

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

CHARITY NO: SC019165

WHITELAW WELLS
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

YEAR ENDED 31 DECEMBER 2013

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**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

OFFICE BEARERS

Kate Arnot (Area Meeting Clerk until 31st March 2013)
Phil Lucas (Assistant Area Meeting Clerk to 31st March 2013; Area Meeting Clerk from 1st April 2013)
Rosemary Roberts (Assistant Clerk from 1st April 2013 to 22nd February 2014)
Alastair Cameron (Assistant Clerk from 23rd February 2014)
Caroline Evens (Treasurer until 31 March 2013)
Mark Hutcheson (Treasurer from 1st July 2013)

PRINCIPAL OFFICE

The Quaker Meeting House
7 Victoria Terrace
Edinburgh
EH1 2JL

INDEPENDENT EXAMINER

David Main CA
Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

BANKERS

Bank of Scotland 61 Leith Walk Edinburgh EH6 8LS	Triodos Bank Deanery Road Bristol BS1 5AS
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SOLICITORS

Balfour and Manson
54-66 Frederick Street
Edinburgh
EH2 1LS

TRUSTEES (during 2013 and at the time of signing this report)

Martin Burnell	Brian Mayes
Caroline Evens (to 31 st March 2013)	Laurie Naumann
Ann Forsyth	John Phillips (Clerk to Trustees)
Mark Hutcheson	Rufus Reade
Ken Jobling	Henry Thompson
Phil Lucas	

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

This is the Report for South East Scotland Area Meeting of the Religious Society of Friends (Quakers) for the year ended 31st December 2013. This report is prepared in accordance with the Area Meeting's governing document and the recommendations of the *Statement of Recommended Practice - Accounting and Reporting by Charities* (2005), and complies with applicable law.

ORGANISATION AND AFFILIATION

The Area Meeting is a constituent part of Britain Yearly Meeting of the Religious Society of Friends (Quakers). This is a Christian denomination founded in the seventeenth century. For charitable purposes, its principal objective is the advancement of religion. *Quaker Faith and Practice* is regarded as the nearest equivalent of a governing document for the whole Religious Society, being a book of faith and practice constituting the Society's Christian discipline. It was first issued in manuscript form in 1738 and has been rewritten periodically. The most recent (fifth) edition of *Quaker Faith and Practice* was published in 2013.

Britain Yearly Meeting of the Religious Society of Friends currently contains 71 Area Meetings (as well as a number of General Meetings encompassing several Area Meetings). Membership of the Society is held within an Area Meeting and this is also the main charitable and accounting unit.

South East Scotland Area Meeting is one of four making up the General Meeting for Scotland. It contains 232 members (247 in 2012) worshipping in nine separate Local Quaker Meetings, of which the largest are Central and South Edinburgh with 117 and 50 members respectively. In addition, many non-members (known as 'attenders') regularly attend meetings for worship and participate fully in the life of the Society.

Decisions affecting the life and work of the charity are taken corporately by the membership within the context of a Meeting for Worship for business, God's will for the meeting being discerned without the need for voting when the meeting takes place within a spirit of worship. Minutes are approved at the conclusion of each item of business when unity has been reached.

GOVERNANCE AND CHARITABLE TRUSTEES

The Area Meeting adopted a governing document at a meeting held on 27 October 2007. Its trustees are all members of the Religious Society of Friends and are appointed under the terms of this governing document. They report regularly to sessions of the Area Meeting.

As well as trustees the Area Meeting appoints office bearers (who are not trustees for the purposes of the Charities Accounts (Scotland) Regulations 2006 (as amended)). They include a clerk and assistant clerk, a registering officer and members of a Nominations Committee. The Area Meeting treasurer is a trustee *ex officio*. In 2013 one of the existing trustees was appointed to serve as Area Meeting clerk, but nevertheless continued to serve as a trustee. In addition, the Assistant Clerk to the trustees was appointed to serve as Area Meeting treasurer during 2013.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

GOVERNANCE AND CHARITABLE TRUSTEES (Cont'd)

The process for the appointment of trustees is that names are brought forward by the Area Meeting's Nominations Committee; appointment is by minute of the Area Meeting in session. New trustees are given the Trustees' Committee's Terms of Reference and back copies of the committee's minutes, followed by briefing from committee members. In addition, a residential training course for Quaker trustees held at Woodbrooke Quaker Study Centre, Birmingham, is available for new trustees.

OBJECTIVES

The charitable object of the Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in the area of South East Scotland and beyond, as laid down in *Quaker Faith & Practice*. The Area Meeting furthers the religious beliefs of its members, provides places where Quaker Meetings for Worship can be held within South East Scotland, maintains Quaker witness within this area and supports charitable objectives that witness to Quaker testimonies.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The Area Meeting is the over-arching entity supporting Quaker worship and Quaker witness within South East Scotland. Quaker Meetings for Worship are open to the public and are held on a regular basis in nine localities in our area: in the Edinburgh Quaker Meeting House (several meetings each week, both on Sundays and on weekdays) and in the Kelso Quaker Meeting House (on Sundays), as well as in seven additional locations (on a weekly basis in South Edinburgh and Polmont, in alternate weeks in East Linton, Kirkcaldy, Peebles and Portobello/Musselburgh, and monthly in Penicuik). We welcomed the establishment of Portobello & Musselburgh as a new Local Meeting at the end of 2013.

Meetings for Church Affairs (business meetings of the Area Meeting) were held on eight occasions during 2013. All members of the Religious Society of Friends as well as others who attend our Meetings for Worship are welcome to attend these meetings, at which subjects of general interest are explored, reports covering a variety of Quaker concerns are received, and decisions are made concerning the use of our various resources. Among special topics under consideration in 2013 were:

- our ongoing concern "Economics as though People and the Planet Matter", our major concern for economic justice;
- the adoption of the Area Meeting's "Policy on Sustainability", developed partly in collaboration with other venues for the Edinburgh Festival Fringe that seek to minimise their carbon footprint;
- a new project that aims to enhance our involvement with the wider network of Quakers through better engagement with Britain Yearly Meeting, the annual meeting for Friends from the whole of the UK.

Individual Local Meetings have explored these and other themes through their own Meetings for Learning and Study Days. However, as in previous years, our most high-profile engagement in the life of the community is our use of the Quaker Meeting House in Edinburgh as a venue during the Edinburgh Festival Fringe. 2013 marked the 25th anniversary of "Venue 40", when we hosted visiting theatre companies from around the world for three weeks, using volunteer staff drawn from our own Quaker meetings and from others around the UK.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS (Cont'd)

South Edinburgh Meeting hosted an enjoyable residential weekend, together with smaller meetings in Midlothian and West Lothian, for study and recreation at Wiston Lodge, Biggar, in September 2013.

The Area Meeting owns two meeting houses (located in the Edinburgh Old Town and in Kelso), both of which are hired out to community groups and voluntary organisations when they are not being used for Quaker activities. Each meeting house is seen not only as a base for the activities of the Society of Friends but also as a resource for the local community. Considerable effort is being made to reduce energy consumption in each, to maximise recycling and to use Fairtrade materials. 2013 saw the completion of a major and costly development of the Edinburgh meeting house with upgrading of its toilet and kitchen provision and the installation of double-glazed windows in the main hall and meeting room. The latter project was generously supported by donations from Quakers around Britain and by numerous external grants.

The Area Meeting is financially dependent on the voluntary contributions of those who attend its Meetings for Worship. These help to support the upkeep and development of the two meeting houses, as well as supporting the Meeting's charitable activities. The Area Meeting makes grants:

- for the work of the Religious Society of Friends within Britain and abroad (as funded through Britain Yearly Meeting);
- as support for Scottish ecumenical and interfaith initiatives as funded through General Meeting for Scotland;
- to its members and others to attend Quaker meetings and conferences;
- and to support charitable work undertaken by its own members and for other charities undertaking work supported by the membership.

The Area Meeting has been the fortunate recipient of a legacy established as the John Wigham (Enjoyment) Trust. This makes grants to "deserving persons resident in Scotland who owing to straitened circumstances are unable to enjoy the usual pleasures of life, the purpose of such grants being to provide the recipients with some additional comfort or pleasure of an exceptional nature over and above the usual necessities of life." Well over a hundred grants have been distributed since 2002 to Quakers and non-Quakers from all over Scotland to enable them to experience some aspect of enjoyment in their lives.

FINANCIAL REVIEW

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

(a) RESERVES POLICY

The Area Meeting has examined the requirements to maintain free reserves and has agreed to try to build up its general reserves. Their primary purpose is to act as a contingency for repair work and property renovation and the trustees aim to hold about £100,000 to cover future major repairs to its two meeting houses. The Area Meeting's capital fund is built up and depleted periodically as new developments or refurbishments are undertaken.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

Since 2009 many donations and a number of interest-free loans have been received from members for the specific purpose of rebuilding the Capital Fund and replenishing its cash reserves. These have been drawn upon in 2012 and 2013 to support a further phase of upgrading of the facilities in the Edinburgh meeting house.

(b) FUNDS

Restricted Funds are those where the donor has stipulated the use for which the funds may be used. Following review by the trustees, the funds at the disposal of Local Meetings have been confirmed as restricted funds. Unrestricted Funds are those which may be spent entirely at the discretion of the Area Meeting within the terms of its charitable aims. Funds which the Area Meeting has set aside for specific projects are treated as Designated Funds.

The land and buildings belonging to the Area Meeting were revalued professionally in November 2007. They are included in the Balance Sheet at their market value at the date of this valuation in order to give a reasonable reflection of the charity's assets. It is the trustees' policy not to depreciate them but to revalue them at approximately five year intervals, though this has currently been deferred until after the current improvements have been implemented. The next revaluation will take place during 2014.

(c) FUNDING SOURCES

The Area Meeting depends primarily on donations from its members to fund its activities. Such donations may be made for unrestricted purposes or for specific restricted purposes, as directed by the donor. Donations income in 2013 roughly equalled that in previous years. The costs associated with staffing and running the two meeting houses now exceed the income received from letting out rooms to external organisations (normally charities or community groups) when they are not needed for Quaker activity. The Area Meeting completed a thorough review of its utilisation of the Edinburgh property in 2009; recommendations for the future development of the building to make it a more attractive location and to reduce its energy costs were prepared. The trustees launched a campaign during 2012 to raise funds to renew the windows on the top and middle floors of the Edinburgh meeting house and this was generously supported by a number of charitable trusts, including the Edinburgh World Heritage Trust. These funds were spent during 2013 as the programme of work was carried out. The Edinburgh meeting house is used as a venue for the Edinburgh Festival Fringe each year, raising considerable income for Quaker activity.

(d) GRANT MAKING POLICY

The substantial annual grant from the Area Meeting to Britain Yearly Meeting was curtailed while funds were required for development of the Edinburgh meeting house (though individual members continued to support the centrally-managed work of the Society of Friends). The Area Meeting was able to resume its support during 2013. Other grants payable usually cover Quaker activities. Part of the income generated from the general public during the Edinburgh Festival each year is passed on as grants to charitable organisations, as decided by the members: these generally cover a Quaker charity working in the United Kingdom, one working overseas and one working in environmental conservation. In addition, members and attenders may contribute to a restricted Donations Fund, specifying aspects of Quaker work to be supported from it. Much non-Quaker (and some Quaker) work is also supported through special collections following local meetings for worship on Sundays.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

(e) RISK MANAGEMENT

An assessment has been made of the major risks to which the charity is exposed, and systems are in place to mitigate its exposure to major risks. This process is ongoing. An architect undertook a quinquennial review of the Edinburgh premises during 2008 and the trustees have implemented a phased programme of repair and improvement based upon this report; in consequence the building is generally in good condition, as revealed by a further quinquennial report that was undertaken at the end of 2013. The Kelso meeting house is also inspected periodically.

Area Meeting policies covering child protection, data protection, health and safety and food hygiene are in place.

PLANS FOR FUTURE PERIODS

The priority of the Area Meeting is to maintain and support its worshipping communities within the area of South East Scotland, encouraging the establishment of further groups whenever possible. It also has a responsibility to increase the profile of Quakerism within this area and it undertakes periodic outreach activities.

It recognises the on-going need to maintain its property to a high standard and has developed plans for further improvement of the Edinburgh meeting house, in particular in respect of the need to reduce still further the energy costs involved in heating the building. It will undertake further work as funds become available. The trustees are also aware that some external work will soon be needed on the meeting house in Kelso.

THE AREA MEETING'S RESPONSIBILITIES

Law applicable to charities in Scotland requires the Area Meeting to prepare financial statements for each financial year which give a true and fair view of its financial activities during the year and of its financial position at the end of the year. In preparing its financial statements, the Area Meeting is required to:

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

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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YEAR ENDED 31 DECEMBER 2013

TRUSTEES REPORT

THE AREA MEETING'S RESPONSIBILITIES (continued)

The Area Meeting has appointed a body of trustees as required by its new (2007) governing document. The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Area Meeting and which enable the trustees to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees are responsible for safeguarding the assets of the Area Meeting and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Report was approved by the Area Meeting and signed on behalf of its members by:



John Phillips (Clerk to Trustees)



Phil Lucas (Area Meeting Clerk)

Date: 21st September 2014

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF THE AREA MEETING**

YEAR ENDED 31 DECEMBER 2013

I report on the financial statements for the year ended 31 December 2013 set out on pages 9 to 21.

Respective responsibilities of the Trustees and the Independent Examiner

The trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulation 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. That gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1)(a) of The Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the 2006 Accounting Regulations (as amended); and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the Accounting Regulations 2006 (as amended) have not been met; or
2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



David Main CA
Whitelaw Wells
9 Ainslie Place
Edinburgh
EH3 6AT

Date: 21st September 2014

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted £	Restricted £	2013 £	2012 £
Incoming resources					
Voluntary income:					
<i>Donations and legacies</i>	2	53,499	43,158	96,657	99,625
<i>Grants</i>	3	1,000	39,160	40,160	1,000
Activities for generating funds					
<i>Letting income</i>		40,652	-	40,652	43,840
<i>Fundraising activities</i>		57,216	448	57,664	63,518
Investment income		737	49	786	520
Income from Quaker activities		61	3,882	3,943	5,407
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		153,165	86,697	239,862	213,909
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Cost of generating funds					
<i>Fundraising trading</i>	4	33,374	-	33,374	40,521
<i>Support costs</i>	5	56,399	396	56,795	64,532
Charitable activities					
<i>Grants payable</i>	6	17,828	17,565	35,393	26,762
<i>Cost of Quaker activities</i>	7	11,974	6,428	18,402	14,501
<i>Support costs</i>	5	65,486	396	65,882	66,675
Governance	8	1,480	-	1,480	1,440
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		186,541	24,785	211,326	214,431
		<hr/>	<hr/>	<hr/>	<hr/>
Net (outgoing)/incoming resources before transfers	9	(33,376)	61,912	28,536	(521)
Gross transfers between funds	16, 17	88,012	(88,012)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds for the year		54,636	(26,100)	28,536	(521)
Total funds at 1 January		948,354	52,736	1,001,090	1,001,611
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds at 31 December		1,002,990	26,636	1,029,626	1,001,090
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The charity has no other recognised gains or losses other than the result for the year as set out above. All activities of the charity are classified as continuing.
The notes on pages 11 to 21 form part of the financial statements.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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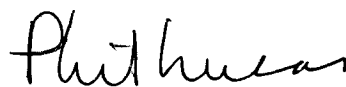
**BALANCE SHEET
YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	13	963,530	860,010
Current assets			
Debtors	14	32,617	28,048
Short term deposits		33,115	131,873
Cash at bank and in hand		85,617	55,562
		<hr/>	<hr/>
		151,349	215,483
Creditors: Amounts falling due within one year	15	(85,253)	(74,403)
		<hr/>	<hr/>
Net current assets		66,096	141,080
		<hr/>	<hr/>
Total assets less current liabilities		1,029,626	1,001,090
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted funds	16		
General funds		103	14,962
Designated funds			
Property & Property Improvements		957,449	855,000
Fixtures and fittings		6,081	5,010
Various		39,357	73,382
		<hr/>	<hr/>
		1,002,990	948,354
Restricted funds	17	26,636	52,736
		<hr/>	<hr/>
		1,029,626	1,001,090
		<hr/> <hr/>	<hr/> <hr/>

These accounts were approved at an Area Meeting held on 21st September 2014 and were signed on behalf of the members by the Area Meeting Clerk:



John Phillips (Clerk to Trustees)



Phil Lucas (Area Meeting Clerk)

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013**

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of assets and are in accordance with applicable accounting standards, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in 2005.

(b) Fund accounting

- **Unrestricted funds** are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available for any purpose of the Area Meeting. The Area Meeting makes transfers for internal purposes between its funds; these are shown gross in the Statement of Financial Activities (SOFA) and in more detail in Notes 16 and 17.
- **Designated funds** are unrestricted funds earmarked by the charity for particular purposes.
- **Restricted funds** are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

(c) Incoming resources

- **Donations, legacies and similar incoming resources** are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.
- **Investments** are included at market value at the year end. Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.
- **Grants receivable** are credited to the SOFA in the year for which they are received. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.
- **Income from investments and from lettings** is included in the SOFA in the year in which it is receivable.
- **Acting as agent:** The Area Meeting acts as agent in passing funds, received from the public for performances during the Edinburgh Festival Fringe, directly to performing companies. These transfers are not shown in the accounts. Members also give some funds to the Area Meeting with requests that they should be passed on for Quaker purposes that are not associated with the Area Meeting.
- **Fundraising activities:** The Quaker Meeting House in Edinburgh is used as a venue during the Edinburgh International Festival Fringe each year. Members from throughout the Area Meeting participate in all aspects of running this venue and the associated vegetarian café, funds raised through and expended on behalf of this activity being accounted for in a separate Festival Committee account, a designated fund of the Area Meeting. In addition, funds are raised through sales for the public, including catering, within the Edinburgh meeting house.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013**

- **Income from Quaker activities:** Sales of books and of food to members within the constituent meetings that comprise the Area Meeting are accounted as income from Quaker activities (the funds of constituent Local Meetings are treated as restricted funds of the Area Meeting).

(d) Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

- **Fundraising trading** comprises expenditure incurred in advertising Quaker activities to the public and in selling items (such as refreshments) to the public in the Quaker meeting houses. The expenses shown are the cost of such items as well as the cost associated with using the meeting house as a venue during the Edinburgh Festival.
- **Support costs** represent the costs associated with employing the meeting house managers and with running the two Quaker meeting houses. The meeting houses support all Quaker activity within the Area Meeting and, in addition, they provide a facility for the use of local communities (through which they contribute to Quaker fundraising).
- **Grants payable** are made in line with the objectives of the Area Meeting. The Area Meeting gives priority to Quaker bodies, but does consider grants to other organisations.
- **Costs of Quaker activities** are costs incurred in fulfilling the Area Meeting's charitable objectives.
- **Governance costs** include costs associated with meeting constitutional and statutory requirements including independent examination fees.

(e) Fixed assets

- Land and buildings are shown at their market value at the date of their valuation with no adjustments for appreciation or depreciation. They are revalued at approximately five year intervals; the trustees do not believe that more frequent revaluation would be warranted.
- All capital expenditures over £250 are capitalised by the charity for its charitable purposes.
- Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows: Fixtures and fittings: - 20 % straight line

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013**

2. Donations and legacies

	2013 £	2012 £
Donations from members and other individuals	96,657	99,425
Legacies	-	200
	96,657	99,625
	96,657	99,625

**3. Activities in furtherance of the charity's objects
Grants received**

	Unrestricted funds £	Restricted funds £	2013 Total £	2012 Total £
Camfield Trust	1,000	-	1,000	1,000
Garfield Weston	-	10,000	10,000	-
Edinburgh World Heritage Trust	-	29,160	29,160	-
	1,000	39,160	40,160	1,000
	1,000	39,160	40,160	1,000

4. Costs associated with fundraising

	2013 £	2012 £
Advertising hall hire	(515)	1,032
Goods for sale at meeting house	13,332	17,032
Festival venue costs	16,914	18,125
Sale items and tea room during Festival	3,513	3,086
Periodicals & PRS cost	108	570
Costs of fundraising	22	676
	33,374	40,521
	33,374	40,521

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013**

5. Support costs

Expenses associated with the two meeting houses were divided 50% for support of Quaker activities and 50% for fundraising activity. Certain items of expenditure in support of the Area Meeting, including the depreciation of its fixed assets, were allocated in their entirety for the support of Quaker activities.

	2013	2012
	£	£
<u>Meeting House expenses</u>		
Wages and salaries	42,316	42,285
Council tax and utilities	17,959	14,488
Repairs and maintenance*	22,554	16,310
Building upgrades	12,351	30,425
Professional fees		2,715
Insurance	4,260	4,133
Cleaning	8,612	8,509
Office costs and minor purchases	5,534	6,922
Staff training and miscellaneous expenditure		1,848
 <u>Support of the Area Meeting</u>		
Accounting support	5,500	
Computing support, postage	455	
Depreciation of fixed assets	3,136	3,225
	122,677	130,858
	122,677	130,858

*In addition to the sum shown for Repairs and Maintenance, the Area Meeting acted as agent for its insurers who contributed £nil (2012: £1,275) towards the cost of repairs.

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013**

6. Grants paid

	Unrestricted funds £	Restricted funds £	2013 Total £	2012 Total £
Grants over £1,000				
Britain Yearly Meeting	10,000	6,763	16,763	6,835
General Meeting for Scotland	4,227	-	4,227	3,731
Northern Friends Peace Board	-	-	-	1,200
Refugee Survival Trust	1,250	-	1,250	-
Quaker Bolivia Link	1,250	-	1,250	-
	<hr/>	<hr/>	<hr/>	<hr/>
	16,727	6,763	23,490	11,766
Various grants < £1,000*	1,101	10,802	11,903	14,996
	<hr/>	<hr/>	<hr/>	<hr/>
Total grants payable	17,828	17,565	35,393	26,762
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*All grants were made to organisations, with the exception of £3,540 in small grants from the John Wigham (Enjoyment) Fund, which were made to individuals under the terms of the bequest. In addition to the grants shown, Local Meetings acted as agent in passing on £4,248 (2012: £5,627) contributed by members in Special Collections made for various charitable purposes.

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7. Cost of Quaker activities

	2013	2012
	£	£
<u>Area Meeting expenses</u>		
Attendance at conferences & meetings	3,065	2,238
Bursary help (requested by overseers)	434	1,396
Committee expenses	1,549	887
Administration costs	492	282
Books, newsletters, publicity & outreach	4,922	4,930
Registrations & membership of other organisations	250	230
Activities within Local Meetings	3,698	767
Premises costs of Local Meetings	3,992	3,771
	<hr/>	<hr/>
	18,402	14,501
	<hr/>	<hr/>

8. Governance costs

	2013	2012
	£	£
Independent examiner's fees	1,480	1,440
	<hr/>	<hr/>
	1,480	1,440
	<hr/>	<hr/>

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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9. Net incoming resources for the year

This is stated after charging:

	2013	2012
	£	£
Depreciation	3,136	3,225
Independent examination fee	1,480	1,440
	_____	_____

10. Staff Costs

	2013	2012
The average number of full time staff during the year was	2	2
	=====	=====

	2013	2012
	£	£
<u>Staff costs comprise:</u>		
Salaries and wages	40,730	40,803
Employer's social security costs	556	640
Employer's pension costs	1,030	842
	_____	_____
	42,316	42,285

No employee was paid a salary of more than £60,000 per annum (2012: £60,000).

The office bearers were not paid remuneration, but one office bearer was reimbursed for stationery expenses totalling £5. In the prior year, one office bearer was reimbursed for items such as postage and photocopying, totalling £128.

11. Commitments under operating leases

At 31 December 2013 the charity had aggregate annual commitments under a non-cancellable operating lease as set out below:

	2013	2012
	£	£
Within 1-2 years	854	-
Within 2-5 years	-	854
	_____	_____

12. Taxation

As a charity, the Area Meeting is exempt from corporation tax on its charitable activities.

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13. Fixed Assets

	Property/ Prop Imp £	Fixtures & Fittings £	Total £
<u>Cost/valuation</u>			
As at 1 January 2013	855,000	86,693	941,693
Additions during year	102,449	4,207	106,656
Disposals	-	(7,526)	(7,526)
	-----	-----	-----
As at 31 December 2013	957,499	83,374	1,040,823
	-----	-----	-----
<u>Depreciation</u>			
As at 1 January 2013	-	81,683	81,683
Charge for year	-	3,136	3,136
Released on disposal	-	(7,526)	(7,526)
	-----	-----	-----
Depreciation at 31 December 2013	-	77,293	77,293
	-----	-----	-----
<u>Net Book Value</u>			
As at 31 December 2013	957,499	6,081	963,530
	=====	=====	=====
As at 31 December 2012	855,000	5,010	860,010
	=====	=====	=====

The three Edinburgh properties were valued on 9 November 2007 by Ryden Property Consultants. They considered the market value of the properties to be £755,000 on this date. The Kelso property was valued on 29 November 2007 by John Sale Ltd, Kelso. The market value was estimated at £100,000. All properties are due to be revalued in 2014 following completion of the windows restoration work. The following summarises the values at the time of the valuations:

	Edinburgh Meeting House	Flat 4, 6 Upper Bow, Edinburgh	Flat 3F2, 6 Upper Bow, Edinburgh	Kelso Meeting House
Market valuation:	£385,000	£240,000	£130,000	£100,000

14. Debtors

	2013 £	2012 £
Debtors	30,088	25,594
Prepayments	2,529	2,454
	-----	-----
Total	32,617	28,048
	=====	=====

**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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15. Creditors: amounts falling due within one year

	2013 £	2012 £
Creditors	14,122	13,007
Accruals	13,631	3,895
Loans: Loans from members	57,500	57,500
	85,253	74,403
Total	85,253	74,403

At 31 December 2013, £57,500 was outstanding (2012: £57,500). All loans are interest free and repayable on request within one month. Included in the loans from members are loans of £12,000 from 2 of the trustees.

16. Unrestricted Funds

	Balance at 1 Jan 2013 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 2013 £
General account	14,869	55,674	(36,055)	(34,385)	103
Property account	855,000	-	-	102,449	957,449
Capital account	36,767	-	-	(10,769)	25,998
Windows Appeal	21,186	-	-	(21,186)	-
Festival account	324	26,638	(20,555)	(6,000)	407
Victoria Terrace	14,331	65,980	(122,839)	55,038	12,510
Kelso Meeting House	-	4,873	(3,531)	(1,342)	-
Committee account	867	-	(425)	-	442
Fixtures and fittings	5,010	-	(3,136)	4,207	6,081
	948,354	153,165	(186,541)	88,012	1,002,990
	948,354	153,165	(186,541)	88,012	1,002,990

The general account is used for the main income and expenditure items of the Area Meeting.

The property account represents the value of property held as well as current year improvement costs, receiving sums set aside for the windows refurbishment during 2012 and received into the special appeal fund during 2013.

The capital account is a designated account for legacies and major donations received by the Area Meeting. It is used for major capital projects.

The Windows Appeal funds were transferred to the Property account on completion of the windows project in 2013.

The Festival account is operated by the Festival Committee for the purpose of using the Edinburgh Quaker Meeting House as a venue during the Edinburgh Festival Fringe.

The Victoria Terrace account is for all transactions involved in running the Edinburgh Quaker meeting house, with the exception of its special use during the annual Edinburgh Festival.

The Kelso Meeting House account is used for all transactions involved in running the Kelso Quaker meeting house.

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The Committee account incorporates the funds of two small committees: Library Committee and the Sustainability Network.

Fixtures and fittings relates to the value of fixtures and fittings within the two meeting houses.

For transfers between unrestricted and restricted accounts, see Note 17.

17. Restricted Funds

	Balance at 1 Jan 2013	Incoming	Outgoing	Transfers	Balance at 31 Dec 2013
	£	£	£	£	£
John Wigham Trust	4,973	1,290	(3,540)	-	2,723
Local Quaker Meetings	22,724	18,708	(13,114)	(4,405)	23,913
Donations Fund	-	8,131	(8,131)	-	-
Windows Appeal (restricted)	25,039	58,568	-	(83,607)	-
	<u>52,736</u>	<u>86,697</u>	<u>(24,785)</u>	<u>(88,012)</u>	<u>26,636</u>

The John Wigham (Enjoyment) Trust was established when the Area Meeting received a legacy during 2002 from the late John Wigham for the purpose of establishing a trust to provide grants to "deserving persons resident in Scotland who owing to straitened circumstances are unable to enjoy the usual pleasures of life". The trust was established by minute of South East Scotland Monthly Meeting in November 2002. Inland Revenue recognition of the charitable purposes of the Trust was given in 2003. Grants may be made from income and from capital. The Area Meeting appointed three trustees who started recommending the award of grants during 2004.

Funds contributed by members or collected for use in Local Quaker Meetings within the area of South East Scotland Area Meeting, and therefore not under the direct oversight of the Area Meeting itself, are shown as restricted. There are eight such funds, shown under the collective heading "Local Quaker Meetings".

The Donations Fund contains donations made by members to be passed on for Quaker work out with the Area Meeting. This was shown as a designated (unrestricted) fund in previous years.

Transfers between restricted and unrestricted funds:

Transfers: £4,405 was transferred from Local Quaker Meetings to the General Account for the purposes related to the running of 7 Victoria Terrace during 2013; including contributions of £1,400 to the fundraising appeal.

The windows appeal finished in 2013 and all restricted funds were utilised following the completion of the windows project (transferred to the Property account).

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18. Analysis of funds

	Unrestricted funds £	Restricted funds £	2013 Total £	2012 Total £
Fixed assets	963,530	-	963,530	860,010
Current assets	116,332	35,017	151,349	215,483
Creditors	(76,872)	(8,381)	(85,253)	(74,403)
	<u>1,002,990</u>	<u>26,636</u>	<u>1,029,626</u>	<u>1,001,090</u>

19. Related party transactions

Related party transactions during the year are disclosed in note 15.

20. Capital Commitments

The following amounts have been contracted to but not provided in these financial statements:

2013 £	2012 £
13,557	12,351
<u>13,557</u>	<u>12,351</u>

