awards grants to a wide range of projects for development work, to help people move to a more sustainable future.

Each project must be supported by at least one local or area Quaker meeting in Britain.

In 2010, 16 projects received more than £84,000 in total: 9 in Africa; 5 in the Middle East and Asia; 2 in the UK; and ten of these projects were new this year.

Trustees are presently considering how to coordinate grant-giving within Britain Yearly Meeting, while retaining the level of care and scrutiny of the current system.

Investing in the future

Disarmament

We reported last year on the Dialogue for a Nuclear Weapon-free World Project, in which QPSW teamed up with the British American Security Information Council to facilitate dialogue between Quakers and decision-makers on nuclear disarmament. The government's postponement of the 'main gate' decision on replacing Trident until after the next election gives us the opportunity to look for exciting new ways to expand the project. It will allow us to increase our target to 40 or 50 decision-makers over the next four years and have a very real impact on the nuclear weapons debate.

Sam Walton, Peace & Disarmament Programme Manager, now serves as secretary to the Network of Christian Peace Organizations, who ran a successful PeaceZone at the Greenbelt Festival.

Human rights

2010 saw several thousand Friends supporting a parliamentary petition raising concern over the situation of 16- to 18-year-olds in the armed forces. (The UK is the only country in Europe to recruit at the age of 16.) Enlistees are committed at 16 to serve for four years beyond their 18th birthday.

The Parliamentary Liaison Secretary continues to keep Friends informed about opportunities to affect government legislation on this issue.

In October 2010, a group of cross-party MPs tabled Early Day Motion 781, which supported this Quaker-led initiative and urged the government to implement the recommendations of the Joint Parliamentary Committee on Human Rights. It recommends raising the age of recruitment to 18. This is in preparation for the quinquennial Armed Forces Bill which the government intends to introduce into Parliament in early 2011.

The Quaker United Nations Office in Geneva continues to work with partner organisations to ensure that the right of conscientious objection to military service is consolidated in UN case law and observed by member states.

Developing advocacy capacity

In 2009, we highlighted the need to develop advocacy capacity in order to influence the public and decision-makers on the importance of peacebuilding. This is still a strategic requirement for our central work. A variety of initiatives have demonstrated the energy and imagination which Friends of all ages can bring to the work.

The annual QPSW conference in August 2010 attracted over 100 participants, of all ages, from 41 area meetings. Rajagopal, from *Ekta Parishad* (see page 22) used singing, dancing and game-playing to inspire his audience.

QPSW continues its programme of one-year placements for peaceworkers with a wide range of voluntary organisations. At Crisis Action, one worker has concentrated on the effective use of digital activism, developing new techniques which can then be applied in new projects on Afghanistan and Israel–Palestine.

A well-known local Friends' project, the Quaker Bolivia Link, which has been working for almost 15 years to relieve poverty among the Aymara in the High Andes, decided to develop a new educational focus to its work. The group wished to raise awareness, especially among younger people, of social justice and equality issues within the international development field. This work was to cover the development of fundraising and communications strategies, lobbying, outreach and human resources information, and was supported by Friends House through the Supporting Local Initiatives programme (see Strengthening local communities, page 30).

The Quaker United Nations Office in Geneva has also been seeking ways to link the local and global aspects of peacebuilding. Its own experience is principally global, so it has recently joined with Peace Direct, which funds local peacebuilding initiatives. One achievement of the partnership is a small booklet by Carolyn Hayman, *Ripples into Waves: Locally Led Peacebuilding on a National Scale*, launched with special events in New York and Geneva.

Sustainability

“The Earth is God’s work and not ours to do with as we please. We recall Gandhi’s saying, often quoted by Quakers: ‘Live simply that others may simply live’. As a Quaker community, we do try to live what we believe, guided by the values of simplicity, truth, equality and peace.”

A Quaker response to the crisis of climate change, 2009

Sustainability is an approach which we aim to bring to the whole of our lives. It affects our buildings and other aspects of our environment, and also those issues which underpin our activities – our forms of income, and the ways in which we organise ourselves and resource our activities.

This chapter includes:

- Widening sustainability
- Sustainable security
- Transforming Britain Yearly Meeting

Widening sustainability

As a Society, we have accepted that we need to strengthen our response to climate change and to wider issues of sustainability. We are committed to transforming Britain Yearly Meeting into a sustainable community, and hope that through our witness and our work with partners we can also help transform Britain into a sustainable community.

Sustainability is an approach which underlies all aspects of our work by recognising our impact on the environment, acknowledging our connections with one another and with creation.

Sustainability and peace

During 2010, a three-year 'Sustainability & Peace' programme of work was undertaken by Quaker Peace & Social Witness (QPSW), in response to Friends' requests over a long period that we should work more substantially on environmental issues. A full-time staff member has been appointed.

Our peace knowledge, experience and work on Zero Growth Economy are being harnessed to support our commitment to work and live more sustainably.

QPSW has set up a new Economics, Sustainability and Peace Group and a newsletter for this programme has been produced and circulated. Through this Sustainability & Peace programme we are working to support the Quaker commitment to living sustainably.

Working with Living Witness

A collaborative working group has been initiated between QPSW, Woodbrooke Good Lives programme and Living Witness project. Living Witness is an independent Quaker body, currently involving about 80 Quaker meetings, which aims to connect our spiritual life as worshipping communities with our witness for a sustainable world.

This group continues to work well and has expanded to include Friends representing the Friends World Committee for Consultation Global Change consultation, Europe & Middle East Section, and the Northern Friends Peace Board.

Sustainable security

Northern Friends Peace Board, an independent Friends organisation, has been working to promote sustainable security as a peace priority. In October 2010 they issued a 'statement of concern', together with questions for discussion, reflection and action.

Sustainable security questions

- What makes us secure in this world?
- How can we move from a world driven by the struggle for power and control over the lives and resources of others to a world based on equality and respect for all life?
- How can we support one another in building that alternative?
- What resources can we draw on to help ourselves and others deal with pressures of change in ways that are peaceful and build sustainable security?
- What are the political and practical consequences of this?
- What opportunities can you take to raise these concerns with others and to take positive action for change?

Sustainable energy security

Quaker Council for European Affairs has developed a Sustainable Energy Security programme, to advocate a Quaker response to the connections between energy security, climate change and conflict. A new Policy and Advocacy Officer with a background as an atmospheric scientist was appointed in November 2010.

Climate change

Undaunted by the failure of Copenhagen, many Friends worked for a positive outcome at the UN climate conference held at Cancun in December 2010; during its deliberations a number of Friends took part in the annual march organised by the Campaign against Climate Change. While recognising that there remains considerable work to be done in advance of the next meeting in South Africa in December 2011, Friends nevertheless welcomed the fact that it had been possible to reach a negotiated compromise supported by all (or almost all) nations, an important vindication of the UN process.

Rachel Berger, of North Somerset and Wiltshire Area Meeting, attended the UN climate conference held at Cancun, Mexico, in December 2010 as an NGO observer.

She went with many misgivings: as one of those who had worked intensively towards a comprehensive climate change agreement in Copenhagen, it had taken her months to recover a sense of purpose and hope in her work.

While relieved that, at this conference, both developed and developing countries were able to make some of the compromises necessary to secure agreement, she concluded that successfully preventing climate change will require major changes in the economies of most countries, and consequential life style changes.

She wrote "It is abundantly clear that most middle income people, of whatever nationality are not ready to hear this message, let alone act on it. Quakers working on Living Simply have their work cut out!"

The living room, Greenbelt

The Sustainability & Peace programme was part of a joint Christian environmental display at the Greenbelt festival held at Cheltenham in August 2010. Several groups combined to create a space for people to discuss green issues and find out how to respond in their churches.

Our contribution included a performance from the Leaveners, the Quaker performing arts organisation, of their self-written play about possibilities for a sustainable future.

Low-input farming

QPSW organised an event to advocate the prospects for small-scale, low-input farming to feed the world. Ben Hobbs from Christian Aid (London) shared the findings of a Christian Aid and partner project which shows that small-scale, low-input farming can feed rural inhabitants and improve biological diversity and soil quality, as well as reducing carbon emissions.

Living without oil

The extraction of oil comes with huge environmental and social costs and we continue to use it at a rate that is unsustainable. A member of staff worked with Operation Noah (in her position as board member) to prepare 'Oil Fast' resources for churches. Another staff member has written an article for *The Friend* on her experience of spending a day without oil to publicise this initiative.

Transforming Britain Yearly Meeting

Ministry of giving

Sustainability refers also to the development of our work in general – in particular, to our funding and our approach to the development of work programmes.

Giving by Friends, to Friends' work, has been a significant issue for trustees during 2010. We have been very encouraged by Friends' responses to our expressions of concern regarding our financial situation during this year, and thank those who have responded magnificently to the situation.

The year has ended with a financial surplus, thanks to the generosity of meetings, Friends' donations and legacies. We continue, however, to be aware that reliance on legacies and one-off donations is not sustainable as a long-term position and we need to ensure regular income streams.

Legacies

Legacies are a wonderfully generous form of giving, and we are grateful for them.

However, our current dependency on legacy income for current expenditure is unsustainable. We need to help Friends – all of us – to accept that in order to sustain commitment to our work, our income sources must be equally committed and ongoing.

Our manner of working

We are grateful, too, for the service given by so many Friends to our committees, groups, and programmes – all contributing to our Society and its contribution to our world and communities. We, as trustees, acknowledge that some of our structures may be unsustainable, and that we need to consider their viability in their present form.

Friends and staff are encouraged to review their methods of working and meeting. They are asked to consider sizes / numbers of emails, phone-conferences, letters, mail-outs, committee and group meetings, moving towards paperless methods of working where these are suitable.

Katie Frost

"I felt compelled to give. Nothing complicated – a simple act of love"

In this way, Katie Frost, our Community Fundraising Officer, described her response to the Aberfan coaltip disaster in 1966. Then six years old, she emptied her piggy bank of its 12 shillings and asked her dad to send the money to the disaster appeal.

Katie spoke at Yearly Meeting 2010 about her experiences of giving, and how helping to provide financially for the Society's work is a part of our ministry to one another and to the world.



Local meetings

Mid-Thames Area Meeting, held at Reading in October 2010, joined in the 10:10 campaign's Global Day of Doing (www.1010global.org/101010) on climate change. Members of Reading's Sustainability and Climate Change Group coordinated a shared lunch and tea of locally grown and / or home-prepared food (wherever possible), and the area meeting agenda included local meetings' actions to reduce carbon emissions (they are all active).

Activities for all ages included looking at how Reading's carbon emissions have reduced by 8% already this year and what more can be done, similar achievements by other meetings, a swap shop / bring and buy, display of quilts and quilt-making (to warm elderly Friends in our cooler meeting houses), and a game for Friends to list everything which they think could be made even more sustainable.

Friends House

Friends House has been the London home of Quakers in Britain since 1926. One of our areas of work is that of making Friends House an exemplary sustainable site.

Targets have been set to:

- reduce energy use, water consumption and waste production
- reduce CO₂ emissions by 10% in 2010 and by 30% by 2013.

These are ambitious challenges, particularly as energy consumption increases as the hospitality business grows.

Management Meeting has created a staff-led working group to implement our policy and leading on behaviour and sustainability issues. We joined the 10:10 campaign and although we did not achieve substantial results due to the increase in letting and building occupancy, much has been done to reduce our carbon footprint and to raise awareness such as creating a 'pledge tree' for staff to describe, on an individual leaf pinned to the tree, what they will personally be doing to help.

Successes to date:

- reduction of water usage by installing flush sensors in the male toilets
- reduction in power usage by installing more efficient hand dryers
- installing lighting sensors and starting a programme of replacing light fittings with low- energy ones
- reduction in waste by going landfill free and recycling
- reduction in paper usage by reducing photocopying.

During 2010, Property Policy Group commissioned a carbon reduction plan which built on the work produced by the Carbon Trust. A firm of engineers, Max Fordham, has been engaged to oversee the implementation of the carbon reduction plan and the recommendations have been incorporated into all future building service plans'

Our acceptance of the need to accept and promote sustainability is underpinning our work on developing the Large Meeting House, and the maintenance of Friends House as well as our other premises (see Using our resources well, page 38).



The Friends House 'pledge tree'. Photo: Colin Edwards

Review of the work

In December 2010 Meeting for Sufferings reviewed progress on the sustainability priority. Sunniva Taylor, Sustainability & Peace Programme Manager, spoke about the implications of living out the statement on climate change which we adopted at Yearly Meeting Gathering (YMG) in 2009. She posed queries to Friends as part of the preparation for further consideration of sustainability at YMG 2011.

Questions to ask ourselves

- How are we supporting each other to live simple, joyful and spirit-led lives that sustain the world in which we live?
- To what extent do you see your meeting's response on this issue to be driven by guilt and fear, and to what extent by love and joy?
- How has your meeting engaged with this priority as a faith community?
- How do our testimonies shape our response?

Yearly Meeting Gathering

Sustainability begins with us. As individuals, as a Society, before moving into our broader society, we need to view the issue spiritually, organisationally, economically and environmentally. We want the theme of this year's YMG to reflect this.

The Gathering's theme, 'Growing in the Spirit: changing the way we live to sustain the world we live in' includes not only how we sustain our planet but the smaller worlds we live in, such as our local and area meetings and wider communities.

A recent meeting of the joint QPSW, Woodbrooke Good Lives programme and Living Witness project group focused heavily on preparing a coordinated build-up to YMG 2011.

Resources and publications

Staff are working with Living Witness project representatives to refresh and reissue some of their key resources in a 'Meeting House Sustainability toolkit'. We hope that this will be ready for distribution early in 2011.

The 'Responding to Climate Change' briefing packs have also been brought up to date and a small print run is intended to replenish stocks.

In November 2010 QPSW produced a joint policy briefing with the Methodist Church ahead of the 'Big Climate Connection' mass constituency lobby.

The sustainability area of the website continues to improve.

Pictures from the 'Meeting House sustainability toolkit'



A meeting house garden: courtesy Jamie-Rose Campbell



Members of Cotteridge Meeting with new solar PV panels: courtesy Harriet Martin

Strengthening local communities

“We should be ready to insist that all faiths have internal diversity and that it is a Quaker strength and not weakness that we embrace such diverse perceptions of religious truth.”

Richard Seebohm, reporting on Woodbrooke conference, September 2010

We live in a society under pressure, in which certain groups are marginalised, others fearful, and the cohesion of communities disturbed by rapid change. Quakers have been active throughout our history in caring for those who are disadvantaged or dislodged from their family roots. This priority reflects the intention of Quakers in Britain to continue to develop this work.

This chapter includes:

- Supporting Local Initiatives project
- Working with asylum-seekers
- Diversity, inclusion and equality

Supporting Local Initiatives project

Applications were sought in June 2010 for a pilot project, 'Supporting Local Initiatives'. Four (out of five) projects were selected for collaborative support from Friends House over a two-year period.

In light of this pilot project, Quaker Peace & Social Witness (QPSW) will review issues including:

- use of publicity
- quantity and quality of information distributed
- timetable.

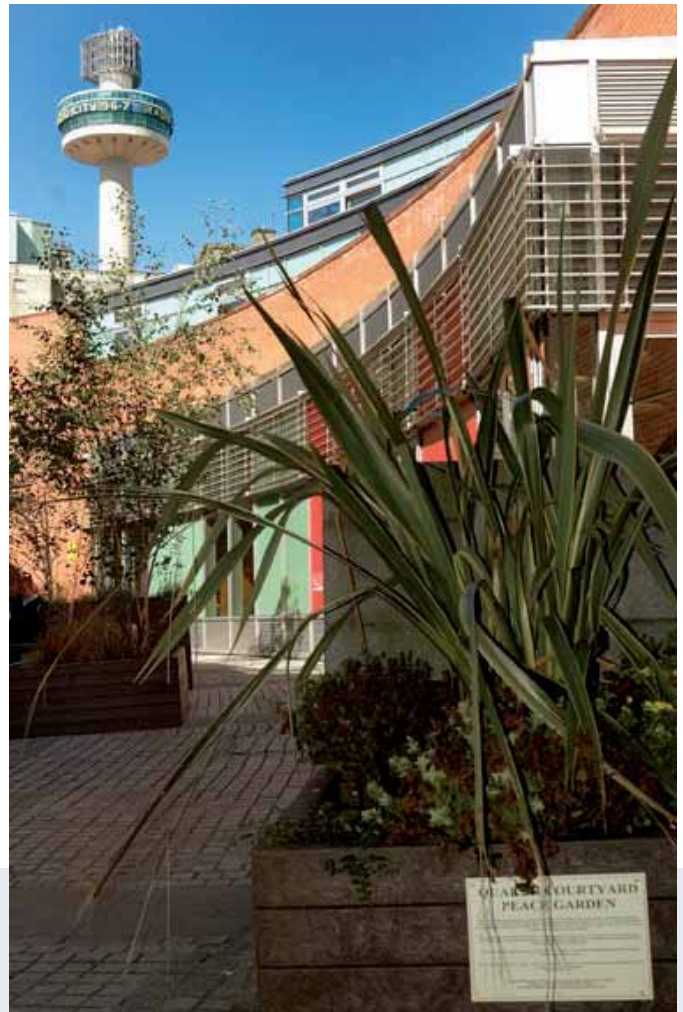
It is recognised that many Friends in Britain are not yet accustomed to this manner of corporate but locally based working, nor to the idea of bidding for central support. Nevertheless there were some notable local initiative projects produced.

Manchester and Warrington Social Justice Group

This group has a concern which was clarified by the Zero Growth Economy conference in 2009, and has since been developed into a project concept which is being taken forward. The group want to raise awareness among Friends and the wider public of the injustice and inequality of our current economic system and to pressurise the government to undertake equality-promoting reforms. The Social Justice Group is keen to receive support from Friends House in project planning, media or communications strategy, and lobbying at local and national levels.

Next steps were to:

- meet with the group's representatives
- analyse the projects and identify the correct support to meet their needs and achieve their aims
- appoint the most appropriate person from Friends House for each aspect of the work
- establish a work plan or calendar, to support their work.



Liverpool Meeting House Peace Garden. Photo: Bernie Thomas

Liverpool Local Meeting outreach project

Liverpool Quaker Meeting owns a well-situated meeting house in the centre of the city, which is already used for meetings, gatherings, as a café and as offices.

The Supporting Local Initiatives project for Liverpool will assist them to develop the meeting house as a principal outreach resource and to develop networks and partnerships, in order to raise awareness of Quakerism and to witness more fully to faith in action.

Members of the meeting want to work collaboratively with other religious representatives in the city centre to offer support to the urban community. An Engagement and Development Officer has been appointed to lead the project. Support from Friends House has begun to help to develop the strategy and design of activities, and to provide guidance and help for the meeting's efforts.

Working with asylum-seekers

QPSW Relief Grants represent a long-established source of funding which is well known among Friends. Of the 16 projects supported in 2010, two relate to work with asylum-seekers in the UK.

Totnes Meeting

Totnes Meeting supports Room2Heal, London, a healing community for asylum-seekers, refugees and others who have suffered human rights violations.

The meeting received a one-year grant to initiate a programme of therapeutic support for male asylum-seekers, which will balance the existing provision for women.

Swansea Meeting

In 2009, Swansea Meeting submitted a successful Relief Grant application for a pilot project for a development worker to be employed to address emergency and chronic accommodation needs of refused asylum-seekers who, as a result, are destitute.

This project is run by Co-ordinated Action for the Relief of Destitution in Swansea and connected with a variety of other voluntary agencies through the Swansea Bay Asylum Seekers Support Group.

In 2010, the meeting received a QPSW grant to establish a scheme where local people host asylum seekers who are homeless.

Quaker Asylum and Refugee Network

QPSW supports the Quaker Asylum and Refugee Network's web-based discussion group. The Network is a 'listed informal group' within the structure of Quakers in Britain.

The Network seeks to change the way that refugees and asylum-seekers are treated, and to help Quakers in Britain to work more effectively for justice and compassion in our asylum and immigration system.

The Network has been active in campaigning against the detention of children for immigration purposes (see *Speaking out in the world*, page 16) and on monitoring the activities of the UK Border Agency. It also campaigns on behalf of those indefinitely detained in the UK on the grounds that it is too dangerous to return them to their home country.

Diversity, inclusion and equality

Quaker Housing Trust: faith in affordable housing

Quaker Housing Trust is an independent body which is supported by central Britain Yearly Meeting (BYM) staff. In 2010, the Quaker Social Housing Account:

- made 14 grants
- offered or paid eight interest-free loans to 17 projects
- agreed five more loans.

A one-day conference in Cumbria in October 2010 looked at how to create affordable housing and community facilities in faith buildings and land. Co-funded by Quaker Housing Trust, it was the second Housing Justice Faith in Affordable Housing regional event. It is hoped that the series will continue in 2011.

Quaker communities

We seek to be more inclusive within our own Quaker communities and the Quaker Life Network is a useful tool to strengthen this.

Quaker Life Central Committee identified the need for promoting emotional resilience and responding effectively to mental health issues as an important aspect of Quaker events, especially with young people.

The publication *Living as a Quaker* (2009) aims to strengthen resilience in young Quakers who may be experiencing exclusion because of their faith.

In November 2010, Quaker Life ran a one-day conference, led by Nigel Pimlott from Frontier Youth Trust, for all those involved in Quaker youth activities to share experiences and learn from each other about these issues.

Interfaith work

Last year, we reported on the inter-church work of the Quaker Committee for Christian &

Interfaith Relations, which culminated in the publication *Quakers and the Ecumenical Agenda*. The committee's task in 2010 was to develop a deeper understanding of Quaker interfaith work. Research undertaken by the committee indicates that hundreds of Friends are deeply involved in interfaith work across BYM, but that activities vary considerably.

An interfaith conference 'Building Trust Across Faiths: creating interfaith dialogue', ran jointly with Woodbrooke in September 2010. It brought together many Quaker interfaith practitioners. The purpose of the event was to support practitioners and to engage in a deep discussion of the purpose and motivation behind engagement in interfaith work. It became clear that there are two possible reasons for engaging with interfaith work, and that the two are not mutually compatible: to enhance good community relations including combating racism; and to pursue religious encounter.

For many Friends, the search for Truth needs to take precedence over community relations, although as a peace church, we are likely to be involved on both levels.

This work continues, and the Quaker Committee for Christian & Interfaith Relations is working on a document that will develop these ideas for Friends. It is hoped this will be ready for Meeting for Sufferings' consideration in October 2011.

Daniel Edge

In 2010, Daniel Edge, a QPSW one-year peaceworker, worked with the Christian Muslim Forum, a national body founded by the Archbishop of Canterbury. It aims to build bridges through practical projects and initiatives.

His reports recounted his experiences visiting Christians and Muslims in Bosnia, and hosting a reciprocal visit to the UK.

Daniel was in much demand as a speaker at Quaker meetings at the end of his placement; he also gave an afternoon talk at the Quaker Centre.

Crime, community and justice

"I am always told to move on from the past, but I'm not allowed to. It would be good to know how long the tunnel is so that I can see the light."

Life sentence prisoner, 'Learning from Experience' project

Quaker work in supporting prisoners and campaigning for reforming the justice system is well known. Our work includes promoting alternatives to violence and to custody, to advocating restorative justice, and support not only for families of prisoners but also for communities affected by crime.

This chapter includes:

- Supporting prisoners and the community
- Prisoner Resettlement Project (RESET) Kent
- Quaker prison chaplains

Supporting prisoners and the community

Learning from experience

The Crime, Community and Justice Group's 'Learning from Experience' project collects as many stories as possible from people who have been affected by the criminal justice system.

We received stories from 12 area meetings in England and Scotland by the end of the year. Many are from people who have served or are serving prison or community sentences.

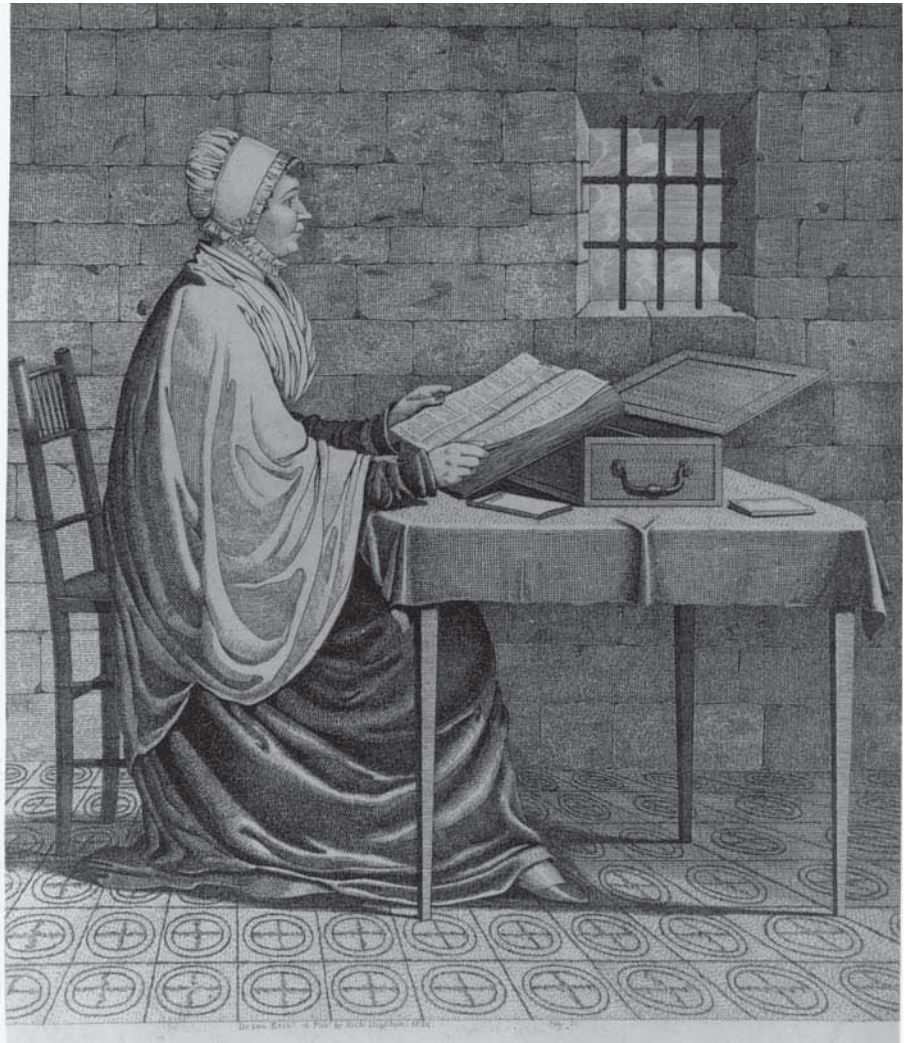
We are now looking for more stories, particularly from families of people who have been sentenced.

Initial themes emerging are:

- the importance of personal support from an individual
- the continuing effect on people's lives long after a sentence has been completed.

The Group plans to use these stories as supporting material when expressing Quaker views to government, as policy is developed following the December 2010 Green Paper, which aims to:

- decrease the prison population by 3,000
- make more use of community sentences
- reduce the use of remand
- provide more help to deal with inmates' drug and alcohol addiction problems and with mental illness.



Elizabeth Fry (1780-1845), penal reformer.
Picture: courtesy of Friends House Library

Working with prisoners' families

When someone is given a prison or community sentence, it affects not only them but also their family and friends, the victim, and the professionals involved. Too often the effect is damaging.

Quakers believe that a better understanding of the consequences of the use of custodial and community sentences will encourage a search for less damaging and more constructive responses. To do this, we want to know what actually happened – or may still be happening – to individuals affected when someone receives a prison or community sentence.

Women in prison and the children of imprisoned mothers

For almost ten years, the Quaker United Nations Office in Geneva has been championing the issue of women in prison. A notable milestone took place in December 2010 when the UN General Assembly adopted a resolution setting out specific standards for the treatment of women accused of crimes or serving custodial and community-based sentences. These will be known as the 'Bangkok Rules'.

Women in Prison: Commentary on the UN Standard Minimum Rules for the Treatment of Prisoners produced by the Quaker United Nations Office was a major reference tool for the preparation of these Rules.

The next step is for member states to examine their criminal justice and social welfare policies, legislation and practices so as to identify gaps and plan for the implementation of the Bangkok Rules. The Quaker United Nations Office and other partners are working together to offer guidance and materials to member states and other interested bodies.

Chris Walker

Quaker Peace & Social Witness peacemaker, Chris Walker, is based for one-year at the Alternatives to Violence Project (AVP).

AVP delivers workshops in communities, prisons and through partner organisations to help people handle conflict without violence. Chris started a project working with offenders and ex-offenders in the community. He saw the difficulties faced by people adjusting from prison to life outside, coping with the stresses of unemployment and supporting their families.

This year AVP has also worked with people, mostly women, coping with a partner, family member or friend in prison. Many women may have experienced violence themselves, and have the pressure of supporting their families on their own.

Group exercises and role play have helped these groups find new ways of handling the conflicts that often arise in their daily life.

Prisoner Resettlement Project (RESET) Kent

RESET Kent is a newly established charity which evolved from a concern raised by Maidstone Local Meeting. It works in close association with the prison, probation and police services, and aims to prevent reoffending by helping ex-prisoners address issues such as:

- accommodation
- employment, training and education
- physical and mental health
- drug and alcohol addiction
- money management.

RESET was contracted by Kent Probation Trust to implement a new nine-month programme, 'Through the Gate', providing wrap-around support to people released from prison and at risk of reoffending.

Friends House staff are working with a small team of RESET volunteers to help develop and implement a communications and fundraising strategy, aimed at building strong relationships with stakeholders who can help to sustain the programme beyond March 2011, when its present funding ceases. This work is being supported by Friends House through the QPSW Supporting Local Initiatives project.

Increased use of third-sector expertise is part of the government's plans for strengthening prisoner rehabilitation. However, we also need to be alert to the implications of innovative government schemes which use the private sector to create payment-by-results schemes, such as Social Impact Bonds.

Quaker prison chaplains

The most obvious present-day witness to the historic Quaker concern for prisons is the contribution of Quakers working within multifaith prison chaplaincy teams.

At present, over 90 prisons in Britain have a Quaker prison chaplain. Many more Friends regularly attend meetings for worship in prisons. Quaker prison chaplains reach out to some of the most vulnerable people in society when they are very often alone and unsupported within the prison environment.

This witness by Quaker prison chaplains also functions as a valuable form of outreach, not just to prisoners and prison staff but others working in chaplaincy teams as well.

We continue to support our Quaker prison chaplains with training opportunities, held jointly with Woodbrooke, a weekend course covering various aspects of the role and the more advanced 'Equipping for Ministry' course, which features a module on prison ministry.

Completion of this course also makes the Quaker prison chaplain eligible to apply for employment as a coordinating or assistant chaplain.

The annual conference was held at Woodbrooke in October 2010.

Lucy Pollard

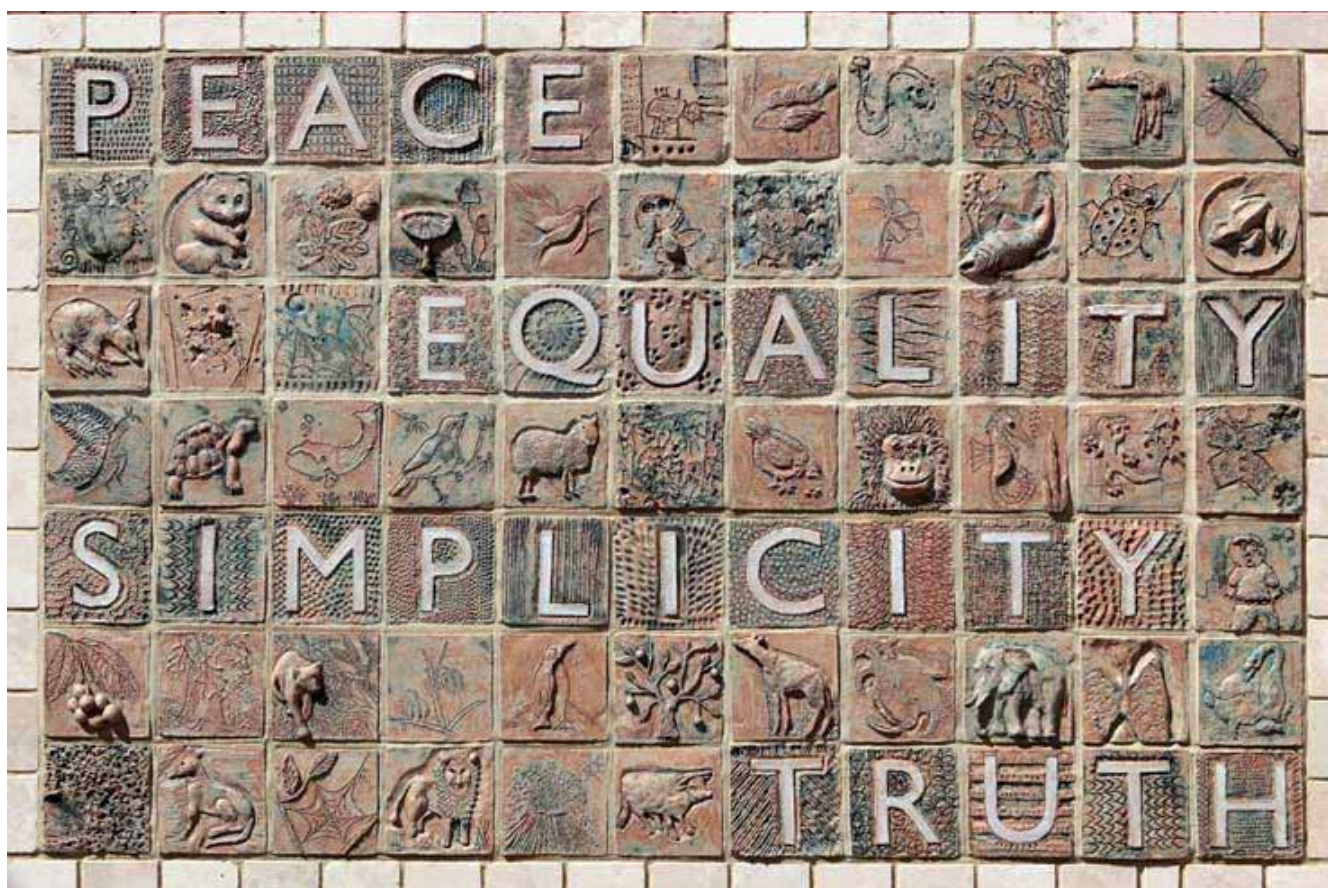
Lucy Pollard, Quaker chaplain to Warren Hill, a juvenile prison near the Suffolk coast, which holds around 200 young male offenders between the ages of 15 and 17, described her experience as a Quaker prison chaplain in *Reform* (April 2010).

She describes prison chaplaincy as "moving away from having an establishment appearance".

There is an Imam and clergy from all the main Christian denominations on the team, with a Rabbi and representatives of the Hindu and Buddhist faiths coming in when needed.

A common understanding of care and loving guidance for the vulnerable seems the dominant ethos.

"Most of the boys aren't aware of what a Quaker is anyway. But they have a good deal of respect for all the chaplains. They can ask to see us at any time and they know that we have a care for them all."



Tiles made by Horfield Quakers for the Peace Garden, Horfield Quaker Meeting House, Bristol

Using our resources well

“We can respond to none of our spiritual imperatives or charitable objectives without appropriate resources of staff and money to get the work done.”

Trustees’ Annual Report 2009, page 25

We aspire to be good stewards of our shared resources. We aim to ensure that tomorrow’s Quakers will inherit a Society in good spiritual and financial health, open to the world and with a confident voice and clear values.

This chapter includes:

- Working more efficiently
- Prioritising our work

Working more efficiently

Nominations

We have viewed the giving of financial resources as just one aspect of the whole – the ministry of giving also includes the giving of time, skills, and energy. Central Nominations Committee, appointed by and accountable to Britain Yearly Meeting (BYM), is responsible for bringing forward the names of Friends to serve for most of the appointments made by BYM and Meeting for Sufferings. Spiritual discernment of the abilities and talents within our Society is at the core of this process.

Trustees have noted that, from a membership of over 14,000, only 820 Friends have completed an Offer of Service form. This is less than 6% of members and we are anxious to increase the number of Friends considered for nomination. We are grateful to all who have offered, and to the Supporting Friends who are contacted when a nomination is considered.

We placed an advertisement to encourage expressions of interest for those who would like to be considered for nomination as a trustee. We also used the monthly mailing to area and local meeting clerks to encourage more Friends to complete these forms and to let them know what nominations are coming up so that they can express their interest.

Treasurers' Support Pilot Project

The Treasurers' Support Pilot Project was set up to send out the annual appeal / schedule on behalf of treasurers during 2010. It proved an excellent service for meeting treasurers who were finding this process difficult to resource. We were able to offer solid practical support where it was needed and it has helped build good relationships and trust between treasurers and our central fundraising team.

The project attracted a wide spread of different requirements ranging from simply distributing the appeal on behalf of treasurers to offering a

complete service covering distribution, collection, banking, thanking and reclaiming of Gift Aid.

Meeting houses: staff and employers

Quaker Life has continued to field telephone, email and personal enquiries from both Quaker employers and employees. The nature of the issues varies widely and there continue to be enquiries generated by monthly advertisements in the Job Vacancies section of *The Friend*, which offers support to employers thinking of employing a warden.

Friends House refurbishment

The trustees have spent time over the last two years considering its long-term future, and a vision for Friends House has been agreed.

During 2010 more work was done to examine the feasibility of making changes to Friends House that would help to achieve the vision. We produced a carbon reduction plan focused on improving the economic and environmental sustainability and accessibility of Friends House.

A review of space was carried out and plans produced to relocate the Quaker Life, Quaker Peace & Social Witness, Recording Clerk's Office and Quaker Communications departments to the third floor allowing four new meeting suites to be provided to accommodate the growing demand for meeting space and to allow us to raise an additional £200k of income by 2013 for centrally managed work.

The concept design took into consideration the need to meet our commitment at the Windsor 'Many Heavens: One earth' conference to:

- reduce our carbon emissions by 30% by 2013 by insulating the building
- improve lighting and the working environment.

Trustees approved the proposal and the works began in March 2011.

The financial uncertainties of 2009 had led trustees to delay work on any development of Friends House. The deterioration of the seating and environment of the Large Meeting House began to have an adverse effect on its ability to attract lettings, and so approval was given for its interim refurbishment. It was carpeted, painted, and the seating was re-covered.

The trustees have also commissioned the firm of architects John McAslan and Partners to work with a project board to produce design concepts for the redevelopment of the Large Meeting House to make it suitable for a wider range of events, to enhance it as a heritage space and to ensure the income is protected in what is becoming a very competitive market.

The proposals will help trustees to assess the viability of the full development. We are excited by the possibilities raised by this for producing a meeting space more relevant to the needs of our Yearly Meeting and of our existing and potential users.

Friends House office facilities

We have taken action to limit energy use of our office equipment. We entered into a contract with Very PC, whose computers achieve energy efficiency savings of 50%. We are also using 'dumb' terminals, which produce good energy efficiency savings. We have improved our supply arrangements for print, to get better value for money and to reduce our environmental impact.

Work has progressed on our project of reconfiguring the space for our offices, so that we can provide accommodation for our staff which is both fit for purpose and realistic in releasing space for enhancing our rental opportunities.

The Large Meeting House at Friends House:
Photos: Colin Edwards



Friends House lettings

Staff in the Hospitality Company work hard to apply our Friends House lettings policy without prejudice or favour to each group requesting a booking. Bookings are only accepted after customers agree to comply with our terms and conditions. There were difficult letting decisions for the staff during 2009 and 2010 and a decision was taken to ask Meeting for Sufferings to review the lettings policy and procedures. They minuted: "We consider that the current policy is appropriate as it stands. We wish to extend the hand of friendship. We acknowledge the risk of occasional mistakes. We are pleased that we have developed interfaith contacts who advise on some applicants to use our space."

Friends House food

The catering department continue to use fresh food and Fairtrade products, sourcing our food locally wherever possible. They have introduced organic milk throughout the operation and are committed to sourcing at least 50% of fruit and vegetables from organic suppliers.

The team implemented its pledge to reduce the amount of meat consumed at Friends House by promoting a better choice of meat-free dishes and introducing meat-free Monday and Friday.

They are working closely with the Marine Stewardship Council (MSC) to achieve a 'chain of custody' accreditation for their fish produce. The MSC work to develop standards of sustainable fishing. They ensure that MSC-labelled seafood comes from, and can be traced back to, a sustainable fishery.

The department gained the Soil Association's 'Food for Life' catering mark with silver accreditation for our popular restaurant.

It is currently working on gaining the accreditation for the other parts of the catering business.

The department has become a member of the Sustainable Restaurant Association and is working closely with Sustain, a body which advocates better food and farming policies and practices.

The department has recently been nominated for the London Sustainable City Awards 2010-2011, and we have been shortlisted in the procurement category.



Photos: Colin Edwards



Prioritising our work

Friends House staff

Trustees delegate to senior staff the responsibility for implementing policies and managing the work. At 31 December 2010, the members of the senior staff – Management Meeting – were:

Michael Hutchinson: Acting Recording Clerk
Helen Drewery: General Secretary of Quaker Peace & Social Witness and acting Head of Human Resources
Paul Grey: Head of Hospitality
Vincent Poupard: (interim) General Secretary of Quaker Finance & Property
Rachel Rees: Head of Quaker Communications and Fundraising
Richard Summers: General Secretary of Quaker Life

During 2010, we have seen several changes of staff. Gillian Ashmore, the Recording Clerk, left in September and Gillian Palmer, the General Secretary of Finance and Human Resources, in August. We were pleased to appoint Paul Parker as our new Recording Clerk, and look forward to working with him when he takes up his post in May 2011.

We have welcomed the arrival of Vincent Poupard as our interim General Secretary of the Finance & Property department. Our Human Resources department has itself undergone substantial changes this year. We are grateful to Gill Taylor and Julie Fewtrell, our human resources consultants, who have worked to ensure that our processes and record-keeping are correct and accurate. We thank them also for the much-needed revision of the staff handbook. We are also mindful of the support given to the Human Resources function by our Employment Sub-committee, and we thank them for their work.

In 2010, as the trustee body, we aimed to improve communication with our staff. To that end, we held staff meetings, open to all staff, where our Clerk and Assistant Clerk have shared our thoughts and views on a variety of issues, and received very helpful feedback and suggestions. We are grateful to our staff for all their support and diligence during a year of transition.

Trustees were very aware of the need to exercise caution in our expenditure and plan for development of our work during 2010 and 2011.

We have, therefore, given Management Meeting clear advice, and asked them to take account of various issues, including, for example:

- the need to seek better use of resources in a number of areas
- the expectation that each committee will exercise a strong focus on core work consistent with *A framework for action 2009-2014*
- development of partnerships to maximise our effectiveness
- extend the use of networks and limited-term working groups in place of existing more static structures, thus achieving greater flexibility and participation by Friends
- to increase resources for support for local meetings.

Working with Woodbrooke Quaker Study Centre

BYM trustees met the trustees of Woodbrooke Quaker Study Centre several times in 2010 to explore ways of working more closely in partnership. We are pleased that, on an operational level, Woodbrooke continues to host and help organise many courses run for, and by, Friends to support the work and development of our Yearly Meeting.

The Hospitality Company

Friends House Hospitality (London) Limited is a subsidiary company of BYM, to which, under a service agreement, it provides facilities management and office services as well as managing the conferencing, room lettings and catering business at Friends House, London.

Hospitality and service

The Hospitality Board met with staff in early January 2009 at an away-day to consider how best to capitalise on its strengths, identify and reduce

its weaknesses and to develop opportunities and mitigate its threats.

From the meeting a new business plan has been developed to provide an understanding of how the commercial lettings, retail catering and building service operations are performing and to give strategic direction and clearly set out the priorities until 2013.

Key recommendations for hospitality and service

- Implement a department restructure that creates three defined areas:
 1. sales and marketing
 2. service delivery (reception, housekeeping / cleaning, and catering & conference / meeting support)
 3. facilities (office services, building services and health & safety).
- Continued investment in the building and equipment will ensure retention of existing customers while allowing for growth into new market segments.
- Increase in marketing spending to grow occupancy and day-delegate packages.
- Implement changes within catering to ensure job roles and responsibilities are defined and weekend costs reduced.
- Employing key roles within the department to ensure consistent standards of service.
- Carry out a job evaluation within the department and introduce Skills for Life training for our staff.
- Improve core processes such as credit control, stock handling and office administration.

Hospitality Company finance

In what can only be described as uncertain economic times, the Company has again exceeded gross income generation targets, while keeping costs within agreed margins.

Overall sales grew by 8.5% resulting in the Company contributing £1,507k to BYM in 2010, comprising £130k in rent, £885k in contribution to overheads and £492k in gift-aided profit.

Friends House Library

The highlight of the year was the completion of the project, funded by the Wellcome Trust, to catalogue the Library's collection and archives of the Friends Temperance Union, and to digitise its posters and slide collections. An online exhibition and a study guide are available on the website and a well-attended launch was held with a magic lantern show of some of the 1,100 slides. For more information about the Library, see page 14.

www.quaker.org.uk



Our main website was further restructured in 2010, following guidance from Quaker Communications Central Committee and Quaker Life Central Committees, both of which wanted the site improved to serve the needs of visitors not familiar with Quakers. Several alternative ways of accessing the information have been developed, with the main site menu sections becoming 'Introducing Quakers', 'Faith and action' and 'Resources'. Our website receives over 310,000 visits each year.

Equality and diversity

Staff reported to Meeting for Sufferings in January 2010. Support for audio versions of Meeting for Sufferings' papers has been provided and the 2010 Yearly Meeting Gathering documents were made available in DAISY format (an RNIB approved electronic document format). Staff continued to support the Talking Friend in distributing the taped versions of publications to blind and partially sighted Friends.

Governance

“Now that our governance arrangements have settled, it may be the time to simplify more... we need to make sure we are using our structures with integrity.”

A framework for action 2009-2014, page 20

Dispensing with a paid clergy, Quaker governance depends on the widest possible participation by our members. As a religious community, we seek to enable our members to discover what their gifts are and to develop and exercise them to the glory of God.

This chapter includes:

- Trustees serving during 2010
- Governance activities
- Policies of Britain Yearly Meeting
- Review of financial activities for the year
- Statement of trustees' responsibilities
- Independent auditor's report
- 2010 at a glance

Trustees serving during 2010

Clerk:

Jonathan Fox (pictured below, left)
Lincolnshire Area Meeting (AM)

Rowena Lovrance
London West AM

Janet Lynch
Bristol AM

Assistant Clerk:

Beryl Milner (pictured below, right)
East Scotland AM

Margaret Mortimer
South East Scotland AM

Ex officio:

Ron Barden
Northamptonshire AM

Michael Phipps
Chilterns AM

Geoffrey Rendle
North West London AM

Christine Cannon
Lancashire Central & North AM

Peter Smith (until 31 March 2010)
Norfolk & Waveney AM

Alan York
South Wales AM

Andrew Burns
South Wales AM

Notes

Ron Barden is clerk of Quaker Finance & Property Central Committee.

Christopher Denman
Bristol AM

Ron Barden is a director of Friends Trusts Limited.

Gethin Evans
Mid-Wales AM

Ron Barden and Sandy Horsfall are directors of Friends House (London) Hospitality Limited.

Sheila Gatiss
Cambridgeshire AM

Christine Cannon was Assistant Clerk of Meeting for Sufferings throughout 2010.

David Heathfield
Hampshire & Islands AM

Sheila Gatiss is Clerk of Quaker World Relations Committee

Sandy Horsfall
London West AM

Janet Lynch is a member of Quaker Finance & Property Central Committee.



Photo: Colin Edwards

Governance activities

Trustees' oversight of the centrally managed work

The duty of trustees is to ensure that the priorities for the work set out by Yearly Meeting (YM) and Meeting for Sufferings is taken forward with the right use of our resources and to ensure that the governance and management of the work carried out are in accordance with the objectives set out in the governing instrument as well as compliant with charity law.

To do this, we are well supported by standing committees, whose work is included in this report.

We trustees, together with the standing committees, define policies and decide the work to be done. Management Meeting decides how to implement these decisions and manage the work which is carried out by staff and in partnerships with individual Friends, meetings and other organisations. Trustees also have two sub-committees: the Audit Sub-committee and the Employment Sub-committee.

The standing committees are:

- Quaker Life Central Committee
- Quaker Peace & Social Witness Central Committee
- Quaker Finance & Property Central Committee
- Quaker Communications Central Committee
- Quaker Committee for Christian & Interfaith Relations
- Quaker World Relations Committee

Governing document

Most of our governing document is taken directly from existing passages in *Quaker faith & practice*, the book which constitutes the Christian discipline of Britain Yearly Meeting (BYM). In addition to governance, *Quaker faith & practice* contains advice and counsel, the encouragement of self-questioning, of hearing each other in humility and love. Also known as the book of discipline, *Quaker faith & practice* was first compiled in manuscript form in 1738 and is revised at intervals.

The present revision of *Quaker faith & practice* was approved by BYM in 1994 and has been amended regularly since then. The fourth edition incorporating those amendments was published in 2009.

Developments in governance

2010 has been the fourth full year of our new governance structure. As members of the trustee body, we continue to settle into the role:

- developing our support of staff and our challenges to them
- planning and monitoring work
- developing the relationships with committees
- establishing ways of working which enable as well as provide a checking balance.

During 2010 we received the draft report from the Review Group on Trustees and Meeting for Sufferings, which was appointed by BYM 2009.

We welcome the considered work that they have already reported on and look forward to receiving the final version of their report in 2011.

Trustees' appointment and training

The appointment, induction and initial training of trustees is organised on a three-year rolling cycle. Appointments are made by YM in session with names brought forward according to the Society's nomination process. Any member may call in question, in open session, any name brought forward.

Induction and training are based on the trustees' terms of reference and presentations on key aspects of the work, arranged at the beginning of their service and at intervals thereafter.

New trustees are mentored by existing trustees to help them become familiar with their role and to have their questions answered. They also have the opportunity to attend training courses.

Policies of Britain Yearly Meeting

Trustees are mindful of the need for BYM to establish, maintain and develop policies for key areas throughout its work and to take a proactive approach to this.

Members' committee service

BYM places weight on its practice of involving a wide group of Quakers in its life and decision-taking. In addition to the six standing committees, there are numerous groups of Friends, some of which are advisory, some responsible for implementing decisions, and some of which have delegated authorities to take forward particular pieces of work. They work alongside staff or are supported by them. In all, over 500 Quakers are involved in this way.

Quakers are chosen for this service through a careful nominations process, taking names from across all area meetings. The committees and groups are kept fresh through a policy of limiting the length of service to no more than two consecutive spells of three years. The clerks of trustees are appointed by YM in session.

The Committee handbook, which contains guidance for committee members on their role, and the Meeting for Sufferings handbook (for meeting representatives on the central representative body) were both revised recently to reflect changes in governance.

Equal opportunities

In 2009 BYM adopted as a working equal opportunities policy:

"... 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 aims, commitment and procedures for implementing the policy appropriate to their areas.

Safeguarding children and vulnerable people

The BYM trustees recognise the importance of the ministry to, and work with, children, young people and vulnerable adults and their responsibility to protect them.

To help make our commitment clear, and to comply with legislation and good practice, we have adopted a policy based on a model published by the Churches' Child Protection Advisory Service and have put detailed procedures in place. Both policy and procedures are reviewed annually.

We are committed to ongoing safeguarding training for all relevant staff, volunteers and trustees. We have undertaken to follow the principles found within guidance issued by the Home Office and acknowledge it is unacceptable to abuse a position of trust especially when dealing with a child, young person or vulnerable adult.

Volunteer involvement

BYM has adopted a policy for volunteers who work alongside paid staff. It is based on four principles:

- the role of volunteers and the staff with whom they are working must be clear
- the work of volunteers should be seen as complementary to the work of staff and volunteers should be supported in their task
- volunteers will not be used to replace staff posts
- staff and volunteers will work closely together.

Risk management

A risk register and report for the centrally managed work is maintained with risks prioritised according to likelihood of occurrence and potential impact on either finances or reputation. We reviewed the register and were pleased with the changes made to the format which improve significantly the exercise of our responsibilities in this area.

Health and safety

BYM trustees are responsible for the health and safety of their staff and premises. All items from the first Health and Safety Audit have now been addressed and corrective actions taken. A second Health and Safety Audit was carried out in 2010 by our Health and Safety provider, and an action plan has been produced. Several measures have already been taken including screen display assessments for all staff workplaces in Friends House.

We wish to engender an appropriate culture of health and safety for all staff and customers so that good practices of housekeeping are maintained throughout Friends House. We recognise that the emotional welfare of staff is as important an issue as physical safety in the workplace.

Data protection

BYM trustees are responsible for overseeing data safety and for legal compliance matters. As Data Controller for BYM, the Recording Clerk is responsible for checking annually that local meetings, staff, committees and other constituent parts of the YM comply with the Data Protection Act.

Trustees received the 2010 report from the Data Safety Group and were pleased to note that based on the compliance returns, the level of attention to data protection continues to increase year on year.

Grant making

Grants from restricted funds are made according to the criteria laid down in the funds. Grants from unrestricted funds are made by committees set up to administer specific funds within agreed criteria.

In 2010 we received the responses to our consultation on the grant-making process from central and other standing committees.

We have set up a small working group to develop, consult upon and ensure implementation of consistent criteria and processes for grant applications, assessment, decision-making, communication and support for the grant recipient, monitoring and review.

Investment

The Investment Policy provides guidance to the discretionary fund manager Rathbone Greenbank which manages the investment funds of BYM. The aim is to ensure that the best interests and concerns of the Religious Society of Friends and the beneficiaries of individual trusts are embedded in the choice and performance of investments.

Quaker Finance & Property Central Committee, on behalf of BYM, seeks to:

- ensure congruence with the best interests and concerns of the Religious Society of Friends
- ensure compliance with the provisions of the Trustee Act 2000, and all other relevant legislation
- apply criteria for socially responsible investment
- invest at a low-to-medium level of risk
- maximise total returns within this level of risk
- maintain, and preferably enhance, the capital value of the invested funds
- achieve diversity by investing in both bonds and shares, with the relative proportions to be reviewed at regular intervals
- satisfy performance criteria, to be specified and reviewed at regular intervals
- obtain regular monitoring information so that the performance can be reviewed.

Quaker Finance & Property Central Committee has provided Rathbone Greenbank with a detailed ethical investment mandate. This aims to maximise exposure to companies with positive ethical practices and to minimise exposure to companies with poor records in any area of social responsibility.

It is recognised that while the prime business of a company or fund may satisfy socially responsible investment criteria there may be a subsidiary

element of its business that may not comply, or there may be uncertainty about a proportion of its activity. Friends were particularly concerned about the potential for environmental damage in the extractive industries following the Deepwater Horizon accident. The Investment Group was led to instruct Rathbone Greenbank to dispose of our entire BP shareholding in 2010.

The proportion and significance of acceptable compliance will vary from sector to sector and from company to company. Rathbone Greenbank campaigns on issues such as links with arms companies, environmental policy and employment practice.

General reserves

Quaker Finance & Property Central Committee has examined the requirements for free reserves, which are those unrestricted funds not invested in fixed assets or designated for specific purposes or otherwise committed. The objective of the reserves policy is to be able to maintain the current level of work and provide sufficient working capital to smooth out large fluctuations in income and expenditure. The Committee considers that to do this, the general reserves should hold sufficient funds to cover at least six months' expenditure, as measured in the preceding financial year.

Review of financial activities for the year

Our budget for 2010 anticipated a deficit of £895k, which we planned to meet by drawing on our general reserves in preference to making severe reductions in central work. We prepared for the worst and hoped and worked for the best.

In the event all of our income sources, except investment income and income from charitable activities, exceeded budget. Total expenditure was £102k underspent. Thus there was a surplus of £2,563k in the full accounts, plus a net increase of £481k in the market value of our listed investments.

General (unrestricted) funds. There was a surplus of £2,040k, mainly attributable to the receipt of two very large legacies and better than expected results from other income streams. At year end our general reserve stood at £7,473k – which is the equivalent of 9.8 months' total expenditure, comfortably above holding four to six months of expenditure in unrestricted reserves.

Designated funds – monies which we have set aside to pay for specified work, including £2,388k in the property upkeep fund. Much of this will be spent in 2011 on refurbishment of functional space at Friends House for ergonomic and sustainability reasons and for the improvement of lettings income.

Restricted funds – monies given for specified work, and include a legacy from the late Gerald AJ Hodgett which, in accordance with his wishes, will be spent on improvements to Friends House Library, Friends Historical Society and higher education awards.

Endowment funds – of which we may spend the investment income but not the capital, they totalled £3,165k.

Trading

Our trading activities (mainly lettings, the restaurant and the Quaker Centre café at Friends House) produced gross revenue of £2,615k – £273k more than in 2009. It should be noted that the 'business' bore the cost of £105k's worth of discounts for Quaker organisations, in accordance with our policy of facilitating Friends' use of our building. The net result was a contribution of £613k (an increase of 16%) to centrally managed work.

Charitable activities

£5,485k was spent on sustaining faith relations, supporting meetings, promoting Quakerism and

witness through action. Only 38% was met by contributions from Friends and meetings – the 'living giving'.

Voluntary contributions

It would seem that our efforts to increase contributions from Friends and meetings have met with some success. The total of £2,109k is £186k more than in 2009, but much of this increase is due to large exceptional contributions from two meetings. Legacies totalled £3,971k, of which £3,230k are unrestricted. Grants received in support of specific work showed an increase to £859k from £753k.

Financial position

Our net current assets (short-term bank deposits, monies owed to us, less monies owed by us and payable within one year) stood at £8m. These provide a safety net for our activities and enable us to meet the cost of capital projects through the year, without having to sell or borrow against any of our investments.

These will be enhanced by some £6.6m in 2011 – the net premium received for the 125-year lease on Courtauld House. This has to be regarded as a change in our capital from property to cash and not as income. BYM trustees will be taking advice on the placement, short-term and long-term, of these monies and will be considering whether to invest some of the monies in the improvement and development of Friends House.

Looking forward

Our financial position at year end was sufficiently strong to see us through short-term difficulties, which include estimated deficits in 2011 and 2012. We intend to monitor income and expenditure throughout the year. We continue to recognise that it is easier to get into than out of a chronic deficit and that drawing down from our reserves is only a short-term measure.

Support of Friends

We cannot expect to be immune from the general economic situation; all of our projected income streams are vulnerable to external factors. We continue to look to Friends to do their utmost to give financial support to the work of our Society.

Ron Barden

Clerk of Quaker Finance & Property Central Committee
15 March, 2011

Statement of trustees' responsibilities

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 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.

Independent auditor's report to the trustees of Britain Yearly Meeting of the Religious Society of Friends

We have audited the financial statements of Britain Yearly Meeting of the Religious Society of Friends for the year ended 31 December 2010, which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement 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).

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out on this page, 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 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the charity's trustees as a body. Our audit work has been undertaken so that we might state to the charity's trustees those matters 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 APB's website at <http://www.frc.org.uk/apb/scope/private.cfm>.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charity's affairs as at 31 December 2010 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 1993.

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 1993 requires us to report to you if, in our opinion:

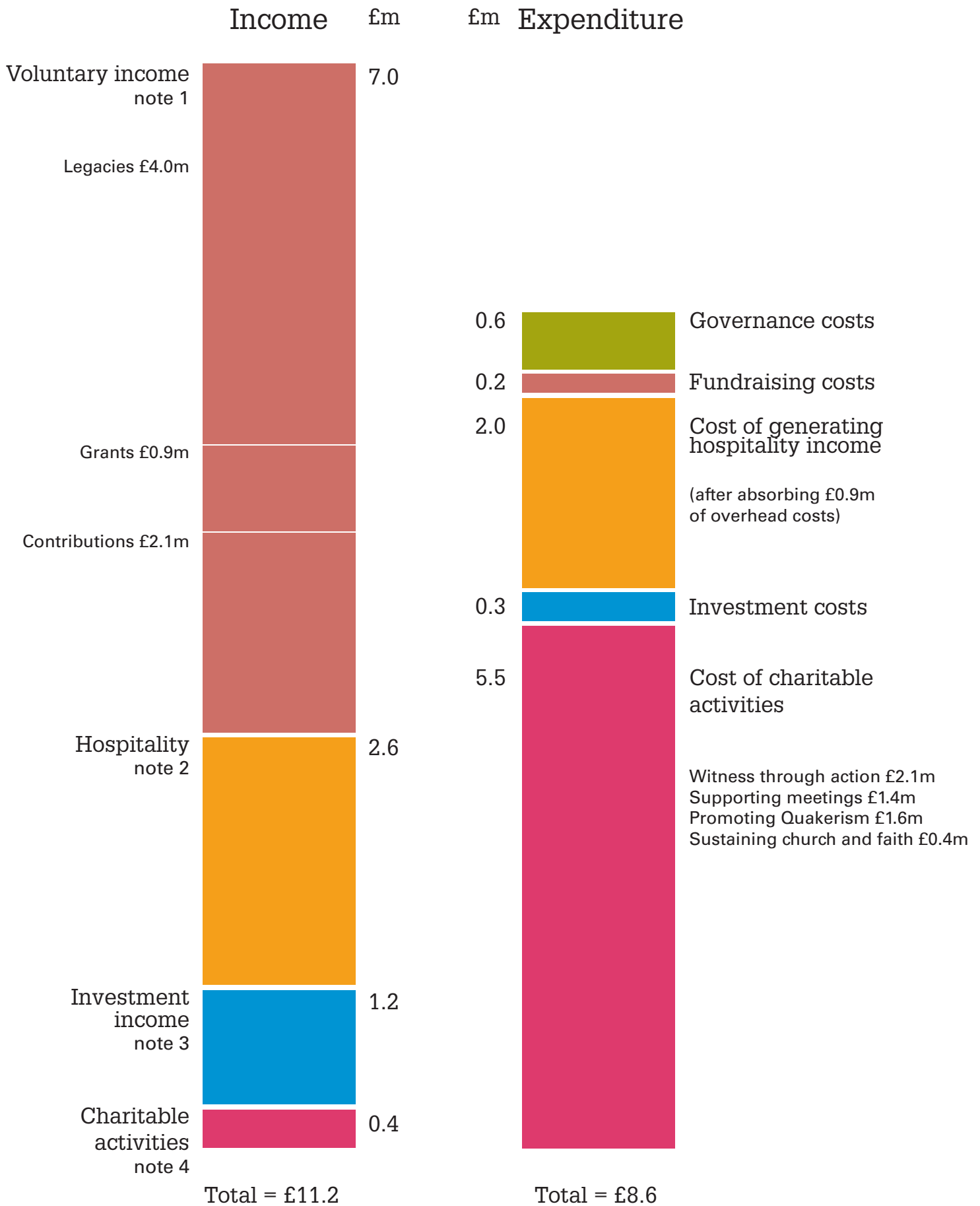
- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all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

Mazars LLP, Chartered Accountants and Statutory Auditor

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

Date: 2 April 2011

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



Financial statements

This chapter includes:

- Consolidated statement of financial activities
- Balance sheets
- Consolidated cash flow statement
- Principal accounting policies
- Notes to financial statements

Consolidated statement of financial activities

Year to 31 December 2010

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Incoming resources						
Incoming resources from generated funds						
. Voluntary income	1	5,836	1,103	-	6,939	4,766
. Activities for generating funds	2	2,615	-	-	2,615	2,342
. Investment income	3	1,051	130	-	1,181	1,061
Incoming resources from charitable activities	4	338	82	-	420	837
Total incoming resources		9,840	1,315	-	11,155	9,006
Resources expended						
Costs of generating funds						
. Cost of generating voluntary income	1	252	-	-	252	245
. Cost of generating funds	2	2,002	-	-	2,002	1,813
. Cost of managing investments	3	267	-	-	267	224
Charitable activities	4	4,249	1,233	3	5,485	5,915
Governance costs	6	586	-	-	586	602
Total resources expended	8	7,356	1,233	3	8,592	8,799
Net incoming / (outgoing) resources before transfers	12	2,519	47	(3)	2,563	207
Gross transfers between funds		(479)	479	-	-	-
Net incoming / (outgoing) resources before investment gains and losses		2,040	526	(3)	2,563	207
Realised gains / (losses) on listed investments		(61)	(5)	(32)	(98)	69
Unrealised gains / (losses) on listed investments	15	357	32	190	579	1,565
Net movement in funds		2,336	553	155	3,044	1,841
Reconciliation of funds						
Fund balances brought forward at 1 January 2010 (2009)		31,039	4,553	3,010	38,602	36,761
Fund balances carried forward at 31 December 2010 (2009)		33,375	5,106	3,165	41,646	38,602

	2010	2009
	£'000	£'000
Historical cost net movement in funds		
Net movement in funds	3,044	1,841
Unrealised (gains) / losses on investments	(579)	(1,565)
Losses calculated by reference to the historic cost of investments disposed of during the year	(220)	(109)
Historical cost net movement in funds	2,445	167

The historical cost of the investments has been taken as the date of transfer of the investment portfolio to Rathbone Greenbank Investment Managers.

All of the group's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the statement of financial activities, which has been prepared in accordance with the accounting policies detailed on pages 60-64.

Balance sheets as at 31 December 2010

	Notes	Group		Charity	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible assets	13				
. Functional property		10,961	11,224	10,961	11,224
. Other		39	74	39	74
Heritage assets	14	602	602	602	602
Investments	15				
. Property		12,303	12,203	12,303	12,203
. Securities		9,741	8,646	9,741	8,646
		33,646	32,749	33,646	32,749
Current assets					
Stocks and work in progress		86	91	80	83
Debtors	17	1,458	481	1,944	1,714
Cash at bank and in hand		7,928	6,916	7,357	5,607
		9,472	7,488	9,381	7,404
Creditors: amounts falling due within one year	18	(1,472)	(1,635)	(1,381)	(1,551)
Net current assets		8,000	5,853	8,000	5,853
Total net assets		41,646	38,602	41,646	38,602
Funds:					
Capital funds					
Permanent endowment funds	19	3,165	3,010	3,165	3,010
Income funds					
Restricted funds	19	5,106	4,553	5,106	4,553
Unrestricted funds					
. Designated funds	20	25,902	25,608	25,902	25,608
. General reserve	20	7,473	5,431	7,473	5,431
		41,646	38,602	41,646	38,602

These accounts, which have been prepared in accordance with accounting policies on pages 60-64, were approved by the trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on 2 April 2011 and signed on their behalf by:



Jonathan Fox
Clerk of Trustees



Ron Barden
Trustee

Consolidated cash flow statement Year to 31 December 2010

	Notes	2010 £'000	2009 £'000
Cash inflow from operating activities	A	539	(317)
Returns on investments	B	1,181	1,061
Capital expenditure and financial investment	B	(772)	(1,670)
		948	(926)
Financing	C	12	7
Management of liquid resources	B	52	652
Increase / (decrease) in cash	D	1,012	(267)

Notes to the cash flow statement for the year to 31 December 2010

A Adjustment of net incoming resources before transfers to net cash inflow from operating activities

	2010 £'000	2009 £'000
Net incoming resources before transfers	2,563	207
Depreciation charge	304	312
Add back: investment income and interest received	(1,181)	(1,061)
(Increase) / decrease in stocks	5	(26)
(Increase) / decrease in debtors	(977)	159
Increase / (decrease) in creditors	(175)	92
Net cash inflow from operating activities	<u>539</u>	<u>(317)</u>

B Gross cash flows

	2010 £'000	2009 £'000
Returns on investments		
Investment income and interest received	<u>1,181</u>	<u>1,061</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(7)	(475)
Gifted real assets	(100)	-
Payments to acquire listed investments	(3,181)	(2,025)
Receipts from the disposal of listed investments	2,516	830
	<u>(772)</u>	<u>(1,670)</u>
Management of liquid resources		
Decrease / (increase) in cash with investment managers	52	652
	<u>52</u>	<u>652</u>

C Financing

	2010 £'000	2009 £'000
Interest-free loans	<u>12</u>	<u>7</u>

D Analysis of changes in net funds

	At 1 January 2010 £'000	Cash flows £'000	At 31 December 2010 £'000
Cash with investment managers	121	(52)	69
Cash at bank and in hand	6,916	1,012	7,928
	<u>7,037</u>	<u>960</u>	<u>7,997</u>

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the inclusion of certain functional freehold properties at a valuation and by the inclusion of investments at market value, and in accordance with the requirements of the Charities Act 1993. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) have been followed in these accounts.

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.

Incoming resources

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

Resources expended

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT that cannot be recovered. Resources expended comprise the following:

(a) The costs of generating funds. These include salaries, direct costs and a share of support costs and 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 them to work efficiently and effectively, and also conducting relations with other churches, faiths and ecumenical bodies.
- **Supporting meetings:** this is defined in *Quaker faith & practice* as supporting Friends in their local organisation, 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 getting married, those looking after 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) about the basic tenets of Quaker faith and practice such as spirituality, peace and human rights.
- **Witness through action:** this is defined in *Quaker faith & practice* as putting Quaker thinking into practice in relation to the problems and needs of people at home and abroad, for example through conference resources, restorative justice, lobbying the European Union and United Nations, working with those in positions of power, and supporting social and development projects.

(c) Governance costs. These include salaries, direct costs and a share of support costs and are analysed into the following three categories:

- Costs of the management structure
- Costs of legal compliance
- Costs of the governance structure

(d) Support costs. These include salaries and other costs and are analysed into the following three categories and are charged out in total to categories (a) to (c) above on the following basis:

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

Tangible fixed assets

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 review the values every five years.

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

There are four significant functional freehold properties:

- Friends House
Friends House comprises freehold land and buildings included at a valuation of £10.4m determined as at May 2007 by Erinaceous Property Services, a division of Erinaceous Commercial Property Services Limited, on an open market value basis for existing use in accordance with guidelines issued by the Royal Institution of Chartered Surveyors.
- Swarthmoor Hall Estate
The Swarthmoor Hall Estate comprises freehold land and buildings at a valuation of £1.5m as determined at October 2007 by Carter Jonas Property Consultants, on an open market value basis for existing use but taking into account the fact that Swarthmoor Hall Farm comprises a stock-rearing and dairy farm, run organically by a sitting tenant with further succession rights, and Swarthmoor Hall Wood, which 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 £622k determined as at November 2006 by Xavier Verhaeghe architect, on a Vente Volontaire Publique (voluntary auction) basis.
- Quaker House Geneva
Quaker House Geneva comprises freehold land and buildings, which are not included in these accounts, as the beneficial ownership does not rest with Britain Yearly Meeting of the Religious Society of Friends (Quakers). However, Britain Yearly Meeting of the Religious Society of Friends (Quakers) has retained an interest in the asset, which crystallises in the event of the disposal of the land and buildings.

(b) Other tangible fixed assets

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

- 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 that 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. Professional valuers review the values every five years based on market values with the trustees assessing the values in the interim with professional assistance and making adjustments if deemed appropriate. Given the fall in the values of property in London and elsewhere in 2008, the trustees reassessed the charity's investment property valuations and, as a consequence, the value of each of the investment properties was written down by 20% in the year to 31 December 2008. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

Investment properties include:

- Drayton House, which comprises freehold land and buildings, was valued at £10m by Erinaceous Property Services as at May 2007 on an open market basis. The designated use of the building has been changed from office to education for the specific period of the tenancy. The trustees included this property in the accounts at a valuation of £8m in 2008.
- Courtauld House, which comprises freehold land and buildings, was valued at £4,927k by Carter Jonas property consultants on an open market valuation as at May 2007, adjusted to reflect the letting of the property on a 25-year lease to a single tenant and the major refurbishment undertaken by the tenant prior to signing the lease. The trustees included this property in the accounts at a valuation of £3,941k in 2008.
- The Jordans Estate, which comprises freehold land and buildings, was valued at £177k by TFM Readers rural property consultants during 2006 on an open market valuation 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 and seclusion and amenities of Jordans Friends Meeting House and burial grounds. The trustees included this property in the accounts at a valuation of £141.6k in 2008.
- Three small properties valued by Quaker Finance & Property Central Committee, with professional assistance, at £220k 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 debited) 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, which are 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 five 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 (FEF) Joint Bursary Scheme: the income of which is restricted to providing bursary grants at Quaker schools.
- The Friends Educational Foundation (FEF) Higher Education Awards: the income of which is restricted to providing grants for higher education (note 24).
- The R. Penney Fund is held on trust with the income to be used for the general purposes of the Society.
- Others: the income of five small funds is restricted within the terms of the relevant fund.

Restricted funds:

Restricted funds comprise the unexpended income earmarked for specific purposes by donors, and the property funds whose properties 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 25).
- The Swarthmoor Hall Fund (note 25) exists to fund running expenditure at Swarthmoor Hall and includes the value of the functional property and estate as assets of the fund.
- The Albert Moore Fund, which is held to acquire and maintain the heritage assets currently on display at Swarthmoor Hall. These assets are excluded from the Swarthmoor Hall Fund at the express wish of the original donor.
- The QPSW Relief Fund, which is held for the relief of poverty, the relief of suffering and general relief.
- The Jordans Estate Fund, which is held upon trust for the protection of the quiet, seclusion and amenities of the Jordans Friends Meeting House and burial grounds.
- The Hope Fund, which is held for providing grants connected with unemployment.
- The Friends Educational Foundation (FEF) Joint Bursary Scheme, which provides bursaries to pupils at Friends schools. These are managed in conjunction with the schools (note 24).
- The Gerald A J Hodgett Fund, which is held for the non-routine benefit of the Library at Friends House, the Friends Historical Society and for the Friends Higher Education Awards Committee.
- The QPS Retired Workers Fund, which is held to provide pensions for life to a small group of former overseas workers who are not covered by other pension provisions.
- Friends Educational Foundation (FEF) Higher Education Awards, which makes educational grants in higher education (note 24).

Thirty-four other funds are restricted for various purposes. These include departmental funds for earmarked income specific to the department but not restricted to specific work within the 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 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 designated and is used for grants to associated Quaker bodies and grants for individual relief through the Overseers Relief Fund.
- The Property Upkeep Fund, which is held for the structural maintenance of all the properties owned for the central work of Britain Yearly Meeting of the Religious Society of Friends (Quakers).
- The Meeting Houses Fund, which is held for making interest-free loans to meetings round the country to purchase or renovate local meeting houses. Income from this fund is also used to make grants to

local meetings for the same purpose. Loans of £63.4k and grants of £46.7k had been committed, not yet paid, at 31 December 2010.

- The Project Development Fund, which is held to develop time-limited projects including a three-year project to implement the fundraising strategy.
- The Restructuring Fund, which is held to provide for major projects within Friends House.
- The Kalamazoo Trust: this fund facilitates expenditure which cannot be funded elsewhere.
- The Charitable Registration Fund, which is held to enable the Quaker Stewardship Committee to provide assistance to Quaker meetings during their transition from excepted charities to registered charities.
- The Courtauld House Income Fund, which has been segregated to publicise the fact that some of the centrally managed work – particularly some of the peacebuilding, international and multifaith work that was the original inspiration for the Quaker International Centre – is made possible by the rental income from Courtauld House.
- The Investment Property Fund, which comprises property held to provide an income. Drayton House is currently let to University College London and Courtauld House was, until 31 December 2010, let to Hult International Business School Limited.
- 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 that have been purchased by or donated to the Society. These are made available to visitors, academics and researchers to promote an understanding of Quakerism.

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

Taxation

Britain Yearly Meeting of the Religious Society of Friends (Quakers) is a charity, registered with the Charity Commission under the number 1127633. It is not subject to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charities.

Irrecoverable VAT is treated as a cost to the charity and 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 rate of exchange ruling at the balance sheet date.

Pension costs

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

1 Voluntary income

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Contributions	2,034	75	-	2,109	1,923
Legacies and gifts	3,230	741	-	3,971	2,090
Grants	572	287	-	859	753
	5,836	1,103	-	6,939	4,766
Less					
Cost of generating voluntary income					
. Direct costs	(165)	-	-	(165)	(160)
. Support costs	(87)	-	-	(87)	(85)
	(252)	-	-	(252)	(245)
Net voluntary income available for charitable activities	5,584	1,103	-	6,687	4,521

In 2010, no individual donation was received in excess of £50,000.

2 Activities for generating funds (Hospitality Company)

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Room lettings	1,682	-	-	1,682	1,689
Equipment hire	62	-	-	62	58
Restaurant	999	-	-	999	768
Commercial discounts	(23)	-	-	(23)	(24)
Discounts for Quaker organisations	(105)	-	-	(105)	(149)
	2,615	-	-	2,615	2,342
Less					
Cost of activities for generating funds					
. Direct costs	(1,117)	-	-	(1,117)	(940)
. Support costs	(885)	-	-	(885)	(873)
	(2,002)	-	-	(2,002)	(1,813)
Net surplus of activities for generating funds	613	-	-	613	529

3 Investment income

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Rental income	836	7	-	843	712
Dividend income	148	96	-	244	237
Interest received	67	27	-	94	112
	<u>1,051</u>	<u>130</u>	<u>-</u>	<u>1,181</u>	<u>1,061</u>
Less					
Cost of managing investments					
. Direct costs	(204)	-	-	(204)	(132)
. Support costs	(63)	-	-	(63)	(92)
	<u>(267)</u>	<u>-</u>	<u>-</u>	<u>(267)</u>	<u>(224)</u>
Net investment income available for charitable activities	<u>784</u>	<u>130</u>	<u>-</u>	<u>914</u>	<u>837</u>

4 Charitable activities

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Sustaining our church and faith	-	11	-	11	461
Supporting meetings	54	20	-	74	193
Promoting Quakerism	210	4	-	214	121
Witness through action	74	47	-	121	62
	<u>338</u>	<u>82</u>	<u>-</u>	<u>420</u>	<u>837</u>
Less					
Cost of charitable activities (note 5)					
. Direct costs	(3,266)	(948)	(3)	(4,217)	(4,570)
. Support costs	(983)	(285)	-	(1,268)	(1,345)
	<u>(4,249)</u>	<u>(1,233)</u>	<u>(3)</u>	<u>(5,485)</u>	<u>(5,915)</u>
Net cost of charitable activities	<u>(3,911)</u>	<u>(1,151)</u>	<u>(3)</u>	<u>(5,065)</u>	<u>(5,078)</u>

5 Resources expended on charitable activities

Group	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
Sustaining our church and faith (see below)	318	47	365	816
Supporting meetings (see below)	1,054	318	1,372	1,241
Promoting Quakerism (see below)	1,140	458	1,598	1,418
Witness through action (see below)	1,705	445	2,150	2,440
	<u>4,217</u>	<u>1,268</u>	<u>5,485</u>	<u>5,915</u>

Sustaining our church and faith	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
General	1	-	1	1
Within Yearly Meeting	131	41	172	610
Within other Quaker bodies	145	1	146	151
Within other faiths and denominations	41	5	46	54
	<u>318</u>	<u>47</u>	<u>365</u>	<u>816</u>

Supporting meetings	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
General	529	147	676	586
Spirituality and membership	74	20	94	63
Children and young people	250	90	340	343
Finance and property	119	24	143	144
Employment and wardenship	11	7	18	13
Witness of meetings	71	30	101	92
	<u>1,054</u>	<u>318</u>	<u>1,372</u>	<u>1,241</u>

(Continued overleaf)

5 Resources expended on charitable activities (continued)

Promoting Quakerism	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
General	80	38	118	229
Outreach	494	131	625	341
Web development	78	53	131	134
Publications	87	36	123	111
Library	380	197	577	578
Other	21	3	24	25
	1,140	458	1,598	1,418

Witness through action	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
General	118	29	147	134
Peace witness	714	164	878	1,142
Social witness	455	95	550	735
United Nations work	418	157	575	429
	1,705	445	2,150	2,440

6 Governance costs

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Management	116	-	-	116	157
Legal compliance	60	-	-	60	58
Governance structure	410	-	-	410	387
	586	-	-	586	602

7 Trustees' remuneration

No trustee received any remuneration in respect of services given as trustee in 2009 or 2010. 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) (16 trustees in 2010 and 17 trustees in 2009) and included in direct costs was £18,189 (2009: £21,395). 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.

8 Resources expended

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Staff costs (note 9)	4,019	821	-	4,840	4,700
Premises and equipment costs	1,121	135	-	1,256	1,346
Office and publicity costs	471	59	-	530	443
Event and trading costs	721	90	-	811	1,007
Travel and other costs	584	73	3	660	550
Grants paid (note 10)	440	55	-	495	753
	7,356	1,233	3	8,592	8,799

9 Staff costs

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Recruitment	17	2	-	19	22
Basic pay (UK)	3,214	402	-	3,616	3,505
Basic pay (non-UK)	-	329	-	329	272
Employer's National Insurance	312	39	-	351	355
Employer's pension contributions	248	31	-	279	254
Other allowances	59	7	-	66	67
Agency and temporary staff	78	-	-	78	91
Staff training and debriefing	50	6	-	56	56
Other	41	5	-	46	78
	4,019	821	-	4,840	4,700

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

Group	2010 Full-time headcount	2010 Part-time headcount	2010 Full-time equivalent	2009 Full-time headcount	2009 Part-time headcount	2009 Full-time equivalent
Raising income	20	12	26.0	25	8	27.9
Charitable activities	56	9	60.5	42	11	45.8
Governance	7	1	7.5	7	-	7.0
Support services	24	5	26.5	25	10	30.9
	107	27	120.5	99	29	111.6

No employee earned more than £60,000 (including taxable benefits but excluding employer's pension contributions) during the year (2009: one employee earned between £70,000 and £80,000).

10 Grants paid

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Grants to individuals	23	2	-	25	29
Grants to Quaker bodies	327	-	-	327	493
Other grants	90	53	-	143	231
	<u>440</u>	<u>55</u>	<u>-</u>	<u>495</u>	<u>753</u>

11 Friends House support costs

Group	2010 Total funds £'000	2009 Total funds £'000
Building services (including staff costs)		
Routine maintenance	30	176
Long-term maintenance (Friends House)	357	439
Reception and security	170	167
Cleaning	226	217
Utilities	239	238
Other	38	44
	<u>1,060</u>	<u>1,281</u>
Finance, human resources, IT and office services		
Finance	267	477
Information Technology	151	164
Office services	361	140
Human resources	211	161
Membership database	90	74
Other	-	5
	<u>1,080</u>	<u>1,021</u>
Departmental administration		
Quaker Life	106	134
Quaker Communications	72	65
Recording Clerk's Office	70	58
Quaker Peace & Social Witness	46	32
	<u>294</u>	<u>289</u>
	<u>2,434</u>	<u>2,591</u>

(Continued overleaf)

11 Friends House support costs (continued)

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

11 Friends House support costs

Group	2010 Total funds £'000	2009 Total funds £'000
Generating funds		
. Voluntary income	87	85
. Activities for generating funds	885	873
. Investment income	63	92
Charitable activities	1,268	1,345
Governance	131	196
	2,434	2,591

12 Net incoming (outgoing) resources before transfers

These are stated after charging:

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Depreciation	268	36	-	304	312
Auditors' remuneration					
. Audit	24	-	-	24	34
. Other	5	-	-	5	7

13 Tangible fixed assets

Group and charity	Functional freehold property £'000	Office equipment £'000	Total £'000
Cost or valuation			
At 1 January 2010	13,185	168	13,353
Additions	-	7	7
Disposals	-	(85)	(85)
At 31 December 2010	13,185	90	13,275
Depreciation			
At 1 January 2010	1,961	94	2,055
Charge for year	263	41	304
Disposals	-	(84)	(84)
At 31 December 2010	2,224	51	2,275
Net book values			
At 31 December 2010	10,961	39	11,000
At 31 December 2009	11,224	74	11,298

14 Heritage assets

Group and charity	2010 £'000	2009 £'000
Historical artefacts at Swarthmoor Hall	423	423
Friends House picture collection	179	179
	602	602

14 Heritage assets

a) 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.

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

These assets meet the definition of heritage assets in the charity Statement of Recommended Practice 2005 in that they are held in perpetuity as a permanent record of the charity's history. With the exception of the historical artefacts and the Friends House picture collection referred to above, 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.

(Continued overleaf)

14 Heritage assets (continued)

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

- The assets, which comprise archives and manuscripts dating from the 17th to 20th centuries, and books and other printed materials are held within the Library of Britain Yearly Meeting of the Religious Society of Friends (Quakers) at Friends House, 173 Euston Road, London.
- 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.

15 Investments

	Group 2010 £'000	Group 2009 £'000	Charity 2010 £'000	Charity 2009 £'000
Listed investments (including cash)	9,741	8,646	9,741	8,646
Investment properties	12,303	12,203	12,303	12,203
Subsidiary undertaking				
	22,044	20,849	22,044	20,849

Listed investments

Group and charity	£'000
Investment holdings	
Market value at 1 January 2010	8,525
Additions at cost	3,181
Disposals at book value (proceeds: £2,516k, realised loss £98k)	(2,613)
Unrealised gains	579
Market value 31 December 2010	9,672
Cash held by investment managers	69
	9,741

Listed investments held at 31 December 2010 were

Group and charity	2010 £'000	2009 £'000
General funds	4,631	3,378
Designated funds	1,401	1,481
Restricted funds	544	777
Endowment funds	3,165	3,010
	9,741	8,646

(Continued overleaf)

15 Investments (continued)

Financial investments held at 31 December 2010, all of which were listed on a recognised stock exchange, comprised the following:

	2010 £'000
UK fixed-income	689
UK equities	8,337
Overseas equities	604
Property funds	42
	9,672

Included in the investment portfolio was the following individual holding which, at 31 December 2010, had a market value that was deemed to be material in comparison with the market value of the total portfolio at that date:

	Market value £'000	Percentage of portfolio %
BG Group PLC	486	5.0

Investment properties

Investment properties held at 31 December 2010 and their movements during the year were as follows:

	Total £'000
Group and charity	
Market value	
At January 1 2010	12,203
Additions	100
At 31 December 2010	12,303

	2010 £'000	2009 £'000
Group and charity		
Drayton House	8,000	8,000
Courtauld House	3,942	3,942
Woodland and pasture at Jordans	141	141
Deanscale	104	104
Land at Lakenheath	16	16
Lesser Slatters	100	-
	12,303	12,203

Post balance sheet event

On 7 March, BYM completed on the granting of a long lease on Courtauld House receiving a premium on that date, net of transaction costs, of £6,653k.

16 Investment in subsidiary undertaking

Britain Yearly Meeting of the Religious Society of Friends (Quakers) has one subsidiary company, Friends House (London) Hospitality Limited. The company is incorporated in England and Wales and has its registered office 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. Britain Yearly Meeting of the Religious Society of Friends (Quakers) investment in Friends House (London) Hospitality Limited comprises two ordinary shares of £1 each, being the entire issued share capital of that company. Friends House (London) Hospitality Limited donates its taxable profits to Britain Yearly Meeting of the Religious Society of Friends (Quakers) by Gift Aid. A summary of the financial results of the company for the year to 31 December 2010 is shown below. Accounts of the company will be filed with the Registrar of Companies.

16 Investment in subsidiary undertaking

Profit and loss account	2010 £'000	2009 £'000
Turnover	2,625	2,420
Operating expenses and shared costs	(2,142)	(2,021)
Operating profit	483	399
Interest income	9	-
Profit for the year before Gift Aid and taxation	492	399
Gift Aid payable to Britain Yearly Meeting of the Religious Society of Friends (Quakers)	(492)	(399)
Net profit for the year before taxation	-	-
Taxation on ordinary activities	-	-
Profit for the financial year retained in subsidiary	-	-
	2010	2009
Summarised balance sheet	£'000	£'000
Current assets	710	1,522
Creditors: amounts falling due within one year	(710)	(1,522)
Net assets	-	-
Called up share capital (£2)	-	-
Profit and loss account	-	-
	-	-

This note is the company note. The group note (note 2: Activities for generating funds) is shown net of £130,000 rent payable to Britain Yearly Meeting of the Religious Society of Friends (Quakers).

17 Debtors

	Group 2010 £'000	Group 2009 £'000	Charity 2010 £'000	Charity 2009 £'000
Receivable within one year				
Loans advanced to meetings (see below)	21	37	21	37
Other loans advanced	58	56	58	56
Trade debtors	192	107	7	7
Amount owed by subsidiary company	-	-	671	1,314
Insurance prepayment	141	6	141	8
Project balances	47	25	47	25
Accrued income	824	50	824	50
Other debtors	131	146	131	163
	1,414	427	1,900	1,660
Receivable after more than one year				
Loans advanced to meetings (see below)	44	54	44	54
	1,458	481	1,944	1,714

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 five years.

	2010 £'000	2009 £'000
Interest-free loans, group and charity		
Balance outstanding at 1 January	91	96
Loans advanced during the year	15	44
	106	140
Repayments made	41	49
Balance outstanding at 31 December	65	91
Due within one year	21	37
Due after one year	44	54
	65	91

18 Creditors: amounts falling due within one year

	Group 2010 £'000	Group 2009 £'000	Charity 2010 £'000	Charity 2009 £'000
Interest-free loans (see below)	438	426	438	426
Social security and other taxes	139	107	139	95
Pensions contributions	25	31	25	31
Expense creditors	334	268	260	208
Accruals	119	185	115	175
Canadian legacy	392	388	392	388
Other	25	230	12	228
	1,472	1,635	1,381	1,551

	2010 £'000	2009 £'000
Interest-free loans – group and charity	438	426
Balance outstanding at 1 January	426	419
Loans received in the year	92	7
	518	426
Repayments made	-	-
Converted to gifts	(80)	-
Balance outstanding at 31 December	438	426

All interest-free loans are repayable on demand.

19 Reconciliation of movement in funds

	At 1 January 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers gains and losses £'000	At 31 December 2010 £'000
Group and charity	£'000	£'000	£'000	£'000	£'000
Endowment funds					
. FEF Joint Bursary Scheme (note 24)	928	-	(1)	49	976
. QPS Kingsmead	914	-	(1)	47	960
. FEF Higher Education Awards (note 24)	709	-	(1)	37	745
. QPS Kingsmead Close	297	-	-	16	313
. R. Penny	99	-	-	5	104
. Other endowment funds	63	-	-	4	67
Total endowment funds	3,010	-	(3)	158	3,165

(Continued overleaf)

19 Reconcillation of movement in funds (continued)

Group and charity	At 1 January 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers gains and losses £'000	At 31 December 2010 £'000
Restricted funds					
. Swarthmoor Hall Field Fund (note 25)	674	-		27	701
. Swarthmoor Hall Fund (note 25)	1,615	104	(187)	-	1,532
. Albert Moore Fund	539	-	(2)	-	537
. QPSW Relief Fund	324	2	(81)	-	245
. Jordans Estate Fund	134	-	-	-	134
. Hope Fund	115	-	(1)	-	114
. FEF Joint Bursary Scheme (note 24)	72	55	(88)	-	39
. QPS Retired Workers Fund	4	-	(3)	-	1
. FEF Higher Education Awards (note 24)	44	29	(24)	-	49
. Gerald A J Hodgett Fund	-	718	(18)	-	700
. Other restricted funds	423	407	(864)	479	445
. Functional property funds	609	-	-	-	609
Total restricted funds	4,553	1,315	(1,268)	506	5,106

20 Reconciliation of movement in funds

Group and charity	At 1 January 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers gains and losses £'000	At 31 December 2010 £'000
Unrestricted funds					
Designated funds					
. Cadbury Staines Fund	1,324	47	(125)	70	1,316
. Property Upkeep Fund	2,186	496	(294)	-	2,388
. Meeting Houses Fund	497	3	-	-	500
. Project Development Fund	64	-	(1)	-	63
. Restructuring Fund	122	-	(80)	-	42
. Kalamazoo Trust	20	-	(20)	-	-
. Charitable Registration Fund	2	-	-	-	2
. Courtauld House Income Fund		232	(41)	-	191
. Investment Property Fund	12,062	-	-	-	12,062
. Functional Property Fund	9,152	-	-	-	9,152
. Heritage Assets Fund	179	1,298	(1,291)	-	186
Total designated funds	25,608	2,076	(1,852)	70	25,902
General Reserve	5,431	7,764	(5,469)	(253)	7,473
Total unrestricted funds	31,039	9,840	(7,321)	(183)	33,375
Total funds	38,602	11,155	(8,592)	481	41,646

21 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Group and charity					
Fund balances at 31 December 2010 are represented by:					
Tangible fixed assets	9,077	2,525		11,602	11,900
Investments	18,106	773	3,165	22,044	20,849
Net current assets	6,192	1,808	-	8,000	5,853
Total net assets	33,375	5,106	3,165	41,646	38,602

22 Pension commitments

Since 1 January 2004, following a decision of Meeting of Sufferings, the pension scheme offered to new members of staff of Britain Yearly Meeting of the Religious Society of Friends (Quakers) has been the Friends Provident Stakeholder pension scheme.

Staff who elect to join the Friends Provident Stakeholder scheme are required to pay a minimum of 4% of salary as their employee pension contribution. The employer, Britain Yearly Meeting of the Religious Society of Friends (Quakers) makes a pension contribution of 8% of salary to the individual's stakeholder fund. Each individual makes his or her choice of a particular investment fund within the Friends Provident Stakeholder pension scheme. As at 31 December 2010 there were 40 members of staff in the Friends Provident Stakeholder pension scheme. 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 Friends Provident Stakeholder pension scheme.

Prior to 1 January 2004, the staff of Britain Yearly Meeting of the Religious Society of Friends (Quakers) had the opportunity of joining the Pension Trust's Growth Plan or the Pension 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 which is, in most respects, a money-purchase arrangement, although it offers some guarantees. Contributions received up to and including September 2001 were converted to defined amounts of pension, payable from Normal Retirement Date. From October 2001 contributions were invested in individual funds which have capital guarantees and which 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. Bonuses and investment credits are not guaranteed and are declared at the discretion of the Plan's trustee.

The trustee commissions triennial actuarial valuations of the Growth Plan. The main purpose of the valuations is to determine the funding position of the Plan by comparing its assets with its past service liabilities as at the valuation date. Asset values are calculated by reference to market prices. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

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

(Continued overleaf)

As at 31 December 2010 there were 34 active members of the Plan employed by Britain Yearly Meeting of the Religious Society of Friends (Quakers).

A professionally qualified actuary last performed a formal valuation of the Plan at 30 September 2008, using the Projected Unit Method. The market value of the Plan's assets at the time of the valuation date was £742m and the Plan's Technical Provisions (i.e. past service liabilities) were £771m. The valuation thus revealed a shortfall of assets, compared with the value of its liabilities, of £29m; this is the equivalent to a funding level of 96%.

The financial assumptions underlying the valuation as at 30 September 2008 were:

Rate of return on accumulated assets – pre retirement	7.6% p.a.
Rate of return on accumulated assets – post retirement:	
Active / Deferred members	5.1% p.a.
Pensioners	5.6% p.a.
Bonuses on accrued benefits	Nil
Rate of price inflation	3.2% p.a.

Where an actuarial valuation reveals a shortfall of assets compared with liabilities, the trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan's liabilities, the trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at present. In reaching this conclusion, the trustee has taken actuarial advice and has been advised that the shortfall of £29m (as at 30 September 2008) will be cleared within ten years if the investment returns from assets are in line with the 'best estimate' assumptions. 'Best estimate' means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed, over the next ten years. These 'best estimate' assumptions are 8.4% p.a. pre retirement, 5.1% p.a. post retirement (active and deferred members) and 5.6% p.a. post retirement (pensioners).

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that might be levied by the trustee of the Plan. The trustee's current view is that this would only apply to employers with pre October 2001 liabilities in the Plan. The debt would be due in the event of an employer ceasing to participate in the Plan or the Plan being wound up. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis – i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buyout debt which depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buyout market. The amount of debt, therefore, can vary over time.

The buyout funding position of the Growth Plan as at 30 September 2010 was 79.4% compared with 79.9% as at 30 September 2009. Britain Yearly Meeting of the Religious Society of Friends (Quakers) has been notified by the Pensions Trust that its share of the employer-related debt on withdrawal from the Plan would be £4.32m based on the financial position of the Plan as at 30 September 2010, the latest date at which Actuaries have estimated the buyout position.

23 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 24 and 25 below.

24 Friends Education Funds

	Higher Education Awards funds		Joint Bursary Scheme		Total 2010 £'000	Total 2009 £'000
	Income fund £'000	Endowment fund £'000	Income fund £'000	Endowment fund £'000		
Incoming resources						
From generated funds						
. Voluntary income	4	-	23	-	27	39
. Investment income	25	-	32	-	57	59
Total net assets	29	-	55	-	84	98
Resources expended						
Charitable activities	(24)	(1)	(88)	(1)	(114)	(126)
	(24)	(1)	(88)	(1)	(114)	(126)
Net incoming resources	5	(1)	(33)	(1)	(30)	(28)
Realised gains / (losses) on investments	-	(7)	-	(9)	(16)	5
Unrealised gains / (losses) on investments	-	44	-	58	102	312
Net movement in funds	5	36	(33)	48	56	289
Reconciliation of funds						
Funds brought forward at 1 January	44	709	72	928	1,753	1,464
Funds carried forward at 31 December	49	745	39	976	1,809	1,753
Fixed assets						
Investments	-	742	-	845	1,587	1,637
Current assets						
Cash at bank and in hand	49	3	39	131	222	116
Net assets	49	745	39	976	1,809	1,753

25 Swarthmoor Hall Restricted Funds

	Swarthmoor Hall Field Fund £'000	Swarthmoor Hall Fund £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources				
From generated funds				
. Voluntary income	-	27	27	73
. Investment income	-	25	25	40
From charitable activities – programme	-	52	52	73
Transfer from Field Fund	-	-	-	98
	-	104	104	284
Resources expended				
Charitable activities				
. Programme	-	(108)	(108)	(132)
. Estate	-	(65)	(65)	(51)
. Other	-	(14)	(14)	(11)
Transfer from Field Fund	-	-	0	(98)
	-	(187)	(187)	(292)
Net outgoing resources	-	(83)	(83)	(8)
Unrealised gains / (losses) on investments	32	-	32	145
Realised gains / (losses) on investments	(5)	-	(5)	6
Net movement in funds	27	(83)	(56)	143
Reconciliation of funds				
Funds brought forward at 1 January	674	1,615	2,289	2,146
Funds carried forward at 31 December	701	1,532	2,233	2,289
Fixed assets				
Tangible assets	-	1,550	1,550	1,600
Investments	574	-	574	777
	574	1,550	2,124	2,377
Current assets				
Debtors	-	51	51	49
Cash at bank and in hand	127	-	127	168
	127	51	178	217
Liabilities				
Creditors – due within one year	-	(69)	(69)	(305)
Net current assets / (liabilities)	127	(18)	109	(88)
Net assets	701	1,532	2,233	2,289