Annual report, including financial statements
for the year ended December 2018
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From the Clerk of Trustees and the Recording Clerk

The work described in this report shows how Britain Yearly Meeting (BYM), the national charity supporting Quakers in Britain, is working for and on behalf of the communities we serve.

The figures in this report represent far more than our bank balance and assets; they paint a picture of the many and varied ways in which Quakers come together nationally through processes of discernment, our service, our financial support and our worship – to enable change to happen, both in our meetings and in the world.

In May 2018 we welcomed more than 1,000 Friends from across Britain, including children and young people, to Friends House, London, for Yearly Meeting. Through the year we have worked alongside Friends on economic issues, social justice, and diversity, as well as continuing with the long-established Quaker work towards a sustainable and peaceful world. Supporting Quaker meetings and communities is at the heart of the charity’s purposes and a number of new projects were started to help BYM to do this better. We continue to learn from the Vibrancy in Meetings Programme. We have helped Quakers be widely known and understood by developing digital platforms for engagement, outreach and resources.

“Stewardship of our financial resources demands not only meticulous accounting skills but also knowledge of what our money does, and imagination in devising what it can do…”

Christine A M Davis, 2008, Quaker faith & practice 14.02

During 2018, Trustees, committees and staff worked hard to exercise stewardship; but demands continue to increase, and it is not possible to do everything with a finite pot of money and time. Trustees expect to agree priorities in time to inform operational planning for 2020 onwards. These priorities will give shape to the direction that core work will take over the next 5–10 years. The history of Quakers in Britain has inspired Trustees’ understanding of the need for a ‘simple church supported by a simple charity’ and to work with Quakers to simplify structures and practices. The charity is developing better ways to help Quaker meetings and other groups to be diverse, thrive and grow. BYM will continue to work with and on behalf of Quakers for a sustainable and peaceful world.

Caroline Nursey
Paul Parker
Britain Yearly Meeting explained

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

Quakers worship in local meetings (475), grouped together into area meetings (70), the level at which individual membership (c.12,700, plus a further 8,900 attenders) is held. Local and area Quaker meetings manage their own affairs and own their own property; each area meeting is a separate charitable entity with its own trustees.

Members of these area meetings make up the membership of the Yearly Meeting of the Religious Society of Friends (Quakers) in Britain (Britain Yearly Meeting), a body that meets annually and that has ultimate authority for church affairs.

Britain Yearly Meeting (BYM) is also the name of the national charity that implements the Society’s central policy, owns its property, employs its staff and directs its work. BYM works centrally to run the affairs of the Society as a whole and to support local meetings. We also work to raise awareness of the basic tenets of Quaker faith and to put Quaker thinking into practice for a just and peaceful world.

Public benefit statement

BYM is an umbrella organisation, guiding, supporting and sustaining the 70 area and 475 local Quaker meetings throughout England, Wales and Scotland.

The charity’s resources come from members’ contributions, legacies, inherited funds, grants, the gift-aided surplus of our hospitality company, rents from properties, interest and dividends. These are described in these financial statements. We spend these resources on deepening and sharing Quaker spiritual experience and on acts of witness that arise from our faith. For Quakers, belief and witness are indivisible. We work for peace and justice, environmental sustainability, the alleviation of suffering, and the upholding of victims of oppression.

Local meetings for worship are open to all: Quakers have no tests of belief; membership of the Society is open to anyone who is sincerely seeking truth. Our governance is spread widely within our membership. Our constitutional book of Christian discipline, Quaker faith & practice, guides our work and witness.

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

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

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

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

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

“In our worship at Yearly Meeting, it is laid upon us with special weight to listen. It is not our ministry that is required in worship; nor our inspiration in deliberations, but we seek to hear the true word of God speaking through our frail humanity.”

Right Holding of Yearly Meeting Committee, 1960 (Quaker faith & practice 6.09)

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

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

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

Governing document

The governing document of BYM was reviewed by Yearly Meeting in 2016. It is drawn largely from passages in Quaker faith & practice. In addition to governance, Quaker faith & practice contains advice and counsel, and encourages self-questioning and hearing each other in humility and love.

The book of discipline was first compiled in manuscript form in 1738 and is revised at intervals. The last complete revision was approved by the Society in 1994 and it has been amended regularly since then. A fifth edition was published in 2013. Yearly Meeting 2018 decided to begin a new complete revision of the book of discipline.

The terms of reference of BYM Trustees are reviewed every three years. The current terms of reference were accepted by Yearly Meeting in 2016. Yearly Meeting 2018 commissioned Quaker Stewardship Committee to carry out a review and to bring its recommendations to Yearly Meeting in 2020.

The duty of trustees

It is the duty of BYM trustees to:

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

In addition, the board of directors of Friends House (London) Hospitality Limited is appointed by, and reports annually to, BYM trustees. Trustees have three subcommittees: Audit Committee, Employment Committee, and Finance & Property Committee.

Trustees are further supported by standing committees, whose work is included in this report. The trustees, together with the standing committees listed below, define policies and decide the work to be done.

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

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

In reflecting on the trustees’ work in 2018, four areas of governance are noteworthy:

• work towards identifying strategic priorities for centrally managed work for the next 5–10 years
• a move towards simplifying and diversifying our committees
• commissioning a review of governance of safeguarding
• the conclusion of a review of Swarthmoor Hall governance arrangements.

The conduct of business

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

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

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

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

This legislation, which requires any charity campaigning in ways that might be deemed to influence the outcome of an election to register with the Electoral Commission if its election-related campaigning expenditure exceeds certain limits, came into effect in the autumn of 2016. Following careful consideration, and consultation with Meeting for Sufferings, trustees decided to register as a non-party campaigner, but reaffirmed that, above all, our responsibility is to act and speak as we are guided by faith.

There was no regulated activity in 2018. Trustees continue to be concerned about the implications of this Act. We have raised these concerns with government through the Office for Civil Society, and by engaging with the regulator, the Electoral Commission, over the implementation of the act. BYM continues to campaign for improvements to this area of regulation.

Safeguarding procedures

BYM works to ensure all of our events and services are safe for everyone, and that everyone can worship safely within Quaker communities, including children, young people and vulnerable adults. We work to comply with legal and regulatory safeguarding requirements laid upon us as a charity. We have policies and procedures to ensure that only appropriate staff and volunteers work with children and young people and that criminal records checks are undertaken as required. Our safeguarding procedures and policies are kept under review, and in 2018 we initiated an external review which will be delivered in 2019.

Volunteer involvement

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

• The role of volunteers and the staff with whom they work must be clear:
• The work of volunteers should be seen as complementary to the work of staff, and volunteers should be supported in their work.
• Volunteers will not be used to replace staff posts.
• Staff and volunteers will work closely together.
Structure, governance and management

Equal opportunities

In 2009 BYM adopted an equal opportunities policy:

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

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

Staff, committees and our hospitality company have developed procedures, appropriate to their areas, for implementing the policy.

BYM has an aspirational culture and its staff share a strong unity of purpose. BYM staff are loyal, committed, and proud of their workplace and its values.

In 2018, our workplace group continued work to look at how to improve community and inclusion, and minimise barriers that may exist in recruitment, training and development, and our ways of working. A BAME (Black, Asian and Minority Ethnic) network was set up by staff. We began to develop inclusive workplace training that will be delivered to all managers, staff and new employees from 2019.

Diversity and inclusion

In 2018 Quakers reflected on diversity during the course of Yearly Meeting.

“We are challenged to ask ourselves uncomfortable questions, both as individuals and as meeting communities, and to ask what love requires of us to be a fully inclusive worshipping community. Can we expand our experience of “Who is like me?”

“Our house cannot be fully in order until we change some of the fundamentals of the world in which we operate.”

Yearly Meeting 2018, Minute 36

BYM as a charity is firmly committed to the diversity of our staff, volunteers and stakeholders, and continues to believe that we have an obligation to model the sort of changes we expect of others. We are on a journey of development. In 2018 the Recording Clerk signed up to the Association of Chief Executives of Voluntary Organisations (ACEVO) and Institute of Fundraising’s (IoF) eight leadership principles to improve diversity and inclusion in the charity sector. In order to set meaningful targets for diversity that reflect the participants, donors, beneficiaries and the population of the areas that BYM operates in, we are working to understand how our stakeholder groups are constituted. We will work towards setting clear targets and goals for increasing diversity in 2019.

In line with best practice, we annually review our diversity statistics, reporting these to Management Meeting and the Trustees’ Employment Committee. At November 2018:

• 60% of staff were female
• 16% of staff were from black and minority ethnic communities
• 9.6% of staff considered themselves to be disabled
• 9% of staff identified themselves as Lesbian, Gay, Bisexual, Transgender, Queer/Questioning (LGBTQ)
• 21% of staff identified themselves as Quaker.

BYM is dependent on service from Friends to carry out functions within the Society. Volunteers also assist in our offices, in the Quaker Centre, at Swarthmoor Hall and with our charitable activities. We periodically survey Friends serving on committees or groups that oversee central work. Of those responding in 2018:

• 59% were female
• 4% were from black and minority ethnic communities
• 8% identified themselves as Lesbian, Gay, Bisexual, Transgender, Queer/Questioning (LGBTQ)

We look forward to learning more about diversity and inclusion among Quaker communities through BYM’s Diversity and Inclusion Project. This will inform BYM’s work with Quakers in Britain towards further development in terms of structures and membership.

**Gender pay gap**

Since April 2018, employers with more than 250 staff are required under legislation to publish information about the differences in pay between men and women in their organisations on an annual basis.

Although BYM employs under 250 staff, we decided to analyse and voluntarily publish details of our gender pay gap in line with our commitment to equality, fairness and transparency. We followed the recommendation of the National Council for Voluntary Organisations (NCVO) – the umbrella body for the third sector – and engaged an independent consultancy, The Croner Group, a specialist reward consultancy, to analyse our pay data.

The analysis revealed that BYM has a small gender pay gap in favour of men, and does not have an equal pay issue. The gaps identified are due to the amount of time (continuous service) spent within roles per pay grade. These gaps will change as staff retire, leave or join the organisation.

The key findings are as follows:

- **Mean Hourly Gap** – 4.63% in favour of men, which is significantly lower than national average (17.4%)
- **Median Hourly Gap** – 6.16% in favour of men, which is significantly lower than national average (18.1%)

Although BYM’s gender pay gap is lower than many organisations in the charity sector and in the UK, we are not complacent. Going forward, BYM committed to:

- conducting a Gender Pay Gap analysis and reporting on an annual basis, in order to plot our trends over the next 3–5 years, and to take action where necessary
- ensuring that all managers and staff receive inclusive culture training
- reviewing our recruitment practices in 2019 to ensure that they are as transparent and open as possible.

**Risk management**

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

**Risk management policies and procedures**

Trustees have paid increased attention to risk, both in their meetings and working with senior staff. The Deputy Recording Clerk, who holds strategic responsibility for risk management, has helped us develop our approach to risk assessment and management.

Risks are linked to the Operational Plan, which is a detailed outline of work programmes. Having identified relevant risks, operational managers analyse levels of risk, confirm mitigation, and, where appropriate, allocate resources. The Risk Register is reviewed and updated frequently during the year by operational managers, Management Meeting and trustees. Six risks have been identified as high/major risks and are managed at strategic level; Management Meeting manages these risks while trustees maintain oversight.

The Audit Committee, constituted of one trustee and three external members, provides Trustees with independent assurance that risk is being adequately managed. It also oversees a programme of other audit work. The Employment Committee and Finance & Property Committee oversee policies and procedures to ensure that they are up to date, and to embed Quaker values in the workplace.
### Structure, governance and management

#### Main risks

The most significant risks identified in 2018 and their management are:

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<th>Risk</th>
<th>Mitigation and management</th>
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| Reduction in membership leads to a decline in witness with a resulting impact on centrally managed work and a loss of support to BYM from Quaker communities | Trustees have made a significant investment in the Vibrancy in Meetings pilot project, jointly with Woodbrooke Quaker Study Centre. The project will increase understanding of how we can support Quaker meetings to be stronger, more connected, confident and sustainable.  
The Engaging Young Adult Friends project started in 2017, aiming to build engagement of young adults with Quakers and to nurture and empower young adult Quakers.  
In 2018 two Youth Development Workers started to increase engagement of young Quakers in two pilot areas.  
Our Quaker Life team has developed a five year strategy with aims to sustain Quaker communities and to foster ministry and outreach, including family engagement through 'All are welcome'.  
A support for meetings strategy is being developed.  
Grant fundraising work has been strengthened. |
| Brexit risks: loss of income alongside rising costs, loss of existing staff and inability to recruit, emerging challenges make existing work less relevant | Management Meeting led an organisation-wide exercise to consider the possible consequences of Brexit.  
An audit on current staff and potential impact on employment status was carried out. Support for non-UK EU nationals is being provided.  
We are conducting a review of recruitment and retention practice.  
Our income and fundraising strategies aim to mitigate some of the possible impacts on financial support of our work.  
Work has begun with committees to review programmes. |
| IT infrastructure not fit for purpose, accessible, portable, agile, robust or secure | We have an IT strategy with an improvement plan.  
We continue to update our infrastructure. In 2018, we have updated our firewall and security measures, and we have implemented security management systems for mobile devices and patch management software.  
We are working on improving server capacity and infrastructure resilience. |
| BYM fails to use appropriate communication tools to help Quakers be widely known and understood. This would contribute to the declining impact of work and engagement of Friends | Plans are created for our communications channels. In 2018, we refocussed and streamlined some channels. A process for increased consideration of appropriate channels is now in operation.  
Staff induction and development ensures channels used appropriately and in relevant, accessible ways.  
Social media accounts follow procedures for content and moderation set out in a social media strategy. |
| Failure of governance control, unsustainable governance structures, reputational risk of meeting governance failure | A five-year improvement plan for governance is underway.  
Risk management strategy implemented involves trustees, Management Meeting, operational managers and Audit Committee.  
We have a range of work to build Quaker communities, support central committees and encourage offers of service. |
Failure of safeguarding governance leads to increased risk of abuse to children, young people or adults at risk, and reputational damage to BYM

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<tr>
<th>Failure of safeguarding governance leads to increased risk of abuse to children, young people or adults at risk, and reputational damage to BYM</th>
<th>We have commissioned an external review and produced an improvement plan.</th>
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<td>Safeguarding support to meetings is a prioritised strand of the Simpler Meetings project.</td>
<td>Policy and procedures have been updated and will be regularly reviewed.</td>
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**Sustainability**

Quakers made a commitment in 2011 to become a low-carbon community so as to reduce the risks associated with climate change and an unsustainable consumer-led lifestyle. Good progress has been made both in providing guidance to Quakers throughout Britain and reducing the environmental impact of the centrally managed work.

BYM’s environmental strategy is linked to UN sustainable development goals. From the beginning of 2018 for three years BYM is funding the Human Impacts of Climate Change programme at the Quaker United Nations Office in Geneva.

At Friends House and Swarthmoor Hall food in the restaurant and café comes from locally sustainable sources. In 2018, BYM became a CreatureKind institution with a commitment for our restaurant at Friends House to become wholly vegetarian and reduce the amount of animal products we serve in our catering facilities by 20% in two years. There is an ethical procurement programme and renewable energy is used for heating and lighting. We aim to reduce our carbon footprint by 4% year on year until 2021. In 2018 we undertook a renewable energy production survey at Swarthmoor Hall to explore options to lower our carbon footprint and benefit the local community.

**Health and safety**

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

**Data Protection**

BYM trustees are responsible for data security and for legal compliance matters. As Data Controller for BYM, the Recording Clerk is responsible for checking annually that staff, committees and other constituent parts of BYM comply with the relevant data protection regulations. Trustees receive the annual report from the staff Data Protection Group. The group works to terms of reference agreed by Management Meeting and Trustees. BYM took steps to ensure that our systems and processes were compliant with General Data Protection Regulations (GDPR) and the Data Protection Act 2018. We continue to develop our data protection practice as part of a journey to building privacy by design and better management of personal data into everything we do.

**Grant-making**

Grants from restricted funds are made according to the criteria laid down by the donor. Grants from unrestricted funds are allocated by reference to criteria specified in 2010. Following a good-practice review of all criteria, advice and processes relating to the funds from which grants are allocated, more robust processes and documentation have been developed, particularly relating to our expectations of those in receipt of grants. A review of grants made over seven years to 2017 has informed our current grant-making strategy.

A full list of grants given is available on our website (www.quaker.org.uk).
Structure, governance and management

Trustees serving during 2018 and up to the date of this report

Georgina Bailey (from 1 January 2019) | London West Area Meeting
Linda Batten, Treasurer (from 1 January 2019) | Sheffield & Balby Area Meeting
Alison Breadon | Wirral & Chester Area Meeting
Sarah Donaldson | Manchester & Warrington Area Meeting
James Eddington (until 31 December 2018) | Lancashire Central & North Area Meeting
Nick Eyre | Lincolnshire Area Meeting
Ingrid Greenhow, Clerk (until 31 December 2018) | Chilterns Area Meeting
Ellie Harding (from 1 January 2019) | Central England Area Meeting
Carolyn Hayman (from 1 January 2019) | North West London Area Meeting
Roy Love (until 31 December 2018) | York Area Meeting
Caroline Nursey, Clerk (from 1 January 2019) | London West Area Meeting
David Olver, Assistant Clerk (from 1 January 2019) | Craven & Keighley Area Meeting
Steve Pullan (until 31 December 2018) | Northumbria Area Meeting
Alastair Reid | West Scotland Area Meeting
Hazel Shellens | Cambridgeshire Area Meeting
Graham Torr | Kingston & Wandsworth Area Meeting
Peter Ullathorne, Treasurer (until 31 December 2018) | Central England Area Meeting
Frances Voelcker | North Wales Area Meeting
Christine Willmore | Bristol Area Meeting

Recruitment of trustees, induction and training

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

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

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

BYM staff

BYM employed 194 staff (156.4fte) across its departments in 2018, including 73 (54.2fte) to undertake the work of Friends House (London) Hospitality Ltd.
Management Meeting

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

In 2018, Management Meeting comprised:

- Helen Drewery, Head of Witness and Worship
- Paul Grey, Head of Operations
- Lisa Kiew, Head of Finance and Resources
- Paul Parker, Recording Clerk
- Juliet Prager, Deputy Recording Clerk

In 2016, Management Meeting personnel took on different roles, reflecting the broad themes of the work to enable the charity to work more strategically and as a single joined-up organisation. Trustees reviewed these arrangements in early 2018 and found that the new structure improved organisational resilience, risk management and impact reporting.

Staff remuneration and support

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

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

BYM is firmly committed to the personal and professional development of our staff, allocating £500 per employee per annum towards training and development. In 2018, 10 internal face-to-face courses were run, in addition to the provision of online training on various health and safety topics and data protection, and role-specific training for individuals. Direct expenditure on training was 1% of total staff costs.

Staff are supported in other ways with an employee assistance scheme, trusted listeners to support staff in achieving mental wellbeing and a staff wellbeing day. In 2018 BYM also reviewed its benefits provision and its staff recognition practises, benchmarking itself against other voluntary organisations.

Communicating with staff

Our methods of communicating with staff continue to evolve. The intranet enables staff to access news and information across the organisation, and highlights are shared on posters in staff areas. Discussion and information sharing also takes place in departmental meetings, as well as all-staff meetings, which are recorded and available to listen to on the intranet.

BYM is committed to open and accountable management of our staff, where development and recognition are acknowledged. Staff can raise concerns through their line manager or Management Meeting including the Recording Clerk, or anonymously through the whistleblowing policy and suggestion box.

Staff are regularly informed of and consulted about changes and developments within the organisation. We hold an all-staff conference in alternate years and carry out surveys of all staff, the findings of which inform how we work together.

Our representative staff-led Quaker Workplace Group develops staff ideas that will contribute to a purposeful and loving working environment underpinned by Quaker values.

Staff are encouraged to join the employer recognised union, Unite. A member of Management Meeting meets with the union regularly. The union supports staff during key consultations and with employee relations.
Structure, governance and management

Relationships between BYM and related parties

The charity works in close partnership with a number of other organisations.

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

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

Woodbrooke Quaker Study Centre is an independent learning organisation which supports and informs Quakers, as individuals and as a community, to enable our work in the world and in local communities from a place of understanding and spiritual renewal. Woodbrooke is a key partner in the development and delivery of a number of BYM’s programmes of work. BYM and Woodbrooke have an agreed memorandum of understanding to provide a framework for our working relationship.

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

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

Fundraising practices

BYM raises funds within the Quaker community primarily via the contributions given by area and local meetings annually. We also make applications to trusts and foundations for grant funding. No direct fundraising approaches are made to individuals, though donations and legacy bequests are received from individuals. No professional third party fundraiser or commercial participator carried out any fundraising activity on behalf of BYM. We have received no complaints regarding our fundraising practices in 2018. BYM is registered with the Fundraising Regulator and subscribes to its Code of Fundraising Practice.

With the exception of collection boxes at Friends House and Swarthmoor Hall, and a donation page on our websites, BYM does not raise funds from the general public.

In September 2018 BYM Trustees adopted a five-year giving and fundraising strategy which aims to increase giving to the charity in order to develop the support for thriving Quaker communities, and uphold the cost of work Friends ask to be done in their name. BYM will build its fundraising engagement capacity over 2019. We are committed to open, honest and respectful fundraising. We take protecting people’s data very seriously and our policies comply with relevant legislation. Our privacy policy is accessible on our website. We do not swap or sell individuals’ data and supporters can change their communication preferences at any time.

Reference and administrative details

Name and registered office

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

Professional advisers

<table>
<thead>
<tr>
<th>Auditor</th>
<th>Legal advisers</th>
<th>Investment managers</th>
<th>Main banker</th>
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<tbody>
<tr>
<td>Mazars LLP</td>
<td>Bates Wells Braithwaite</td>
<td>Rathbone Greenbank Investments</td>
<td>The Co-operative Bank</td>
</tr>
<tr>
<td>Times House</td>
<td>10 Queen Street Place</td>
<td>10 Queen Square</td>
<td>3rd Floor</td>
</tr>
<tr>
<td>Throwley Way</td>
<td>London EX4 1BE</td>
<td>Bristol BS1 4NT</td>
<td>10 Warwick Lane</td>
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<tr>
<td>Surrey SM1 4JQ</td>
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<td>London EC2 7BP</td>
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Objectives and achievements

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

Sustaining our church and faith

Yearly Meeting – the annual gathering open to all members of our religious society – is not only a major event but also the ultimate decision-making body for Quakers in Britain, having a huge influence on the Quaker church in Britain and the work of Britain Yearly Meeting as a charitable organisation. Yearly Meeting 2018 took place at Friends House in May 2018, with over 1,100 Friends registered to attend, including 160 Friends aged under 18.

The stand-out decision from Yearly Meeting was the call to revise Quaker faith & practice. The revision is a real chance to rearticulate who Quakers are as a faith community today, to incorporate the insights of younger and more diverse people, and to show that Quakerism is a faith fit for the 21st century. Following the decision, we received over 300 expressions of interest in serving on the committee that will take the revision forward. Quakers first published a book of discipline in 1738. It is revised once in a generation: the most recent revision was first published in 1994.

Quakers in Britain have a vision that includes all Quaker communities being loving, inclusive and all-age. Yearly Meeting 2017 called on us to examine diversity in the Quaker church in Britain – and in 2018 BYM responded by launching a Diversity and Inclusion Project to do just that. The project is considering inclusion in all its aspects, including in relation to class, race and ethnicity, gender, sexuality, disability, age and expressions of faith. Much of the work so far has been with local Quaker communities, encouraging engagement, providing resources and gathering information. At the end of 2018 we launched a survey to establish a baseline for the diversity of the British Quaker community as it exists now.

The Quaker Committee for Christian & Interfaith Relations (QCCIR) helps us work with other faiths and human values groups. The committee considers questions such as how Quakers can best work in a shifting religious landscape. In 2018, to help with this, QCCIR commissioned a report from the Centre for Research in Quaker Studies at Woodbrooke Quaker Study Centre. It provides fascinating insights into our interfaith work, the ways in which Britain is changing, and the spirituality of new Quakers.

In 2018 we spent £1.0 million on sustaining our church and our faith.

Supporting meetings

We provide meetings with resources, training, support and events to support them to work with children and young people so that they can engage with Quakerism, explore their spirituality and be a valued part of Quaker communities. Almost 350 people attended events we organised during 2018, including 231 children and young people, 97 adults and 20 staff. We responded to six requests from meetings for training and ran a conference for Quaker youth workers on gender diversity. In June we launched a three-year pilot project to explore how Quaker meetings could benefit from the support of a dedicated youth worker based in their region. We placed two workers – one based in Bristol and the other in Sheffield – but in total there were 17 expressions of interest to host the project, showing a great appetite for this work. The project is being closely monitored by an external evaluator to establish whether it is having a positive impact on meetings. We hope it will increase the opportunities available to young Quakers, and enable more of them to get involved in local or national initiatives, and engage in the life of their meeting.

This wasn’t the only three-year project launched in 2018. We set up the Simpler Meetings Project to make the lives of clerks, trustees and treasurers a bit easier, providing more straightforward guidance and templates that are easy to find when Quaker role holders need them. The project is also reviewing how we communicate with meetings and will offer some individual support to meetings that need supporting through significant organisational changes. This work has at its root a recognition that traditional Quaker processes and structures were shaped by a more time-rich way of life – Friends today have less time to give to the administrative aspects of maintaining Quaker communities. The project only started in the second half of 2018 but has already discussed ideas amongst area meeting clerks, explored how area meetings are experimenting with the way they do business, and simplified safeguarding documents and webpages.
Structure, governance and management

2018 was also a big year for our Vibrancy in Meetings pilot programme. This aims to help Quaker meetings thrive by providing them with a dedicated development worker based in their region. Run by BYM in partnership with Woodbrooke Quaker Study Centre, it currently comprises four development workers located in four regions across Britain, plus a national coordinator. An external evaluator’s report states that 96% of Friends surveyed rated the support they received from the Vibrancy development workers as ‘excellent’ or ‘good’. They particularly valued the workers’ ability to listen to Friends, understand the issues they were facing and provide high-quality support. Almost 90% respondents felt supported by their worker; 81% felt better able to support their local or area meeting in turn, and over 60% of role-holders interviewed said Vibrancy had helped them enjoy their role more.

In 2018 we spent £2.5 million on supporting meetings.

Witness through action

Climate change is perhaps the biggest threat to all life on our planet. In 2018 we worked with a host of other organisations to press for urgent action, calling on the UK government to show more ambition and leadership. In July the Recording Clerk represented Quakers at a Vatican conference for faith and community leaders, diplomats, activists, and experts. It was a chance to discuss the need for a coordinated faith voice on climate change. Our shared concerns prompted Claire Perry, Minister for Energy and Clean Growth, to ask BYM to convene a small group of faith leaders to meet her in September. We brought together members of the Anglican, Catholic, Jewish and Methodist faiths. We heard that the government aims to meet the UN’s target of net-zero emissions by 2050, and made the case for urgent, concrete political action. We also supported Quakers around the country in their local work, which included lobbying politicians, campaigning for fossil fuel divestment, and direct climate action. As part of the No Faith in Fracking campaign, Quakers in Lancashire took part in interfaith vigils outside Cuadrilla’s Preston New Road site. They also joined other activists in a week of direct action, for which we helped with planning, communications and media coverage.

Our East Africa Programme involves working with local partners to deliver training and support in nonviolent direct action that enables people to build peace and challenge injustice in their local communities. In 2018 10 full-time staff and 66 ‘community resource people’ from our local partners based in Kenya, Burundi and Rwanda carried out 58 workshops, training 1,105 people in nonviolent campaigning. They gave direct support to 52 nonviolent social justice campaigns carried out by grassroots organisations such as transport unions, women’s groups, youth clubs, student groups, environmental groups and disability rights groups. These BYM-supported campaigns vary in scale but can have a real impact – for example, in 2018 campaign successes include: restoring the water supply to several thousand people who had been cut off for eight months due to stalled government works (Kenya); setting up a child protection system (Kenya); raising awareness of domestic violence and resolving 15 severe family conflicts (Rwanda); getting an entire village, two hospitals and one school connected to the electricity supply (Burundi). We also supported our partners in East Africa to produce the Turning the Tide East Africa Gathering, which took place in October 2018 and saw more than 30 peace campaigners from Rwanda, Kenya and Burundi came together to exchange experience and skills. The gathering even attracted a delegation from Northern Nigeria, who were interested in starting their own programme based on the same methodology.

In Israel and Palestine we have continued to provide a protective presence to people living under occupation through our management of the UK and Ireland branch of the World Council of Churches’ Ecumenical Accompaniment Programme in Palestine and Israel. In 2018 we trained 18 volunteers to serve as ‘ecumenical accompaniers’ (EAs) in the West Bank. EAs’ role is primarily to witness life under occupation. They monitor and report human rights violations, bringing eyewitness accounts to the world’s attention.

In 2018 EAs that we placed in the field made a real difference to people’s everyday lives in a number of ways. By accompanying Palestinian children on their walk to school they protect them from violence and harassment they often face from Israeli military and settlers. As well as ensuring the children actually get to school, a result of this is that students actually focus better in the classroom. Sef, a Palestinian shepherd from Susiya, was able to graze his flock of 40 sheep and goats because EAs and Israeli peace activists were with him. The pastureland borders an Israeli settlement and Sef often faces intimidation from settlers. Access to the land is essential for his way of life. Another way in which EAs made a difference in 2018 was their presence at checkpoints. Tens of thousands of
Palestinians need to go through checkpoints daily to access land and work. EAs observe the conditions and have been successful in persuading soldiers to reduce dangerous overcrowding.

When EAs return they undertake advocacy work to help people understand the situation in Israel and Palestine and to bring about change. In 2018 returned UK and Irish EAs gave over 200 public talks and had over 130 individual contacts with elected representatives. Meanwhile Britain Yearly Meeting, informed by our experience working in the region and guided by Meeting for Sufferings (the national representative body for Quakers in Britain), became the first UK church to announce it will not invest any of its centrally-held funds in companies profiting from the occupation of Palestine. The publicity generated by the decision highlighted to the wider community the continued injustice of the occupation and sets a precedent for other churches to consider their own positions.

In our peace education work we encourage children to examine the root causes of violence and to build peace in their schools and communities. In 2018 we continued our collaborative work with Corrymeela, Coventry Cathedral, Education Scotland, Oasis Trust, and Wales for Peace on the INSPIRE project. INSPIRE helps young people develop in a spirit of peace and social justice. Together we’re promoting peer mediation and sanctuary schools and helping young people address questions of conscience. On 9 November INSPIRE ‘Remembrance for Peace’ events were held across the UK – in school assemblies, churches and mosques. As an organising partner, we hosted close to 1,000 local schoolchildren for a mix of music, drama and reflection at Friends House in London. The children built a peace tree and listened to stories of peacemaking from around the world, shared how they build peace in their playgrounds and classrooms, and considered what it means to stand up for peace – both today and a century ago. We also contributed to the production of a documentary film that exposes and challenges militarisation in our civic life; ‘War school’ unpacks the government’s strategy of targeting the education system and promoting public support for war. We provided the filmmakers with information and contacts from our anti-militarism coalition. We also secured a grant from the Network for Social Change to support the film and create related learning resources.

Our Turning the Tide active nonviolence programme provided 231 hours of direct facilitation/training, and shared advice, information and resources about nonviolence, peacebuilding and related themes to over 50 groups and individuals in the UK. Alongside this programme staff carried out a major strategic review of Turning the Tide’s activities.

We spent £2.8 million on Quaker witness through action in 2018.

**Promoting Quakerism**

We launched eight new animated videos in 2018 to help share the Quaker message with a wider and more diverse audience. There are four 30-second videos, aimed at those with no prior knowledge of Quakerism and four animated ‘Quaker journeys’ telling the stories of four Quakers and what their faith means to them. Accompanying these are new set of leaflets about Quaker community, worship, faith and living, based on these stories. You can find them at www.quaker.org.uk/journeys.

One way we made use of these videos is by sharing them on social media. 2018 was a busy year for our social media channels, with our main Facebook page growing by almost 1,200 followers, our Instagram account growing by 795 and our main Twitter account growing by around 1,600. We ended the year with over 22,000 followers across these three platforms. Our most engaging post topic for 2018 was our decision to rule out any investment of central funds in companies profiting from the occupation of Palestine. This announcement reached almost 37,000 people on Facebook and over 70,000 people on Twitter – leading to thousands of comments and other online interactions.

In August we worked with Friends from around the country to host the ‘ResisTent’ at the Greenbelt Festival. It was an opportunity to create a vibrant, visible Quaker presence among a community of spiritual seekers, activists and artists. Our programme spanned four days and included talks, children’s activities, debates, Quaker worship, some stand-up comedy, and a silent disco. Over 2,360 people of all ages visited the Quaker tent, took part in activities and attended worship, a number of them being ‘returners’ – people who had engaged with Quakers at the festival in previous years. Over 80 per cent of those visiting the tent were non-Quakers, and a number of them went on to visit local Quaker meetings to explore Quaker worship.
Quaker Week 2018 ran from 29 September to 7 October and was based on the theme of ‘Room for More’. We created a resource pack for meetings with ideas of how to use food and hospitality as a way of offering welcome and encouragement to seekers and enquirers. Quaker Week events were held across the yearly meeting, with 87 of them appearing on our interactive events map. We provided staff speakers for 21 events. We supported Friends to make media appearances across four BBC radio stations.

During the year our blog, launched mid-2017, has gone from strength to strength. In 2018 72 blogs were posted, and between them they were read over 62,200 times. The top blog post was on the subject “Could Quakerism be the radical faith that the millennial generation is looking for?”. January 2018 saw the launch of Quake!, our monthly e-newsletter. Its audience has grown to 3366 with issues being opened an average of 4481 times, suggesting that readers are forwarding it on to others. We also relaunched our podcast in 2018 as ‘A Quaker take’ – producing five new episodes covering topics ranging from parenting to peace education.

In 2018 we spent £2.1 million promoting Quakerism.
Strategic report and review of financial activities for 2018

We would like to thank Friends for their financial support of the centrally managed work carried out by the national charity in 2018. This support has enabled us to provide advice, resources, training and events to strengthen and empower Quaker meetings; uphold the structures and discipline that keep our church and our work spirit-led; operate a range of programmes in Britain and overseas that translates our faith into action; and carry out outreach, media and advocacy work that builds public awareness of who Quakers in Britain are and of the things that matter to us. The centrally managed work is Quaker work, and Friends are a vital part of it. Without their generous gifts — whether they be of time, money or prayerful support — none of it would be possible.

Apart from contributions from individuals and Quaker meetings our income derives from five other principal sources: legacies, grants, the surplus from our trading subsidiary, investment income, and revenue from our charitable activities. Our revenue from all these sources in 2018 was £12.2 million (2017: £13.0 million).

Over the past few years legacies have varied from less than £1 million to over £5 million; in 2018 the amount totalled some £2.7 million (2017: £3.5 million). Trustees continue to allocate legacy income in excess of the amount needed to support our regular work to time-limited projects. Since 2014 a total of £5.2 million has been designated for this purpose, and projects totalling some £3.9 million have been approved, many of which have already been completed. This leaves a fund of some £1.3 million as at 31 December remaining to be committed to new projects.

The largest proportion of contributions reach us in the last three months of the year. Contributions were in 2018 just over £2.1 million, falling short of the 2017 total by £115,000.

Friends House (London) Hospitality Limited continues to raise income from conferences, meetings and catering provision at Friends House. The company also manages Swarthmoor Hall at Ulverston in Cumbria, and the Quaker Bookshop on behalf of the charity. The company’s trading income funds the bulk of the buildings’ running costs, and after paying these and its operating costs, a surplus of £1.3 million was available as a direct contribution towards our charitable work, the highest figure achieved in the company’s history. As part of BYM’s charitable work with and through other organisations, the charity provided room hire and services totalling £0.3m as support in kind.

The market value of our investment portfolio at the end of 2018 was £23.0 million. As markets fell sharply at the end of 2018, the portfolio suffered a net loss of £2.3 million. A review of the investment policy was completed in 2018. The investment policy, together with a full listing of our investments as at 31 December 2018, is published on our website at www.quaker.org.uk.

The overall deficit for the year of £2.9 million arose mainly from the fall in the stock market impacting our investment portfolio. A deficit operational budget for the year had been agreed by Trustees in order to meet increased demands in some areas of work.

Reserves

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

Endowments

Endowments are monies received by BYM with the requirement that the capital should be held permanently, and the income used for various aspects of the charitable purposes. Trustees are reviewing each of these endowments to see whether the objectives might be achieved better by seeking Charity Commission permission to spend the capital in the light of the increased demands in some areas of work and the levels of returns available.

Restricted funds

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

**Designated funds**

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

**General reserves**

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

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
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<tr>
<td>Total Funds as per Group balance sheet</td>
<td>77,358</td>
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<td>Comprising:</td>
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<tr>
<td>Endowment funds</td>
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<td>Restricted funds</td>
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<td>Designated funds tied up in fixed and heritage assets</td>
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<td>Designated funds</td>
<td>8,972</td>
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<tr>
<td>General reserves</td>
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</tr>
</tbody>
</table>

Our reserves policy focuses on the level of BYM’s general reserves. Our general reserves as at 31 December 2018 amount to around £7.5 million. The target for general reserves is 6 months’ operating costs (£6.4 million based on 2019 budget), plus planned capital expenditure for the next twelve months (£1.3 million).

While general reserves are slightly below the target figure at 5.8 months’ operating costs and planned capital expenditure for 2019, the current level of reserves allows BYM in the event of facing difficult financial circumstances to both meet its responsibilities and for operations to continue during a period of managed adjustment.

BYM has robust income streams in relation to its trading activities and its investment income from properties. A key measure of sustainability is both current and future liquidity cover, rather than a surplus accounting position.

**Financial position**

The overall position as at 31 December 2018 remains stable, despite the difficulties in the wider economy. Our net current assets (short-term bank deposits, monies owed to us, less monies owed by us and payable within one year) stood at £3.4 million. These provide a satisfactory level of cash resources for our planned activities and enable us to meet the cost of capital projects throughout the year.

**Looking forward**

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

BYM will need to invest in the future of the Society over the next five years, by developing resources and services to support Quaker meetings to be diverse, thrive and grow, and continuing to develop work with children and young adults. BYM needs to be able to continue work with and on behalf of Quakers for a sustainable and peaceful world, noting that the need for this in the wider world continues to be pressing and growing. To be able to meet these needs, BYM will need to change its structures and practices; this may incur costs in the short term, while being expected to lead to simplification, increased efficiency, and making a greater difference in the world. Prudent stewardship includes prioritising our efforts in order to make the greatest difference in the world with finite amounts of money and time.

Approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on 5 April 2019 and signed on their behalf by:

Linda Batten, Treasurer
Future plans

Our plan for 2019 includes over 300 separate activities, varying in duration, complexity and scope. As always, a major focus will be preparations for Yearly Meeting – in 2019 this will take place at Friends House from 24–27 May and the theme will be privilege and how it impacts our ability to act on our concerns. We will also be preparing for our 2020 Yearly Meeting Gathering at the University of Bath.

Trustees have spent time considering strategic priorities for BYM, and many of our planned activities for 2019 support the emerging direction:

Thriving Quaker meetings
2019 will be a critical year for the Vibrancy in Meetings pilot programme. Run in partnership with Woodbrooke Quaker Study Centre, it was set up to test how regional workers can help Quaker meetings thrive and improve local access to central resources and expertise. In 2019 an independent evaluation report will be produced which will inform how BYM supports Quaker meetings in the future.

Two other pilot projects running in 2019 will continue to explore new ways to support meetings with managing property and the benefits to meetings of local youth workers. We will continue our three-year project to increase the visibility and engagement of young adults in the life of Britain Yearly Meeting and its constituent meetings, and expect to gain new insights about the makeup of our religious society through the Diversity and Inclusion Project.

Other 2019 activities that relate to this priority include supporting meetings with local outreach, exploring how our Quaker communities might become more intergenerational, and looking at how we communicate with young Quakers as they become adults.

A sustainable and peaceful world
We will continue working with and on behalf of all Quakers in Britain for economic and climate justice. This includes supporting local Quaker meetings and groups with their own initiatives, enabling individual Friends to take up national campaigning opportunities and urging UK policy makers to meet key commitments on climate change.

In 2019 we will run an intergenerational exchange for Quaker peacemakers with an emphasis on international conciliation work. This event will help capture the skills and learning from experienced, international Quaker conciliators and pass it on to a new generation, building capacity within the yearly meeting for this valuable and specialist work.

Our active nonviolence work in East Africa has flourished over the past few years, with thousands of people trained, an increasing geographical spread and many successful campaigns undertaken. In 2019 we will work with our local partner in Kenya to build their capacity to raise funds and move towards becoming an independent organisation.

Back in Britain, we will be developing an online nonviolence course, running criminal justice workshops, helping the new Quaker group Roots of Resistance to coordinate a large presence to protest against the DSEI arms fair in London, and continuing to support meetings in creating a climate of welcome for refugees and migrants.

Our hospitality company will make its own contribution to a more sustainable and peaceful world by introducing a fully vegetarian and vegan menu in the restaurant at Friends House, and helping ex-offenders reintegrate into society through its Bake the Difference project.

Simple structures and practices
2019 will see our Simpler Meetings project move into its second year. The project aims to refine the support and resources that Britain Yearly Meeting offers to meetings and reduce the administrative burden on key role-holders in Quaker meetings so that energy and creativity is freed up for community building, spiritual nurture, outreach and witness.

We will procure a new database that will integrate better with our other systems – this will not only make our data processing more simple and efficient, it will also result in an improved service for Friends.
We will also be looking at simplifying our processes around nominations for committee service, and reviewing our guidance on data protection for meetings.

As well as the above highlights and our ongoing work to sustain and promote Quakerism, support Quaker meetings and put faith into action, we have a number of activities planned for 2019 that will help ensure Britain Yearly Meeting as an organisation is robust, secure and sustainable. These include:

- developing and implementing a set of complementary strategies on fundraising, income and reserves
- bedding in new financial software to improve processes and give staff better access to financial information
- strengthening our staff body by facilitating the development of line managers, introducing mental health first-aiders and providing training for all staff on inclusivity and on the General Data Protection Regulation.

At the end of 2019, we expect to report on the direction that core work will take over the next 5–10 years, as well as our operational planning for 2020.

Statement of trustees’ responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- 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 which enable them to ensure that the financial statements comply with the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

The trustees’ report was approved by the trustees on 5 April 2019 and signed on their behalf by:

Caroline Nursey, Clerk
Auditor’s report

Independent auditor’s report to the Trustees of the Britain Yearly Meeting of the Religious Society of Friends

Opinion

We have audited the financial statements of the Britain Yearly Meeting of the Religious Society of Friends (the ‘charity’) for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

• give a true and fair view of the state of the group’s and the parent charity’s affairs as at 31 December 2018 and of the group’s income and expenditure for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees’ view on the impact of Brexit is disclosed on page 10. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the group’s and charity’s trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the group and charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the group’s and charity’s future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the charity and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

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

• the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group’s or the parent charity’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.
Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ Report.

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

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

Responsibilities of Trustees
As explained more fully in the trustees’ responsibilities statement set out on page 23, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Use of the audit report

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

Signed:

Mazars LLP Chartered Accountants and Statutory Auditor
Times House, Throwley Way, Sutton, Surrey SM1 4JQ
12 April 2019

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.
Financial statements
Year to 31 December 2018
### Consolidated statement of financial activities  Year to 31 December 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2018 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income and endowments from:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Donations and legacies</td>
<td>1</td>
<td>5,216</td>
<td>310</td>
<td>-</td>
<td>5,526</td>
<td>6,050</td>
<td>355</td>
<td>-</td>
</tr>
<tr>
<td>. Charitable activities</td>
<td>2</td>
<td>291</td>
<td>46</td>
<td>-</td>
<td>337</td>
<td>812</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>. Other trading activities</td>
<td>3</td>
<td>4,913</td>
<td>(6)</td>
<td>-</td>
<td>4,907</td>
<td>4,343</td>
<td>(11)</td>
<td>-</td>
</tr>
<tr>
<td>. Investment income</td>
<td>4</td>
<td>1,279</td>
<td>141</td>
<td>-</td>
<td>1,420</td>
<td>1,320</td>
<td>157</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>11,699</td>
<td>491</td>
<td>-</td>
<td>12,190</td>
<td>12,525</td>
<td>509</td>
<td>4</td>
</tr>
</tbody>
</table>

| Expenditure on: | | | | | | | | |
| . Raising funds | 1,3 | 4,317 | - | - | 4,317 | 4,179 | - | - | 4,179 |
| . Charitable activities | 2,5 | 7,425 | 1,005 | - | 8,430 | 8,036 | 883 | - | 8,919 |
| **Total** | | 11,742 | 1,005 | - | 12,747 | 12,215 | 883 | - | 13,098 |

Net (losses) / gains on listed investments

Realised gain on sale of investment property

| Net (expenditure) / income | (1,849) | (583) | (462) | (2,894) | 2,577 | (288) | 582 | 2,871 |

Transfers between funds

| Other recognised gains: | 14 | | | | | | | |

Unrealised gains on investment properties

Unrealised gains on functional properties

| Net movement in funds | (2,956) | 524 | (462) | (2,894) | 21,617 | 1 | (9) | 21,609 |

Reconciliation of funds:

| Total funds brought forward | 68,413 | 6,258 | 5,581 | 80,252 | 46,796 | 6,257 | 5,590 | 58,643 |

| Fund balances carried forward at 31 December 2018 (2017) | 65,457 | 6,782 | 5,119 | 77,358 | 68,413 | 6,257 | 5,581 | 80,252 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.
Balance sheets as at 31 December 2018

<table>
<thead>
<tr>
<th>Fixed assets:</th>
<th>Group 2018</th>
<th>Group 2017</th>
<th>Charity 2018</th>
<th>Charity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property plant and equipment</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Functional property</td>
<td>31,307</td>
<td>31,820</td>
<td>31,307</td>
<td>31,820</td>
</tr>
<tr>
<td>Other</td>
<td>468</td>
<td>354</td>
<td>468</td>
<td>354</td>
</tr>
<tr>
<td>Heritage assets</td>
<td>604</td>
<td>602</td>
<td>604</td>
<td>602</td>
</tr>
<tr>
<td>Investments</td>
<td>12,035</td>
<td>25,366</td>
<td>12,035</td>
<td>25,366</td>
</tr>
<tr>
<td>Property</td>
<td>18,511</td>
<td>18,651</td>
<td>18,511</td>
<td>18,651</td>
</tr>
<tr>
<td>Securities</td>
<td>23,035</td>
<td>23,035</td>
<td>23,035</td>
<td>23,035</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>73,925</td>
<td>76,793</td>
<td>73,925</td>
<td>76,793</td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks and work in progress</td>
<td>100</td>
<td>82</td>
<td>92</td>
<td>80</td>
</tr>
<tr>
<td>Receivables</td>
<td>2,974</td>
<td>2,298</td>
<td>2,947</td>
<td>2,223</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>2,010</td>
<td>2,812</td>
<td>1,988</td>
<td>2,776</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,084</td>
<td>5,912</td>
<td>5,027</td>
<td>5,079</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables: amounts falling due within one year</td>
<td>(1,651)</td>
<td>(1,733)</td>
<td>(2,861)</td>
<td>2,585</td>
</tr>
<tr>
<td>Net current assets</td>
<td>3,433</td>
<td>3,459</td>
<td>2,166</td>
<td>2,494</td>
</tr>
<tr>
<td>Total net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>77,358</td>
<td>80,252</td>
<td>76,091</td>
<td>79,287</td>
</tr>
</tbody>
</table>

The funds of the charity:

Capital funds:

Permanent endowment funds | 5,119 | 5,581 | 5,119 | 5,581 |

Income funds:

Restricted funds | 6,782 | 6,258 | 6,782 | 6,258 |

Unrestricted funds

Designated funds | 57,931 | 58,604 | 57,931 | 58,604 |

General reserve | 7,526 | 9,809 | 6,259 | 8,844 |
| | 77,358 | 80,252 | 76,091 | 79,287 |

These accounts, which have been prepared in accordance with accounting policies on pages 31 to 35, were approved by the Trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) on 5 April 2019 and signed on their behalf by:

Caroline Nursey, Clerk of Trustees

Linda Batten, Trustee
Consolidated statement of cash flow  Year to 31 December 2018

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

**Cash flow from operating activities:**

Net (expenditure) / income  
(2,894) 2,871

Adjustments for:

- Depreciation  
  796 892
- Loss / (gain) on investments  
  2,342 (2,931)
- (Gain) on investment property  
  (5) -
- Investment income and interest  
  (1,420) (1,481)
- Interest-free loans converted to gifts  
  (2) (74)
- Gift of heritage assets  
  (2) -
- Trade and other receivables  
  (676) (54)
- Inventories  
  (18) (13)
- Trade and other payables  
  (82) 504

**Cash used in operations**  
(1,961) (286)

Interest-free loans repaid and converted to gifts  
6 74

**Net cash used in operating activities**  
(1,955) (212)

**Cash flows from investing activities**

- Purchase of property plant & equipment  
  (397) (146)
- Purchase of investments  
  (2,196) (3,208)
- Proceeds on disposal of investments  
  3,026 2,267
- Proceeds on disposal of investment property  
  145 -
- Investment income and interest  
  1,420 1,481

**Cash generated from investment activities**  
1,998 394

**Cash flows from financing activities**

- Interest-free loans repaid  
  (4) (74)

**Cash used in financing activities**  
(4) (74)

**Net increase in cash and cash equivalents**  
39 108

**Analysis of cash and cash equivalents**

<table>
<thead>
<tr>
<th>2017</th>
<th>Cashflows</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

- Cash at bank  
  2,812 (802) 2,010
- Cash with investment managers  
  1,101 841 1,942

**Total cash and cash equivalents at 31 December**  
3,913 39 3,952
Basis of accounting
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Irelands (FRS 102) (effective 1 January 2015) – Charities SORP (FRS102)) and the Companies Act 2006.

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

Consolidation
Consolidated financial statements (“group financial statements”) have been prepared in respect of Britain Yearly Meeting of the Religious Society of Friends (Quakers) and its wholly owned subsidiary, Friends House (London) Hospitality Limited. The results of Friends House (London) Hospitality Limited have been consolidated on a line-by-line basis. No separate income and expenditure of the charity has been presented, as permitted by Section 408 of the Companies Act 2006 and para 15.11 of the SORP. The gross income for the charity for the year was £7.7 million (2017 £8.9 million) and its gross expenditure was £9.5 million (2017 £9.9 million).

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

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

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

- Generating voluntary income (donations and legacies)
- Activities to generate funds from hospitality (other trading activities)
- Generating investment income

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

- **Sustaining our church and faith**: this is defined in *Quaker faith & practice* as organising and maintaining the Yearly Meeting itself as responsive to the leadings of the Holy Spirit; this entails calling, briefing and running decision-making meetings with all the facilities necessary for their efficient and effective functioning. It also includes conducting relations with other churches, faiths and ecumenical bodies.

- **Supporting meetings**: this is defined in *Quaker faith & practice* as supporting Friends in their local organisations by providing services and advice relevant to the current demands of the Quaker community; for example, such work may relate to children, elderly people, those about to be married, those with responsibility for meeting houses, and those raising funds.

- **Promoting Quakerism**: this is defined in *Quaker faith & practice* as raising awareness and developing understanding within and without Britain Yearly Meeting of the Religious Society of Friends (Quakers) concerning the basic tenets of Quaker faith and practice such as spirituality, peace and human rights.

- **Witness through action**: this is defined in *Quaker faith & practice* as putting Quaker thinking into practice in relation to the problems and needs of people at home and abroad, for example through conference resources, restorative justice, lobbying both the European Union and the United Nations, working with those in positions of power, and supporting social and development projects.
Principal accounting policies  Year to 31 December 2018

Support and management costs
These include salaries and other costs and are analysed into the following three categories, the total being charged out to categories (a) to (b) above on the following bases:

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

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

(a) Functional freehold property

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

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

There are three significant functional freehold properties:

- **Friends House**: Friends House comprises freehold land and buildings included at a valuation of £27.9m determined as at September 2017 by Third Sector Property Ltd, on an open market value basis for existing use, in accordance with guidelines issued by the Royal Institution of Chartered Surveyors, plus subsequent additions at cost and less depreciation in 2018.
- **Swarthmoor Hall Estate**: The Swarthmoor Hall Estate comprises freehold land and buildings at a valuation of £2.4m as determined at September 2017 by Carter Jonas Property Consultants, on an open market value basis for existing use plus subsequent additions at cost and less depreciation in 2018. The valuation took account of the fact that (a) Swarthmoor Hall Farm comprises a stock-rearing and dairy farm run organically by a sitting tenant with further succession rights and that (b) Swarthmoor Hall Wood has been let on a 999-year lease, with effect from 30 December 1995, to the Woodland Trust at a peppercorn rent.
- **Quaker House Brussels**: Quaker House Brussels comprises freehold land and buildings included at a valuation of £1,493k determined as at August 2016 by Marc Panichelli, Expert Immobilier, on an open market basis, less depreciation in 2018.

(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:

- Office works – 12.5% per annum based on cost
- Furniture and general office equipment – 20% per annum based on cost
- Computer, similar equipment and software – 33.3% per annum based on cost

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

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

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

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

Investment properties include:

- Drayton House, which comprises freehold land and buildings, valued at £18m by Third Sector Property Ltd as at September 2017 on an open market basis. The use of the building has been changed from office to educational use for the specific period of the tenancy.
- Courtauld House, which comprises freehold land and buildings. On 7 March 2011 a long lease was granted on Courtauld House and its value was written down to £1.
- The Jordans Estate, which comprises freehold land and buildings, was valued at £341k by Carter Jonas, property consultants, in August 2016 on an open market basis adjusted to reflect the fact that in excess of 15 acres of pasture land are let on an annual contract, 5 acres of pasture land are subject to a long lease and 4.61 acres of pasture land are subject to a different long lease. The valuation also reflects the fact that this land is held (inter alia) upon trusts for the protection of the quiet, seclusion and amenities of Jordans Friends Meeting House and burial grounds.
- Two small properties valued by Britain Yearly Meeting with professional assistance, at a valuation of £170k based on open market value adjusted, where necessary, to reflect the existence of sitting or life tenants.

Other investments

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

Net current assets

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

Debtors include loans advanced and sundry debtors. Interest-free loans are advanced to meetings for the purchase and improvement of meeting houses. They are repayable in annual instalments over periods of up to ten years; these are treated as concessionary loans and are carried at cost rather than the net present value of future payments.

Creditors include loans received from Quakers or Quaker meetings, legacies received where Britain Yearly Meeting of the Religious Society of Friends (Quakers) is acting as agent for other Quaker organisations, and sundry creditors. Interest-free loans from Quakers or Quaker meetings are repayable on demand; these are treated as concessionary loans and are carried at cost rather than the net present value of future payments.

Fund accounting

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

Endowment funds:

- The Kingsmead and Kingsmead Close Funds: the income of which is restricted to providing training for Quaker Peace & Social Witness (QPSW) workers or, if the whole of the said income is not required for such purposes, then for the maintenance and support of QPSW workers.
- The Friends Educational Foundation (FEF) Joint Bursary Scheme: the income of which is restricted to providing bursary grants at Quaker schools (note 21).
- The Friends Educational Foundation (FEF) Higher Education Awards: the income of which is restricted to providing grants for higher education (note 21).
- The R. Penney Fund is held on trust with the income to be used for the general purposes of the Society.
- Others: the income of four small funds is restricted within the terms of the relevant fund.
Restricted funds:
These comprise the unexpended income earmarked for specific purposes by donors together with those property funds whose assets are held subject to specific restrictions on use.

The main restricted funds are:

- The Swarthmoor Hall Field Fund, which is restricted to work at Swarthmoor Hall, including the estate. The fund is governed by a separate trust document (note 22).
- The Swarthmoor Hall Fund (note 22) which exists to defray running expenses at Swarthmoor Hall.
- The Albert Moore Fund which is held to acquire and maintain the heritage assets currently on display at Swarthmoor Hall. These assets are excluded from the Swarthmoor Hall Fund at the express wish of the original donor.
- The QPSW Relief Fund, which is held for the relief of poverty, the relief of suffering and general relief.
- The Jordans Estate Fund, which is held upon trust for the protection of the quiet, seclusion and amenities of the Jordans Friends Meeting House and burial grounds.
- The Hope Fund, which is held for providing grants connected with unemployment.
- The Friends Educational Foundation (FEF) Joint Bursary Scheme, which provides bursaries to pupils at Friends schools. These are managed in conjunction with the schools (note 21).
- The Gerald AJ Hodgett Fund is to be applied in such proportions as the trustees decide for the benefit of the central library of the Religious Society of Friends, the Friends Historical Society and higher education awards and grants.
- The Sawell Family Fund is for the upkeep of all property including meeting houses.

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

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

- The Cadbury Staines Fund, which is held for items of major non-routine expenditure at the discretion of Meeting for Sufferings. The income from this fund is applied towards grants to associated Quaker bodies and for the relief of individuals through the Overseers Relief Fund.
- The Property Upkeep Fund, which is held to fund the structural maintenance of all the properties owned for the central work of Britain Yearly Meeting of the Religious Society of Friends (Quakers).
- The Meeting Houses Fund, which is held for making interest-free loans to meetings around the country in order that they may purchase or renovate local meeting houses. Income from this fund is also used to make grants to local meetings for the same purpose.
- The legacy-funded Short Projects Fund supports development work in the areas including peace and disarmament, non-violence, advocacy and supporting meetings.
- The Investment Property Fund, which comprises property held to provide an income. Drayton House is currently let to University College London.
- The Functional Property Fund, which comprises property held for specific work of the Society including Friends House and Swarthmoor Hall and Estate.
- The Heritage Assets Fund, which comprises artefacts, books, paintings and manuscripts relating to Quaker history, which have been purchased by, or donated to, the Society. These are made available to visitors, academics and researchers to promote an understanding of Quakerism.
Principle accounting policies
Year to 31 December 2018

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

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

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

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

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

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

Going concern basis
Britain Yearly Meeting of the Religious Society of Friends (Quakers) reported a group cash inflow of £39,000 for the year. Trustees are of the view that the high value of liquid investments and secured rental income from properties are sufficient for the immediate future of the charity for the next 12 to 18 months and on this basis the charity is a going concern. There are no material uncertainties about the charity's ability to continue.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Group</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Endowment</th>
<th>2018</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Endowment</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>Total £'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>Total £'000</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Contributions</td>
<td>2,076</td>
<td>57</td>
<td>-</td>
<td>2,133</td>
<td>2,209</td>
<td>39</td>
<td>-</td>
<td>2,248</td>
</tr>
<tr>
<td>. Legacies and gifts</td>
<td>2,745</td>
<td>-</td>
<td></td>
<td>2,745</td>
<td>3,447</td>
<td>90</td>
<td>-</td>
<td>3,537</td>
</tr>
<tr>
<td>. Grants</td>
<td>395</td>
<td>253</td>
<td>-</td>
<td>648</td>
<td>394</td>
<td>226</td>
<td>-</td>
<td>620</td>
</tr>
<tr>
<td></td>
<td>5,216</td>
<td>310</td>
<td>-</td>
<td>5,526</td>
<td>6,050</td>
<td>355</td>
<td>-</td>
<td>6,405</td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of raising funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Direct costs</td>
<td>(306)</td>
<td>-</td>
<td>-</td>
<td>(306)</td>
<td>(294)</td>
<td>-</td>
<td>-</td>
<td>(294)</td>
</tr>
<tr>
<td>. Support costs</td>
<td>(181)</td>
<td>-</td>
<td>-</td>
<td>(181)</td>
<td>(142)</td>
<td>-</td>
<td>-</td>
<td>(142)</td>
</tr>
<tr>
<td></td>
<td>(487)</td>
<td>-</td>
<td>-</td>
<td>(487)</td>
<td>(436)</td>
<td>-</td>
<td>-</td>
<td>(436)</td>
</tr>
<tr>
<td>Net voluntary income for charitable activities</td>
<td>4,729</td>
<td>310</td>
<td>-</td>
<td>5,039</td>
<td>5,614</td>
<td>355</td>
<td>-</td>
<td>5,969</td>
</tr>
</tbody>
</table>

Included in the contributions figure are interest free loans converted to gifts totalling £2,000 (2017: £73,900). In 2018, no individual donations were received in excess of £50,000 (2017: two). Included in the cost of raising funds is the cost of related support to meetings. The cost of raising funds directly for Britain Yearly Meeting totalled £118,810 in 2018 and consisted of staff costs and Fundraising Regulator Levy together with a share of support costs. For every £1 spent on raising funds for Britain Yearly Meeting, £47 was received in donations and legacies in 2018 (2017: £133).

2. Charitable activities

<table>
<thead>
<tr>
<th>Group</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Endowment</th>
<th>2018</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Endowment</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>Total £'000</td>
<td>£'000</td>
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<td>Total £'000</td>
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<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>. Sustaining our church and faith</td>
<td>53</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>1</td>
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<td>28</td>
<td>-</td>
<td>230</td>
<td>806</td>
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<td>808</td>
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<tr>
<td>. Promoting Quakerism</td>
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<td>. Witness through action</td>
<td>13</td>
<td>14</td>
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<td>3</td>
<td>-</td>
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<tr>
<td></td>
<td>291</td>
<td>46</td>
<td>-</td>
<td>337</td>
<td>812</td>
<td>8</td>
<td>-</td>
<td>820</td>
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<tr>
<td>Less</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of charitable activities (note 5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>. Direct costs</td>
<td>(5,129)</td>
<td>(673)</td>
<td>-</td>
<td>(5,802)</td>
<td>(6,057)</td>
<td>(666)</td>
<td>-</td>
<td>(6,723)</td>
</tr>
<tr>
<td>. Support costs</td>
<td>(2,296)</td>
<td>(332)</td>
<td>-</td>
<td>(2,628)</td>
<td>(1,979)</td>
<td>(217)</td>
<td>-</td>
<td>(2,196)</td>
</tr>
<tr>
<td></td>
<td>(7,425)</td>
<td>(1,005)</td>
<td>-</td>
<td>(8,430)</td>
<td>(8,036)</td>
<td>(883)</td>
<td>-</td>
<td>(8,919)</td>
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<tr>
<td>Net cost of charitable activities</td>
<td>(7,134)</td>
<td>(959)</td>
<td>-</td>
<td>(8,093)</td>
<td>(7,224)</td>
<td>(875)</td>
<td>-</td>
<td>(8,099)</td>
</tr>
</tbody>
</table>

Income from charitable activities arises mainly from event fees and subscriptions. Events fees from Yearly Meeting Gathering are included under Supporting Meetings.
3. Other trading activities (including Hospitality Company)

<table>
<thead>
<tr>
<th>Group</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2018 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
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<tr>
<td>Income</td>
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<tr>
<td>. Room lettings</td>
<td>2,906</td>
<td>-</td>
<td>-</td>
<td>2,906</td>
<td>2,505</td>
<td>-</td>
<td>-</td>
<td>2,505</td>
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<tr>
<td>. Equipment hire</td>
<td>243</td>
<td>-</td>
<td>-</td>
<td>243</td>
<td>254</td>
<td>-</td>
<td>-</td>
<td>254</td>
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<tr>
<td>. Restaurant</td>
<td>1,908</td>
<td>-</td>
<td>-</td>
<td>1,908</td>
<td>1,749</td>
<td>-</td>
<td>-</td>
<td>1,749</td>
</tr>
<tr>
<td>. Commercial discounts</td>
<td>(17)</td>
<td>-</td>
<td>-</td>
<td>(17)</td>
<td>(38)</td>
<td>-</td>
<td>-</td>
<td>(38)</td>
</tr>
<tr>
<td>. Discounts for Quaker organisations</td>
<td>(127)</td>
<td>(6)</td>
<td>-</td>
<td>(133)</td>
<td>(127)</td>
<td>(11)</td>
<td>-</td>
<td>(138)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,913</td>
<td>(6)</td>
<td>-</td>
<td>4,907</td>
<td>4,343</td>
<td>(11)</td>
<td>-</td>
<td>4,332</td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of other trading activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Direct costs</td>
<td>(2,667)</td>
<td>-</td>
<td>-</td>
<td>(2,667)</td>
<td>(2,297)</td>
<td>-</td>
<td>-</td>
<td>(2,297)</td>
</tr>
<tr>
<td>. Support costs</td>
<td>(1,097)</td>
<td>-</td>
<td>-</td>
<td>(1,097)</td>
<td>(1,378)</td>
<td>-</td>
<td>-</td>
<td>(1,378)</td>
</tr>
<tr>
<td></td>
<td>(3,764)</td>
<td>-</td>
<td>-</td>
<td>(3,764)</td>
<td>(3,675)</td>
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<td>-</td>
<td>(3,675)</td>
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<tr>
<td>Net surplus (deficit) for charitable activities</td>
<td>1,149</td>
<td>(6)</td>
<td>-</td>
<td>1,143</td>
<td>668</td>
<td>(11)</td>
<td>-</td>
<td>657</td>
</tr>
</tbody>
</table>

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

4. Investment income

<table>
<thead>
<tr>
<th>Group</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2018 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental income</td>
<td>740</td>
<td>-</td>
<td>-</td>
<td>740</td>
<td>766</td>
<td>-</td>
<td>-</td>
<td>766</td>
</tr>
<tr>
<td>Dividend income</td>
<td>530</td>
<td>141</td>
<td>-</td>
<td>671</td>
<td>547</td>
<td>157</td>
<td>4</td>
<td>708</td>
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<tr>
<td>Interest received</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>1,279</td>
<td>141</td>
<td>-</td>
<td>1,420</td>
<td>1,320</td>
<td>157</td>
<td>4</td>
<td>1,481</td>
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<tr>
<td>Less</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cost of managing investments</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>. Direct costs</td>
<td>(64)</td>
<td>-</td>
<td>-</td>
<td>(64)</td>
<td>(66)</td>
<td>-</td>
<td>-</td>
<td>(66)</td>
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<tr>
<td>. Support costs</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td>(66)</td>
<td>-</td>
<td>-</td>
<td>(66)</td>
<td>(68)</td>
<td>-</td>
<td>-</td>
<td>(68)</td>
</tr>
<tr>
<td>Net investment income available for charitable activities</td>
<td>1,213</td>
<td>141</td>
<td>-</td>
<td>1,354</td>
<td>1,252</td>
<td>157</td>
<td>4</td>
<td>1,413</td>
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</table>
## 5. Expenditure on charitable activities

<table>
<thead>
<tr>
<th>Group</th>
<th>Direct costs £'000</th>
<th>Support costs £'000</th>
<th>2018 Total costs £'000</th>
<th>Direct costs £'000</th>
<th>Support costs £'000</th>
<th>2017 Total costs £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustaining our church and faith (see below)</td>
<td>743</td>
<td>271</td>
<td>1,014</td>
<td>580</td>
<td>193</td>
<td>773</td>
</tr>
<tr>
<td>Supporting meetings (see below)</td>
<td>1,621</td>
<td>883</td>
<td>2,504</td>
<td>2,303</td>
<td>816</td>
<td>3,119</td>
</tr>
<tr>
<td>Promoting Quakerism (see below)</td>
<td>1,373</td>
<td>729</td>
<td>2,102</td>
<td>1,406</td>
<td>677</td>
<td>2,083</td>
</tr>
<tr>
<td>Witness through action (see below)</td>
<td>2,065</td>
<td>745</td>
<td>2,810</td>
<td>2,434</td>
<td>510</td>
<td>2,944</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,802</strong></td>
<td><strong>2,628</strong></td>
<td><strong>8,430</strong></td>
<td><strong>6,723</strong></td>
<td><strong>2,196</strong></td>
<td><strong>8,919</strong></td>
</tr>
<tr>
<td>Sustaining our church and faith</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>107</td>
<td>21</td>
<td>128</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within Yearly Meeting</td>
<td>290</td>
<td>95</td>
<td>385</td>
<td>324</td>
<td>130</td>
<td>454</td>
</tr>
<tr>
<td>Within other Quaker bodies</td>
<td>291</td>
<td>95</td>
<td>386</td>
<td>195</td>
<td>6</td>
<td>201</td>
</tr>
<tr>
<td>Within other faiths and denominations</td>
<td>55</td>
<td>18</td>
<td>73</td>
<td>61</td>
<td>15</td>
<td>76</td>
</tr>
<tr>
<td>Management oversight</td>
<td>-</td>
<td>42</td>
<td>42</td>
<td>-</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>743</strong></td>
<td><strong>271</strong></td>
<td><strong>1,014</strong></td>
<td><strong>580</strong></td>
<td><strong>193</strong></td>
<td><strong>773</strong></td>
</tr>
<tr>
<td>Supporting meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>585</td>
<td>326</td>
<td>911</td>
<td>1,767</td>
<td>569</td>
<td>2,336</td>
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<td>Spirituality and membership</td>
<td>365</td>
<td>168</td>
<td>533</td>
<td>180</td>
<td>71</td>
<td>251</td>
</tr>
<tr>
<td>Children and young people</td>
<td>487</td>
<td>245</td>
<td>732</td>
<td>201</td>
<td>81</td>
<td>282</td>
</tr>
<tr>
<td>Finance and property</td>
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<td>89</td>
<td>248</td>
<td>132</td>
<td>43</td>
<td>175</td>
</tr>
<tr>
<td>Employment and wardenship</td>
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<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Witness of meetings</td>
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<td>13</td>
<td>38</td>
<td>22</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td>Management oversight</td>
<td>-</td>
<td>42</td>
<td>42</td>
<td>-</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,621</strong></td>
<td><strong>883</strong></td>
<td><strong>2,504</strong></td>
<td><strong>2,303</strong></td>
<td><strong>816</strong></td>
<td><strong>3,119</strong></td>
</tr>
<tr>
<td>Promoting Quakerism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>261</td>
<td>135</td>
<td>396</td>
<td>321</td>
<td>126</td>
<td>447</td>
</tr>
<tr>
<td>Outreach</td>
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<td>253</td>
<td>785</td>
<td>446</td>
<td>78</td>
<td>524</td>
</tr>
<tr>
<td>Web development</td>
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<td>13</td>
<td>38</td>
<td>73</td>
<td>29</td>
<td>102</td>
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<td>Publications</td>
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<td>196</td>
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<td>65</td>
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<td>Other</td>
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<td>178</td>
<td>523</td>
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<td>9</td>
<td>38</td>
</tr>
<tr>
<td>Management oversight</td>
<td>-</td>
<td>42</td>
<td>42</td>
<td>-</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,373</strong></td>
<td><strong>729</strong></td>
<td><strong>2,102</strong></td>
<td><strong>1,406</strong></td>
<td><strong>677</strong></td>
<td><strong>2,083</strong></td>
</tr>
</tbody>
</table>
5. Expenditure on charitable activities (continued)

<table>
<thead>
<tr>
<th></th>
<th>2018 Direct costs</th>
<th>2018 Support costs</th>
<th>2018 Total costs</th>
<th>2017 Direct costs</th>
<th>2017 Support costs</th>
<th>2017 Total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Witness through action</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>50</td>
<td>17</td>
<td>67</td>
<td>19</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Peace witness</td>
<td>1,001</td>
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<td>1,342</td>
<td>1,058</td>
<td>355</td>
<td>1,413</td>
</tr>
<tr>
<td>Social witness</td>
<td>567</td>
<td>193</td>
<td>760</td>
<td>399</td>
<td>112</td>
<td>511</td>
</tr>
<tr>
<td>United Nations work</td>
<td>447</td>
<td>152</td>
<td>599</td>
<td>958</td>
<td>-</td>
<td>958</td>
</tr>
<tr>
<td>Oversight and management</td>
<td>-</td>
<td>42</td>
<td>42</td>
<td>-</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,065</td>
<td>745</td>
<td>2,810</td>
<td>2,434</td>
<td>510</td>
<td>2,944</td>
</tr>
</tbody>
</table>

6. Trustees’ remuneration

No trustee received any remuneration in respect of services given as trustee in 2018 or 2017.

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) (13 Trustees in 2018 and 15 Trustees in 2017) and included in direct costs was £6,653 (2017: £9,507). Much of the work of governance is carried out through delegated authority, although the trustees of Britain Yearly Meeting of the Religious Society of Friends (Quakers) retain the ultimate responsibility for the work carried out. The direct costs of the governance structure include the cost of staff supporting the various committees. Waived trustees expenses were £2,060.

6b. Related party transactions

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

Donations received by Britain Yearly Meeting of the Religious Society of Friends (Quakers) without conditions from Trustees totalled £17,125 in 2018 (2017: £16,315).

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

- Woodbrooke Quaker Study Centre Ltd: £40,191
- Friends World Committee for Consultation (FWCC): £63,285
- Child Rescue Kenya: £2,000
- Alford Quaker Meeting (Lincolnshire Area Quaker Meeting): £600

* the Trustee in common ceased to be a trustee of FWCC on 31 December 2017

6c. Transactions with subsidiary company

<table>
<thead>
<tr>
<th>2018 £</th>
<th>2017 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution received from subsidiary company:</td>
<td>965,307</td>
</tr>
<tr>
<td>Payments received from subsidiary company:</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>150,000</td>
</tr>
<tr>
<td>Interest on debenture loan</td>
<td>4,044</td>
</tr>
<tr>
<td>Payments made to subsidiary company:</td>
<td></td>
</tr>
<tr>
<td>Staff discount in restaurant</td>
<td>40,018</td>
</tr>
<tr>
<td>Creditor: balance due to subsidiary</td>
<td>1,606,978</td>
</tr>
</tbody>
</table>
7. Expenditure

<table>
<thead>
<tr>
<th>Group</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2018 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs (note 8)</td>
<td>6,684</td>
<td>491</td>
<td>-</td>
<td>7,175</td>
<td>6,139</td>
<td>504</td>
<td>-</td>
<td>6,643</td>
</tr>
<tr>
<td>Premises and equipment costs</td>
<td>1,263</td>
<td>45</td>
<td>-</td>
<td>1,308</td>
<td>1,123</td>
<td>34</td>
<td>-</td>
<td>1,157</td>
</tr>
<tr>
<td>Office and publicity costs</td>
<td>1,025</td>
<td>65</td>
<td>-</td>
<td>1,090</td>
<td>1,438</td>
<td>59</td>
<td>-</td>
<td>1,497</td>
</tr>
<tr>
<td>Event and trading costs</td>
<td>1,027</td>
<td>56</td>
<td>-</td>
<td>1,083</td>
<td>1,568</td>
<td>34</td>
<td>-</td>
<td>1,602</td>
</tr>
<tr>
<td>Travel and other costs</td>
<td>823</td>
<td>129</td>
<td>-</td>
<td>952</td>
<td>699</td>
<td>(60)</td>
<td>-</td>
<td>639</td>
</tr>
<tr>
<td>Grants paid (note 9)</td>
<td>920</td>
<td>219</td>
<td>-</td>
<td>1,139</td>
<td>1,392</td>
<td>168</td>
<td>-</td>
<td>1,560</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>11,742</strong></td>
<td><strong>12,359</strong></td>
<td></td>
<td><strong>739</strong></td>
<td><strong>13,098</strong></td>
</tr>
</tbody>
</table>

Governance costs for 2018 totalled £1,034,579 (2017: £843,725)

8a. Staff costs

<table>
<thead>
<tr>
<th>Group</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2018 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>38</td>
<td>8</td>
<td>-</td>
<td>46</td>
<td>44</td>
<td>9</td>
<td>-</td>
<td>53</td>
</tr>
<tr>
<td>Basic pay (UK)</td>
<td>5,208</td>
<td>361</td>
<td>-</td>
<td>5,569</td>
<td>4,596</td>
<td>345</td>
<td>-</td>
<td>4,941</td>
</tr>
<tr>
<td>Basic pay (non-UK)</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>24</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Employer’s National Insurance</td>
<td>486</td>
<td>32</td>
<td>-</td>
<td>518</td>
<td>438</td>
<td>31</td>
<td>-</td>
<td>469</td>
</tr>
<tr>
<td>Employer’s pension contributions</td>
<td>449</td>
<td>33</td>
<td>-</td>
<td>482</td>
<td>403</td>
<td>32</td>
<td>-</td>
<td>435</td>
</tr>
<tr>
<td>Other allowances</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>78</td>
<td>1</td>
<td>-</td>
<td>79</td>
</tr>
<tr>
<td>Agency and temporary staff</td>
<td>344</td>
<td>8</td>
<td>-</td>
<td>352</td>
<td>390</td>
<td>3</td>
<td>-</td>
<td>393</td>
</tr>
<tr>
<td>Staff training and debriefing</td>
<td>52</td>
<td>13</td>
<td>-</td>
<td>65</td>
<td>78</td>
<td>-</td>
<td>-</td>
<td>78</td>
</tr>
<tr>
<td>Other</td>
<td>103</td>
<td>5</td>
<td>-</td>
<td>108</td>
<td>112</td>
<td>59</td>
<td>-</td>
<td>171</td>
</tr>
<tr>
<td></td>
<td><strong>6,684</strong></td>
<td><strong>491</strong></td>
<td><strong>-</strong></td>
<td><strong>7,175</strong></td>
<td><strong>6,139</strong></td>
<td><strong>504</strong></td>
<td><strong>-</strong></td>
<td><strong>6,643</strong></td>
</tr>
</tbody>
</table>

8b. Staff costs continued

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising income</td>
<td>38</td>
<td>45</td>
<td>59.3</td>
<td>28</td>
<td>37</td>
<td>41.8</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>54</td>
<td>35</td>
<td>77.2</td>
<td>54</td>
<td>34</td>
<td>74.3</td>
</tr>
<tr>
<td>Governance</td>
<td>4</td>
<td>2</td>
<td>58.8</td>
<td>4</td>
<td>2</td>
<td>62.2</td>
</tr>
<tr>
<td>Support services</td>
<td>12</td>
<td>4</td>
<td>14.1</td>
<td>13</td>
<td>3</td>
<td>14.5</td>
</tr>
<tr>
<td></td>
<td><strong>108</strong></td>
<td><strong>86</strong></td>
<td><strong>156.4</strong></td>
<td><strong>99</strong></td>
<td><strong>76</strong></td>
<td><strong>136.8</strong></td>
</tr>
</tbody>
</table>
8c. Analysis of redundancy or termination payments in the year

No redundancies took place in the year. A voluntary settlement agreement was reached with one employee and a payment of £1,553 was made.

All payments are accounted for and funded at the point of commitment.

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

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

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

<table>
<thead>
<tr>
<th>Emoluments</th>
<th>2018 number</th>
<th>2017 number</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,001-£70,000</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>£70,001-£80,000</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>£80,001-£90,000</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

8d. Remuneration and benefits received by key management personnel

In 2018 Britain Yearly Meeting of the Religious Society of Friends (Quakers) considers the following posts to be key management personnel:

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

Total remuneration received by key management personnel was £358,437 (2017: £349,660).

The Recording Clerk acts as Chief Executive and earned a salary of £84,681. Salaries for other key management personnel ranged between £66,826 and £73,278.

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

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

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

<table>
<thead>
<tr>
<th>Group</th>
<th>2018 Total funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted funds £'000</td>
<td>Restricted funds £'000</td>
</tr>
<tr>
<td>Grants to individuals</td>
<td>2</td>
<td>21</td>
</tr>
<tr>
<td>Grants to Quaker bodies</td>
<td>724</td>
<td>98</td>
</tr>
<tr>
<td>Other grants</td>
<td>194</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>920</td>
<td>219</td>
</tr>
</tbody>
</table>

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

Britain Yearly Meetings made 76 (2017: 84) grants and programme funding awards including reimbursement of expenses to individuals and organisations in 2018.

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

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Total Funding 2018 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quaker United Nations Office (QUNO)</td>
<td>531,230</td>
</tr>
<tr>
<td>Alternatives to Violence (Kenya)</td>
<td>110,150</td>
</tr>
<tr>
<td>World Council of Churches</td>
<td>63,285</td>
</tr>
<tr>
<td>Friends World Committee for Consultation (FWCC)</td>
<td>59,519</td>
</tr>
<tr>
<td>Sibford School on behalf of Friends School Joint Council (Friends School</td>
<td>50,951</td>
</tr>
<tr>
<td>Joint Bursary Fund)</td>
<td></td>
</tr>
<tr>
<td>Woodbrooke Quaker Study Centre</td>
<td>40,191</td>
</tr>
<tr>
<td>Friends Church Rwanda</td>
<td>39,905</td>
</tr>
<tr>
<td>Ministry for Peace and Reconciliation under the Cross (Mi-PAREC)</td>
<td>29,774</td>
</tr>
<tr>
<td>Friends World Committee for Consultation: Europe and Middle East Section</td>
<td>22,762</td>
</tr>
<tr>
<td>(FWCC: EMES)</td>
<td></td>
</tr>
<tr>
<td>Quaker Council for European Affairs (QCEA)</td>
<td>22,607</td>
</tr>
<tr>
<td>The Friend Publication Ltd</td>
<td>22,130</td>
</tr>
<tr>
<td>Meeting of Friends in Wales</td>
<td>11,452</td>
</tr>
<tr>
<td>Young Friends General Meeting</td>
<td>10,800</td>
</tr>
</tbody>
</table>

Grants and awards of £10,000 or less totalling £101,449 were given to a further 47 organisations.

16 grants to individuals were given totalling £22,347.

A full list of grants and programme funding awards given in 2018 to organisations is on our website www.quaker.org.uk
10. Friends House support costs

<table>
<thead>
<tr>
<th></th>
<th>2018 £’000</th>
<th>2017 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Building services (including staff costs)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine maintenance</td>
<td>254</td>
<td>271</td>
</tr>
<tr>
<td>Long-term maintenance (Friends House)</td>
<td>178</td>
<td>29</td>
</tr>
<tr>
<td>Reception and security</td>
<td>273</td>
<td>206</td>
</tr>
<tr>
<td>Cleaning</td>
<td>281</td>
<td>271</td>
</tr>
<tr>
<td>Utilities</td>
<td>137</td>
<td>220</td>
</tr>
<tr>
<td>Other</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,152</td>
<td>1,029</td>
</tr>
<tr>
<td><strong>Finance, human resources, IT and office services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>629</td>
<td>504</td>
</tr>
<tr>
<td>Information Technology</td>
<td>610</td>
<td>354</td>
</tr>
<tr>
<td>Office services</td>
<td>639</td>
<td>555</td>
</tr>
<tr>
<td>Human resources</td>
<td>392</td>
<td>361</td>
</tr>
<tr>
<td>Membership database</td>
<td>77</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,347</td>
<td>1,854</td>
</tr>
<tr>
<td><strong>Departmental administration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quaker Life</td>
<td>63</td>
<td>64</td>
</tr>
<tr>
<td>Quaker Communications</td>
<td>64</td>
<td>41</td>
</tr>
<tr>
<td>Recording Clerk’s Office</td>
<td>111</td>
<td>86</td>
</tr>
<tr>
<td>Quaker Peace &amp; Social Witness</td>
<td>171</td>
<td>124</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>409</td>
<td>315</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,908</td>
<td>3,198</td>
</tr>
</tbody>
</table>

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

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

Support costs are recharged to the ‘expenditure’ categories:

<table>
<thead>
<tr>
<th></th>
<th>2018 £’000</th>
<th>2017 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generating funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Voluntary income</td>
<td>181</td>
<td>142</td>
</tr>
<tr>
<td>. Activities for generating funds</td>
<td>1,097</td>
<td>1,378</td>
</tr>
<tr>
<td>. Investment income</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>2,628</td>
<td>2,196</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,908</td>
<td>3,718</td>
</tr>
</tbody>
</table>
11. Net (expenditure) / income before transfers

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2018 Total funds £'000</th>
<th>Unrestricted funds £'000</th>
<th>Restricted funds £'000</th>
<th>Endowment funds £'000</th>
<th>2017 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>741</td>
<td>55</td>
<td>-</td>
<td>796</td>
<td>867</td>
<td>25</td>
<td>-</td>
<td>892</td>
</tr>
<tr>
<td><strong>Auditors' remuneration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Audit</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>28</td>
<td>-</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>. Other</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

12. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Functional freehold property £'000</th>
<th>Office equipment £'000</th>
<th>2018 Total £'000</th>
<th>Functional freehold property £'000</th>
<th>Office equipment £'000</th>
<th>2017 Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group and charity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost or valuation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>31,820</td>
<td>755</td>
<td>32,575</td>
<td>22,491</td>
<td>2,138</td>
<td>24,629</td>
</tr>
<tr>
<td>Additions</td>
<td>124</td>
<td>273</td>
<td>397</td>
<td>-</td>
<td>183</td>
<td>183</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(137)</td>
<td>(137)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,566</td>
<td>(1,566)</td>
<td>-</td>
</tr>
<tr>
<td>On revaluation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,763</td>
<td>-</td>
<td>7,763</td>
</tr>
<tr>
<td>At 31 December</td>
<td>31,944</td>
<td>891</td>
<td>32,835</td>
<td>31,820</td>
<td>755</td>
<td>32,575</td>
</tr>
</tbody>
</table>

| **Depreciation**     |                                     |                        |                |                                     |                        |                |
| At 1 January         | -                                   | 401                    | 401            | 1,504                               | 526                    | 2,030          |
| Charge for year      | 637                                 | 159                    | 796            | 427                                 | 465                    | 892            |
| Disposals            | -                                   | (137)                  | (137)          | -                                   | -                      | -              |
| Transfer             | -                                   | -                      | -              | 590                                 | (590)                  | -              |
| On revaluation       | -                                   | -                      | -              | (2,521)                             | -                      | (2,521)        |
| At 31 December       | 637                                 | 423                    | 1,060          | -                                   | 401                    | 401            |

| **Net book values**  |                                     |                        |                |                                     |                        |                |
| At 31 December       | 31,307                              | 468                    | 31,775         | 31,820                              | 354                    | 32,174         |

Friends House was revalued at £27.9m in September 2017 by Third Sector Property Ltd.
Swarthmoor Hall Estate was revalued at £2.4m in September 2017 by Carter Jonas Property Consultants Ltd.
Included in the office equipment figure are intangible assets consisting of IT software with a net book value of £42,586 (2017: £32,353).
13. Heritage assets

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

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

During the year two gifts of old pewter were bestowed for display at Swarthmoor Hall. This comprised a total of 34 objects with an estimated value of £2,000.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>** £’000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historical artefacts at Swarthmoor Hall</td>
<td>425</td>
<td>423</td>
<td>423</td>
<td>423</td>
<td>423</td>
</tr>
<tr>
<td>Friends House picture collection</td>
<td>179</td>
<td>179</td>
<td>179</td>
<td>179</td>
<td>179</td>
</tr>
<tr>
<td>** Group and charity**</td>
<td>604</td>
<td>602</td>
<td>602</td>
<td>602</td>
<td>602</td>
</tr>
</tbody>
</table>

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Books and pamphlets</td>
<td>96,472</td>
<td>95,487</td>
<td>91,133</td>
<td>90,685</td>
<td>90,000</td>
</tr>
<tr>
<td>Periodicals</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Quaker archives*</td>
<td>325</td>
<td>301</td>
<td>301</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Bound manuscripts</td>
<td>970</td>
<td>970</td>
<td>970</td>
<td>970</td>
<td>970</td>
</tr>
<tr>
<td>Other manuscripts*</td>
<td>266</td>
<td>251</td>
<td>244</td>
<td>240</td>
<td>215</td>
</tr>
<tr>
<td>Photographs, museum objects and medals</td>
<td>40,079</td>
<td>40,049</td>
<td>40,042</td>
<td>40,025</td>
<td>40,000</td>
</tr>
</tbody>
</table>

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

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

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

The nature of each collection and, in particular, the type of material held by the Library, has remained unchanged over the past five years, in line with the charity’s Collections policy (see our website www.quaker.org.uk).
### I4. Investments

<table>
<thead>
<tr>
<th></th>
<th>Group 2018 £'000</th>
<th>Group 2017 £'000</th>
<th>Charity 2018 £'000</th>
<th>Charity 2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed investments (including cash)</td>
<td>23,035</td>
<td>25,366</td>
<td>23,035</td>
<td>25,366</td>
</tr>
<tr>
<td>Investment properties</td>
<td>18,511</td>
<td>18,651</td>
<td>18,511</td>
<td>18,651</td>
</tr>
<tr>
<td>Subsidiary undertaking</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41,546</strong></td>
<td><strong>44,017</strong></td>
<td><strong>41,546</strong></td>
<td><strong>44,017</strong></td>
</tr>
</tbody>
</table>

### Listed investments

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group and charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Investment holdings

- **Market value at 1 January**
  - 24,264
  - 20,382
- **Additions at cost**
  - 2,196
  - 3,208
- **Disposals at book value** (proceeds £3,025k, realised gain £211k) (2017: proceeds £2,267k, realised loss £85k)
  - (2,814)
  - (2,352)
- **Unrealised (losses) / gains**
  - (2,553)
  - 3,026
- **Market value 31 December**
  - 21,093
  - 24,264

#### Cash held by investment managers

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>1,942</td>
<td>1,102</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,035</td>
<td>25,366</td>
</tr>
</tbody>
</table>

### Listed investments and cash held by investment managers at 31 December 2018 are analysed by fund as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group and charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General funds</strong></td>
<td>16,210</td>
<td>17,851</td>
</tr>
<tr>
<td><strong>Designated funds</strong></td>
<td>1,604</td>
<td>1,766</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td>677</td>
<td>745</td>
</tr>
<tr>
<td><strong>Endowment funds</strong></td>
<td>4,544</td>
<td>5,004</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,035</td>
<td>25,366</td>
</tr>
</tbody>
</table>

### Listed investments held at 31 December 2018, all of which were dealt in on a recognised stock exchange, comprised the following:

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UK fixed-income</strong></td>
<td>244</td>
<td>248</td>
</tr>
<tr>
<td><strong>UK equities</strong></td>
<td>15,401</td>
<td>20,219</td>
</tr>
<tr>
<td><strong>Overseas equities</strong></td>
<td>4,894</td>
<td>3,261</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>1,942</td>
<td>1,102</td>
</tr>
<tr>
<td><strong>Alternatives</strong></td>
<td>554</td>
<td>536</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,035</td>
<td>25,366</td>
</tr>
</tbody>
</table>
14. Investments (continued)

Individual holdings at 31 December 2018 (2017: none) which made up more than 5% of the portfolio were:

- Impax Environmental Markets PLC 10p Ords £1,152
- Stewart Investors Asia Sustainability B Acc £1,147
- BMO Responsible Global EM Equity R Acc £1,138
- Fund Partners Ltd IM WHEB Sustainability B Acc £1,130

The historic cost of investments including cash at 31 December 2018 was £16,942k (2017: £15,702k)

The investment policy and full listing of investments at 31 December 2018 are published on our website at www.quaker.org.uk

Net (losses) / gains on listed investments comprised the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realised gains / (losses)</td>
<td>211</td>
<td>(85)</td>
</tr>
<tr>
<td>Unrealised (losses) / gains</td>
<td>(2,553)</td>
<td>3,016</td>
</tr>
<tr>
<td></td>
<td>(2,342)</td>
<td>2,931</td>
</tr>
</tbody>
</table>

Investment properties

Investment properties held at 31 December 2018 and their movements during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group and charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>18,651</td>
<td>10,167</td>
</tr>
<tr>
<td>Disposals</td>
<td>(140)</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments to valuation</td>
<td>-</td>
<td>8,484</td>
</tr>
<tr>
<td>At 31 December</td>
<td>18,511</td>
<td>18,651</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group and charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drayton House</td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Courtauld House</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Woodland and pasture at Jordans</td>
<td>341</td>
<td>341</td>
</tr>
<tr>
<td>Deanscale</td>
<td>-</td>
<td>140</td>
</tr>
<tr>
<td>Land at Lakenheath</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Lesser Slatters</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>18,511</td>
<td>18,651</td>
</tr>
</tbody>
</table>

Deanscale was sold during the year for £145k generating a realised gain of £5k.

Drayton House was revalued at £18m in September 2017 by Third Sector Property Ltd.
15. Investment in subsidiary undertaking and related charity

Britain Yearly Meeting of the Religious Society of Friends (Quakers) has one subsidiary company, Friends House (London) Hospitality Limited. This company is incorporated in England and Wales; its registered office is located at Friends House, 173 Euston Road, London NW1 2BJ. The principal activities of the company are the provision of meeting rooms, conference facilities, hospitality and restaurant services. The investment of Britain Yearly Meeting of the Religious Society of Friends (Quakers) in Friends House (London) Hospitality Limited comprises two ordinary shares of £1 each, being the entire issued share capital of that company. Friends House (London) Hospitality Limited donates its taxable profits to Britain Yearly Meeting of the Religious Society of Friends (Quakers) by Gift Aid. A summary of the financial results of the company for the year to 31 December 2018 is shown below. Accounts of the company will be filed with the Registrar of Companies.

<table>
<thead>
<tr>
<th>Profit and loss account</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>4,734</td>
<td>4,287</td>
</tr>
<tr>
<td>Operating expenses and shared costs</td>
<td>(3,463)</td>
<td>(3,319)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1,271</td>
<td>968</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(4)</td>
<td>(3)</td>
</tr>
<tr>
<td>Profit for the year before Gift Aid and taxation</td>
<td>1,267</td>
<td>965</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summarised balance sheet</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>1,915</td>
<td>1,820</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(398)</td>
<td>(605)</td>
</tr>
<tr>
<td>Net assets</td>
<td>1,517</td>
<td>1,215</td>
</tr>
</tbody>
</table>

This note is the company note. The group note (note 3: Other trading activities) includes the company’s results but is shown before £150k rent and £4k debenture interest paid to Britain Yearly Meeting of the Religious Society of Friends (Quakers).

Note

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

<table>
<thead>
<tr>
<th></th>
<th>Group 2018 £'000</th>
<th>Group 2017 £'000</th>
<th>Charity 2018 £'000</th>
<th>Charity 2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receivable within one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans advanced to meetings (see below)</td>
<td>11</td>
<td>23</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Other loans advanced</td>
<td>39</td>
<td>31</td>
<td>39</td>
<td>31</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>305</td>
<td>331</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>Prepayments</td>
<td>133</td>
<td>114</td>
<td>133</td>
<td>114</td>
</tr>
<tr>
<td>Project balances</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Accrued income</td>
<td>2,237</td>
<td>1,513</td>
<td>2,237</td>
<td>1,513</td>
</tr>
<tr>
<td>Other debtors</td>
<td>204</td>
<td>104</td>
<td>204</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>2,929</td>
<td>2,121</td>
<td>2,652</td>
<td>1,796</td>
</tr>
<tr>
<td><strong>Receivable after more than one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans advanced to meetings (see below)</td>
<td>45</td>
<td>177</td>
<td>45</td>
<td>177</td>
</tr>
<tr>
<td>Subsidiary company</td>
<td>-</td>
<td>-</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>2,974</td>
<td>2,298</td>
<td>2,947</td>
<td>2,223</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest-free loans, group and charity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance outstanding at 1 January</td>
<td>200</td>
<td>245</td>
</tr>
<tr>
<td>Loans advanced during the year</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Repayments made</td>
<td>(149)</td>
<td>(45)</td>
</tr>
<tr>
<td>Balance outstanding at 31 December</td>
<td>56</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Due after one year</td>
<td>45</td>
<td>177</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>200</td>
</tr>
</tbody>
</table>
17. Payables: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Group 2018 £'000</th>
<th>Group 2017 £'000</th>
<th>Charity 2018 £'000</th>
<th>Charity 2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>276</td>
<td>129</td>
<td>243</td>
<td>93</td>
</tr>
<tr>
<td>Event deposits</td>
<td>291</td>
<td>376</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest free loans</td>
<td>70</td>
<td>76</td>
<td>70</td>
<td>76</td>
</tr>
<tr>
<td>Social security</td>
<td>175</td>
<td>140</td>
<td>175</td>
<td>140</td>
</tr>
<tr>
<td>Pensions contributions</td>
<td>72</td>
<td>71</td>
<td>72</td>
<td>71</td>
</tr>
<tr>
<td>Due to subsidiary</td>
<td>-</td>
<td>-</td>
<td>1,607</td>
<td>1,457</td>
</tr>
<tr>
<td>Accruals</td>
<td>450</td>
<td>607</td>
<td>411</td>
<td>588</td>
</tr>
<tr>
<td>Canadian legacy</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Other</td>
<td>274</td>
<td>291</td>
<td>240</td>
<td>117</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,651</strong></td>
<td><strong>1,733</strong></td>
<td><strong>2,861</strong></td>
<td><strong>2,585</strong></td>
</tr>
</tbody>
</table>

Interest-free loans - group and charity

<table>
<thead>
<tr>
<th></th>
<th>2018 £'000</th>
<th>2017 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance outstanding at 1 January</td>
<td>76</td>
<td>150</td>
</tr>
<tr>
<td>Loans received in the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayments made</td>
<td>(4)</td>
<td>-</td>
</tr>
<tr>
<td>Converted to gifts</td>
<td>(2)</td>
<td>(74)</td>
</tr>
<tr>
<td>Balance outstanding at 31 December</td>
<td>70</td>
<td>76</td>
</tr>
</tbody>
</table>

All interest-free loans are repayable on demand.
18. Reconciliation of movement in funds

<table>
<thead>
<tr>
<th>Group and charity</th>
<th>At 1 January 2018 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers, gains and losses £’000</th>
<th>At 31 December 2018 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Endowment funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEF Joint Bursary Scheme (note 21)</td>
<td>1,763</td>
<td>-</td>
<td>-</td>
<td>(146)</td>
<td>1,617</td>
</tr>
<tr>
<td>QPS Kingsmead</td>
<td>1,679</td>
<td>-</td>
<td>-</td>
<td>(139)</td>
<td>1,540</td>
</tr>
<tr>
<td>FEF Higher Education Awards (note 21)</td>
<td>1,295</td>
<td>-</td>
<td>-</td>
<td>(107)</td>
<td>1,188</td>
</tr>
<tr>
<td>QPS Kingsmead Close</td>
<td>547</td>
<td>-</td>
<td>-</td>
<td>(45)</td>
<td>502</td>
</tr>
<tr>
<td>R. Penny</td>
<td>181</td>
<td>-</td>
<td>-</td>
<td>(15)</td>
<td>166</td>
</tr>
<tr>
<td>Other endowment funds</td>
<td>116</td>
<td>-</td>
<td>-</td>
<td>(10)</td>
<td>106</td>
</tr>
<tr>
<td><strong>Total endowment funds</strong></td>
<td>5,581</td>
<td>-</td>
<td>-</td>
<td>(462)</td>
<td>5,119</td>
</tr>
</tbody>
</table>

Details of the purposes of individual endowment funds are included in the accounting policies on page 33.

<table>
<thead>
<tr>
<th>Group and charity</th>
<th>At 1 January 2018 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers, gains and losses £’000</th>
<th>At 31 December 2018 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sawell Family Fund</td>
<td>602</td>
<td>-</td>
<td>(18)</td>
<td>-</td>
<td>584</td>
</tr>
<tr>
<td>Swarthmoor Hall Field Fund (note 22)</td>
<td>914</td>
<td>23</td>
<td>(105)</td>
<td>(55)</td>
<td>1,408</td>
</tr>
<tr>
<td>Swarthmoor Hall Fund (note 22)</td>
<td>1,545</td>
<td>-</td>
<td>-</td>
<td>(49)</td>
<td>865</td>
</tr>
<tr>
<td>Albert Moore Fund</td>
<td>536</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>536</td>
</tr>
<tr>
<td>QPSW Relief Fund</td>
<td>111</td>
<td>22</td>
<td>(32)</td>
<td>(2)</td>
<td>99</td>
</tr>
<tr>
<td>Jordans Estate Fund</td>
<td>335</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
<td>329</td>
</tr>
<tr>
<td>Hope Fund</td>
<td>100</td>
<td>5</td>
<td>(3)</td>
<td>-</td>
<td>102</td>
</tr>
<tr>
<td>FEF Joint Bursary Scheme (note 21)</td>
<td>51</td>
<td>43</td>
<td>(54)</td>
<td>-</td>
<td>40</td>
</tr>
<tr>
<td>FEF Higher Education Awards (note 21)</td>
<td>125</td>
<td>34</td>
<td>(10)</td>
<td>-</td>
<td>149</td>
</tr>
<tr>
<td>Children and Young People General Fund</td>
<td>-</td>
<td>21</td>
<td>(219)</td>
<td>198</td>
<td>-</td>
</tr>
<tr>
<td>EAPPI Fund</td>
<td>-</td>
<td>199</td>
<td>(439)</td>
<td>240</td>
<td>-</td>
</tr>
<tr>
<td>Gerald A J Hodgett Fund</td>
<td>360</td>
<td>-</td>
<td>(27)</td>
<td>5</td>
<td>338</td>
</tr>
<tr>
<td>Outreach</td>
<td>80</td>
<td>-</td>
<td>-</td>
<td>(18)</td>
<td>62</td>
</tr>
<tr>
<td>Kingsmead Income Fund</td>
<td>-</td>
<td>38</td>
<td>(3)</td>
<td>241</td>
<td>276</td>
</tr>
<tr>
<td>Kingsmead Close Income Fund</td>
<td>-</td>
<td>12</td>
<td>(1)</td>
<td>111</td>
<td>122</td>
</tr>
<tr>
<td>Other restricted funds</td>
<td>6</td>
<td>94</td>
<td>(64)</td>
<td>373</td>
<td>409</td>
</tr>
<tr>
<td>Functional property funds</td>
<td>1,493</td>
<td>-</td>
<td>(30)</td>
<td>-</td>
<td>1,463</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>6,258</td>
<td>491</td>
<td>(1,005)</td>
<td>1,038</td>
<td>6,782</td>
</tr>
</tbody>
</table>

Details of the purposes of individual restricted funds are included in the accounting policies on page 34.
18. Reconciliation of movement in funds (continued)

<table>
<thead>
<tr>
<th>Group and charity</th>
<th>At 1 January 2018 £’000</th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers, gains and losses £’000</th>
<th>At 31 December 2018 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cadbury Staines Fund</td>
<td>1,634</td>
<td>43</td>
<td>(159)</td>
<td>(163)</td>
<td>1,355</td>
</tr>
<tr>
<td>Property Upkeep Fund</td>
<td>4,697</td>
<td>773</td>
<td>(321)</td>
<td>183</td>
<td>5,332</td>
</tr>
<tr>
<td>Meeting Houses Fund</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>(143)</td>
<td>57</td>
</tr>
<tr>
<td>Legacy funded short term projects</td>
<td>2,315</td>
<td>16</td>
<td>(692)</td>
<td>415</td>
<td>2,054</td>
</tr>
<tr>
<td>Courtauld House Income Fund</td>
<td>178</td>
<td>-</td>
<td>(4)</td>
<td>-</td>
<td>174</td>
</tr>
<tr>
<td>Investment Property Fund</td>
<td>18,651</td>
<td>-</td>
<td>-</td>
<td>(140)</td>
<td>18,511</td>
</tr>
<tr>
<td>Functional Property Fund</td>
<td>30,327</td>
<td>-</td>
<td>-</td>
<td>(483)</td>
<td>29,844</td>
</tr>
<tr>
<td>Heritage Assets Fund</td>
<td>602</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>604</td>
</tr>
<tr>
<td>Quaker Life General</td>
<td>-</td>
<td>48</td>
<td>(448)</td>
<td>400</td>
<td>-</td>
</tr>
<tr>
<td>QPSW General Fund</td>
<td>-</td>
<td>450</td>
<td>(1,582)</td>
<td>1,132</td>
<td>-</td>
</tr>
<tr>
<td>Total designated funds</td>
<td>58,604</td>
<td>1,330</td>
<td>(3,206)</td>
<td>1,203</td>
<td>57,931</td>
</tr>
<tr>
<td>General Reserve</td>
<td>9,809</td>
<td>10,369</td>
<td>(8,536)</td>
<td>(4,116)</td>
<td>7,526</td>
</tr>
<tr>
<td>Total unrestricted funds</td>
<td>68,413</td>
<td>11,699</td>
<td>(11,742)</td>
<td>(2,913)</td>
<td>65,457</td>
</tr>
<tr>
<td>Total funds</td>
<td>80,252</td>
<td>12,190</td>
<td>(12,747)</td>
<td>(2,337)</td>
<td>77,358</td>
</tr>
</tbody>
</table>

Details of the purposes of the designated funds are included in the accounting policies on page 34.

19. Analysis of net assets between funds

<table>
<thead>
<tr>
<th>Group and charity</th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
<th>Endowment funds £’000</th>
<th>2018 Total funds £’000</th>
<th>Unrestricted funds £’000</th>
<th>Restricted funds £’000</th>
<th>Endowment funds £’000</th>
<th>2017 Total funds £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances at 31 December 2018 are represented by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>30,916</td>
<td>1,463</td>
<td>-</td>
<td>32,379</td>
<td>28,824</td>
<td>3,952</td>
<td>-</td>
<td>32,776</td>
</tr>
<tr>
<td>Investments</td>
<td>36,325</td>
<td>677</td>
<td>4,544</td>
<td>41,546</td>
<td>38,268</td>
<td>745</td>
<td>5,004</td>
<td>44,017</td>
</tr>
<tr>
<td>Net current assets</td>
<td>(1,784)</td>
<td>4,642</td>
<td>575</td>
<td>3,433</td>
<td>1,321</td>
<td>1,561</td>
<td>577</td>
<td>3,459</td>
</tr>
<tr>
<td>Total net assets</td>
<td>65,457</td>
<td>6,782</td>
<td>5,119</td>
<td>77,358</td>
<td>68,413</td>
<td>6,258</td>
<td>5,581</td>
<td>80,252</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Higher Education Awards funds</th>
<th>Joint Bursary Scheme</th>
<th>Higher Education Awards funds</th>
<th>Joint Bursary Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income fund £'000</td>
<td>Endowment fund £'000</td>
<td>Total £'000</td>
<td>Income fund £'000</td>
</tr>
<tr>
<td>Income</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Expenditure</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Reconciliation of funds</td>
<td>Funds brought forward at 1 January</td>
<td>1,295</td>
<td>51</td>
<td>1,763</td>
</tr>
<tr>
<td></td>
<td>Funds carried forward at 31 December</td>
<td>1,188</td>
<td>40</td>
<td>1,617</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>Investments</td>
<td>- 1,188</td>
<td>- 1,617</td>
<td>2,805</td>
</tr>
<tr>
<td>Current assets</td>
<td>Cash at bank and in hand</td>
<td>1,188</td>
<td>40</td>
<td>189</td>
</tr>
<tr>
<td></td>
<td>Net assets</td>
<td>1,188</td>
<td>40</td>
<td>1,617</td>
</tr>
</tbody>
</table>

**Income**

- From generated funds
  - Voluntary income
  - Investment income

**Expenditure**

- Charitable activities
- Realised gains / (losses) on investments
- Unrealised (losses) / gains on investments
- Net movement in funds

**Reconciliation of funds**
Notes to financial statements  Year to 31 December 2018

22. Swarthmoor Hall Restricted Funds

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
</table>

Income

From generated funds

. Voluntary income  - 5  5  - 2  2
. Investment income  20  -  20  23  -  23
. Other income  -  3  3  -  -  -

From charitable activities - programme

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>(6)</td>
<td>(6)</td>
<td>22</td>
<td>23</td>
<td>(7)</td>
</tr>
</tbody>
</table>

Expenditure

Charitable activities

. Programme  -  (107)  (107)  -  (72)  (13)
. Estate  -  (26)  (26)  -  (13)  (13)
. Other  -  (6)  (6)  -  (6)  (6)

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>(139)</td>
<td>(139)</td>
<td>23</td>
<td>(91)</td>
<td>(91)</td>
</tr>
</tbody>
</table>

Net income / (expenditure)

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>(137)</td>
<td>(117)</td>
<td>23</td>
<td>(98)</td>
<td>(75)</td>
</tr>
</tbody>
</table>

Unrealised (losses) / gains on investments

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(75)</td>
<td>-</td>
<td>(75)</td>
<td>-</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

Realised gains / (losses) on investments

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>(4)</td>
<td>-</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Net movement in funds

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(49)</td>
<td>(137)</td>
<td>(186)</td>
<td>19</td>
<td>(36)</td>
<td>(17)</td>
</tr>
</tbody>
</table>

Reconciliation of funds

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds brought forward at 1 January</td>
<td>914</td>
<td>1,545</td>
<td>2,459</td>
<td>895</td>
<td>1,581</td>
<td>2,476</td>
</tr>
<tr>
<td>Funds carried forward at 31 December</td>
<td>865</td>
<td>1,408</td>
<td>2,273</td>
<td>914</td>
<td>1,545</td>
<td>2,459</td>
</tr>
</tbody>
</table>

Fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>677</td>
<td>-</td>
<td>677</td>
<td>754</td>
<td>-</td>
<td>754</td>
</tr>
<tr>
<td></td>
<td>677</td>
<td>-</td>
<td>677</td>
<td>754</td>
<td>-</td>
<td>754</td>
</tr>
</tbody>
</table>

Net current assets

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>188</td>
<td>1,408</td>
<td>1,596</td>
<td>160</td>
<td>1,545</td>
<td>1,705</td>
<td></td>
</tr>
</tbody>
</table>

Net assets

<table>
<thead>
<tr>
<th></th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
<th>Swarthmoor Hall Field £'000</th>
<th>Swarthmoor Hall £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>865</td>
<td>1,408</td>
<td>2,273</td>
<td>914</td>
<td>1,545</td>
<td>2,459</td>
<td>2,459</td>
</tr>
</tbody>
</table>
23. Operating lease commitments

At 31 December 2018, Britain Yearly Meeting of the Religious Society of Friends (Quakers) is committed to making the following payments under non-cancellable operating leases:

<table>
<thead>
<tr>
<th>Payments falling due</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>57</td>
<td>14</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>130</td>
<td>5</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>187</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

The total expense for operating lease costs incurred in 2018 was £79,410 (2017: £15,621)

24. Pension commitments

General

During 2018, the Religious Society of Friends (Quakers) participated in one pension plan on behalf of its employees, a group personal pension Scheme offered by Aviva.

Where an employee participates in one of these pension schemes, the employer, the Religious Society of Friends (Quakers), makes a contribution to that scheme equivalent to 8% of the employee’s salary. Where the employee had joined a scheme before 2005, the rate of employer contributions is 11% of the employee’s salary. The employee is required to make a contribution to the scheme, generally at the rate of 3% of his or her salary.

Aviva

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

As at 31 December 2018 there were 179 members of the Aviva pension scheme employed by Britain Yearly Meeting of the Religious Society of Friends (Quakers). Other than the obligation to make employer pension contributions, Britain Yearly Meeting of the Religious Society of Friends (Quakers) has no financial liability arising from the Aviva pension scheme.
Quakers share a way of life, not a set of beliefs. Their unity is based on shared understanding and a shared practice of silent worship, where they seek a communal stillness.

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

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

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

Britain Yearly Meeting of the Religious Society of Friends (Quakers)
Registered charity number 1127633
Friends House, 173 Euston Road, London, NW1 2BJ
Follow us on social media @BritishQuakers

www.quaker.org.uk