

FRIENDS TRUSTS LIMITED

England & Wales · Charity number 237698

Details

Status	Registered
Legal form	Charitable company
Company number	00188362
Registered	1964-11-24
Register	View on the Charity Commission register

Contact

Address	Friends House 173 Euston Road London NW1 2BJ
Phone	02076631082
Email	friendstrusts@quaker.org.uk

Activities

Objects: 'THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING: (1) TO ACCEPT PROPERTY OF ANY KIND IN ANY PART OF THE WORLD WHETHER SUBJECT TO CHARGES OR OTHER LIABILITIES OR NOT (HEREINAFTER REFERRED TO AS 'ANY SUCH PROPERTY') TO BE HELD FOR CHARITABLE TRUSTS OR PURPOSES FOR THE BENEFIT OF OR IN CONNECTION WITH THE RELIGIOUS SOCIETY OF FRIENDS (HEREINAFTER REFERRED TO AS 'QUAKER TRUSTS OR PURPOSES').

Activities: The Company is the denominational trust corporation for the Religious Society of Friends (Quakers) and its principal activity is to act as a custodian trustee . It also receives legacies as trustee for unincorporated Quaker charities. The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£210,239	£257,583	-	-
2023-12-31	£181,297	£230,325	£7,383,244	0
2022-12-31	£259,685	£162,327	-	-
2021-12-31	£217,143	£372,058	-	-
2020-12-31	£530,759	£620,198	£7,431,826	0

Trustees

Name	Role	Appointed
Alastair Jackson		2025-04-01
Alastair Thomas		2024-04-25
Alison Clarke		2024-04-25
John Capper		2024-04-25
MALCOLM STERRATT		2024-04-25
Mark Tod		2024-04-25
Martin Ford		2025-04-01
Nicola Jane Bennett		2025-06-20
PAUL WHITEHOUSE		2013-04-13

Linked charities

- ROBERT ADAMSON TRUST (237698-1)
- S C WITTING TRUST (237698-10)
- SARAH AUSTRIA LEGACY (237698-2)
- EDMUND G BAKER LEGACY (237698-3)
- EMILY BARNES GIFT (237698-4)
- ARTHUR GUY ENOCK (237698-5)
- THOMAS JOSEPH GREEN (237698-6)
- WILFRED IRWIN GIFT (237698-7)
- KATHERINE A BOUTWOOD (237698-8)
- FRIENDS MARRIAGE PORTION FUND (237698-9)

FRIENDS TRUSTS LIMITED

England & Wales - Charity number 237698

Accounts



FRIENDS TRUSTS LIMITED

**Report and Financial Statements
for the year ended 31 December 2024**

Company Registered in England No. 188362

Registered Charity No. 237698

REFERENCE AND ADMINISTRATIVE INFORMATION

Constitution:

The Company is the denominational trust corporation and custodian trustee for the Religious Society of Friends (Quakers) in Britain by an authorisation issued under the Law of Property (Amendment) Act 1926 by the Lord High Chancellor on 29 May 1930. The Company is limited by guarantee and has no share capital. In the event of the Company being wound up during the period of membership, or within the year following, each member is required to contribute an amount not exceeding £1. The company registration number is 188362 and the charity registration number is 237698.

Directors: The Directors (or trustees for the purposes of charity legislation) who served during the year were:

Nigel Barnes	(to March 2024)
Steven Burkeman	(to May 2024)
David Harries	(to May 2025)
Nick Perks	(to May 2025)
Paul Whitehouse	(as BYM Treasurer)
Mark Tod	(from April 2024)
Malcolm Sterratt	(from April 2024)
Alison Clarke	(from April 2024)
John Capper	(from April 2024)
Alastair Thomas	(from April 2024)
Martin Ford	(from April 2025)
Alastair Jackson	(from April 2025)

Secretary: John Dash

Registered Office: Friends House
173 - 177 Euston Road
LONDON, NW1 2BJ

Main Bankers: The Co-operative Bank plc
60 Kingsway,
LONDON, WC2B 6DS

CafCash Limited
Kings Hill
WEST MALLING, ME19 4TA

Investment Managers: Rathbone Greenbank Investments
10 Queen Square
BRISTOL, BS1 4NT

Solicitors: Hunters Solicitors
9 New Square
Lincoln's Inn
LONDON, WC2A 3QN

Auditors: Sayer Vincent
Invicta House
108-114 Golden Lane,
London,
EC1Y 0TG

Report of the Directors for the year ended 31 December 2024

The Directors have pleasure in presenting their report and the accounts of the charitable company for the year ended 31 December 2024.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 but equates to a report of the directors for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 and 15 of the attached accounts and comply with the charitable company's Articles of Association, applicable laws and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Charity Commission (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The names of the directors who served during the year, and who were in office at the date on which this report and attached financial statements were approved, are shown on page 2.

The Treasurer of Britain Yearly Meeting is a director ex-officio. The other directors, who must be members of the Religious Society of Friends (Quakers), (the "Society"), are appointed by Meeting for Sufferings, the executive body of the Society in Britain, to hold office for 3 years, retiring by annual rotation. They may be re-appointed. On appointment new Directors are provided with a copy of the articles of association, copies of the minutes and accounts for the previous year and other induction material. When appropriate they are invited to attend training provided by Britain Yearly Meeting (the charity that carries out the central work of the Society) for trustees and committee members.

The day-to-day management of the Company was carried out by the Company Secretary whose services are provided without charge by Britain Yearly Meeting. All policy decisions are taken by the Board of Directors, which usually meets four times a year.

The Directors are the only company members, and their liability is limited to £1 due to the Company being limited by guarantee. The number of guarantees at 31 December 2024 was 10 (2023: 7).

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trusts Limited.

OBJECTS

The Company's objects are set out in full in its Articles of Association, but the principal object of the Company is to act as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Britain (the Society) and various bodies connected with the Society. The Company also administers certain trusts where it has been appointed managing trustee.

ACTIVITIES

Custodian Trustee or Nominee

More than 450 properties are held in the name of Friends Trusts Limited on behalf of more than 70 organisations and in excess of 120 investments on behalf of more than 50 beneficial owners.

The Company is the denominational trust corporation for the Religious Society of Friends (Quakers). The majority of the beneficial owners for which it acts as custodian trustee or nominee are unincorporated constituent meetings of the Society, together with a small number of organisations constituted for the benefit of, or in connection with, the Society (see note 10).

Properties are recorded in a Register under the name of the beneficial owner and investments are held with designated account numbers unique to each beneficial owner.

Transactions in property and investments are carried out on instructions from managing trustees or beneficial owners.

Managing Trustee

The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

Charitable Activities - Distributions

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge.

Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Legacies and Funds Awaiting Distribution

The nomination of the Company as trustee in legacies means that registered charitable status can easily be confirmed for inheritance tax exemption purposes and legacies do not fail through uncertainty.

During the year, the Company received £994,590 (2023: £241,376) for passing on to other Quaker charities in accordance with the terms of those legacies. These amounts are not included within the Statement of Financial Activities.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Company. In its principal role as custodian trustee, the Company helps to promote, support and maintain Quaker Meetings and other Quaker charities which provide public benefit through the provision of religious services open to all members of the public without charge and the establishment of a worshipping community carrying out other connected charitable work. In promoting the efficiency and effectiveness of the work of Quaker Meetings and other Quaker charities for the benefit of individuals, communities and society as a whole, the Directors believe that the work of the Company provides benefit to the public in accordance with its objects.

As managing trustee of charitable trusts it provides grants for charitable purposes to members of the public or for other charitable purposes in accordance with the terms of such trusts, again for public benefit in accordance with its objects. The Directors believe that there is no disbenefit or private benefit in the Company's work.

FINANCIAL REVIEW

	2024	2023
	£	£
Total and endowments	213,362	164,960
Income from legacies	(5,167)	(16,337)
Investment income	151,554	143,370
Total expenditure in the year	257,582	230,325
Overall net (loss)/profit before (gains)/losses from investments	(44,221)	(65,365)
Realised and unrealised investment profit/(loss)	(19,808)	459,579
Net positive movement in funds	(64,029)	394,214
Total net assets	7,319,215	7,383,244
Investments market value	6,866,785	6,914,717

Report of the Directors for the year ended 31 December 2024

The financial position of the Company does not include the accounts for those trusts and Quaker Meetings and organisations for which the Company acts as custodian trustee, nominee or agent only.

Investment Policy and Performance

None of the trusts for which the Company is managing trustee contain any specific power for investment, so the provisions of the Trustee Act 2000 determine the powers of investment.

The Board has adopted a socially responsible investment policy so that only investments that conform to certain criteria are held. The policy incorporates the aim to maximise returns from investments within a medium level of risk. Investments are managed by discretionary managers appointed by the Board, currently Rathbone Greenbank.

Performance is reviewed regularly against the agreed benchmarks. During the year, both the Common Investment Fund portfolio and the Blackwell Trust portfolios underperformed against the MSCI PIMFA Balanced and bespoke benchmark TR4, with the largest impact being the strong performance of the very large technology companies which do not sit comfortably in a sustainable investment portfolio. The portfolios also underperformed CPI+3% which is the long-term return objective.

Risk Management

Friends Trusts Ltd has a risk management policy, which has been set and agreed by the Directors. The policy is designed to identify and analyse key strategic and operational risks facing Friends Trusts Ltd and, where at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Company's ability to fulfil its purposes. These risks are reported to the Directors through a risk management process which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Company and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks are identified as follows:

- *The potential loss of capital value and / or poor returns in relation to investments.* The Directors consider that the appointment of a discretionary investment manager together with annual reviews of the investment policy and of performance against benchmarks constitutes an appropriate control procedure.
- *Staff capacity and continuity.* Trustees have agreed with BYM the importance in future of having a single point of contact for Trustees and for external communications with Area Meetings, for maintaining good records, and to hold an overview of FTL's activity. This has now been implemented.
- *Unrestricted income and reserves limits* the ability of Directors to fund initiatives of strategic importance for the Company. It is now recognised that the Company needs to develop its infrastructure to achieve its objectives and the Company is now building up its reserves.

Reserves Policy

Up until 2019, it was the policy of the Board to minimise the amounts of reserves (other than endowment funds) by distributing annually most of the income received by the restricted and general funds. Under the current operational arrangements, the company does not employ any staff or have any other significant regular operational costs. Nevertheless, the Directors recognise the need to develop the Company's infrastructure, and to maintain some modest reserves to give greater flexibility and resilience. Within the current operational arrangements, trustees consider this sufficient.

At the end of the year, unrestricted reserves amount to £166k (2023: £166k). It is felt that these reserves are sufficient.

Going Concern

We have set out above a review of Friends Trust Limited's financial performance and the general reserves position for 2024 and changing risk profile. The financial position as at 31 December 2024 remains stable despite the uncertainties in the wider economy and short-term investment movements. Our net current assets (short-term bank deposits, monies owed to us, less monies owed by us and payable within one year) amount to £452k (2023: £469k).

We will continue to monitor the situation as it unfolds and adapt our finances and approach accordingly. Taking into account all factors, we do not believe there are material uncertainties that call into doubt Friends Trust Limited's ability to continue in operation for the foreseeable future. Accordingly, the accounts have been prepared on the basis that Friends Trust Limited is a going concern.

PLANS FOR FUTURE PERIODS

The short-term focus of the company is to ensure that all operational systems and processes, and the service to Area Meetings, is up to a good standard. The Directors are also reflecting on the overall approach of the company, in order to put in place longer term plans.

A number of Directors came to the end of their appointments during the year. New appointments have been made to the Board, and Directors look forward to working as a refreshed governance team.

The Directors continue to reflect on the overall approach of the company, in order to put in place longer term plans.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Friends Trusts Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 SORP (FRS102);
- 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 charitable company will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

AUDITORS

Elective resolutions, as defined by the Companies Act 2006, have been approved which dispense with (a) the laying of accounts and reports before a general meeting, (b) the holding of an annual general meeting each year, and (c) the need to reappoint auditors.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By Order of the Board on 20 June 2025

PAUL WHITEHOUSE
Chair

FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2024 £
Income and endowments from:	2				
Donations		167	-	-	167
Donated services		66,808	-	-	66,808
Legacies		(5,167)	-	-	(5,167)
Investments		5,007	143,424	3,123	151,554
Total		66,815	143,424	3,123	213,362
Expenditure on:					
Raising funds: investment management charges		-	-	33,405	33,405
Charitable activities	3	66,808	157,370	-	224,178
Total		66,808	157,370	33,405	257,583
Net (losses) before investment losses		7	(13,946)	(30,282)	(44,221)
Losses on investment assets		-	-	(19,808)	(19,808)
Net income/(expenditure)		7	(13,946)	(50,090)	(64,029)
Net movement in funds		7	(13,946)	(50,090)	(64,029)
Reconciliation of funds:					
Total funds brought forward		166,212	256,825	6,960,207	7,383,244
Total funds carried forward		166,219	242,879	6,910,117	7,319,215

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2023

Comparative information as follows:

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Income and endowments from:	2				
Donations		200			200
Donated services		37,727			37,727
Legacies		(16,337)			(16,337)
Investments		1,319	134,266	7,785	143,370
Total		22,909	134,266	7,785	164,960
Expenditure on:					
Raising funds: investment management charges				31,532	31,532
Charitable activities	3	37,728	168,215	(7,150)	198,793
Total		37,728	168,215	24,382	230,325
Net (losses) before investment losses		(14,819)	(33,949)	(16,597)	(65,365)
Gains on investment assets		-	-	459,579	459,579
Net income/(expenditure)		(14,819)	(33,949)	442,982	394,214
Transfers between funds	5.1.a				
Net movement in funds		(14,819)	(33,949)	442,982	394,214
Reconciliation of funds:					
Total funds brought forward		181,031	290,774	6,517,225	6,989,030
Total funds carried forward		166,212	256,825	6,960,207	7,383,244

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED

Balance Sheet at: 31 December 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets:					
Investments	6		<u>6,866,785</u>		<u>6,914,717</u>
<i>Total fixed assets</i>			<u>6,866,785</u>		<u>6,914,717</u>
Current Assets:					
Debtors	9	1,092		493	
Cash at bank and on deposit		<u>1,319,255</u>		<u>1,054,596</u>	
<i>Total current assets</i>			1,320,347		1,055,089
Liabilities:					
Legacies & funds awaiting distribution	7	(599,734)		(403,015)	
Other creditors	8	<u>(268,183)</u>		<u>(183,547)</u>	
Creditors: Amount falling due within one year			<u>(867,917)</u>		<u>(586,562)</u>
<i>Net current assets</i>			<u>452,430</u>		<u>468,527</u>
<i>Total net assets</i>			<u>7,319,215</u>		<u>7,383,244</u>
The funds of the charity:					
Total endowment funds	5.3		6,910,117		6,960,207
Restricted income funds	5.4		242,879		256,825
Unrestricted funds	5.5		166,219		166,212
<i>Total charity funds</i>			<u>7,319,215</u>		<u>7,383,244</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 12 to 27 form part of these financial statements.

Approved on behalf of the Board of Directors on 20 June 2025.

PAUL WHITEHOUSE

Chair

Company no. 188362

ALISTAIR JACKSON

Trustee

FRIENDS TRUSTS LIMITED

Statement of Cash Flows for year ending 31 December 2024

CASH FLOW STATEMENT

	2024	2023
	£	£
Operating activities		
Net movement in funds	(64,029)	394,215
Dividends	(151,554)	(143,370)
Interest	-	-
Investment management fees	33,405	31,533
(Gains)/losses on investments	515,088	(376,585)
(Increase)/decrease in debtors	(599)	17,797
Increase/(decrease) in creditors	281,355	18,560
	<u>613,666</u>	<u>(57,850)</u>
Investing activities		
Investment management fees	(33,405)	(31,533)
Purchase of investments	(2,183,676)	(627,929)
Proceeds from sale of investments	1,716,520	576,265
Interest received	-	-
Dividends received	151,554	143,370
	<u>(349,007)</u>	<u>60,173</u>
Financing activities	-	-
	<u>264,659</u>	<u>2,323</u>
Increase/(decrease) in cash in year		
	<u>1,054,596</u>	<u>1,052,273</u>
Cash at beginning of year		
	<u>1,319,255</u>	<u>1,054,596</u>

The notes on pages 12 to 27 form part of these financial statements.

NOTES TO THE ACCOUNTS

1. Principal accounting policies

1.1 Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounts do not include the transactions and net assets of entities for which the Company acts as custodian trustee.

The directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

1.2 Funds

Unrestricted funds: to be utilised at the discretion of the Directors for the benefit of, or in connection with, the Religious Society of Friends (Quakers).

Restricted funds: earmarked by the donor or testator for specific purposes.

Endowment funds: comprise monies that must be held as capital, either indefinitely or pending the occurrence of a future event.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Investment income is earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised according to the relevant distribution dates. Interest is recognised on a receivable basis.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Legacies over which the charity has no discretion as to their distribution and which have been received but are awaiting completion and distribution to the ultimate beneficiary are held in a separate account. As such these legacies are only held temporarily on trust and the Directors consider that the appropriate treatment of their receipt and distribution is through a legacies account rather than through the Statement of Financial Activities.

Donated services are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments
- Expenditure on charitable activities which comprise the costs of distributions of trust income under the terms of the various trusts where the Company acts as managing trustee

All expenditure on support costs such as governance, including audit fees, is met by Britain Yearly Meeting (see note 4).

1.5 Investments

Listed investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) at the balance sheet date with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Also included in the Statement of Financial Activities are realised investment gains or losses which represent the difference between the sale proceeds and opening market value of investments disposed of in the year.

All investments and landed properties, of which the Company is custodian trustee only, and income therefrom, are excluded from these accounts

1.6 Taxation

Since the Company's income falls within the various exemptions available to registered charities there is no liability for income tax, capital gains tax, corporation tax or inheritance tax. Any attributable VAT is accounted for within resources expended.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with short maturity of three months or less from date of acquisition or opening of the deposit or similar account.

1.9 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method.

2. Income: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£
Donations	167	200	-	-	-	-
Donated Services	66,808	37,727	-	-	-	-
Legacies	(5,167)	(16,337)	-	-	-	-
Investments	5,007	1,319	143,424	134,266	3,123	7,785
Deposit accounts and bank interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	66,815	22,909	143,424	134,266	3,123	7,785

3. Charitable Expenditure: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£
Charitable Distributions						
In accordance with terms of trust						
At the discretion of the board						
Institutions	-	-	135,004	151,575	-	(7,150)
Individuals	-	-	22,366	16,640	-	-
Support costs	56,808	28,991	-	-	-	-
Audit fees	10,000	7,800	-	-	-	-
Other fees paid to auditors	-	936	-	-	-	-
Total	66,808	37,727	157,370	168,215	0	(7,150)

Expenditure in 2024 and 2023 was incurred in respect of distributing donations, legacies and income from endowments, primarily to various Quaker organisations, in accordance with the wishes of donors and legators. In 2024 68 distributions (2023: 63) for individual assistance were given in the United Kingdom, Germany and Poland, all less than £1,000 each.

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge. Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Negative costs on Endowment funds in 2023 relate to written back grants that were awarded in previous years.

4. Administration and governance costs

The costs of administrative support are provided by Britain Yearly Meeting in recognition of the role of the Company as the denominational trust corporation for the Religious Society of Friends. The sum of £68,808 (2023: £37,727) has been included in the Statement of Financial Activities as donated services and support costs and audit fees.

5. Funds

5.1 Fund purposes

(a) Endowment Funds

<i>Fund</i>	<i>Purpose for which the income is to be applied</i>
Permanent:	
Anonymous MC98	General Fund of Britain Yearly Meeting.
Blackwell	At the discretion of the Board taking account of the settlor's wishes.
Cox	Britain Yearly Meeting for provision and maintenance of Meeting Houses.
Simmons	For Britain Yearly Meeting taking account of the settlor's wishes.
Stewart	80% Sussex & Surrey Regional Quaker Meeting 20% Tunbridge Wells Quaker Meeting.
Todd	For Meeting House repairs and purchases in the Kingston-upon-Thames area.
Wirral & North Wales	For Wirral & Chester and North Wales Area Quaker Meetings.
Expendable:	
Braithwaite	At the Board's discretion in consultation with settlor's representative.
Colenso	General Purposes but income is for the relief of poverty.
Doncaster	40% Worcester & Shropshire Area Quaker Meeting, 20% South Wales Area Quaker Meeting, 20% Southern Marches Area Quaker Meeting (212/286) & Mid-Wales Area Quaker Meeting (74/286), 20% Britain Yearly Meeting (Peace and Service).
General Gifts and Legacies	At the discretion of the Board.
Northern Friends Peace Board	For Northern Friends' Peace Board.
Ward	At the discretion of the Board taking account of the settlor's wishes.
Witting	Individual relief: 40% England, 40% Germany, 20% Poland.
Young Friends General Meeting	For Young Friends General Meeting.

The capital of endowment funds is both expendable and non-expendable. With the exception of the General Gifts and Legacies Fund where income is credited to the unrestricted fund, income is treated as restricted funds and distributed in accordance with the above purposes.

The Charity Commission has given its consent to release the permanent endowment of the Witting Trust. The

Trustees will treat the capital as expendable and determine the amount of capital they wish to transfer from the endowment to the restricted fund each year (see 5.3 and 5.4 below).

The terms of the Blackwell legacy include the requirement that 10% of the income be added to the capital and invested.

(b) Restricted Funds

These funds consist of the undistributed restricted income from the endowment funds (see 5.1 (a)).

It is the policy of the Board to distribute the balances in the income funds annually.

(c) Unrestricted Funds

The unrestricted funds consist of the undistributed income from the General Gifts and Legacies endowment fund, and other gifts and legacies received during the year by the Company for distribution at the Directors' discretion.

It is the policy of the Board to distribute this annually.

5.2 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2024	Total 2023
	£	£	£	£	£
Funds balances at 31 December are represented by:					
Investments	-	-	6,866,785	6,866,785	6,914,717
Net Current Assets	166,219	242,879	43,332	452,430	468,527
	<u>166,219</u>	<u>242,879</u>	<u>6,910,117</u>	<u>7,319,215</u>	<u>7,383,244</u>

Comparative information as
follows:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
	£	£	£	£	£
Funds balances at 31 December are represented by:					
Investments	-	-	6,914,717	6,914,717	6,486,468
Net Current Assets	166,212	256,825	45,490	468,527	502,562
	<u>166,212</u>	<u>256,825</u>	<u>6,960,207</u>	<u>7,383,244</u>	<u>6,989,030</u>

5.3 Endowment funds

Permanent:

	Balance as at 1 Jan 2024	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2024
	£	£	£	£	£	£
Anonymous MC98	518,618	-	(2,497)	(4,555)	-	511,566
Blackwell	3,096,814	2,549	(14,925)	12,727	-	3,097,165
Cox	844,086	-	(4,063)	(6,507)	-	833,516
Simmons	215,361	-	(1,037)	(1,952)	-	212,372
Stewart	101,573	-	(489)	(976)	-	100,108
Todd	222,087	-	(1,069)	(1,952)	-	219,066
Wirrall & North Wales	32,830	-	(158)	(325)	-	32,347
Total	5,031,369	2,549	(24,238)	(3,540)	-	5,006,141

Expendable:

	Balance as at 1 Jan 2024	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2024
	£	£	£	£	£	£
Braithwaite	115,433	-	(547)	(976)	-	113,910
Colenso	363,192	-	(1,678)	(2,928)	-	358,586
Doncaster	391,697	-	(1,886)	(3,253)	-	386,558
General Gifts and Legacies	892,858	574	(4,227)	(7,484)	-	881,721
Northern Friends Peace Board	31,988	-	(154)	(325)	-	31,508
Ward	100,764	-	(485)	(976)	-	99,305
Young Friends General Meeting	32,906	-	(190)	(325)	-	32,391
Total	1,928,838	574	(9,167)	(16,267)	-	1,903,976
Total endowments	6,960,207	3,123	(33,405)	(19,808)	-	6,910,117

Comparative information is as follows:

Permanent:

	Balance as at 1 Jan 2023	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2023
	£	£	£	£	£	£
Anonymous MC98	484,764		(2,351)	36,205		518,618
Blackwell	2,911,978	6,845	(14,057)	192,046		3,096,812
Cox	788,989		(3,827)	58,924		844,086
Simmons	201,304		(976)	15,033		215,361
Stewart	94,944		(460)	7,090		101,574
Todd	207,590		(1,007)	15,504		222,087
Wirrall & North Wales	30,687		(149)	2,293		32,831
Total	4,720,256	6,845	(22,827)	327,095	0	5,031,369

Expendable:

	Balance as at 1 Jan 2023	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2023
	£	£	£	£	£	£
Braithwaite	106,255	0	1,243	7,935	0	115,433
Colenso	335,045		3,812	24,335		363,192
Doncaster	366,128		(1,776)	27,345		391,697
General Gifts and Legacies	834,697	838	(3,982)	61,305		892,858
Northern Friends Peace Board	29,899		(145)	2,234		31,988
Rowntree						0
Ward	94,188		(457)	7,033		100,764
Young Friends General Meeting	30,757		(149)	2,298		32,906
Total	1,796,969	838	(1,454)	132,485	0	1,928,838
Total endowments	6,517,225	7,683	(24,281)	459,580	0	6,960,207

5.4 Restricted Funds

Permanent:

	Balance as at 1 Jan 2024	Income Resources	Resources Expended	Transfers	Balance as at 31 Dec 2024
	£	£	£	£	£
Anonymous MC98	13,018	13,009	(13,220)	-	12,807
Blackwell	59,151	65,035	(49,904)	-	74,281
CIF	-	4,310	-	-	4,310
Cox	21,607	21,151	(21,515)	-	21,243
Simmons	5,391	5,407	(5,489)	-	5,309
Stewart	2,543	2,554	(2,589)	-	2,509
Todd	5,562	5,571	(5,661)	-	5,472
Wirrall & North Wales	1,616	827	(837)	-	1,606
Total	108,889	117,862	(99,215)	-	127,536

Expendable:

	Balance as at 1 Jan 2024	Income Resources	Resources Expended	Transfers	Balance as at 31 Dec 2024
	£	£	£	£	£
Braithwaite	2,891	2,849	1,089	-	6,829
Colenso	17,911	8,733	-	-	26,643
Doncaster	8,755	9,810	(9,985)	-	8,580
Northern Friends Peace Board	802	806	(816)	-	792
Rowntree	6,893	-	-	-	6,893
Ward	1,729	2,535	(2,568)	-	1,696
Witting Narrowly Restricted	108,132	-	(45,036)	-	63,096
Young Friends General Meeting	824	829	(839)	-	814
Total	147,936	25,561	(58,154)	-	115,343
Total Restricted funds	256,825	143,424	(157,370)	-	242,879

Comparative information is as follows:

Permanent:

	Balance as at 1 Jan 2023	Income Resources	Resources Expended	Transfers	Balance as at 31 Dec 2023
	£	£	£	£	£
Anonymous MC98	12,334	13,220	(12,536)		13,018
Blackwell	34,608	57,391	(32,851)		59,148
Cox	20,495	21,515	(20,403)		21,607
Simmons	5,108	5,489	(5,205)		5,392
Stewart	2,410	2,589	(2,455)		2,544
Todd	5,269	5,661	(5,368)		5,562
Wirrall & North Wales	779	837			1,616
Total	81,003	106,702	(78,818)	-	108,887

Expendable:

	Balance as at 1 Jan 2023	Income Resources	Resources Expended	Transfers	Balance as at 31 Dec 2023
	£	£	£	£	£
Braithwaite	2,493	2,897	(2,500)		2,890
Colenso	9,026	8,885			17,911
Doncaster	9,293	9,985	(10,523)		8,755
Northern Friends Peace Board	760	816	(774)		802
Rowntree	6,892				6,892
Ward	2,391	2,568	(3,230)		1,729
Witting Narrowly Restricted	178,135	1,573	(71,573)		108,135
Young Friends General Meeting	781	839	(796)		824
Total	209,771	27,563	(89,396)	-	147,938
Total Restricted funds	290,774	134,265	(168,214)	-	256,825

5.5 Unrestricted Funds

	Balance as at 1 Jan 2024	Income Resources	Resources Expended	Transfer s	Balance as at 31 Dec 2024
	£	£	£	£	£
General Gifts and Legacies	166,212	66,815	(66,808)	-	166,219
Total	166,212	66,815	(66,808)	-	166,219

Comparative information is as follows:

	Balance as at 1 Jan 2023	Income Resources	Resources Expended	Transfer s	Balance as at 31 Dec 2023
	£	£	£	£	£
General Gifts and Legacies	181,031	22,909	(37,728)	-	166,212
Total	181,031	22,909	(37,728)	-	166,212

6. Investments

6.1 The types of investments held, and their market value, at 31 December 2024 were:

	Total 2024	Total 2023
	£	£
Cash	179,168	157,061
Common investment funds	-	-
OEICs and unit trusts	1,026,065	1,498,695
UK equities	2,824,222	2,533,233
UK fixed interest	1,479,845	826,894
Overseas equities	-	-
Overseas fixed interest	375,009	266,167
Overseas unit trusts	982,476	1,632,667
Total investments	<u>6,866,785</u>	<u>6,914,717</u>

6.2 Investment movements

	Total 2024	Total 2023
	£	£
Market value at 1 January	6,914,717	6,486,468
Acquisition at cost	2,183,676	627,928
Disposal at carrying market value	(1,716,520)	(659,259)
Unrealised gains (losses) in year	(515,088)	459,580
Market value at 31 December	<u>6,866,785</u>	<u>6,914,717</u>
Historic cost	6,044,601	5,163,512

7. Legacies and funds awaiting distribution

	Total 2024 £	Total 2023 £
Balance at 1 January	403,015	379,951
Funds and legacies received	994,590	241,376
	1,397,605	621,327
Funds and legacies distributed	(797,871)	(218,312)
Balance at 31 December	<u>599,734</u>	<u>403,015</u>

8. Other creditors

	Total 2024 £	Total 2023 £
Grants Payable	268,183	179,711
Other	-	3,836
Balance at 31 December	<u>268,183</u>	<u>183,547</u>

9. Debtors

	Total 2024 £	Total 2023 £
Accrued Legacy Income	-	-
Other	1,092	493
Balance at 31 December	<u>1,092</u>	<u>493</u>

10. Custodian Trustee and Holding Trustee (Nominee)

The Company acts as custodian trustee or holding trustee (nominee) for land for the Religious Society of Friends (Quakers) in Britain (the "Society") and various bodies connected with the Society.

It acts in these capacities primarily for the Area Meetings of the Society, including constituent Local Meetings and other connected trusts. Area Meetings are the primary meetings for church affairs in the Society. The object of each Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain, locally and beyond.

The Company holds quoted and unquoted investments and/or land and buildings for the following Area Meetings:

Banbury & Evesham	Norfolk & Waveney
Bournemouth Coastal	North London
Brighouse West Yorkshire	North Somerset
Bristol	North Wales (Cymar)
Cambridgeshire	North West London
Central England	Northamptonshire
Central Yorkshire	Northumbria
Chilterns	Nottinghamshire & Derbyshire
Cornwall	Oxford & Swindon
Craven & Keighley	Pendle Hill
Cumberland	Pickering & Hull
Devon	Sheffield & Balby
Dorset & South Wiltshire	South Wales (Cymar)
East Cheshire	Southern East Anglia
East Kent	Southern Marches (Cymar)
Gloucestershire	Staffordshire
Hampshire & Islands	Surrey & Hampshire Border
Hardshaw & Mann	Sussex East
Hertford & Hitchin	Sussex West
Ipswich & Diss	Swarthmoor (South West Cumbria)
Kendal & Sedbergh	Teesdale & Cleveland
Lancashire Central & North	Thaxted
Leeds	Wensletdale & Swaledale
Leicester	West Somerset
Lincolnshire	West Kent
London West	West Weald
Luton & Leighton	West Wiltshire & East Somerset
Manchester & Warrington	Wirral & Chester
Mid-Essex	Worcestershire & Shropshire
Mid-Somerset	
Mid-Thames	
Mid-Wales (Cymar)	

The Company holds land and buildings for the following organisations connected with the Society:

Ackworth School 1950 Trust	To hold funds of gifts, legacies, donations, etc. for the benefit of Ackworth School.
Breckenbrough School: After Care Committee	To give help and advice to former pupils of Breckenbrough School
Camfield's (Francis) Trust	Supporting individual Quakers in need witnessing to Christian and Quaker testimonies
Central England Quaker Old People's Fund Trust	Charitable purposes for the benefit of the aged, particularly for those who are members of Central England Area Quaker Meeting of the Religious Society of Friends (Quakers)
Society of Friends - Charney Manor	Furthering the religious and other charitable purposes of the Society of Friends
Cole, Susanna (and Others), Charities	To support and help friends in need who are members or attenders of Central England Area Quaker Meeting of the Religious Society of Friends
Friends Housing Bursary Trust	For the benefit of elderly poor persons in Great Britain who are in need of financial assistance to provide them with suitable housing accommodation
Glenthorne Quaker Centre	To provide a place where Quaker spiritual, charitable and educational concerns can be advanced.
Gorman George Memorial Fund	The advancement of (religious) education and the advancement of religion according to the principles and beliefs of the Religious Society of Friends
Greenwood Educational Trust	To advance the education of persons under the age of 25 and in need of financial assistance who are connected with the Society of Friends in Essex or Suffolk
Horniman (John) Trust: Bedford Institute Association	Income to be used by Quaker Social Action
Howard, William Charity	Grants to members of Quaker meetings who are undertaking further education or training to equip them for work.
Kingston Friends Trusts: Poor's Estate	Relief of poverty, sickness, old age or by assisting in education; promotion of the religious and spiritual work of the Society of Friends in connection with Kingston & Wandsworth Area Quaker Meeting
London Quaker Service Trust	To further the work of the Society of Friends by the advancement of religion and the provision of facilities for educational recreational and leisure time occupations for persons who by reason of their social and economic circumstances have need of such facilities with the object of improving their conditions of life and developing their mental physical and spiritual capacities
Quaker Social Action	Through innovative schemes designed to promote social justice and the personal development and the physical and spiritual welfare of individuals and groups, to witness Quaker testimonies, to the equality of all humankind, to truth, personal integrity and peace, and to promote co-operation and harmony between all people.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

Tickells (Hugh) Charity	For the general benefit of such poor people as the trustees in their discretion think fit
Wensleydale & Swaledale Quaker Trust	1. The relief of Quakers, Attenders and other people who are in need, hardship or distress and are resident in the area of benefit; 2. The maintenance and upkeep of the Quaker meeting houses and burial grounds within the area of benefit; 3. To further the religious and other charitable deeds and works of the Wensleydale and Swaledale Area Quaker Meeting in Britain and overseas.
Woodbrooke Quaker Study Centre	Provision of learning to Quakers and others to advance the Quaker faith and enhance understanding of social and spiritual matters.

11. Directors remuneration and expenses

No director receives any remuneration or is reimbursed any expenses by the Company.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. There were no expenses reimbursed to the directors in 2024.

12. Related party transactions

By the nature of their role, the directors of the company are deemed to be related parties. As stated in Note 11 above, there were no expenses reimbursed to Trustees, nor donations received from Trustees in the year to 31 December 2024.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trust Limited. The value of the services are treated as donations and were £66,808 in 2024 (2023: £37,727)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FRIENDS TRUSTS LIMITED
(A Company Limited by Guarantee and Not Having a Share Capital)
Registered Charity Number 237698
Company Number 188362**

Opinion

We have audited the financial statements of Friends Trusts Limited (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Friends Trusts Limited ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

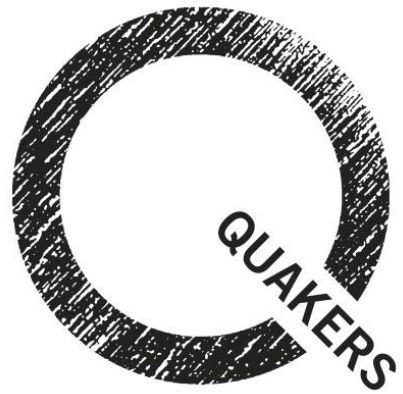
This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)
26 September 2025
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

FRIENDS TRUSTS LIMITED

England & Wales - Charity number 237698

Accounts



FRIENDS TRUSTS LIMITED

Report and Financial Statements for the year ended 31 December 2023

Company Registered in England No. 00188362

Registered Charity No. 237698

FRIENDS TRUSTS LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Constitution:

The Company is the denominational trust corporation and custodian trustee for the Religious Society of Friends (Quakers) in Britain by an authorisation issued under the Law of Property (Amendment) Act 1926 by the Lord High Chancellor on 29 May 1930. The Company is limited by guarantee and has no share capital. In the event of the Company being wound up during the period of membership, or within the year following, each member is required to contribute an amount not exceeding £1.

Company registration number: 00188362
Country of incorporation: United Kingdom
Charity registration number: 237698
Country of registration: England and Wales

The Directors (or trustees for the purposes of charity legislation) who served during the year and up to the date of this report were:

Directors:

- Nigel Barnes (to March 2024)
- Steven Burkeman (to May 2024)
- David Harries
- Nick Perks
- Paul Whitehouse (as BYM Treasurer)
- Stephen Wright (resigned 8 March 2023)
- Paul Wyatt (resigned 7 July 2023)
- Mark Tod from 25/04/2024
- Malcolm Sterratt from 25/04/2024
- Alison Clarke from 25/04/2024
- John Capper from 25/04/2024
- Alastair Thomas from 25/04/2024

Secretary:

- Sarah Chemonges (to 28 September 2023)
- John Dash (from 28 September 2023)

Registered Office:

- Friends House
- 173 – 177 Euston Road
- London, NW1 2BJ

Main Bankers:

- The Co-operative Bank plc
- 60 Kingsway
- London, WC2B 6DS

- CafCash Limited
- Kings Hill
- West Malling, ME19 4TA

Investment Managers:

- Rathbone Greenbank Investments
- 10 Queen Square
- Bristol, BS1 4NT

Solicitors:

- Nelsons
- Sterne House, Lodge Lane
- Derby, DE1 3WD

Auditors:

- Sayer Vincent
- 110 Golden Lane
- London
- EC1Y 0TG

FRIENDS TRUSTS LIMITED

Report of the Directors for the year ended 31 December 2023

The Directors have pleasure in presenting their report and the audited financial statements of the charitable company for the year ended 31 December 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 but equates to a report of the directors for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 and 14 of the attached financial statements and comply with the charitable company's Articles of Association, applicable laws and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Charity Commission (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The names of the directors who served during the year, and who were in office at the date on which this report and attached financial statements were approved, are shown on page 2.

The Treasurer of Britain Yearly Meeting (BYM) is a director ex-officio. The other directors, who must be members of the Religious Society of Friends (Quakers), (the "Society"), are appointed by Meeting for Sufferings, the executive body of the Society in Britain, to hold office for 3 years, retiring by annual rotation. They may be re-appointed. On appointment new Directors are provided with a copy of the articles of association, copies of the minutes and financial statements for the previous year and other induction material. When appropriate they are invited to attend training provided by Britain Yearly Meeting (the charity that carries out the central work of the Society) for trustees and committee members. The day-to-day management of the Company was carried out by the Company Secretary whose services are provided without charge by BYM. All policy decisions are taken by the Board of Directors, which usually meets four times a year. The Directors are the only company members and their liability is limited to £1 due to the Company being limited by guarantee. The number of guarantees at 31 December 2023 was 7 (2022: 8)

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friends Trusts Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Friends Trusts Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

FRIENDS TRUSTS LIMITED

Report of the Directors for the year ended 31 December 2023

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS102);
- 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 charitable company will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

OBJECTS

The Company's objects are set out in full in its Articles of Association but the principal object of the Company is to act as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Britain (the Society) and various bodies connected with the Society. The Company also administers certain trusts where it has been appointed managing trustee.

ACTIVITIES

Custodian Trustee or Nominee

In excess of 450 properties are held in the name of Friends Trusts Limited on behalf of more than 70 organisations and in excess of 120 investments on behalf of more than 50 beneficial owners.

The Company is the denominational trust corporation for the Religious Society of Friends (Quakers). The majority of the beneficial owners for which it acts as custodian trustee or nominee are unincorporated constituent meetings of the Society, together with a small number of organisations constituted for the benefit of, or in connection with, the Society (see note 10).

Properties are recorded in a Register under the name of the beneficial owner and investments are held with designated account numbers unique to each beneficial owner. Transactions in property and investments are carried out on instructions from managing trustees or beneficial owners.

Managing Trustee

The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

FRIENDS TRUSTS LIMITED

Report of the Directors for the year ended 31 December 2023

Charitable Activities - Distributions

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Legacies and Funds Awaiting Distribution

The nomination of the Company as trustee in legacies means that registered charitable status can easily be confirmed for inheritance tax exemption purposes and legacies do not fail through uncertainty.

During the year the Company received £241,376 (2022: £914,228) for passing on to other Quaker charities in accordance with the terms of those legacies. These amounts are not included within the Statement of Financial Activities.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Company. In its principal role as custodian trustee, the Company helps to promote, support and maintain Quaker Meetings and other Quaker charities which provide public benefit through the provision of religious services open to all members of the public without charge and the establishment of a worshipping community carrying out other connected charitable work. In promoting the efficiency and effectiveness of the work of Quaker Meetings and other Quaker charities for the benefit of individuals, communities and society as a whole, the Directors believe that the work of the Company provides benefit to the public in accordance with its objects.

As managing trustee of charitable trusts it provides grants for charitable purposes to members of the public or for other charitable purposes in accordance with the terms of such trusts, again for public benefit in accordance with its objects.

The Directors believe that there is no disbenefit or private benefit in the Company's work.

FINANCIAL REVIEW

	2023	2022
	£	£
Total and endowments	164,960	259,685
Income from legacies	(16,337)	121,469
Investment income	143,370	127,735
Total expenditure in the year	230,325	162,327
Overall net (loss)/profit before investment gains/(losses)	(65,365)	97,358
Realised and unrealised investment profit/(loss)	459,579	(1,358,631)
Net positive movement in funds	394,214	1,261,273
Total net assets	7,383,244	6,989,030
Investments market value	6,914,717	6,486,468

FRIENDS TRUSTS LIMITED

Report of the Directors for the year ended 31 December 2023

The financial position of the Company does not include the accounts for those trusts and Quaker Meetings and organisations for which the Company acts as custodian trustee, nominee or agent only.

Investment Policy and Performance

None of the trusts for which the Company is managing trustee contain any specific power for investment, so the provisions of the Trustee Act 2000 determine the powers of investment.

The Board has adopted a socially responsible investment policy so that only investments that conform to certain criteria are held. The policy incorporates the aim to maximise returns from investments within a medium level of risk. Investments are managed by discretionary managers appointed by the Board, currently Rathbone Greenbank.

Performance is reviewed regularly against the agreed benchmarks. During the year, both the Common Investment Fund portfolio and the Blackwell Trust portfolios slightly underperformed against the MSCI PIMFA Balanced and bespoke benchmark TR4, but exceeded CPI+3% which is the long term return objective.

Risk Management

Friends Trusts Ltd has a risk management policy, which has been set and agreed by the Directors. The policy is designed to identify and analyse key strategic and operational risks facing Friends Trusts Ltd and, where at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Company's ability to fulfil its purposes. These risks are reported to the Directors through a risk management process which allows them both to challenge any assumptions the management team has made about risks and also to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks are identified as follows:

The potential loss of capital value and / or poor returns in relation to investments. The Directors consider that the appointment of a discretionary investment manager together with annual reviews of the investment policy and of performance against benchmarks constitutes an appropriate control procedure.

Staff capacity and continuity. Trustees have agreed with Britain Yearly Meeting the importance of having a single point of contact for Trustees and for external communications with Area Meetings, for maintaining good records, and to hold an overview of FTL's activity. This was implemented during the year.

FRIENDS TRUSTS LIMITED

Report of the Directors for the year ended 31 December 2023

Unrestricted income and reserve levels limits the ability of Directors to fund initiatives of strategic importance for the Company. It is now recognised that the Company needs to develop its infrastructure to achieve its objectives and the Company is now building up its reserves.

Reserves Policy

Up until 2019, it was the policy of the Board to minimise the amounts of reserves (other than endowment funds) by distributing annually most of the income received by the restricted and general funds. Under the current operational arrangements, the Company does not employ any staff or have any other significant regular operational costs. Nevertheless, the Directors recognise the need to develop the Company's infrastructure, and to maintain some modest reserves to give greater flexibility and resilience. Within the current operational arrangements, trustees consider this sufficient whilst they review the situation during the next year.

At the end of the year, unrestricted reserves amount to £166k (2022: £181k). It is felt that these reserves are sufficient.

Going Concern

We have set out above a review of Friends Trust Limited's financial performance and the general reserves position for 2023 and changing risk profile. The financial position as at 31 December 2023 remains stable despite the uncertainties 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) amount to £469k.

Following appointments made by BYM during the year, the company now has adequate staff capacity in place. New Director appointments have also recently been made to replace outgoing Directors, ensuring that the Board can be maintained in the coming years.

We will continue to monitor the situation as it unfolds and adapt our finances and approach accordingly. Taking into account all factors, we do not believe there are material uncertainties that call into doubt Friends Trust Limited's ability to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on the basis that Friends Trust Limited is a going concern.

PLANS FOR FUTURE PERIODS

The short term focus of the company is to ensure that all operational systems and processes, and the service to Area Meetings, is up to a good standard. Significant progress has been made during the year, though there is further work to do.

The Directors have initiated the development of a Memorandum of Understanding to set out the relationship between the company and Britain Yearly Meeting. This is expected to be finalised and agreed in the near future.

A number of Directors came to the end of their appointments during the year and in the first half of 2024. New appointments have been made to the Board, and Directors look forward to working as a refreshed governance team.

New auditors were appointed during the year. Sayer Vincent bring additional capacity and expertise as leading charity auditors.

FRIENDS TRUSTS LIMITED

Report of the Directors for the year ended 31 December 2023

Directors have begun a review of our internal principles for managing and distribution of trusts where the company has been appointed managing trustee, and hope to progress this further in the coming year.

The Directors continue to reflect on the overall approach of the company, in order to put in place longer term plans.

AUDITORS

Elective resolutions, as defined by the Companies Act 2006, have been approved which dispense with:

- (a) the laying of financial statements and reports before a general meeting,
- (b) the holding of an annual general meeting each year, and
- (c) the need to reappoint auditors.

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By Order of the Board on 21 June 2024

PAUL WHITEHOUSE
Director

NICK PERKS
Director

FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2023

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023
		£	£	£	£
Income and endowments from:	2				
Donations		200	-	-	200
Donated services		37,727	-	-	37,727
Legacies		(16,337)	-	-	(16,337)
Investments		1,319	134,266	7,785	143,370
Total		22,909	134,266	7,785	164,960
Expenditure on:					
Raising funds: investment management charges		-	-	31,532	31,532
Charitable activities	3	37,728	168,215	(7,150)	198,791
Total		37,728	168,214	24,382	230,325
Net (losses) before investment gains		(14,819)	(33,949)	(16,597)	(65,365)
Gains / (losses) on investment assets		-	-	459,579	459,579
Net income/(expenditure)		(14,819)	(33,949)	442,982	394,214
Transfers between funds	5.1a	-	-	-	-
Net movement in funds		(14,819)	(33,949)	442,982	394,214
Reconciliation of funds:					
Total funds brought forward		181,031	290,774	6,517,225	6,989,030
Total funds carried forward		166,212	256,825	6,960,207	7,383,244

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

All of the above results are derived from continuing activities.

FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2022

Comparative information as follows:

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
		£	£	£	£
Income and endowments from:	2				
Donated services		10,481	-	-	10,481
Legacies		121,469	-	-	121,469
Investments		(5,895)	127,408	6,222	127,735
Deposit accounts and bank interest		-	-	-	-
Other		-	-	-	-
Total		126,055	127,408	6,222	259,685
Expenditure on:					
Raising funds: investment management charges		-	-	33,813	33,813
Charitable activities	3	10,281	72,538	45,695	128,514
Total		10,281	72,538	79,508	162,327
Net profits/(losses) before investment losses		115,774	54,870	(73,286)	97,358
Gains/(losses) on investment assets		-	-	(1,358,631)	(1,358,631)
Net income/(expenditure)		115,774	54,870	(1,431,917)	(1,261,273)
Transfers between funds	5.1a	-	-	-	-
Net movement in funds		115,774	54,870	(1,431,917)	(1,261,273)
Reconciliation of funds:					
Total funds brought forward		65,257	235,904	7,949,142	8,250,303
Total funds carried forward		181,031	290,774	6,517,225	6,989,030

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Company Registration No. 00188362 (England and Wales)

BALANCE SHEET
AT 31 DECEMBER 2023

	Notes	£	2023 £	£	2022 £
Fixed assets:					
Investments	6		6,914,717		6,486,468
Total fixed assets			6,914,717		6,486,468
Current Assets:					
Debtors	7	493		18,290	
Cash at bank and on deposit		1,054,596		1,052,274	
Total current assets			1,055,089		1,070,564
Liabilities:					
Legacies and funds awaiting distribution	8	(403,015)		(379,951)	
Other creditors	9	(183,547)		(188,051)	
Creditors: Amount falling due within one year			(586,562)		(568,002)
Net current assets			468,527		502,562
Total net assets			7,383,244		6,989,030
The funds of the charity:					
Total endowment funds	5.2		6,960,207		6,517,225
Restricted income funds	5.3		256,825		290,774
Unrestricted funds	5.4		166,212		181,031
Total charity funds			7,383,244		6,989,030

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 13 to 27 form part of these financial statements.

Approved on behalf of the Board of Directors on 21 June 2024.

PAUL WHITEHOUSE
Director

NICK PERKS
Director

FRIENDS TRUSTS LIMITED

Statement of Cash Flows for year ending 31 December 2023

CASH FLOW STATEMENT

	2023	2022
	£	£
Operating activities		
Net movement in funds	394,215	(1,261,273)
Dividends	(143,370)	(127,735)
Interest	-	-
Investment management fees	31,533	33,813
(Gains)/losses on investments	(376,585)	1,358,631
Decrease in debtors	17,797	6,829
Increase in creditors	18,560	101,974
	(57,850)	112,239
Investing activities		
Investment management fees	(31,533)	(33,813)
Purchase of investments	(627,929)	(1,264,163)
Proceeds from sale of investments	576,265	1,301,095
Interest received	-	-
Dividends received	143,370	124,467
	60,173	127,586
Increase/(decrease) in cash in year	2,323	239,825
Cash at beginning of year	1,052,273	812,448
Cash at end of year	1,054,596	1,052,273

The notes on pages 13 to 27 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Notes to the Financial statements

1. Principal accounting policies

1.1. Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial statements do not include the transactions and net assets of entities for which the Company acts as custodian trustee.

The directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

1.2. Funds

Unrestricted funds: to be utilised at the discretion of the Directors for the benefit of, or in connection with, the Religious Society of Friends (Quakers).

Restricted funds: earmarked by the donor or testator for specific purposes.

Endowment funds: comprise monies that must be held as capital, either indefinitely or pending the occurrence of a future event.

1.3. Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised according to the relevant distribution dates. Interest is recognised on a receivable basis.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Legacies over which the charity has no discretion as to their distribution and which have been received but are awaiting completion and distribution to the ultimate beneficiary are held in a separate account. As such these legacies are only held temporarily on trust and the Directors consider that the appropriate treatment of their receipt and distribution is through a legacies account rather than through the Statement of Financial Activities.

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

Donated services are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.4. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments
- Expenditure on charitable activities which comprise the costs of distributions of trust income under the terms of the various trusts where the Company acts as managing trustee

All expenditure on support costs such as governance, including audit fees, is met by Britain Yearly Meeting (see note 4).

1.5. Investments

Listed investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) at the balance sheet date with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Also included in the Statement of Financial Activities are realised investment gains or losses which represent the difference between the sale proceeds and opening market value of investments disposed of in the year. All investments and landed properties, of which the Company is custodian trustee only, and income therefrom, are excluded from these financial statements.

1.6. Taxation

Since the Company's income falls within the various exemptions available to registered charities there is no liability for income tax, capital gains tax, corporation tax or inheritance tax. Any attributable VAT is accounted for within resources expended.

1.7. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

2. Income:

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Donations	200	-	-	-	-	-
Donated Services	37,727	10,481	-	-	-	-
Legacies	(16,337)	121,469	-	-	-	-
Investments	1,319	(5,895)	134,266	127,408	7,785	6,222
Total	22,909	126,055	134,266	127,408	7,785	6,222

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

3. Charitable Expenditure: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Charitable Distributions in accordance with terms of trust						
At the discretion of the board						
Grants to individuals	-	-	16,640	28,636		
Grants to institutions	-	-	151,575	43,902	(7,150)	45,695
Support costs	28,991	7,731	-	-	-	-
Audit fees	7,800	2,550	-	-	-	-
Other fees paid to auditors	936	-	-	-	-	-
Total	37,727	10,281	168,215	72,538	(7,150)	45,695

Expenditure in 2023 and 2022 was incurred in respect of distributing donations, legacies and income from endowments, primarily to various Quaker organisations, in accordance with the wishes of donors and legators. In 2023, 63 distributions (2022: 83) for individual assistance were given in the United Kingdom, Germany and Poland, all less than £1,000 each.

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge. Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Negative costs on Endowment funds in 2023 relate to written back grants that were awarded in previous years.

4. Administration and governance costs

The costs of administrative support are provided by Britain Yearly Meeting in recognition of the role of the Company as the denominational trust corporation for the Religious Society of Friends. The sum of £37,727 (2022: £10,281) has been included in the Statement of Financial Activities as donated services and support costs and audit fees.

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

5. Funds

5.1. Fund purposes

a) Endowment Funds

Fund	Purpose for which the income is to be applied
Anonymous MC98	General Fund of Britain Yearly Meeting.
Blackwell	At the discretion of the Board taking account of the settlor's wishes.
Braithwaite	At the Board's discretion in consultation with settlor's representative.
Colenso	General Purposes but income is for the relief of poverty.
Cox	Britain Yearly Meeting for the provision and maintenance of Meeting Houses.
Doncaster	40% Worcester & Shropshire Area Quaker Meeting 20% South Wales Area Quaker Meeting 20% Southern Marches Area Quaker Meeting (212/286) & Mid-Wales Area Quaker Meeting (74/286) 20% Britain Yearly Meeting (Peace and Service)
General Gifts and Legacies	At the discretion of the Board.
Northern Friends Peace Board	For Northern Friends' Peace Board.
Simmons	For Britain Yearly Meeting taking account of the settlor's wishes.
Stewart	80% Sussex & Surrey Regional Quaker Meeting 20% Tunbridge Wells Quaker Meeting
Todd	For Meeting House repairs and purchases in the Kingston-upon-Thames area.
Ward	At the discretion of the Board taking account of the settlor's wishes.
Wirral & North Wales	For Wirral & Chester and North Wales Area Quaker Meetings.
Witting	Individual relief: 40% England, 40% Germany, 20% Poland.
Young Friends General Meeting	For Young Friends General Meeting.

The capital of endowment funds is both expendable and non-expendable. With the exception of the General Gifts and Legacies Fund where income is credited to the unrestricted fund, income is treated as restricted funds and distributed in accordance with the above purposes.

The terms of the Blackwell legacy include the requirement that 10% of the income be added to the capital and invested.

b) Restricted Funds

These funds consist of the undistributed restricted income from the endowment funds (see 5.1.a). It is the policy of the Board to distribute the balances in the income funds annually.

c) Unrestricted Funds

The unrestricted funds consist of the undistributed income from the General Gifts and Legacies endowment fund, and other gifts and legacies received during the year by the Company for distribution at the Directors' discretion. It is the policy of the Board to distribute this annually.

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Funds balances at 31 December are represented by:					
Investments	-	-	6,914,717	6,914,717	6,486,468
Net Current Assets	166,212	256,825	45,490	468,577	502,562
	<u>166,212</u>	<u>256,825</u>	<u>6,960,207</u>	<u>7,383,244</u>	<u>6,989,030</u>

Comparative information as follows:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Funds balances at 31 December are represented by:					
Investments	-	-	6,486,468	6,486,468	7,878,764
Net Current Assets	181,301	290,774	30,757	502,562	371,539
	<u>181,301</u>	<u>290,774</u>	<u>6,517,225</u>	<u>6,989,030</u>	<u>8,250,303</u>

5.2. Endowment funds

Expendable:

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Unrealised & Realised Gains (Losses) £	Transfers £	Balance as at 31 Dec 2023 £
Braithwaite	106,255	-	1,243	7,935	-	115,433
Colenso	335,045	-	3,812	24,335	-	363,192
Doncaster	366,128	-	(1,776)	27,345	-	391,697
General Gifts and Legacies	834,697	838	(3,982)	61,305	-	892,858
Northern Friends Peace Board	29,899	-	(145)	2,234	-	31,988
Rowntree	-	-	-	-	-	-
Ward	94,188	-	(457)	7,033	-	100,764
Young Friends General Meeting	30,757	-	(149)	2,298	-	32,906
Total	1,796,969	838	(1,454)	132,485	-	1,928,838

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

Permanent:

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Unrealised & Realised Gains (Losses) £	Transfers £	Balance as at 31 Dec 2023 £
Anonymous MC98	484,764	-	(2,351)	36,205	-	518,618
Blackwell	2,911,978	6,845	(14,057)	192,046	-	3,096,812
Cox	788,989	-	(3,827)	58,924	-	844,086
Simmons	201,304	-	(976)	15,033	-	215,361
Stewart	94,944	-	(460)	7,090	-	101,574
Todd	207,590	-	(1,007)	15,504	-	222,087
Wirrall & North Wales	30,687	-	(149)	2,293	-	32,831
Total	4,720,256	6,845	(22,827)	327,095	-	5,031,369
Total endowments	6,517,225	7,683	(24,281)	459,580	-	6,960,207

Comparative information is as follows:

Expendable:

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Unrealised & Realised Gains (Losses) £	Transfers £	Balance as at 31 Dec 2022 £
Braithwaite	130,584	2	(2,311)	(22,020)	-	106,255
Colenso	409,656	7	(7,089)	(67,529)	-	335,045
Doncaster	449,967	7	(7,966)	(75,880)	-	366,128
General Gifts and Legacies	1,008,811	282	(4,276)	(170,120)	-	834,697
Northern Friends Peace Board	36,748	1	(651)	(6,199)	-	29,899
Rowntree	-	-	-	-	-	-
Ward	115,753	3	(2,049)	(19,518)	-	94,189
Young Friends General Meeting	37,802	1	(669)	(6,377)	-	30,757
Total	2,189,321	302	(25,011)	(367,643)	-	1,796,970

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

Permanent:

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Unrealised & Realised Gains (Losses) £	Transfers £	Balance as at 31 Dec 2022 £
Anonymous MC98	595,770	10	(10,547)	(100,469)	-	484,764
Blackwell	3,537,482	5,883	(15,153)	(616,234)	-	2,911,978
Cox	969,653	16	(17,167)	(163,513)	-	788,989
Simmons	247,395	4	(4,380)	(41,715)	-	201,304
Stewart	116,681	2	(2,066)	(19,673)	-	94,944
Todd	255,124	4	(4,516)	(43,022)	-	207,590
Wirrall & North Wales	37,716	1	(668)	(6,362)	-	30,687
Total	5,759,821	5,920	(54,497)	(990,988)	-	4,720,256
Total endowments	7,949,142	6,222	(79,508)	(1,358,631)	-	6,517,225

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

5.3. Restricted Funds

Permanent:

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2023 £
Anonymous MC98	12,334	13,220	(12,536)	-	13,018
Blackwell	34,608	57,391	(32,851)	-	59,148
Cox	20,495	21,515	(20,403)	-	21,607
Simmons	5,108	5,489	(5,205)	-	5,392
Stewart	2,410	2,589	(2,455)	-	2,544
Todd	5,269	5,661	(5,368)	-	5,562
Wirrall & North Wales	779	837	-	-	1,616
Total	81,003	106,702	(78,818)	-	108,887

Expendable:

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2023 £
Braithwaite	2,493	2,897	(2,500)	-	2,890
Colenso	9,026	8,885	-	-	17,911
Doncaster	9,293	9,985	(10,523)	-	8,755
Northern Friends					
Peace Board	760	816	(774)	-	802
Rowntree	6,892	-	-	-	6,892
Ward	2,391	2,568	(3,230)	-	1,729
Witting Narrowly Restricted	178,135	1,573	(71,573)	-	108,135
Young Friends					
General Meeting	781	839	(796)	-	824
Total	209,771	27,563	(89,396)	-	147,938

Total Restricted funds	290,774	134,265	(168,214)	-	256,825
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Comparative information is as follows:

Permanent:

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2022 £
Anonymous MC98	(202)	12,536	-	-	12,334
Blackwell	40,341	52,659	(58,392)	-	34,608
Cox	92	20,403	-	-	20,495
Simmons	(97)	5,205	-	-	5,108
Stewart	(45)	2,455	-	-	2,410
Todd	(99)	5,368	-	-	5,269
Wirrall & North Wales	(15)	794	-	-	779
Total	39,975	99,420	(58,392)	-	81,003

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

Expendable:

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2022 £
Braithwaite	(255)	2,748	-	-	2,493
Colenso	1,550	8,426	(950)	-	9,026
Doncaster	(175)	9,468	-	-	9,293
Northern Friends Peace Board	(14)	774	-	-	760
Rowntree	6,892	-	-	-	6,892
Ward	(45)	2,436	-	-	2,391
Witting Narrowly Restricted	187,991	3,339	(13,195)	-	178,135
Young Friends General Meeting	(15)	96	-	-	781
Total	195,929	27,987	(14,145)	-	209,771
Total Restricted funds	235,904	127,407	(72,538)	-	290,773

5.4. Unrestricted Funds

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Transfer s £	Balance as at 31 Dec 2023 £
General Gifts and Legacies	181,031	22,909	(37,728)	-	166,212
Total	181,031	22,909	(37,728)	-	166,212

Comparative information is as follows:

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfer s £	Balance as at 31 Dec 2022 £
General Gifts and Legacies	65,257	126,055	(10,281)	-	181,031
Total	65,257	126,055	(10,281)	-	181,031

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

6. Investments

6.1. The types of investments held, and their market value, at 31 December were:

	Total 2023 £	Total 2022 £
Cash	157,061	232,449
Common investment funds		
OEICs and unit trusts	1,498,695	1,412,971
UK equities	2,533,233	2,475,219
UK fixed interest	826,894	765,944
Overseas equities	-	-
Overseas fixed interest	266,167	263,450
Overseas unit trusts	1,632,667	1,336,435
Total investments	<u>6,914,717</u>	<u>6,486,468</u>

6.2. Investment movements

	Total 2023 £	Total 2022 £
Market value at 1 January	6,486,468	7,878,764
Acquisition at cost	627,928	1,264,163
Disposal at carrying market value	(659,259)	(1,363,634)
Unrealised gains (losses) in year	459,580	(1,292,825)
Market value at 31 December	<u>6,914,717</u>	<u>6,486,468</u>
Historic cost	5,163,512	5,189,129

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

7. Debtors

	Total 2023	Total 2022
	£	£
Accrued Legacy Income	-	15,022
Other	493	3,268
Balance at 31 December	<u>493</u>	<u>18,290</u>

8. Legacies and funds awaiting distribution

	Total 2023	Total 2022
	£	£
Balance at 1 January	379,951	365,292
Funds and legacies received	241,376	914,228
Funds and legacies distributed	<u>(218,312)</u>	<u>(899,569)</u>
Balance at 31 December	<u>403,015</u>	<u>379,951</u>

9. Other creditors

	Total 2023	Total 2022
	£	£
Grants Payable	179,711	169,511
Other	<u>3,836</u>	<u>18,540</u>
Balance at 31 December	<u>183,547</u>	<u>188,051</u>

FRIENDS TRUSTS LIMITED

Notes to the Financial statements (continued)

10. Custodian Trustee and Holding Trustee (Nominee)

The Company acts as custodian trustee or holding trustee (nominee) for land for the Religious Society of Friends (Quakers) in Britain (the "Society") and various bodies connected with the Society.

It acts in these capacities primarily for the Area Meetings of the Society, including constituent Local Meetings and other connected trusts. Area Meetings are the primary meetings for church affairs in the Society. The object of each Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain, locally and beyond.

The Company holds quoted and unquoted investments and/or land and buildings for the following **Area Meetings**:

Banbury & Evesham	Mid-Thames
Bournemouth Coastal	Mid-Wales
Brighouse West Yorkshire	Norfolk & Waveney
Bristol	North London
Cambridgeshire	North Somerset
Central England	North Wales
Central Yorkshire	North West London
Chilterns	Northamptonshire
Cornwall	Northumbria
Craven & Keighley	Nottinghamshire & Derbyshire
Cumberland	Oxford & Swindon
Devon	Pendle Hill
Dorset & South Wiltshire	Pickering & Hull
East Cheshire	Sheffield & Balby
East Kent	South Wales
Gloucestershire	Southern East Anglia
Hampshire & Islands	Southern Marches
Hardshaw & Mann	Staffordshire
Hertford & Hitchin	Surrey & Hampshire Border
Ipswich & Diss	Sussex East
Kendal & Sedbergh	Sussex West
Lancashire Central & North	Swarthmoor (South West Cumbria)
Leeds	Teesdale & Cleveland
Leicester	Thaxted
Lincolnshire	West Somerset
London West	West Kent
Luton & Leighton	West Weald
Manchester & Warrington	West Wiltshire & East Somerset
Mid-Essex	Wirral & Chester
Mid-Somerset	Worcestershire & Shropshire

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

The Company holds **land and buildings** for the following organisations connected with the Society:

- Francis Camfield Trust
- Central England Quaker Old People's Fund Trust
- Charney Manor
- Glenthorne Quaker Centre
- London Quakers Service Trust
- Wensleydale & Swaledale Quaker Trust

In addition, the Company holds quoted and unquoted **investments and/or land and buildings** for the following organisations connected with the Society:

Ackworth School 1950 Trust	To hold funds of gifts, legacies, donations etc. for the benefit of Ackworth School.
Breckenbrough School: After Care Committee	To give help and advice to former pupils of Breckenbrough School.
Camfield's (Frances) Trust	Supporting individual Quakers in need witnessing to Christian and Quaker testimonies.
Central England Quaker Old People's Fund Trust	Charitable purposes for the benefit of the aged, particularly for those who are members of Central England Area Quaker Meeting of the Religious Society of Friends (Quakers).
Society of Friends - Charney Manor	Furthering the religious and other charitable purposes of the Society of Friends
Cole, Susanna (and others) charities	To support and help friends in need who are members or attenders of the Central England Area Quaker Meeting of the Religious Society of Friends (Quakers).
Friends Housing Bursary Trust	For the benefit of elderly poor persons in Great Britain who are in need of financial assistance to provide them with suitable housing accommodation.
Glenthorne Quaker Centre	To provide a place where Quaker spiritual, charitable and education concerns can be advanced.
George Gorman Memorial Fund	The advancement of (religious) education and the advancement of religion according to the principles and beliefs of the Religious Society of Friends.
Greenwood Educational Trust	To advance the education of persons under the age of 25 and in need of financial assistance who are connected with the Society of Friends in Essex or Suffolk.
Horniman (John) Trust: Bedford Institute Association	Income to be used by Quaker Social Action.
William Howard Charity	Grants to members of Quaker meetings who are undertaking further education or training to equip them for work.
Kingston Friends Trusts: Poor's Estate	Relief of poverty, sickness, old age or by assisting in education; promotion of the religious and spiritual work of the Society of Friends in connection with Kingston & Wandsworth Area Quaker Meeting.
London Quaker Service Trust	To further the work of the Society of Friends by the advancement of religion and the provision of facilities for educational, recreational and leisure time occupations, for persons who by reason of their social and economic circumstances have need of such facilities with the object of improving their conditions of life and developing their mental, physical and spiritual capacities.
Quaker Social Action	Through innovating schemes designed to promote social justice and the personal development and the physical and spiritual welfare of individuals and groups, to witness Quaker testimonies, to the equality of all humankind, to truth, to personal integrity and peace, and to promote co-operation and harmony between all people.

FRIENDS TRUSTS LIMITED
Notes to the Financial statements (continued)

Tickells (Hugh) Charity	For the general benefit of such poor people as the trustees in their discretion think fit.
Wensleydale & Swaledale Quaker Trust	1. The relief of Quakers, Attenders and other people who are in need, hardship or distress and are resident in the area of benefit; 2. The maintenance and upkeep of the Quaker meeting houses and burial grounds within the area of benefit; 3. To further the religious and other charitable deeds and works of the Wensleydale & Swaledale Area Quaker Meeting in Britain and overseas.
Woodbrooke Quaker Study Centre	Provision of learning to Quakers and others to advance the Quaker faith and enhance understanding of social and spiritual matters.

11. Directors remuneration and expenses

No director receives any remuneration or is reimbursed any expenses by the Company.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. There were no expenses reimbursed to the directors in 2022.

12. Related party transactions

By the nature of their role, the directors of the company are deemed to be related parties. As stated in Note 11 above, there were no expenses reimbursed to Trustees, nor donations received from Trustees in the year to 31 December 2023.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trust Limited. The value of the services are treated as donations and were £37,727 in 2023 (2022: £10,281)

Independent auditor's report to the members of Friends Trusts Limited

Opinion

We have audited the financial statements of Friends Trusts Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Friends Trusts Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Friends Trusts Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

Independent auditor's report to the members of Friends Trusts Limited

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)
23 July 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

FRIENDS TRUSTS LIMITED

England & Wales - Charity number 237698

Accounts

FRIENDS TRUSTS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Company Registered in England No. 188362

Registered Charity No. 237698

FRIENDS TRUSTS LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Constitution:

The Company is the denominational trust corporation and custodian trustee for the Religious Society of Friends (Quakers) in Britain by an authorisation issued under the Law of Property (Amendment) Act 1926 by the Lord High Chancellor on 29 May 1930. The Company is limited by guarantee and has no share capital. In the event of the Company being wound up during the period of membership, or within the year following, each member is required to contribute an amount not exceeding £1. The company registration number is 188362 and the charity registration number is 237698.

Directors: The Directors (or trustees for the purposes of charity legislation) who served during the year were:

Nigel Barnes
Linda Batten (resigned 31 December 2022)
Stephen Burkeman
David Harries
Nick Perks
Paul Whitehouse
Stephen Wright (resigned 8 March 2023)
Paul Wyatt (resigned 7 July 2023)

Secretary: Maureen Sebanakitta (till 12 August 2022)
Sarah Chemonges (from 9 September 2022)

Registered Office: Friends House
173 - 177 Euston Road
LONDON, NW1 2BJ

Main Bankers: The Co-operative Bank plc
60 Kingsway,
LONDON, WC2B 6DS

CafCash Limited
Kings Hill
WEST MALLING, ME19 4TA

Investment Managers: Rathbone Greenbank Investments
10 Queen Square
BRISTOL, BS1 4NT

Solicitors: Hunters Solicitors
9 New Square
Lincoln's Inn
LONDON, WC2A 3QN

Auditors: Myrus Smith
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

FRIENDS TRUSTS LIMITED

Report of the Directors

The Directors have pleasure in presenting their report and the accounts of the charitable company for the year ended 31 December 2022. The report has been prepared in accordance with Part 8 of the Charities Act 2011, but equates to a report of the directors for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 12 and 13 of the attached accounts and comply with the charitable company's Articles of Association, applicable laws and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Charity Commission (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The names of the directors who served during the year, and who were in office at the date on which this report and attached financial statements were approved, are shown on page 2.

The Treasurer of Britain Yearly Meeting is a director ex-officio. The other directors, who must be members of the Religious Society of Friends (Quakers), (the "Society"), are appointed by Meeting for Sufferings, the executive body of the Society in Britain, to hold office for 3 years, retiring by annual rotation. They may be re-appointed. On appointment new Directors are provided with a copy of the articles of association, copies of the minutes and accounts for the previous year and other induction material. When appropriate they are invited to attend training provided by Britain Yearly Meeting (the charity that carries out the central work of the Society) for trustees and committee members.

The day-to-day management of the Company was carried out by the Company Secretary whose services are provided without charge by Britain Yearly Meeting. All policy decisions are taken by the Board of Directors, which usually meets four times a year.

The Directors are the only company members and their liability is limited to £1 due to the Company being limited by guarantee.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trust Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Friends Trusts Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 SORP (FRS102);
- 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 charitable company will continue in operation.

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

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

OBJECTS

The Company's objects are set out in full in its Articles of Association but the principal object of the Company is to act as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Britain (the Society) and various bodies connected with the Society. The Company also administers certain trusts where it has been appointed managing trustee.

ACTIVITIES

Custodian Trustee or Nominee

In excess of 450 properties are held in the name of Friends Trusts Limited on behalf of more than 70 organisations and in excess of 120 investments on behalf of more than 50 beneficial owners.

The Company is the denominational trust corporation for the Religious Society of Friends (Quakers). The majority of the beneficial owners for which it acts as custodian trustee or nominee are unincorporated constituent meetings of the Society, together with a small number of organisations constituted for the benefit of, or in connection with, the Society (see note 10).

Properties are recorded in a Register under the name of the beneficial owner and investments are held with designated account numbers unique to each beneficial owner.

Transactions in property and investments are carried out on instructions from managing trustees or beneficial owners.

Managing Trustee

The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

Charitable Activities - Distributions

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge.

Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

Legacies and Funds Awaiting Distribution

The nomination of the Company as trustee in legacies means that registered charitable status can easily be confirmed for inheritance tax exemption purposes and legacies do not fail through uncertainty.

During the year the Company received £917,228 (2021: £1,254,444) for passing on to other Quaker charities in accordance with the terms of those legacies. These amounts are not included within the Statement of Financial Activities.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Company. In its principal role as custodian trustee, the Company helps to promote, support and maintain Quaker Meetings and other Quaker charities which provide public benefit through the provision of religious services open to all members of the public without charge and the establishment of a worshipping community carrying out other connected charitable work. In promoting the efficiency and effectiveness of the work of Quaker Meetings and other Quaker charities for the benefit of individuals, communities and society as a whole, the Directors believe that the work of the Company provides benefit to the public in accordance with its objects.

As managing trustee of charitable trusts it provides grants for charitable purposes to members of the public or for other charitable purposes in accordance with the terms of such trusts, again for public benefit in accordance with its objects. The Directors believe that there is no disbenefit or private benefit in the Company's work.

FINANCIAL REVIEW

Total income and endowments for the year was £259,685 (2021: £217,143). Income from legacies was £121,469 (2021: £60,593) and investment income was £127,735 (2021: £108,950). The legacy income includes accruals for those legacies which had been notified but had not yet been received totalling £0 (2021: £12,569). Total expenditure in the year was £162,327 (2021: £372,058). There was, therefore, overall net income before investment losses, of £96,358 (2021: £154,915). Realised and unrealised investment loss of £1,358,631 (2021: £973,392) resulted in a net negative movement in funds for the year of £1,261,273 (2021: £818,477).

The total net assets of the Company decreased in the year from £8,250,303 to £6,989,029. At 31 December 2022 the investments had a market value of £6,486,468 compared with a historic cost of £5,189,129.

The financial position of the Company does not include the accounts for those trusts and Quaker Meetings and organisations for which the Company acts as custodian trustee, nominee or agent only.

Investment Policy and Performance

None of the trusts for which the Company is managing trustee contain any specific power for investment so the provisions of the Trustee Act 2000 determine the powers of investment. The Board has adopted a socially responsible investment policy so that only investments that conform to certain criteria are held. The policy incorporates the aim to maximise returns from investments within a medium level of risk. Investments are managed by discretionary managers appointed by the Board, currently Rathbone Greenbank. Performance is reviewed regularly against the agreed benchmarks. The Common Investment Fund portfolio has outperformed the MSCI PIMFA Balanced, the ARC Charity Steady Growth and base line inflation (CPI) benchmarks after cost fees over 3 and 5 years. Shorter term performance over 1 year has been weaker than the MSCI PIMFA Balanced and ARC benchmarks. Inflation remains a challenge. Similarly the Blackwell Trust portfolio has underperformed the MSCI PIMFA Income Benchmark over 1 year and has outperformed the PIMFA Benchmark and ARC Charity Income over 3 and 5 years. CPI+3% is the long term return objective for portfolios managed in line with risk strategy 4, which applies to both CIF and Blackwell. This time horizon is 6 to 10 years and if we look at the 10 year performance figures both portfolios are comfortably ahead of CPI+3%.

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

Risk Management

Friends Trusts Ltd has a risk management policy, which has been set and agreed by the Directors. The policy is designed to identify and analyse key strategic and operational risks facing Friends Trusts Ltd and, where at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Company's ability to fulfil its purposes. These risks are reported to the Directors through a risk management process which allows them both to challenge any assumptions the management team has made about risks and also to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate exposure to the major risks. The risks are identified as follows:

- A principal risk is the potential loss of capital value and / or poor returns in relation to investments. The Directors consider that the appointment of a discretionary investment manager together with annual reviews of the investment policy and of performance against benchmarks constitutes an appropriate control procedure.
- Gaps in staff capacity and continuity. Following an experiment with integration of the Company's work into the general responsibilities of Britain Yearly Meeting's Quaker & Finance Property Department, and various changes in personnel, trustees have agreed with BYM the importance in future of having a single point of contact for Trustees and for external communications with Area Meetings, for maintaining good records, and to hold an overview of FTL's activity. This has now been implemented.
- Limited unrestricted income and reserves, which limits the ability of Directors to fund initiatives of strategic importance for the Company. It is now recognised that the Company needs to develop its infrastructure to achieve its objectives and the Company is now building up its reserves.

Reserves Policy

Up until 2019, it was the policy of the Board to minimise the amounts of reserves (other than endowment funds) by distributing annually most of the income received by the restricted and general funds.

The Company's risk profile has now changed, and the Directors recognise the need to develop the Company's infrastructure.

At the end of the year, unrestricted reserves amount to £181k (2021: £65k). It is felt that these reserves are sufficient.

Going Concern

We have set out above a review of Friends Trust Limited's financial performance and the general reserves position for 2022 and changing risk profile. The financial position as at 31 December 2022 remains stable despite the uncertainties in the wider economy and short-term investment movements. Our net current assets (short-term bank deposits, monies owed to us, less monies owed by us and payable within one year) amount to £503k.

Due to gaps in staffing capacity and continuity, we have experienced some delays in completion of property transactions and other business during 2022. Following the year end, a new Property Management Advisor and Finance Manager with responsibility for FTL have been appointed by BYM, and we are seeing the benefits of this new staffing capacity.

We will continue to monitor the situation as it unfolds and adapt our finances and approach accordingly. Taking into account all factors, we do not believe there are material uncertainties that call into doubt Friends Trust Limited's ability to continue in operation for the foreseeable future. Accordingly, the accounts have been prepared on the basis that Friends Trust Limited is a going concern.

PLANS FOR FUTURE PERIODS

The short term focus of the company is to ensure that all operational systems and processes, and the service to Area Meetings, is up to a good standard. The Directors are also reflecting on the overall approach of the company, in order to put in place longer term plans.

AUDITORS

Elective resolutions, as defined by the Companies Act 2006, have been approved which dispense with (a) the laying of accounts and reports before a general meeting, (b) the holding of an annual general meeting each year, and (c) the need to reappoint auditors.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By Order of the Board on 28 September 2023



PAUL WHITEHOUSE
Director



NICK PERKS
Director

FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£	£
Income and endowments from:						
	2					
Donations		-	-	-	-	80
Donated services		10,481	-	-	10,481	47,520
Legacies		121,469	-	-	121,469	60,593
Investments		(5,895)	127,408	6,222	127,735	108,950
Deposit accounts and bank interest		-	-	-	-	-
Other		-	-	-	-	-
Total		126,055	127,408	6,222	259,685	217,143
Expenditure on:						
Raising funds: investment management charges		-	-	33,813	33,813	35,400
Charitable activities	3	10,281	72,538	45,695	128,514	336,658
Total		10,281	72,538	79,508	162,327	372,058
Gains (losses) on investment assets		-	-	(1,358,631)	(1,358,631)	973,392
Net income/(expenditure)		115,774	54,870	(1,431,917)	(1,261,273)	818,477
Transfers between funds	5.1.a	-	-	-	-	-
Net movement in funds		115,774	54,870	(1,431,917)	(1,261,273)	818,477
Reconciliation of funds:						
Total funds brought forward		65,257	235,904	7,949,142	8,250,303	7,431,826
Total funds carried forward		181,031	290,774	6,517,225	6,989,029	8,250,303

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Year ended 31 December 2022

Note of historical cost net movement in funds

	2022 £	2021 £
Net movement in funds	(1,261,273)	818,477
Unrealised (gains) losses on investments	(1,249,263)	(896,204)
Difference between realised gains on investments calculated on a historical cost basis and realised gains calculated on a carrying market value basis	(560,885)	(530,603)
Historical cost net movement in funds	<u>(3,071,421)</u>	<u>(608,330)</u>

Summary Income and Expenditure Account

	2022 £	2021 £
Total income of continuing operations	253,463	152,895
Total expenditure of continuing operations	<u>(82,819)</u>	<u>(336,658)</u>
Net (expenditure)/income for the year before transfers	170,644	(183,763)
Transfer from endowment funds		148,998
Net (expenditure) income for the year	<u>170,644</u>	<u>(34,765)</u>

Total income comprises £126,055 for unrestricted funds, £127,408 for restricted funds and £6,222 for Endowment funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Detailed analyses of expenditure are provided in the Statement of Financial Activities and in note 3.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 8 which, together with the notes to the accounts on pages 12 to 25, provides full information on the movements during the year on all the funds of the charity.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Company Registration No. 188362 (England and Wales)

BALANCE SHEET
AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets:					
Investments	6		6,486,468		7,878,764
<i>Total fixed assets</i>			<u>6,486,468</u>		<u>7,878,764</u>
Current Assets:					
Debtors	9	18,290		25,119	
Cash at bank and on deposit		<u>1,052,273</u>		<u>812,448</u>	
<i>Total current assets</i>			1,070,563		837,567
Liabilities:					
Legacies and funds awaiting distribution	7	(379,951)		(365,292)	
Other creditors	7	<u>(188,051)</u>		<u>(100,736)</u>	
Creditors: Amount falling due within one year			<u>(568,002)</u>		<u>(466,028)</u>
<i>Net current assets</i>			<u>502,561</u>		<u>371,539</u>
<i>Total net assets</i>			<u>6,989,029</u>		<u>8,250,303</u>
The funds of the charity:					
Total endowment funds	5.3		6,517,225		7,949,142
Restricted income funds	5.4		290,773		235,904
Unrestricted funds	5.5		181,031		65,257
<i>Total charity funds</i>			<u>6,989,029</u>		<u>8,250,303</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 12 to 25 form part of these financial statements.

Approved on behalf of the Board of Directors on 28 September 2023.



PAUL WHITEHOUSE
Director



NICK PERKS
Director

FRIENDS TRUSTS LIMITED

Statement of Cash Flows for year ending 31 December 2022

CASH FLOW STATEMENT

	2022 £	2021 £
Operating activities		
Net movement in funds	(1,261,273)	818,477
Dividends	(127,735)	(108,950)
Interest	-	-
Investment management fees	33,813	35,400
(Gains)/losses on investments	1,358,631	(973,392)
(Increase)/decrease in debtors	6,829	381,890
Increase/(decrease) in creditors	101,974	40,496
	<u>112,239</u>	<u>193,921</u>
Investing activities		
Investment management fees	(33,813)	(35,400)
Purchase of investments	(1,264,163)	(1,044,755)
Proceeds from sale of investments	1,301,095	1,241,864
Interest received	-	-
Dividends received	124,467	110,008
	<u>127,586</u>	<u>271,717</u>
Financing activities	-	-
	<u>239,825</u>	<u>465,638</u>
Increase/(decrease) in cash in year	239,825	465,638
Cash at beginning of year	812,448	346,810
Cash at end of year	<u>1,052,273</u>	<u>812,448</u>

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED

NOTES TO THE ACCOUNTS

1. Principal accounting policies

1.1 Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounts do not include the transactions and net assets of entities for which the Company acts as custodian trustee.

1.2 Funds

Unrestricted funds: to be utilised at the discretion of the Directors for the benefit of, or in connection with, the Religious Society of Friends (Quakers).

Restricted funds: earmarked by the donor or testator for specific purposes.

Endowment funds: comprise monies that must be held as capital, either indefinitely or pending the occurrence of a future event.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised according to the relevant distribution dates. Interest is recognised on a receivable basis.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Legacies over which the charity has no discretion as to their distribution and which have been received but are awaiting completion and distribution to the ultimate beneficiary are held in a separate account. As such these legacies are only held temporarily on trust and the Directors consider that the appropriate treatment of their receipt and distribution is through a legacies account rather than through the Statement of Financial Activities.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments
- Expenditure on charitable activities which comprise the costs of distributions of trust income under the terms of the various trusts where the Company acts as managing trustee

All expenditure on support costs such as governance, including audit fees, is met by Britain Yearly Meeting (see note 4).

1.5 Investments

Listed investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) at the balance sheet date with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Also included in the Statement of Financial Activities are realised investment gains or losses which represent the difference between the sale proceeds and opening market value of investments disposed of in the year.

All investments and landed properties, of which the Company is custodian trustee only, and income therefrom, are excluded from these accounts

1.6 Taxation

Since the Company's income falls within the various exemptions available to registered charities there is no liability for income tax, capital gains tax, corporation tax or inheritance tax. Any attributable VAT is accounted for within resources expended.

2. Income: Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Donations	-	80	-	-	-	-
Donated Services	10,481	47,520	-	-	-	-
Legacies	121,469	60,593	-	-	-	-
Investments	(5,895)	-	127,408	44,702	6,222	-
Deposit accounts and bank interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	126,055	108,193	127,408	44,702	6,222	-

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

3. Charitable Expenditure: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Charitable Distributions						
In accordance with terms of trust						
Institutions	-	-	-	-	-	-
Individuals	-	-	-	-	-	-
At the discretion of the board	-	156,546	72,538	129,842	45,695	-
Support costs	7,731	44,970	-	2,750	-	-
Audit fees	2,550	2,550	-	-	-	-
Total	10,281	204,066	72,538	132,592	45,695	-

Expenditure in 2022 and 2021 was incurred in respect of distributing donations, legacies and income from endowments, primarily to various Quaker organisations, in accordance with the wishes of donors and legators. Over 100 (2021: 170) distributions, all less than £1,000 each, for individual assistance were given in the United Kingdom, Germany and Poland.

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge. Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

4. Administration and governance costs

The costs of administrative support are provided by Britain Yearly Meeting in recognition of the role of the Company as the denominational trust corporation for the Religious Society of Friends. The sum of £10,281 (2021: £44,970) has been included in the Statement of Financial Activities as donated services and support costs and audit fees.

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

5. Funds

5.1 Fund purposes

(a) Endowment Funds

<i>Fund</i>	<i>Purpose for which the income is to be applied</i>
Anonymous MC98	General Fund of Britain Yearly Meeting.
Blackwell	At the discretion of the Board taking account of the settlor's wishes.
Braithwaite	At the Board's discretion in consultation with settlor's representative.
Colenso	General Purposes but income is for the relief of poverty.
Cox	Britain Yearly Meeting for the provision and maintenance of Meeting Houses.
Doncaster	40% Worcester & Shropshire Area Quaker Meeting, 20% South Wales Area Quaker Meeting, 20% Southern Marches Area Quaker Meeting (212/286) & Mid-Wales Area Quaker Meeting (74/286), 20% Britain Yearly Meeting (Peace and Service).
General Gifts and Legacies	At the discretion of the Board.
Northern Friends Peace Board	For Northern Friends' Peace Board.
Simmons	For Britain Yearly Meeting taking account of the settlor's wishes.
Stewart	80% Sussex & Surrey Regional Quaker Meeting 20% Tunbridge Wells Quaker Meeting.
Todd	For Meeting House repairs and purchases in the Kingston-upon-Thames area.
Ward	At the discretion of the Board taking account of the settlor's wishes.
Wirral & North Wales	For Wirral & Chester and North Wales Area Quaker Meetings.
Witting	Individual relief: 40% England, 40% Germany, 20% Poland.
Young Friends General Meeting	For Young Friends General Meeting.

The capital of endowment funds is both expendable and non-expendable. With the exception of the General Gifts and Legacies Fund where income is credited to the unrestricted fund, income is treated as restricted funds and distributed in accordance with the above purposes.

The Charity Commission has given its consent to release the permanent endowment of the Witting Trust. The Trustees will treat the capital as expendable and determine the amount of capital they wish to transfer from the endowment to the restricted fund each year (see 5.3 and 5.4 below).

The terms of the Blackwell legacy include the requirement that 10% of the income be added to the capital and invested.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

(b) Restricted Funds

These funds consist of the undistributed restricted income from the endowment funds (see 5.1 (a)).

It is the policy of the Board to distribute the balances in the income funds annually.

(c) Unrestricted Funds

The unrestricted funds consist of the undistributed income from the General Gifts and Legacies endowment fund, and other gifts and legacies received during the year by the Company for distribution at the Directors' discretion. It is the policy of the Board to distribute this annually.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.2 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Funds balances at 31 December are represented by:					
Investments	-	-	6,486,468	6,486,468	7,878,764
Net Current Assets	181,031	290,773	30,757	502,561	371,539
	181,031	290,773	6,517,225	6,989,029	8,250,303
Included above are unrealised (losses) gains on investments as follows					
Unrealised gains (losses) at 1 January	-	-	3,619,555	3,619,555	3,253,954
Add (Deduct) in respect of disposal in year	-	-	(560,885)	(560,885)	(530,603)
Deduct / Add: net (losses) / gains arising on revaluations in year	-	-	(1,249,263)	(1,249,263)	896,204
Unrealised gains (losses) at 31 December	-	-	1,809,407	1,809,407	3,619,555
Comparative information as follows:					
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Funds balances at 31 December are represented by:					
Investments	-	-	7,878,764	7,878,764	7,102,481
Net Current Assets	65,257	235,904	70,378	371,539	329,345
	65,257	235,904	7,949,142	8,250,303	7,431,826
Included above are unrealised (losses) gains on investments as follows					
Unrealised gains (losses) at 1 January	-	-	3,253,954	3,253,954	2,284,499
Add (Deduct) in respect of disposal in year	-	-	(530,603)	(530,603)	240,363
Deduct / Add: net (losses) / gains arising on revaluations in year	-	-	896,204	896,204	729,092
Unrealised gains (losses) at 31 December	-	-	3,619,555	3,619,555	3,253,954

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

5.3 Endowment funds

	Balance as at 1 Jan 2022	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2022
	£	£	£	£	£	£
Anonymous MC98	595,770	10	(10,547)	(100,469)	-	484,764
Blackwell	3,537,482	5,883	(15,153)	(616,234)	-	2,911,978
Braithwaite	130,584	2	(2,311)	(22,020)	-	106,255
Colenso	409,656	7	(7,089)	(67,529)	-	335,045
Cox	969,653	16	(17,167)	(163,513)	-	788,989
Doncaster	449,967	7	(7,966)	(75,880)	-	366,128
General Gifts and Legacies	1,008,811	282	(4,276)	(170,120)	-	834,697
Northern Friends Peace Board	36,748	1	(651)	(6,199)	-	29,899
Rowntree	-	-	-	-	-	-
Simmons	247,395	4	(4,380)	(41,715)	-	201,304
Stewart	116,681	2	(2,066)	(19,673)	-	94,944
Todd	255,124	4	(4,516)	(43,022)	-	207,590
Ward	115,753	2	(2,049)	(19,518)	-	94,188
Wirrall & North Wales	37,716	1	(668)	(6,362)	-	30,687
Young Friends General Meeting	37,802	1	(669)	(6,377)	-	30,757
	7,949,142	6,222	(79,508)	(1,358,631)	-	6,517,225

Comparative information is as follows:

	Balance as at 1 Jan 2021	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2021
	£	£	£	£	£	£
Anonymous MC98	516,924	8,022	(2,697)	73,521	-	595,770
Blackwell	3,118,383	4,967	(15,991)	430,123	-	3,537,482
Braithwaite	113,304	1,758	(591)	16,113	-	130,584
Colenso	356,661	5,392	(1,813)	49,416	-	409,656
Cox	841,331	13,057	(4,390)	119,655	-	969,653
Doncaster	390,417	6,059	(2,037)	55,528	-	449,967
General Gifts and Legacies	875,304	13,584	(4,567)	124,490	-	1,008,811
Northern Friends Peace Board	31,883	495	(166)	4,536	-	36,748
Rowntree	148,473	-	525	-	(148,998)	-
Simmons	214,658	3,331	(1,120)	30,526	-	247,395
Stewart	101,242	1,571	(529)	14,397	-	116,681
Todd	221,362	3,435	(1,155)	31,482	-	255,124
Ward	100,437	1,558	(524)	14,282	-	115,753
Wirrall & North Wales	32,723	508	(171)	4,656	-	37,716
Young Friends General Meeting	32,798	509	(172)	4,667	-	37,802
	7,095,900	64,246	(35,398)	973,392	(148,998)	7,949,142

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.4 Restricted Funds

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2022 £
Anonymous MC98	(202)	12,536	-	-	12,334
Blackwell	40,341	52,660	(58,393)	-	34,608
Braithwaite	(255)	2,748	-	-	2,493
Colenso	1,550	8,426	(950)	-	9,026
Cox	92	20,403	-	-	20,495
Doncaster	(175)	9,468	-	-	9,293
Northern Friends Peace Board	(14)	774	-	-	760
Rowntree	6,892	-	-	-	6,892
Simmons	(97)	5,205	-	-	5,108
Stewart	(45)	2,455	-	-	2,410
Todd	(99)	5,368	-	-	5,269
Ward	(45)	2,436	-	-	2,391
Witting Narrowly Restricted	187,991	3,339	(13,195)	-	178,135
Wirrall & North Wales	(15)	794	-	-	779
Young Friends General Meeting	(15)	796	-	-	781
Total	235,904	127,408	(72,538)	-	290,774

Comparative information is as follows:

	Balance as at 1 Jan 2021 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2021 £
Anonymous MC98	6,981	-	(7,183)	-	(202)
Blackwell	45,809	44,701	(50,169)	-	40,341
Braithwaite	1,796	-	(2,051)	-	(255)
Colenso	4,756	-	(3,206)	-	1,550
Cox	11,363	-	(11,271)	-	92
Doncaster	5,273	-	(5,448)	-	(175)
Northern Friends Peace Board	431	-	(445)	-	(14)
Rowntree	6,892	-	-	-	6,892
Simmons	2,899	-	(2,996)	-	(97)
Stewart	1,367	-	(1,412)	-	(45)
Todd	2,990	-	(3,089)	-	(99)
Ward	1,356	-	(1,401)	-	(45)
Witting Narrowly Restricted	230,996	-	(43,005)	-	187,991
Wirrall & North Wales	442	-	(457)	-	(15)
Young Friends General Meeting	443	-	(458)	-	(15)
Total	323,794	44,701	(132,591)	-	235,904

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.5 Unrestricted Funds

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2022 £
General Gifts and Legacies	65,257	126,055	(10,281)	-	181,031
Total	65,257	126,055	(10,281)	-	181,031

Comparative information is as follows:

	Balance as at 1 Jan 2021 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2021 £
General Gifts and Legacies	12,132	108,193	(204,066)	148,998	65,257
Total	12,132	108,193	(204,066)	148,998	65,257

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

6. Investments

6.1 The types of investments held, and their market value, at 31 December 2022 were:

	Total 2022 £	Total 2021 £
Cash	232,449	274,921
Common investment funds		
OEICs and unit trusts	1,412,971	1,907,473
UK equities	2,475,219	3,087,137
UK fixed interest	765,944	457,084
Overseas equities	-	
Overseas fixed interest	263,450	308,781
Overseas unit trusts	1,336,435	1,843,368
Total investments	<u>6,486,468</u>	<u>7,878,764</u>

6.2 Investment movements

	Total 2022 £	Total 2021 £
Market value at 1 January	7,878,764	7,102,481
Acquisition at cost	1,264,163	1,044,755
Disposal at carrying market value	(1,363,634)	(1,164,675)
Unrealised gains (losses) in year	(1,292,825)	896,203
Market value at 31 December	<u>6,486,468</u>	<u>7,878,764</u>
Historic cost	5,189,129	4,738,892

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

7. Legacies and funds awaiting distribution

	Total 2022 £	Total 2021 £
Balance at 1 January	365,292	10,000
Funds and legacies received	914,228	1,254,444
	<u>1,279,520</u>	<u>1,264,444</u>
Funds and legacies distributed	(899,569)	(899,152)
Balance at 31 December	<u><u>379,951</u></u>	<u><u>365,292</u></u>

8. Other creditors

	Total 2022 £	Total 2021 £
Accrued Grants	169,511	91,282
Other	18,540	9,454
Balance at 31 December	<u><u>188,051</u></u>	<u><u>100,736</u></u>

9. Debtors

	Total 2022 £	Total 2021 £
Accrued Legacy Income	15,022	12,569
Other	3,268	12,550
Balance at 31 December	<u><u>18,290</u></u>	<u><u>25,119</u></u>

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

10. Custodian Trustee and Holding Trustee (Nominee)

The Company acts as custodian trustee or holding trustee (nominee) for land for the Religious Society of Friends (Quakers) in Britain (the "Society") and various bodies connected with the Society.

It acts in these capacities primarily for the Area Meetings of the Society, including constituent Local Meetings and other connected trusts. Area Meetings are the primary meetings for church affairs in the Society. The object of each Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain, locally and beyond. The Company holds quoted and unquoted investments and/or land and buildings for the following Area Meetings:

Banbury & Evesham	Norfolk & Waveney
Bournemouth Coastal	North London
Brighouse West Yorkshire	North Somerset
Bristol	North Wales
Cambridgeshire	North West London
Central England	Northamptonshire
Central Yorkshire	Northumbria
Chilterns	Nottinghamshire & Derbyshire
Cornwall	Oxford & Swindon
Craven & Keighley	Pendle Hill
Cumberland	Pickering & Hull
Devon	Sheffield & Balby
Dorset & South Wiltshire	South London
East Cheshire	South Wales
East Kent	Southern East Anglia
Gloucestershire	Southern Marches
Hampshire & Islands	Staffordshire
Hardshaw & Mann	Surrey & Hampshire Border
Hertford & Hitchin	Sussex East
Ipswich & Diss	Sussex West
Kendal & Sedbergh	Swarthmoor (South West Cumbria)
Lancashire Central & North	Teesdale & Cleveland
Leeds	Thaxted
Leicester	West Somerset
Lincolnshire	West Kent
London West	West Weald
Luton & Leighton	West Wiltshire & East Somerset
Manchester & Warrington	Wirral & Chester
Mid-Essex	Worcestershire & Shropshire
Mid-Somerset	
Mid-Thames	
Mid-Wales	

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

In addition the Company holds quoted and unquoted investments and/or land and buildings for the following organisations connected with the Society:

Ackworth School 1950 Trust	To hold funds of gifts, legacies, donations, etc. for the benefit of Ackworth School.
Breckenbrough School: After Care Committee	To give help and advice to former pupils of Breckenbrough School
Camfield's (Francis) Trust	Supporting individual Quakers in need witnessing to Christian and Quaker testimonies
Central England Quaker Old People's Fund Trust	Charitable purposes for the benefit of the aged, particularly for those who are members of Central England Area Quaker Meeting of the Religious Society of Friends (Quakers)
Society of Friends - Charney Manor	Furthering the religious and other charitable purposes of the Society of Friends
Cole, Susanna (and Others), Charities	To support and help friends in need who are members or attenders of Central England Area Quaker Meeting of the Religious Society of Friends
Friends Housing Bursary Trust	For the benefit of elderly poor persons in Great Britain who are need of financial assistance to provide them with suitable housing accommodation
Glenthorne Quaker Centre	To provide a place where Quaker spiritual, charitable and educational concerns can be advanced.
Gorman George Memorial Fund	The advancement of (religious) education and the advancement of religion according to the principles and beliefs of the Religious Society of Friends
Greenwood Educational Trust	To advance the education of persons under the age of 25 and in need of financial assistance who are connected with the Society of Friends in Essex or Suffolk
Horniman (John) Trust: Bedford Institute Association	Income to be used by Quaker Social Action
Howard, William Charity	Grants to members of Quaker meetings who are undertaking further education or training to equip them for work.
Kingston Friends Trusts: Poor's Estate	Relief of poverty, sickness, old age or by assisting in education; promotion of the religious and spiritual work of the Society of Friends in connection with Kingston & Wandsworth Area Quaker Meeting
London Quaker Service Trust	To further the work of the Society of Friends by the advancement of religion and the provision of facilities for educational recreational and leisure time occupations for persons who by reason of their social and economic circumstances have need of such facilities with the object of improving their conditions of life and developing their mental physical and spiritual capacities
Quaker Social Action	Through innovative schemes designed to promote social justice and the personal development and the physical and spiritual welfare of individuals and groups, to witness Quaker testimonies, to the equality of all humankind, to truth, personal integrity and peace, and to promote co-operation and harmony between all people.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

Tickells (Hugh) Charity	For the general benefit of such poor people as the trustees in their discretion think fit
Wensleydale & Swaledale Quaker Trust	1. The relief of Quakers, Attenders and other people who are in need, hardship or distress and are resident in the area of benefit; 2. The maintenance and upkeep of the Quaker meeting houses and burial grounds within the area of benefit; 3. To further the religious and other charitable deeds and works of the Wensleydale and Swaledale Area Quaker Meeting in Britain and overseas.
Woodbrooke Quaker Study Centre	Provision of learning to Quakers and others to advance the Quaker faith and enhance understanding of social and spiritual matters.

11. Directors remuneration and expenses

No director receives any remuneration or is reimbursed any expenses by the Company.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. There were no expenses reimbursed to the directors in 2022.

12. Related party transactions

By the nature of their role, the directors of the company are deemed to be related parties. As stated in Note 11 above, there were no expenses reimbursed to Trustees, nor donations received from Trustees in the year to 31 December 2022.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trust Limited. The value of the services are treated as donations and were £10,281 in 2022 (2021: £47,520)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FRIENDS TRUSTS LIMITED
(A Company Limited by Guarantee and Not Having a Share Capital)
Registered Charity Number 237698
Company Number 188362**

Opinion

We have audited the financial statements of Friends Trusts Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Friends Trusts Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

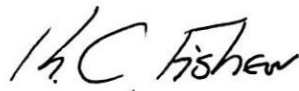
Auditor's responsibilities for the audit of the financial statements

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Keven Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor

28 September 2023

Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

FRIENDS TRUSTS LIMITED

England & Wales - Charity number 237698

Accounts

FRIENDS TRUSTS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Company Registered in England No. 188362

Registered Charity No. 237698

FRIENDS TRUSTS LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Constitution:

The Company is the denominational trust corporation and custodian trustee for the Religious Society of Friends (Quakers) in Britain by an authorisation issued under the Law of Property (Amendment) Act 1926 by the Lord High Chancellor on 29 May 1930. The Company is limited by guarantee and has no share capital. In the event of the Company being wound up during the period of membership, or within the year following, each member is required to contribute an amount not exceeding £1. The company registration number is 188362 and the charity registration number is 237698.

Directors: The Directors (or trustees for the purposes of charity legislation) who served during the year were:

Nigel Barnes
Linda Batten
Steven Burkeman (from 1 June 2021)
Peter Green
David Harries
Lucy Parker (till 31 May 2021)
Nick Perks
Graham Prescott (from 1 June 2021)
Janet Slade (till 31 May 2021)
Paul Whitehouse (till 31 May 2022)
Stephen Wright
Paul Wyatt

Secretariat: Maureen Sebanakitta

Registered Office: Friends House
173 - 177 Euston Road
LONDON, NW1 2BJ

Main Bankers: The Co-operative Bank plc
60 Kingsway,
LONDON, WC2B 6DS

CafCash Limited
Kings Hill
WEST MALLING, ME19 4TA

Investment Managers: Rathbone Greenbank Investments
10 Queen Square
BRISTOL, BS1 4NT

Solicitors: Hunters Solicitors
9 New Square
Lincoln's Inn
LONDON, WC2A 3QN

Auditors: Myrus Smith
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

FRIENDS TRUSTS LIMITED

Report of the Directors

The Directors have pleasure in presenting their report and the accounts of the charitable company for the year ended 31 December 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011, but equates to a report of the directors for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 12 and 13 of the attached accounts and comply with the charitable company's Articles of Association, applicable laws and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Charity Commission (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The names of the directors who served during the year, and who were in office at the date on which this report and attached financial statements were approved, are shown on page 2.

The Treasurer of Britain Yearly Meeting is a director ex-officio. The other directors, who must be members of the Religious Society of Friends (Quakers), (the "Society"), are appointed by Meeting for Sufferings, the executive body of the Society in Britain, to hold office for 3 years, retiring by annual rotation. They may be re-appointed. On appointment new Directors are provided with a copy of the articles of association, copies of the minutes and accounts for the previous year and other induction material. When appropriate they are invited to attend training provided by Britain Yearly Meeting (the charity that carries out the central work of the Society) for trustees and committee members.

The day-to-day management of the Company is carried out by the Company Secretary whose services are provided without charge by Britain Yearly Meeting. All policy decisions are taken by the Board of Directors, which usually meets four times a year.

The Directors are the only company members and their liability is limited to £1 due to the Company being limited by guarantee.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friends Trusts Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Friends Trusts Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 SORP (FRS102);
- 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 charitable company will continue in operation.

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

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

OBJECTS

The Company's objects are set out in full in its Articles of Association but the principal object of the Company is to act as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Britain (the Society) and various bodies connected with the Society. The Company also administers certain trusts where it has been appointed managing trustee.

ACTIVITIES

Custodian Trustee or Nominee

In excess of 450 properties are held in the name of Friends Trusts Limited on behalf of more than 70 organisations and in excess of 120 investments on behalf of more than 50 beneficial owners.

The Company is the denominational trust corporation for the Religious Society of Friends (Quakers). The majority of the beneficial owners for which it acts as custodian trustee or nominee are unincorporated constituent meetings of the Society, together with a small number of organisations constituted for the benefit of, or in connection with, the Society (see note 10).

Properties are recorded in a Register under the name of the beneficial owner and investments are held with designated account numbers unique to each beneficial owner.

Transactions in property and investments are carried out on instructions from managing trustees or beneficial owners.

Managing Trustee

The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

Charitable Activities - Distributions

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge.

Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

Legacies and Funds Awaiting Distribution

The nomination of the Company as trustee in legacies means that registered charitable status can easily be confirmed for inheritance tax exemption purposes and legacies do not fail through uncertainty.

During the year the Company received £1,254,444 (2020: £154,749) for passing on to other Quaker charities in accordance with the terms of those legacies. These amounts are not included within the Statement of Financial Activities.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Company. In its principal role as custodian trustee, the Company helps to promote, support and maintain Quaker Meetings and other Quaker charities which provide public benefit through the provision of religious services open to all members of the public without charge and the establishment of a worshipping community carrying out other connected charitable work. In promoting the efficiency and effectiveness of the work of Quaker Meetings and other Quaker charities for the benefit of individuals, communities and society as a whole, the Directors believe that the work of the Company provides benefit to the public in accordance with its objects.

As managing trustee of charitable trusts it provides grants for charitable purposes to members of the public or for other charitable purposes in accordance with the terms of such trusts, again for public benefit in accordance with its objects. The Directors believe that there is no disbenefit or private benefit in the Company's work.

FINANCIAL REVIEW

Total income and endowments for the year was £217,143 (2020: £530,759). Income from legacies was £60,593 (2020: £370,400) and investment income was £108,950 (2020: £109,638). The legacy income includes accruals for those legacies which had been notified but had not yet been received totalling £12,569 (2020: £407,009). Total expenditure in the year was £372,058 (2020: £620,198). There was, therefore, overall net expenditure before investment gains, of £154,915 (2020: £89,439). Realised and unrealised investment gain of £973,392 (2020: £666,541) resulted in a net positive movement in funds for the year of £818,477 (2020: £577,102).

The total net assets of the Company increased in the year from £7,431,826 to £8,250,303. At 31 December 2021 the investments had a market value of £7,878,764 compared with a historic cost of £4,730,973.

The financial position of the Company does not include the accounts for those trusts and Quaker Meetings and organisations for which the Company acts as custodian trustee, nominee or agent only.

Investment Policy and Performance

None of the trusts for which the Company is managing trustee contain any specific power for investment so the provisions of the Trustee Act 2000 determine the powers of investment. The Board has adopted a socially responsible investment policy so that only investments that conform to certain criteria are held. The policy incorporates the aim to maximise returns from investments within a medium level of risk. Investments are managed by discretionary managers appointed by the Board, currently Rathbone Greenbank. Performance is reviewed regularly against the agreed benchmarks. The Common Investment Fund portfolio has outperformed its benchmarks over 1, 3 and 5 years and gained 14.89% in 2021 versus the benchmark gains of 12.54% (MSCI PIMFA Balanced Index) and 12.21% (ARC Charity Steady Growth Index). Similarly the Blackwell Trust has outperformed its benchmarks over 1, 3 and 5 years and gained 14.87% in 2021 versus the benchmark gains of 10.42% (MSCI PIMFA Income Index) and 12.21% (ARC Charity Steady Growth Index). Both portfolios have comfortably outperformed the longer term CPI +3% benchmark.

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

Risk Management

Friends Trusts Ltd has a risk management policy, which has been set and agreed by the Directors. The policy is designed to identify and analyse key strategic and operational risks facing Friends Trusts Ltd and, where at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Company's ability to fulfil its purposes. These risks are reported to the Directors through a risk management process which allows them both to challenge any assumptions the management team has made about risks and also to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate exposure to the major risks. The risks are identified as follows:

- A principal risk is the potential loss of capital value and / or poor returns in relation to investments. The Directors consider that the appointment of a discretionary investment manager together with annual reviews of the investment policy and of performance against benchmarks constitutes an appropriate control procedure.
- Loss of key personnel, following the departure of the Company Secretary. The integration of the Company's work into Britain Yearly Meeting's Quaker & Finance Property Department will serve to increase the segregation of functions which in the longer term will reduce the reliance on individuals.
- Limited unrestricted income and reserves, which limits the ability of Directors to fund initiatives of strategic importance for the Company. It is now recognised that the Company needs to develop its infrastructure to achieve its objectives and the Company will now begin to build up its reserves.

Reserves Policy

Up until 2019, it was the policy of the Board to minimise the amounts of reserves (other than endowment funds) by distributing annually the majority of the income received by the restricted and general funds.

The Company's risk profile has now changed, and the Directors recognise the need to develop the Company's infrastructure.

At the end of the year, unrestricted reserves amount to £65k (2020: £12k). It is felt that these reserves are sufficient.

We have set out above a review of Friends Trust Limited's financial performance and the general reserves position for 2021 and changing risk profile. This has coincided with the appointment of new Directors, Secretary and staff. As a custodian charity we have experienced a slowdown in completion of property transactions due to not being able to meet physically, however, we have been able to adapt our processes to ensure continuity and completion of transactions.

The overall position as at 31 December 2021 remains stable despite the uncertainties 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) amount to £372k. However, unrestricted reserves are below what we would expect for a Company of this size in the context of a changed risk profile.

We will continue to monitor the situation as it unfolds and adapt our finances accordingly. Although there are important uncertainties resulting from the Covid-19 pandemic, taking into account all factors, we do not believe there are material uncertainties that call into doubt Friends Trust Limited's ability to continue in operation for the foreseeable future. Accordingly, the accounts have been prepared on the basis that Friends Trust Limited is a going concern.

PLANS FOR FUTURE PERIODS

The Directors plan to invest in the Company's infrastructure, which will see the implementation of a new finance and customer relations management system and a dedicated web page. Directors and staff will receive training in administering charity property legal transactions to enable us more effectively support Treasurers and Trustees.

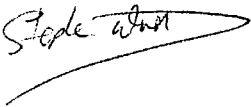
AUDITORS

Elective resolutions, as defined by the Companies Act 2006, have been approved which dispense with (a) the laying of accounts and reports before a general meeting, (b) the holding of an annual general meeting each year, and (c) the need to reappoint auditors.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By Order of the Board on 29 September 2022

STEPHEN WRIGHT
Director



STEVEN BURKEMAN
Director



FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
Income and endowments from:	2					
Donations		80	-	-	80	200
Donated services		47,520	-	-	47,520	47,520
Legacies		60,593	-	-	60,593	370,400
Investments			44,702	64,248	108,950	109,638
Deposit accounts and bank interest				-	-	3,001
Other		-	-	-	-	-
Total		108,193	44,702	64,248	217,143	530,759
Expenditure on:						
Raising funds: investment management charges		-	-	35,400	35,400	30,573
Charitable activities	3	204,066	132,592	-	336,658	589,625
Total		204,066	132,592	35,400	372,058	620,198
Gains (losses) on investment assets		-	-	973,392	973,392	666,541
Net income/(expenditure)		(95,873)	(87,890)	1,002,240	818,477	577,102
Transfers between funds	5.1.a	148,998	(148,998)	-	-	-
Net movement in funds		53,125	(87,890)	853,242	818,477	577,102
Reconciliation of funds:						
Total funds brought forward		12,132	323,794	7,095,900	7,431,826	6,854,724
Total funds carried forward		65,257	235,904	7,949,142	8,250,303	7,431,826

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED

Year ended 31 December 2021

Note of historical cost net movement in funds

	2021 £	2020 £
Net movement in funds	818,477	577,102
Unrealised (gains) losses on investments	(896,204)	(729,092)
Difference between realised gains on investments calculated on a historical cost basis and realised gains calculated on a carrying market value basis.	(530,603)	(240,363)
Historical cost net movement in funds	<u>(608,330)</u>	<u>(392,353)</u>

Summary Income and Expenditure Account

	2021 £	2020 £
Total income of continuing operations	152,895	521,330
Total expenditure of continuing operations	<u>(336,658)</u>	<u>(589,625)</u>
Net (expenditure) income for the year before transfers	(183,763)	(68,295)
Transfer from endowment funds	148,998	272,989
Net (expenditure) income for the year	<u>(34,765)</u>	<u>204,694</u>

Total income comprises £108,193 for unrestricted funds, and £44,702 for restricted funds, and 64,248 for Endowment funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Detailed analyses of expenditure are provided in the Statement of Financial Activities and in note 3.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 8 which, together with the notes to the accounts on pages 12 to 25, provides full information on the movements during the year on all the funds of the charity.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Company Registration No. 188362 (England and Wales)

BALANCE SHEET
AT 31 DECEMBER 2021

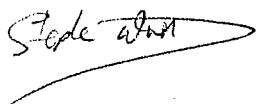
	Notes	£	£	£	£
		2021		2020	
Fixed assets:					
Investments	6		7,878,764		7,102,481
<i>Total fixed assets</i>			<u>7,878,764</u>		<u>7,102,481</u>
Current assets:					
Debtors	9	25,119		408,067	
Cash at bank and on deposit		<u>812,448</u>		<u>346,810</u>	
<i>Total current assets</i>			837,567		754,877
Liabilities:					
Legacies and funds awaiting distribution	7	(365,292)		(10,000)	
Other creditors	8	<u>(100,736)</u>		<u>(415,532)</u>	
Creditors: Amounts falling due within one year			(466,028)		(425,532)
<i>Net current assets</i>			<u>371,539</u>		<u>329,345</u>
Total net assets			<u>8,250,303</u>		<u>7,431,826</u>
The funds of the charity:					
Total endowment funds	5.3		7,949,142		7,095,900
Restricted income funds	5.4		235,904		323,794
Unrestricted funds	5.5		65,257		12,132
Total charity funds			<u>8,250,303</u>		<u>7,431,826</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 12 to 25 form part of these financial statements.

Approved on behalf of the Board of Directors on 29 September 2022.

STEPHEN WRIGHT
Director



STEVEN BURKEMAN
Director



FRIENDS TRUSTS LIMITED

Statement of Cash Flows for year ending 31 December 2021

CASH FLOW STATEMENT

	2021	2020
Operating activities		
Net movement in funds	818,477	577,102
Dividends	(108,950)	(109,638)
Interest	0	(3,001)
Investment management fees	35,400	30,573
(Gains)/losses on investments	(973,392)	(666,541)
(Increase)/decrease in debtors	381,890	467,953
Increase/(decrease) in creditors	40,496	(659,026)
	<u>193,921</u>	<u>(362,578)</u>
Investing activities		
Investment management fees	(35,400)	(30,573)
Purchase of investments	(1,044,755)	(1,487,262)
Proceeds from sale of investments	1,241,864	1,506,750
Interest received	0	3,001
Dividends received	110,008	110,891
	<u>271,717</u>	<u>102,807</u>
Financing activities	-	-
Increase/(decrease) in cash in year	<u>465,638</u>	<u>(259,771)</u>
Cash at beginning of year	346,810	606,581
Cash at end of year	<u><u>812,448</u></u>	<u><u>346,810</u></u>

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED

NOTES TO THE ACCOUNTS

1. Principal accounting policies

1.1 Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounts do not include the transactions and net assets of entities for which the Company acts as custodian trustee.

1.2 Funds

Unrestricted funds: to be utilised at the discretion of the Directors for the benefit of, or in connection with, the Religious Society of Friends (Quakers).

Restricted funds: earmarked by the donor or testator for specific purposes.

Endowment funds: comprise monies that must be held as capital, either indefinitely or pending the occurrence of a future event.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised according to the relevant distribution dates. Interest is recognised on a receivable basis.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Legacies over which the charity has no discretion as to their distribution and which have been received but are awaiting completion and distribution to the ultimate beneficiary are held in a separate account. As such these legacies are only held temporarily on trust and the Directors consider that the appropriate treatment of their receipt and distribution is through a legacies account rather than through the Statement of Financial Activities.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments
- Expenditure on charitable activities which comprise the costs of distributions of trust income under the terms of the various trusts where the Company acts as managing trustee

All expenditure on support costs such as governance, including audit fees, is met by Britain Yearly Meeting (see note 4).

1.5 Investments

Listed investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) at the balance sheet date with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Also included in the Statement of Financial Activities are realised investment gains or losses which represent the difference between the sale proceeds and opening market value of investments disposed of in the year.

All investments and landed properties, of which the Company is custodian trustee only, and income therefrom, are excluded from these accounts

1.6 Taxation

Since the Company's income falls within the various exemptions available to registered charities there is no liability for income tax, capital gains tax, corporation tax or inheritance tax. Any attributable VAT is accounted for within resources expended.

2. Income: Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Donations	80	200	-	-	-	-
Donated services	47,520	47,520	-	-	-	-
Legacies	60,593	370,400	-	-	-	-
Investments	-	11,794	44,702	88,424	-	9,420
Deposit accounts and bank interest	-	138	-	2,854	-	9
Other	-	-	-	-	-	-
Total	108,193	430,052	44,702	91,278	0	9,429

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

3. Charitable Expenditure: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Charitable Distributions						
In accordance with terms of trust						
Institutions		-		111,671		-
Individuals	-	-		42,380	-	-
At the discretion of the Board	156,546	385,454	129,842	-	-	-
Support costs	44,970	44,970	2,750	2,600	-	-
Audit fees	2,550	2,550	-	-	-	-
	<u>204,066</u>	<u>432,974</u>	<u>132,592</u>	<u>156,651</u>	<u>-</u>	<u>-</u>

Expenditure in 2021 and 2020 was incurred in respect of distributing donations, legacies and income from endowments, primarily to various Quaker organisations, in accordance with the wishes of donors and legators. Over 170 (2020: 170) distributions, all less than £1,000 each, for individual assistance were given in the United Kingdom, Germany and Poland.

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge. Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

4. Administration and governance costs

The costs of administrative support are provided by Britain Yearly Meeting in recognition of the role of the Company as the denominational trust corporation for the Religious Society of Friends. The sum of £47,520 (2020: £47,520) has been included in the Statement of Financial Activities as donated services and support costs and audit fees.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5. Funds

5.1 Fund purposes

(a) Endowment Funds

<i>Fund</i>	<i>Purpose for which the income is to be applied</i>
Anonymous MC98	General Fund of Britain Yearly Meeting.
Blackwell	At the discretion of the Board taking account of the settlor's wishes.
Braithwaite	At the Board's discretion in consultation with settlor's representative.
Colenso	General purposes, but income is for the relief of poverty.
Cox	Britain Yearly Meeting for the provision and maintenance of Meeting Houses.
Doncaster	40% Worcester & Shropshire Area Quaker Meeting, 20% South Wales Area Quaker Meeting, 20% Southern Marches Area Quaker Meeting (212/286) & Mid-Wales Area Quaker Meeting (74/286), 20% Britain Yearly Meeting (Peace and Service).
General Gifts and Legacies	At the discretion of the Board.
Northern Friends Peace Board	For Northern Friends' Peace Board.
Rowntree	At the discretion of the Board in consultation with settlor.
Simmons	For Britain Yearly Meeting taking account of the settlor's wishes.
Stewart	80% Sussex & Surrey Regional Quaker Meeting 20% Tunbridge Wells Quaker Meeting.
Todd	For Meeting House repairs and purchases in the Kingston-upon-Thames area.
Ward	At the discretion of the Board taking account of the settlor's wishes.
Wirral & North Wales	For Wirral & Chester and North Wales Area Quaker Meetings.
Witting	Individual relief: 40% England, 40% Germany, 20% Poland.
Young Friends General Meeting	For Young Friends General Meeting.

The capital of endowment funds is both expendable and non-expendable. With the exception of the General Gifts and Legacies Fund where income is credited to the unrestricted fund, income is treated as restricted funds and distributed in accordance with the above purposes.

The Charity Commission has given its consent to release the permanent endowment of the Witting Trust. The Trustees will treat the capital as expendable and determine the amount of capital they wish to transfer from the endowment to the restricted fund each year (see 5.3 and 5.4 below).

The terms of the Blackwell legacy include the requirement that 10% of the income be added to the capital and invested.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

(b) Restricted Funds

These funds consist of the undistributed restricted income from the endowment funds (see 5.1 (a)).

It is the policy of the Board to distribute the balances in the income funds annually.

(c) Unrestricted Funds

The unrestricted funds consist of the undistributed income from the General Gifts and Legacies endowment fund, and other gifts and legacies received during the year by the Company for distribution at the Directors' discretion. It is the policy of the Board to distribute this annually.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.2 Analysis of net assets between funds

	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Fund balances at 31 December are represented by :					
Investments	-	-	7,878,764	7,878,764	7,102,481
Net current assets	65,257	235,904	70,378	371,539	329,345
	<u>65,257</u>	<u>235,904</u>	<u>7,949,142</u>	<u>8,250,303</u>	<u>7,431,826</u>

Included above are unrealised (losses) gains
on investments as follows

Unrealised gains (losses) at 1 January	-	-	3,253,954	3,253,954	2,284,499
Add (Deduct) in respect of disposals in year	-	-	(530,603)	(530,603)	240,363
Deduct / Add: net (losses) / gains arising on revaluations in year	-	-	896,204	896,204	729,092
Unrealised gains (losses) at 31 December	<u>-</u>	<u>-</u>	<u>3,619,555</u>	<u>3,619,555</u>	<u>3,253,954</u>

Comparative information is as follows:

	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Fund balances at 31 December are represented by :					
Investments	-	-	7,102,481	7,102,481	6,455,428
Net current assets	12,132	323,794	(6,581)	329,345	399,296
	<u>12,132</u>	<u>323,794</u>	<u>7,095,900</u>	<u>7,431,826</u>	<u>6,854,724</u>

Included above are unrealised (losses) gains
on investments as follows

Unrealised gains (losses) at 1 January	-	-	2,284,499	2,284,499	1,591,494
Add (Deduct) in respect of disposals in year	-	-	240,363	240,363	(233,058)
Deduct / Add: net (losses) / gains arising on revaluations in year	-	-	729,092	729,092	926,063
Unrealised gains (losses) at 31 December	<u>-</u>	<u>-</u>	<u>3,253,954</u>	<u>3,253,954</u>	<u>2,284,499</u>

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

5.3 Endowment funds

	Balance at 1 Jan 2021	Incoming resources	Movement in Funds		Transfers	Balance at 31 Dec 2021
	£	£	Resources expended	Unrealised & Realised Gains (Losses)	£	£
Anonymous MC98	516,924	8,022	(2,697)	73,521	-	595,770
Blackwell	3,118,383	4,967	(15,991)	430,123	-	3,537,482
Braithwaite	113,304	1,758	(591)	16,113	-	130,584
Colenso	356,661	5,392	(1,813)	49,416	-	409,656
Cox	841,331	13,057	(4,390)	119,655	-	969,653
Doncaster	390,417	6,059	(2,037)	55,528	-	449,967
General Gifts and Legacies	875,304	13,584	(4,567)	124,490	-	1,008,811
Northern Friends Peace Board	31,883	495	(166)	4,536	-	36,748
Rowntree	148,473	-	525	-	(148,998)	-
Simmons	214,658	3,331	(1,120)	30,526	-	247,395
Stewart	101,242	1,571	(529)	14,397	-	116,681
Todd	221,362	3,435	(1,155)	31,482	-	255,124
Ward	100,437	1,558	(524)	14,282	-	115,753
Wirrall & North Wales	32,723	508	(171)	4,656	-	37,716
Young Friends General Meeting	32,798	509	(172)	4,667	-	37,802
Total	7,095,900	64,246	(35,398)	973,392	(148,998)	7,949,142

Comparative information is as follows:

	Balance at 1 Jan 2020	Incoming resources	Movement in Funds		Transfers	Balance at 31 Dec 2020
	£	£	Resources expended	Unrealised & Realised Gains (Losses)	£	£
Anonymous MC98	466,140	551	(2,221)	52,454	-	516,924
Blackwell	2,862,836	5,202	(13,521)	263,866	-	3,118,383
Braithwaite	102,173	121	(487)	11,497	-	113,304
Colenso	322,528	370	(1,493)	35,256	-	356,661
Cox	758,677	896	(3,615)	85,373	-	841,331
Doncaster	352,062	416	(1,678)	39,617	-	390,417
General Gifts and Legacies	789,314	931	(3,761)	88,820	-	875,304
Northern Friends Peace Board	28,751	34	(137)	3,235	-	31,883
Rowntree	133,887	158	(638)	15,066	-	148,473
Simmons	193,569	229	(922)	21,782	-	214,658
Stewart	91,296	108	(435)	10,273	-	101,242
Todd	199,615	236	(951)	22,462	-	221,362
Ward	90,570	107	(432)	10,192	-	100,437
Wirrall & North Wales	29,509	35	(141)	3,320	-	32,723
Witting	272,989	-	-	-	(272,989)	-
Young Friends	29,576	35	(141)	3,328	-	32,798
Total	6,723,492	9,429	(30,573)	666,541	(272,989)	7,095,900

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.4 Restricted Funds

	Balance at 1 Jan 2021 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 Dec 2021 £
Anonymous MC98	6,981	-	(7,183)	-	(202)
Blackwell	45,809	44,701	(50,169)	-	40,341
Braithwaite	1,796	-	(2,051)	-	(255)
Colenso	4,756	-	(3,206)	-	1,550
Cox	11,363	-	(11,271)	-	92
Doncaster	5,273	-	(5,448)	-	(175)
Northern Friends Peace Board	431	-	(445)	-	(14)
Rowntree	6,892	-	-	-	6,892
Simmons	2,899	-	(2,996)	-	(97)
Stewart	1,367	-	(1,412)	-	(45)
Todd	2,990	-	(3,089)	-	(99)
Ward	1,356	-	(1,401)	-	(45)
Wirrall & North Wales	442	-	(457)	-	(15)
Witting Narrowly Restricted	230,996	-	(43,005)	-	187,991
Young Friends General Meeting	443	-	(458)	-	(15)
Total	323,794	44,701	(132,591)	-	235,904

Comparative information is as follows:

	Balance at 1 Jan 2020 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 Dec 2020 £
Anonymous MC98	8,128	6,981	(8,128)	-	6,981
Blackwell	55,800	47,099	(57,090)	-	45,809
Braithwaite	2,266	1,530	(2,000)	-	1,796
Colenso	5,463	4,693	(5,400)	-	4,756
Cox	13,228	11,363	(13,228)	-	11,363
Doncaster	6,139	5,273	(6,139)	-	5,273
Northern Friends Peace Board	501	431	(501)	-	431
Rowntree	4,887	2,005	-	-	6,892
Simmons	3,375	2,899	(3,375)	-	2,899
Stewart	1,592	1,367	(1,592)	-	1,367
Todd	3,480	2,990	(3,480)	-	2,990
Ward	1,579	1,356	(1,579)	-	1,356
Wirrall & North Wales	515	442	(515)	-	442
Witting Narrowly Restricted	8,711	2,406	(53,110)	272,989	230,996
Young Friends General Meeting	514	443	(514)	-	443
Total	116,178	91,278	(156,651)	272,989	323,794

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.5 Unrestricted Funds

	Balance at 1 Jan 2021 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 Dec 2021 £
General Gifts and Legacies	12,132	108,193	(204,066)	148,998	65,257
Total	12,132	108,193	(204,066)	148,998	65,257

Comparative information is as follows:

	Balance at 1 Jan 2020 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 Dec 2020 £
General Gifts and Legacies	15,054	430,052	(432,974)	-	12,132
Total	15,054	430,052	(432,974)	-	12,132

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

6. Investments

6.1 The types of investments held, and their market value, at 31 December 2021 were:

	Total 2021 £	Total 2020 £
Cash	274,921	245,285
Common investment funds	-	-
OEICs and unit trusts	1,907,473	2,002,296
UK equities	3,087,137	2,722,335
UK fixed interest	457,084	276,516
Overseas equities	-	-
Overseas fixed interest	308,781	96,382
Overseas unit trusts	1,843,368	1,759,667
Total investments	<u>7,878,764</u>	<u>7,102,481</u>

6.2 Investment movements

	Total 2020 £	Total 2019 £
Market value at 1 January	7,102,481	6,455,428
Acquisitions at cost	1,044,755	1,487,262
Disposals at carrying market value	(1,164,675)	(1,569,302)
Unrealised gains (losses) in year	896,203	729,093
Market value at 31 December	<u>7,878,764</u>	<u>7,102,481</u>
Historic cost	4,738,892	4,329,250

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

7. Legacies and funds awaiting distribution

	2021 £	2020 £
Balance at 1 January	10,000	1,520
Funds and legacies received	1,254,444	154,749
	<u>1,264,444</u>	<u>156,269</u>
Funds and legacies distributed	(899,152)	(146,269)
Balance at 31 December	<u>365,292</u>	<u>10,000</u>

Note creditors - Manually entered except totals

8. Other Creditors

	2021 £	2020 £
Accrued Grants	91,282	407,900
Other	9,454	8,523
Balance at 31 December	<u>100,736</u>	<u>415,532</u>

Note debtors - Manually entered except totals

9. Debtors

	2021 £	2020 £
Accrued Legacy Income	12,569	407,900
Other	12,550	1,058
Balance at 31 December	<u>25,119</u>	<u>408,067</u>

Notes to the accounts (continued)

10. Custodian Trustee and Holding Trustee (Nominee)

The Company acts as custodian trustee or holding trustee (nominee) for land for the Religious Society of Friends (Quakers) in Britain (the "Society") and various bodies connected with the Society.

It acts in these capacities primarily for the Area Meetings of the Society, including constituent Local Meetings and other connected trusts. Area Meetings are the primary meetings for church affairs in the Society. The object of each Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain, locally and beyond. The Company holds quoted and unquoted investments and/or land and buildings for the following Area Meetings:

Banbury & Evesham	Norfolk & Waveney
Bournemouth Coastal	North London
Brighouse West Yorkshire	North Somerset
Bristol	North Wales
Cambridgeshire	North West London
Central England	Northamptonshire
Central Yorkshire	Northumbria
Chilterns	Nottinghamshire & Derbyshire
Cornwall	Oxford & Swindon
Craven & Keighley	Pendle Hill
Cumberland	Pickering & Hull
Devon	Sheffield & Balby
Dorset & South Wiltshire	South London
East Cheshire	South Wales
East Kent	Southern East Anglia
Gloucestershire	Southern Marches
Hampshire & Islands	Staffordshire
Hardshaw & Mann	Surrey & Hampshire Border
Hertford & Hitchin	Sussex East
Ipswich & Diss	Sussex West
Kendal & Sedbergh	Swarthmoor (South West Cumbria)
Lancashire Central & North	Teesdale & Cleveland
Leeds	Thaxted
Leicester	West Somerset
Lincolnshire	West Kent
London West	West Weald
Luton & Leighton	West Wiltshire & East Somerset
Manchester & Warrington	Wirral & Chester
Mid-Essex	Worcestershire & Shropshire
Mid-Somerset	
Mid-Thames	
Mid-Wales	

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

In addition the Company holds quoted and unquoted investments and/or land and buildings for the following organisations connected with the Society:

Ackworth School 1950 Trust	To hold funds of gifts, legacies, donations, etc. for the benefit of Ackworth School.
Breckenbrough School: After Care Committee	To give help and advice to former pupils of Breckenbrough School
Camfield's (Francis) Trust	Supporting individual Quakers in need witnessing to Christian and Quaker testimonies
Central England Quaker Old People's Fund Trust	Charitable purposes for the benefit of the aged, particularly for those who are members of Central England Area Quaker Meeting of the Religious Society of Friends (Quakers)
Society of Friends - Charney Manor	Furthering the religious and other charitable purposes of the Society of Friends
Cole, Susanna (and Others), Charities	To support and help friends in need who are members or attenders of Central England Area Quaker Meeting of the Religious Society of Friends
Friends Housing Bursary Trust	For the benefit of elderly poor persons in Great Britain who are need of financial assistance to provide them with suitable housing accommodation
Glenthorne Quaker Centre	To provide a place where Quaker spiritual, charitable and educational concerns can be advanced.
Gorman, George Memorial Fund	The advancement of (religious) education and the advancement of religion according to the principles and beliefs of the Religious Society of Friends
Greenwood Educational Trust	To advance the education of persons under the age of 25 and in need of financial assistance who are connected with the Society of Friends in Essex or Suffolk
Horniman (John) Trust: Bedford Institute Association	Income to be used by Quaker Social Action
Howard, William Charity	Grants to members of Quaker meetings who are undertaking further education or training to equip them for work.
Kingston Friends Trusts: Poor's Estate	Relief of poverty, sickness, old age or by assisting in education; promotion of the religious and spiritual work of the Society of Friends in connection with Kingston & Wandsworth Area Quaker Meeting
London Quaker Service Trust	To further the work of the Society of Friends by the advancement of religion and the provision of facilities for educational recreational and leisure time occupations for persons who by reason of their social and economic circumstances have need of such facilities with the object of improving their conditions of life and developing their mental physical and spiritual capacities
Quaker Social Action	Through innovative schemes designed to promote social justice and the personal development and the physical and spiritual welfare of individuals and groups, to witness Quaker testimonies, to the equality of all humankind, to truth, personal integrity and peace, and to promote co-operation and harmony between all people.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

Tickells (Hugh) Charity	For the general benefit of such poor people as the trustees in their discretion think fit
Wensleydale & Swaledale Quaker Trust	1. The relief of Quakers, Attenders and other people who are in need, hardship or distress and are resident in the area of benefit; 2. The maintenance and upkeep of the Quaker meeting houses and burial grounds within the area of benefit; 3. To further the religious and other charitable deeds and works of the Wensleydale and Swaledale Area Quaker Meeting in Britain and overseas.
Woodbrooke Quaker Study Centre	Provision of learning to Quakers and others to advance the Quaker faith and enhance understanding of social and spiritual matters.

11. Directors remuneration and expenses

No director receives any remuneration or is reimbursed any expenses by the Company.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. There were no expenses reimbursed to the directors in 2021 as a result of our work moving from the physical to the online platform due to the Covid-19 pandemic.

12. Related party transactions

By the nature of their role, the directors of the company are deemed to be related parties. As stated in Note 11 above, there were no expenses reimbursed to Trustees, nor donations received from Trustees in the year to 31 December 2021.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trust Limited. The value of the services are treated as donations and were £47,520 in 2021 (2020: £47,520)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FRIENDS TRUSTS LIMITED
(A Company Limited by Guarantee and Not Having a Share Capital)
Registered Charity Number 237698
Company Number 188362**

Opinion

We have audited the financial statements of Friends Trusts Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Friends Trusts Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Keven Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor

Norman House
8 Burnell Road
Sutton, Surrey
SM1 4BW

29 September, 2022

FRIENDS TRUSTS LIMITED

England & Wales - Charity number 237698

Accounts

FRIENDS TRUSTS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registered in England No. 188362

Registered Charity No. 237698

FRIENDS TRUSTS LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Constitution:

The Company is the denominational trust corporation and custodian trustee for the Religious Society of Friends (Quakers) in Britain by an authorisation issued under the Law of Property (Amendment) Act 1926 by the Lord High Chancellor on 29 May 1930. The Company is limited by guarantee and has no share capital. In the event of the Company being wound up during the period of membership, or within the year following, each member is required to contribute an amount not exceeding £1. The company registration number is 188362 and the charity registration number is 237698.

Directors: The Directors (or trustees for the purposes of charity legislation) serving during 2020 and up to the date of this report were:

Nigel Barnes
Linda Batten
Stephen Burkeman (from 1 June 2021)
Peter Green
David Harries
Lucy Parker (till 31 May 2021)
Nick Perks (from 1 June 2020)
Janet Slade (till 31 May 2021)
Paul Whitehouse
Stephen Wright (from 1 June 2020)
Paul Wyatt

Secretariat: Christopher Gregory (until 14 December 2020)
Maureen Sebanakitta (from 14 December 2020)

Registered Office: Friends House
173 - 177 Euston Road
LONDON, NW1 2BJ

Main Bankers: The Co-operative Bank plc
60 Kingsway,
LONDON, WC2B 6DS

CafCash Limited
Kings Hill
WEST MALLING, ME19 4TA

Investment Managers: Rathbone Greenbank Investments
10 Queen Square
BRISTOL, BS1 4NT

Solicitors: Hunters Solicitors
9 New Square
Lincoln's Inn
LONDON, WC2A 3QN

Auditors: Myrus Smith
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

FRIENDS TRUSTS LIMITED

Report of the Directors

The Directors have pleasure in presenting their report and the accounts of the charitable company for the year ended 31 December 2020. The report has been prepared in accordance with Part 8 of the Charities Act 2011, but equates to a report of the directors for the purposes of company legislation.

The accounts have been prepared in accordance with the accounting policies set out on pages 12 and 13 of the attached accounts and comply with the charitable company's Articles of Association, applicable laws and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Charity Commission (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The names of the directors who served during the year, and who were in office at the date on which this report and attached financial statements were approved, are shown on page 2.

The Treasurer of Britain Yearly Meeting is a director ex-officio. The other directors, who must be members of the Religious Society of Friends (Quakers), (the "Society"), are appointed by Meeting for Sufferings, the executive body of the Society in Britain, to hold office for 3 years, retiring by annual rotation. They may be re-appointed. On appointment new Directors are provided with a copy of the articles of association, copies of the minutes and accounts for the previous year and other induction material. When appropriate they are invited to attend training provided by Britain Yearly Meeting (the charity that carries out the central work of the Society) for trustees and committee members.

The day-to-day management of the Company is carried out by the Company Secretary whose services are provided without charge by Britain Yearly Meeting. All policy decisions are taken by the Board of Directors, which usually meets four times a year.

The Directors are the only company members and their liability is limited to £1 due to the Company being limited by guarantee.

Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friends Trusts Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Friends Trusts Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 SORP (FRS102);
- 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 charitable company will continue in operation.

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

FRIENDS TRUSTS LIMITED
Report of the Directors (continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

OBJECTS

The Company's objects are set out in full in its Articles of Association but the principal object of the Company is to act as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Britain (the Society) and various bodies connected with the Society. The Company also administers certain trusts where it has been appointed managing trustee.

ACTIVITIES

Custodian Trustee or Nominee

In excess of 450 properties are held in the name of Friends Trusts Limited on behalf of more than 70 organisations and in excess of 120 investments on behalf of more than 50 beneficial owners.

The Company is the denominational trust corporation for the Religious Society of Friends (Quakers). The majority of the beneficial owners for which it acts as custodian trustee or nominee are unincorporated constituent meetings of the Society, together with a small number of organisations constituted for the benefit of, or in connection with, the Society (see note 10).

Properties are recorded in a Register under the name of the beneficial owner and investments are held with designated account numbers unique to each beneficial owner.

Transactions in property and investments are carried out on instructions from managing trustees or beneficial owners.

Managing Trustee

The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

Charitable Activities - Distributions

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge.

Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

Legacies and Funds Awaiting Distribution

The nomination of the Company as trustee in legacies means that registered charitable status can easily be confirmed for inheritance tax exemption purposes and legacies do not fail through uncertainty.

During the year the Company received £154,749 (2019: £1,359,349) for passing on to other Quaker charities in accordance with the terms of those legacies. These amounts are not included within the Statement of Financial Activities.

PUBLIC BENEFIT

The Directors have considered the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Company. In its principal role as custodian trustee, the Company helps to promote, support and maintain Quaker Meetings and other Quaker charities which provide public benefit through the provision of religious services open to all members of the public without charge and the establishment of a worshipping community carrying out other connected charitable work. In promoting the efficiency and effectiveness of the work of Quaker Meetings and other Quaker charities for the benefit of individuals, communities and society as a whole, the Directors believe that the work of the Company provides benefit to the public in accordance with its objects.

As managing trustee of charitable trusts, it provides grants for charitable purposes to members of the public or for other charitable purposes in accordance with the terms of such trusts, again for public benefit in accordance with its objects. The Directors believe that there is no disbenefit or private benefit in the Company's work.

FINANCIAL REVIEW

Total income and endowments for the year was £530,759 (2019: £3,823,686). Income from legacies was £370,400 (2019: £3,369,053) and investment income was £109,638 (2019: £130,989). The legacy income includes accruals for those legacies which had been notified but had not yet been received totalling £407,009 (2019: £874,962). Total expenditure in the year was £620,198 (2019: £3,820,695). There was, therefore, overall net expenditure before investment losses, of £89,439 (2019: £2,991 net income). Realised and unrealised investment gain of £666,541 (2019: £1,014,430 net gain) resulted in a net positive movement in funds for the year of £577,102 (2019: £1,017,421 net positive).

The total net assets of the Company increased in the year from £6,854,724 to £7,431,826. At 31 December 2020 the investments had a market value of £7,102,481 compared with a historic cost of £4,329,250.

The financial position of the Company does not include the accounts for those trusts and Quaker Meetings and organisations for which the Company acts as custodian trustee, nominee or agent only.

Investment Policy and Performance

None of the trusts for which the Company is managing trustee contain any specific power for investment so the provisions of the Trustee Act 2000 determine the powers of investment. The Board has adopted a socially responsible investment policy so that only investments that conform to certain criteria are held. The policy incorporates the aim to maximise returns from investments within a medium level of risk. Investments are managed by discretionary managers appointed by the Board, currently Rathbone Greenbank. Performance is reviewed regularly against the agreed benchmarks. The Common Investment Fund portfolio has outperformed its benchmarks over 1, 3 and 5 years and gained 12.5% in 2020 versus the benchmark gains of 2.0% (MSCI PIMFA Balanced Index) and 3.5% (ARC Charity Steady Growth Index). Similarly, the Blackwell Trust has outperformed its benchmarks over 1, 3 and 5 years and gained 10.7% in 2020 versus the benchmark gains of 1.9% (MSCI PIMFA Income Index) and 3.5% (ARC Charity Steady Growth Index). Both portfolios have comfortably outperformed the longer-term CPI +3% objective gaining 61.0% and 60.1% respectively versus CPI+3% of 26.1% over the past 5 years.

FRIENDS TRUSTS LIMITED

Report of the Directors (continued)

Risk Management

Friends Trusts Ltd has a risk management policy, which has been set and agreed by the Directors. The policy is designed to identify and analyse key strategic and operational risks facing Friends Trusts Ltd and, where at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Company's ability to fulfil its purposes. These risks are reported to the Directors through a risk management process which allows them both to challenge any assumptions the management team has made about risks and also to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate exposure to the major risks. The risks are identified as follows:

- A principal risk is the potential loss of capital value and / or poor returns in relation to investments. The Directors consider that the appointment of a discretionary investment manager together with annual reviews of the investment policy and of performance against benchmarks constitutes an appropriate control procedure.
- Loss of key personnel, following the departure of the Company Secretary. The integration of the Company's work into Britain Yearly Meeting's Quaker & Finance Property Department will serve to increase the segregation of functions which in the longer term will reduce the reliance on individuals.
- Limited unrestricted income and reserves, which limits the ability of Directors to fund initiatives of strategic importance for the Company. It is now recognised that the Company needs to develop its infrastructure to achieve its objectives and the Company will now begin to build up its reserves.

Reserves Policy

Up until 2019, it was the policy of the Board to minimise the amounts of reserves (other than endowment funds) by distributing annually the majority of the income received by the restricted and general funds.

The Company's risk profile has now changed, and the Directors recognise the need to develop the Company's infrastructure.

At the end of the year, unrestricted reserves amount to £12,132 (2019: £15,054). In view of the need to develop systems, and for the Directors to have greater oversight of the Company's finances, it is felt that these reserves are too low and over the coming years the Directors will seek to increase them to £24,000 pa (which is approximately 6 months of expenditure).

Going Concern

We have set out above a review of Friends Trusts Limited's financial performance and the general reserves position for 2020 and changing risk profile. This has coincided with the appointment of new Directors, Secretary and staff. As a custodian charity we have experienced a slowdown in completion of property transactions due to not being able to meet physically, however, we have been able to adapt our processes to ensure continuity and completion of transactions.

The overall position as at 31 December 2020 remains stable despite the uncertainties 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) amount to £329,345. However, unrestricted reserves are below what we would expect for a Company of this size in the context of a changed risk profile.

We will continue to monitor the situation as it unfolds and adapt our finances accordingly. Although there are important uncertainties resulting from the Covid-19 pandemic, taking into account all factors, we do not believe there are material uncertainties that call into doubt Friends Trusts Limited's ability to continue in operation for the foreseeable future. Accordingly, the accounts have been prepared on the basis that Friends Trusts Limited is a going concern.

PLANS FOR FUTURE PERIODS

The Directors plan to invest in the Company's infrastructure, which will see the implementation of a new finance and customer relations management system and a dedicated web page. Directors and staff will receive training in administering charity property legal transactions to enable us more effectively support Area Meetings and connected Quaker organisations.

AUDITORS

Elective resolutions, as defined by the Companies Act 2006, have been approved which dispense with (a) the laying of accounts and reports before a general meeting, (b) the holding of an annual general meeting each year, and (c) the need to reappoint auditors.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By Order of the Board on 24 September 2021



PAUL WHITEHOUSE

Director



PETER GREEN

Director

FRIENDS TRUSTS LIMITED

Statement of Financial Activities for the year ended 31 December 2020

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£	£
Income and endowments from:	2					
Donations		200	-	-	200	275,843
Donated services		47,520	-	-	47,520	44,362
Legacies		370,400	-	-	370,400	3,369,053
Investments		11,794	88,424	9,420	109,638	130,989
Deposit accounts and bank interest		138	2,854	9	3,001	3,439
Other		-	-	-	-	-
Total		430,052	91,278	9,429	530,759	3,823,686
Expenditure on:						
Raising funds: investment management charges		-	-	30,573	30,573	30,639
Charitable activities	3	432,974	156,651	-	589,625	3,790,056
Total		432,974	156,651	30,573	620,198	3,820,695
Gains (losses) on investment assets				666,541	666,541	1,014,430
Net income/(expenditure)		(2,922)	(65,373)	645,397	577,102	1,017,421
Transfers between funds	5.1.a	-	272,989	(272,989)	-	-
Net movement in funds		(2,922)	207,616	372,408	577,102	1,017,421
Reconciliation of funds:						
Total funds brought forward		15,054	116,178	6,723,492	6,854,724	5,837,303
Total funds carried forward		12,132	323,794	7,095,900	7,431,826	6,854,724

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Year ended 31 December 2020

Note of historical cost net movement in funds

	2020 £	2019 £
Net movement in funds	577,102	1,017,421
Unrealised (gains) losses on investments	(729,092)	(926,063)
Difference between realised gains on investments calculated on a historical cost basis and realised gains calculated on a carrying market value basis.	(240,363)	233,058
Historical cost net movement in funds	<u>(392,353)</u>	<u>324,416</u>

Summary Income and Expenditure Account

	2020 £	2019 £
Total income of continuing operations	521,330	3,537,113
Total expenditure of continuing operations	(589,625)	(3,790,056)
Net (expenditure) income for the year before transfers	(68,295)	(252,943)
Transfer from endowment funds	272,989	55,000
Net (expenditure) income for the year	<u>204,694</u>	<u>(197,943)</u>

Total income comprises £430,052 for unrestricted funds, and £91,278 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Detailed analyses of expenditure are provided in the Statement of Financial Activities and in note 3.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 8 which, together with the notes to the accounts on pages 12 to 25, provides full information on the movements during the year on all the funds of the charity.

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED
Company Registration No. 188362 (England and Wales)

BALANCE SHEET
AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets:					
Investments	6		<u>7,102,481</u>		<u>6,455,428</u>
<i>Total fixed assets</i>			<u>7,102,481</u>		<u>6,455,428</u>
Current assets:					
Debtors	9	408,067		877,273	
Cash at bank and on deposit		<u>346,810</u>		<u>606,581</u>	
<i>Total current assets</i>			754,877		1,483,854
Liabilities:					
Legacies and funds awaiting distribution	7	(10,000)		(1,520)	
Other creditors	8	<u>(415,532)</u>		<u>(1,083,038)</u>	
Creditors: Amounts falling due within one year			<u>(425,532)</u>		<u>(1,084,558)</u>
<i>Net current assets</i>			<u>329,345</u>		<u>399,296</u>
Total net assets			<u><u>7,431,826</u></u>		<u><u>6,854,724</u></u>
The funds of the charity:					
Total endowment funds	5.3		7,095,900		6,723,492
Restricted income funds	5.4		323,794		116,178
Unrestricted funds	5.5		12,132		15,054
Total charity funds			<u><u>7,431,826</u></u>		<u><u>6,854,724</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 12 to 25 form part of these financial statements.

Approved on behalf of the Board of Directors on 24 September 2021.



PAUL WHITEHOUSE
Director



PETER GREEN
Director

FRIENDS TRUSTS LIMITED

Statement of Cash Flows for year ending 31 December 2020

CASH FLOW STATEMENT

	2020	2019
Operating activities		
Net movement in funds	577,102	1,017,421
Dividends	(109,638)	(130,989)
Interest	(3,001)	(3,439)
Investment management fees	30,573	30,639
(Gains)/losses on investments	(666,541)	(1,014,430)
(Increase)/decrease in debtors	467,953	(834,962)
Increase/(decrease) in creditors	<u>(659,026)</u>	<u>672,509</u>
	(362,578)	(263,251)
Investing activities		
Investment management fees	(30,573)	(30,639)
Purchase of investments	(1,487,262)	(1,555,588)
Proceeds from sale of investments	1,506,750	1,626,577
Interest received	3,001	3,439
Dividends received	<u>110,891</u>	<u>130,901</u>
	102,807	174,690
Financing activities	-	-
Increase/(decrease) in cash in year	<u>(259,771)</u>	<u>(88,561)</u>
Cash at beginning of year	606,581	695,142
Cash at end of year	<u><u>346,810</u></u>	<u><u>606,581</u></u>

The notes on pages 12 to 25 form part of these financial statements.

FRIENDS TRUSTS LIMITED

NOTES TO THE ACCOUNTS

1. Principal accounting policies

1.1 Basis of accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounts do not include the transactions and net assets of entities for which the Company acts as custodian trustee.

1.2 Funds

Unrestricted funds: to be utilised at the discretion of the Directors for the benefit of, or in connection with, the Religious Society of Friends (Quakers).

Restricted funds: earmarked by the donor or testator for specific purposes.

Endowment funds: comprise monies that must be held as capital, either indefinitely or pending the occurrence of a future event.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised according to the relevant distribution dates. Interest is recognised on a receivable basis.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Legacies over which the charity has no discretion as to their distribution and which have been received but are awaiting completion and distribution to the ultimate beneficiary are held in a separate account. As such these legacies are only held temporarily on trust and the Directors consider that the appropriate treatment of their receipt and distribution is through a legacies account rather than through the Statement of Financial Activities.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments
- Expenditure on charitable activities which comprise the costs of distributions of trust income under the terms of the various trusts where the Company acts as managing trustee

All expenditure on support costs such as governance, including audit fees, is met by Britain Yearly Meeting (see note 4).

1.5 Investments

Listed investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) at the balance sheet date with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Also included in the Statement of Financial Activities are realised investment gains or losses which represent the difference between the sale proceeds and opening market value of investments disposed of in the year.

All investments and landed properties, of which the Company is custodian trustee only, and income therefrom, are excluded from these accounts

1.6 Taxation

Since the Company's income falls within the various exemptions available to registered charities there is no liability for income tax, capital gains tax, corporation tax or inheritance tax. Any attributable VAT is accounted for within resources expended.

2. Income: Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Donations	200	-	-	-	-	275,843
Donated services	47,520	44,362	-	-	-	-
Legacies	370,400	3,369,053	-	-	-	-
Investments	11,794	13,738	88,424	106,531	9,420	10,720
Deposit accounts and bank interest	138	1,645	2,854	1,784	9	10
Other	-	-	-	-	-	-
Total	430,052	3,428,798	91,278	108,315	9,429	286,573

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

3. Charitable Expenditure: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Charitable Distributions						
In accordance with terms of trust						
Institutions	-	-	111,671	117,473	-	-
Individuals	-	-	42,380	41,327	-	-
At the discretion of the Board	385,454	3,584,264	-	-	-	-
Support costs	44,970	42,120	2,600	2,630	-	-
Audit fees	2,550	2,242	-	-	-	-
	<u>432,974</u>	<u>3,628,626</u>	<u>156,651</u>	<u>161,430</u>	<u>-</u>	<u>-</u>

Expenditure in 2020 and 2019 was incurred in respect of distributing donations, legacies and income from endowments, primarily to various Quaker organisations, in accordance with the wishes of donors and legators. Over 170 (2019: 200) distributions, all less than £1,000 each, for individual assistance were given in the United Kingdom, Germany and Poland.

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge. Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

4. Administration and governance costs

The costs of administrative support are provided by Britain Yearly Meeting in recognition of the role of the Company as the denominational trust corporation for the Religious Society of Friends. The sum of £47,520 (2019: £44,362) has been included in the Statement of Financial Activities as donated services and support costs and audit fees.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5. Funds

5.1 Fund purposes

(a) Endowment Funds

<i>Fund</i>	<i>Purpose for which the income is to be applied</i>
Anonymous MC98	General Fund of Britain Yearly Meeting.
Blackwell	At the discretion of the Board taking account of the settlor's wishes.
Braithwaite	At the Board's discretion in consultation with settlor's representative.
Colenso	General purposes, but income is for the relief of poverty.
Cox	Britain Yearly Meeting for the provision and maintenance of Meeting Houses.
Doncaster	40% Worcester & Shropshire Area Quaker Meeting, 20% South Wales Area Quaker Meeting, 20% Southern Marches Area Quaker Meeting (212/286) & Mid-Wales Area Quaker Meeting (74/286), 20% Britain Yearly Meeting (Peace and Service).
General Gifts and Legacies	At the discretion of the Board.
Northern Friends Peace Board	For Northern Friends' Peace Board.
Rowntree	At the discretion of the Board in consultation with settlor.
Simmons	For Britain Yearly Meeting taking account of the settlor's wishes.
Stewart	80% Sussex & Surrey Regional Quaker Meeting 20% Tunbridge Wells Quaker Meeting.
Todd	For Meeting House repairs and purchases in the Kingston-upon-Thames area.
Ward	At the discretion of the Board taking account of the settlor's wishes.
Wirral & North Wales	For Wirral & Chester and North Wales Area Quaker Meetings.
Witting	Individual relief: 40% England, 40% Germany, 20% Poland.
Young Friends General Meeting	For Young Friends General Meeting.

The capital of endowment funds is both expendable and non-expendable. With the exception of the General Gifts and Legacies Fund where income is credited to the unrestricted fund, income is treated as restricted funds and distributed in accordance with the above purposes.

The Charity Commission has given its consent to release the permanent endowment of the Witting Trust. The Trustees will treat the capital as expendable and determine the amount of capital they wish to transfer from the endowment to the restricted fund each year (see 5.3 and 5.4 below).

The terms of the Blackwell legacy include the requirement that 10% of the income be added to the capital and invested.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

(b) Restricted Funds

These funds consist of the undistributed restricted income from the endowment funds (see 5.1 (a)).

It is the policy of the Board to distribute the balances in the income funds annually.

(c) Unrestricted Funds

The unrestricted funds consist of the undistributed income from the General Gifts and Legacies endowment fund, and other gifts and legacies received during the year by the Company for distribution at the Directors' discretion. It is the policy of the Board to distribute this annually.

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

5.2 Analysis of net assets between funds

	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	Total 2020 £
Fund balances at 31 December are represented by :				
Investments	-	-	7,102,481	7,102,481
Net current assets	12,132	323,794	(6,581)	329,345
	<u>12,132</u>	<u>323,794</u>	<u>7,095,900</u>	<u>7,431,826</u>

Included above are unrealised (losses) gains
on investments as follows

Unrealised gains (losses) at 1 January	-	-	2,284,499	2,284,499
Add (Deduct) in respect of disposals in year	-	-	240,363	240,363
Deduct / Add: net (losses) / gains arising on revaluations in year	-	-	729,092	729,092
Unrealised gains (losses) at 31 December	<u>-</u>	<u>-</u>	<u>3,253,954</u>	<u>3,253,954</u>

Comparative information is as follows:

	Unrestricted Fund £	Restricted Funds £	Endowment Funds £	Total 2019 £
Fund balances at 31 December are represented by :				
Investments	-	-	6,455,428	6,455,428
Net current assets	15,054	116,178	268,064	399,296
	<u>15,054</u>	<u>116,178</u>	<u>6,723,492</u>	<u>6,854,724</u>

Included above are unrealised (losses) gains
on investments as follows

Unrealised gains (losses) at 1 January	-	-	1,591,494	1,591,494
Add (Deduct) in respect of disposals in year	-	-	(233,058)	(233,058)
Deduct / Add: net (losses) / gains arising on revaluations in year	-	-	926,063	926,063
Unrealised gains (losses) at 31 December	<u>-</u>	<u>-</u>	<u>2,284,499</u>	<u>2,284,499</u>

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.3 Endowment Funds

	Balance at 1 Jan 2020	Income	Expenditure	Movement in Funds Unrealised & Realised Gains (Losses)	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£	£
Anonymous MC98	466,140	551	(2,221)	52,454	-	516,924
Blackwell	2,862,836	5,203	(13,521)	263,865	-	3,118,383
Braithwaite	102,173	121	(487)	11,497	-	113,304
Colenso	322,528	370	(1,493)	35,256	-	356,661
Cox	758,677	896	(3,615)	85,373	-	841,331
Doncaster	352,062	416	(1,678)	39,617	-	390,417
General Gifts and Legacies	789,314	931	(3,761)	88,820	-	875,304
Northern Friends Peace Board	28,751	34	(137)	3,235	-	31,883
Rowntree	133,887	158	(638)	15,066	-	148,473
Simmons	193,569	229	(922)	21,782	-	214,658
Stewart	91,296	108	(435)	10,273	-	101,242
Todd	199,615	236	(951)	22,462	-	221,362
Ward	90,570	107	(432)	10,192	-	100,437
Wirrall & North Wales	29,509	35	(141)	3,320	-	32,723
Witting	272,989	-	-	-	(272,989)	-
Young Friends General Meeting	29,576	35	(141)	3,328	-	32,798
Total	6,723,492	9,430	(30,573)	666,540	(272,989)	7,095,900

Comparative information is as follows:

	Balance at 1 Jan 2019	Income	Expenditure	Movement in Funds Unrealised & Realised Gains (Losses)	Transfers	Balance at 31 Dec 2019
	£	£	£	£	£	£
Anonymous MC98	396,684	555	(2,164)	71,065	-	466,140
Blackwell	2,421,537	6,324	(13,278)	448,253	-	2,862,836
Braithwaite	86,948	122	(474)	15,577	-	102,173
Colenso	-	276,216	(1,454)	47,766	-	322,528
Cox	645,632	903	(3,522)	115,664	-	758,677
Doncaster	299,604	419	(1,634)	53,673	-	352,062
General Gifts and Legacies	671,704	940	(3,664)	120,334	-	789,314
Northern Friends Peace Board	24,467	34	(133)	4,383	-	28,751
Rowntree	113,938	159	(622)	20,412	-	133,887
Simmons	164,726	231	(898)	29,510	-	193,569
Stewart	77,692	109	(424)	13,919	-	91,296
Todd	169,872	238	(927)	30,432	-	199,615
Ward	77,074	108	(420)	13,808	-	90,570
Wirrall & North Wales	25,112	35	(137)	4,499	-	29,509
Witting	307,969	145	(751)	20,626	(55,000)	272,989
Young Friends	25,169	35	(137)	4,509	-	29,576
Total	5,508,128	286,573	(30,639)	1,014,430	(55,000)	6,723,492

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.4 Restricted Funds

	Balance at 1 Jan 2020 £	Movement in funds			Balance at 31 Dec 2020 £
		Income £	Resources £	Transfers £	
Anonymous MC98	8,128	6,981	(8,128)	-	6,981
Blackwell	55,800	47,099	(57,090)	-	45,809
Braithwaite	2,266	1,530	(2,000)	-	1,796
Colenso	5,463	4,693	(5,400)	-	4,756
Cox	13,228	11,363	(13,228)	-	11,363
Doncaster	6,139	5,273	(6,139)	-	5,273
Northern Friends Peace Board	501	431	(501)	-	431
Rowntree	4,887	2,005	-	-	6,892
Simmons	3,375	2,899	(3,375)	-	2,899
Stewart	1,592	1,367	(1,592)	-	1,367
Todd	3,480	2,990	(3,480)	-	2,990
Ward	1,579	1,356	(1,579)	-	1,356
Wirrall & North Wales	515	442	(515)	-	442
Witting Narrowly Restricted	8,711	2,406	(53,110)	272,989	230,996
Young Friends General Meeting	514	443	(514)	-	443
Total	116,178	91,278	(156,651)	272,989	323,794

Comparative information is as follows:

	Balance at 1 Jan 2019 £	Movement in funds			Balance at 31 Dec 2019 £
		Income £	Resources £	Transfers £	
Anonymous MC98	8,889	8,128	(8,889)	-	8,128
Blackwell	57,844	55,800	(57,844)	-	55,800
Braithwaite	1,985	1,781	(1,500)	-	2,266
Colenso	-	5,463	-	-	5,463
Cox	14,467	13,228	(14,467)	-	13,228
Doncaster	6,713	6,139	(6,713)	-	6,139
Northern Friends Peace Board	548	501	(548)	-	501
Rowntree	2,553	2,334	-	-	4,887
Simmons	3,691	3,375	(3,691)	-	3,375
Stewart	1,741	1,592	(1,741)	-	1,592
Todd	3,806	3,480	(3,806)	-	3,480
Ward	1,727	1,579	(1,727)	-	1,579
Wirrall & North Wales	563	515	(563)	-	515
Witting Narrowly Restricted	9,202	3,886	(59,377)	55,000	8,711
Young Friends	564	514	(564)	-	514
Total	114,293	108,315	(161,430)	55,000	116,178

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

5.5 Unrestricted Funds

	Balance at 1 Jan 2020 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 Dec 2020 £
General Gifts and Legacies	15,054	430,052	(432,974)		12,132
Total	15,054	430,052	(432,974)	-	12,132

Comparative information is as follows:

	Balance at 1 Jan 2019 £	Incoming resources £	Movement in funds Resources expended £	Transfers £	Balance at 31 Dec 2019 £
General Gifts and Legacies	214,882	3,428,798	(3,628,626)	-	15,054
Total	214,882	3,428,798	(3,628,626)	-	15,054

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

6. Investments

6.1 The types of investments held, and their market value, at 31 December 2020 were:

	2020 £	2019 £
Cash	245,285	402,753
Common investment funds	-	97,412
OEICs and unit trusts	2,002,296	2,128,578
UK equities	2,722,335	2,493,359
UK fixed interest	276,516	274,411
Overseas equities	-	-
Overseas fixed interest	96,382	92,147
Overseas unit trusts	1,759,667	966,768
Total investments	<u>7,102,481</u>	<u>6,455,428</u>

6.2 Investment movements

	Total 2020 £	Total 2019 £
Market value at 1 January	6,455,428	5,511,987
Acquisitions at cost	1,487,262	1,555,588
Disposals at carrying market value	(1,569,302)	(1,538,210)
Unrealised gains (losses) in year	729,093	926,063
Market value at 31 December	<u>7,102,481</u>	<u>6,455,428</u>
Historic cost	4,329,250	4,170,930

FRIENDS TRUSTS LIMITED
Notes to the accounts (continued)

7. Legacies and funds awaiting distribution

	2020 £	2019 £
Balance at 1 January	1,520	365,435
Funds and legacies received	154,749	1,359,349
	<u>156,269</u>	<u>1,724,784</u>
Funds and legacies distributed	(146,269)	(1,723,264)
Balance at 31 December	<u><u>10,000</u></u>	<u><u>1,520</u></u>

8. Other creditors

	2020 £	2019 £
Accrued Grants	407,009	1,075,292
Other	8,523	7,746
	<u>415,532</u>	<u>1,083,038</u>
Balance at 31 December	<u><u>415,532</u></u>	<u><u>1,083,038</u></u>

9. Debtors

	2020 £	2019 £
Accrued Legacy Income	407,009	874,962
Other	1,058	2,311
	<u>408,067</u>	<u>877,273</u>
Balance at 31 December	<u><u>408,067</u></u>	<u><u>877,273</u></u>

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

10. Custodian Trustee and Holding Trustee (Nominee)

The Company acts as custodian trustee or holding trustee (nominee) for land for the Religious Society of Friends (Quakers) in Britain (the "Society") and various bodies connected with the Society.

It acts in these capacities primarily for the Area Meetings of the Society, including constituent Local Meetings and other connected trusts. Area Meetings are the primary meetings for church affairs in the Society. The object of each Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain, locally and beyond. The Company holds quoted and unquoted investments and/or land and buildings for the following Area Meetings:

Banbury & Evesham	Norfolk & Waveney
Bournemouth Coastal	North London
Brighouse West Yorkshire	North Somerset
Bristol	North Wales
Cambridgeshire	North West London
Central England	Northamptonshire
Central Yorkshire	Northumbria
Chilterns	Nottinghamshire & Derbyshire
Cornwall	Oxford & Swindon
Craven & Keighley	Pendle Hill
Cumberland	Pickering & Hull
Devon	Sheffield & Balby
Dorset & South Wiltshire	South London
East Cheshire	South Wales
East Kent	Southern East Anglia
Gloucestershire	Southern Marches
Hampshire & Islands	Staffordshire
Hardshaw & Mann	Surrey & Hampshire Border
Hertford & Hitchin	Sussex East
Ipswich & Diss	Sussex West
Kendal & Sedbergh	Swarthmoor (South West Cumbria)
Lancashire Central & North	Teesdale & Cleveland
Leeds	Thaxted
Leicester	West Somerset
Lincolnshire	West Kent
London West	West Weald
Luton & Leighton	West Wiltshire & East Somerset
Manchester & Warrington	Wirral & Chester
Mid-Essex	Worcestershire & Shropshire
Mid-Somerset	
Mid-Thames	
Mid-Wales	

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

In addition the Company holds quoted and unquoted investments and/or land and buildings for the following organisations connected with the Society:

Ackworth School 1950 Trust	To hold funds of gifts, legacies, donations, etc. for the benefit of Ackworth School.
Breckenbrough School: After Care Committee	To give help and advice to former pupils of Breckenbrough School
Camfield's (Francis) Trust	Supporting individual Quakers in need witnessing to Christian and Quaker testimonies
Central England Quaker Old People's Fund Trust	Charitable purposes for the benefit of the aged, particularly for those who are members of Central England Area Quaker Meeting of the Religious Society of Friends (Quakers)
Society of Friends - Charney Manor	Furthering the religious and other charitable purposes of the Society of Friends
Cole, Susanna (and Others), Charities	To support and help friends in need who are members or attenders of Central England Area Quaker Meeting of the Religious Society of Friends
Friends Housing Bursary Trust	For the benefit of elderly poor persons in Great Britain who are need of financial assistance to provide them with suitable housing accommodation
Glenthorne Quaker Centre	To provide a place where Quaker spiritual, charitable and educational concerns can be advanced.
Gorman George Memorial Fund	The advancement of (religious) education and the advancement of religion according to the principles and beliefs of the Religious Society of Friends
Greenwood Educational Trust	To advance the education of persons under the age of 25 and in need of financial assistance who are connected with the Society of Friends in Essex or Suffolk
Horniman (John) Trust: Bedford Institute Association	Income to be used by Quaker Social Action
Howard, William Charity	Grants to members of Quaker meetings who are undertaking further education or training to equip them for work.
Kingston Friends Trusts: Poor's Estate	Relief of poverty, sickness, old age or by assisting in education; promotion of the religious and spiritual work of the Society of Friends in connection with Kingston & Wandsworth Area Quaker Meeting
London Quaker Service Trust	To further the work of the Society of Friends by the advancement of religion and the provision of facilities for educational recreational and leisure time occupations for persons who by reason of their social and economic circumstances have need of such facilities with the object of improving their conditions of life and developing their mental physical and spiritual capacities
Quaker Social Action	Through innovative schemes designed to promote social justice and the personal development and the physical and spiritual welfare of individuals and groups, to witness Quaker testimonies, to the equality of all humankind, to truth, personal integrity and peace, and to promote co-operation and harmony between all people.

FRIENDS TRUSTS LIMITED

Notes to the accounts (continued)

Tickells (Hugh) Charity	For the general benefit of such poor people as the trustees in their discretion think fit
Wensleydale & Swaledale Quaker Trust	1. The relief of Quakers, Attenders and other people who are in need, hardship or distress and are resident in the area of benefit; 2. The maintenance and upkeep of the Quaker meeting houses and burial grounds within the area of benefit; 3. To further the religious and other charitable deeds and works of the Wensleydale and Swaledale Area Quaker Meeting in Britain and overseas.
Woodbrooke Quaker Study Centre	Provision of learning to Quakers and others to advance the Quaker faith and enhance understanding of social and spiritual matters.

11. Directors' remuneration and expenses

No director receives any remuneration or is reimbursed any expenses by the Company.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. There were no expenses reimbursed to the directors in 2020 as a result of our work moving from the physical to the online platform due to the Covid-19 pandemic.

12. Related party transactions

By the nature of their role, the directors of the company are deemed to be related parties. As stated in Note 11 above, there were no expenses reimbursed to Trustees, nor donations received from Trustees in the year to 31 December 2020.

13. Relationships between BYM and related Parties

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trusts Limited. The value of the services are treated as donations and were £47,520 in 2020 (2019: £44,362)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF: FRIENDS TRUSTS LIMITED

Opinion

We have audited the financial statements of Friends Trusts Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the

financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Fisher BA FCA CT A (Senior Statutory Auditor) Norman House
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor
Norman House
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Sutton, Surrey
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29 September 2021