

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

SCOTTISH CHARITY NUMBER: SC019165

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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

YEAR ENDED 31 DECEMBER 2018

CONTENTS

	PAGE
Trustees' Report	3-13
Report of the Auditor	14-16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cashflows	19
Notes forming part of the financial statements	20-33

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

This is the Annual Report for South East Scotland Area Meeting of the Religious Society of Friends (Quakers) for the year ended 31st December 2018.

INTRODUCTION

Ten local groups of varying sizes meet for regular sessions of Quaker worship within South East Scotland. They also work together as an Area Meeting, responsible for Quaker witness in the area and for the general support of members of the Quaker communities, whether they are in formal membership of the Society of Friends or not. Two meeting houses (in Kelso and in the centre of Edinburgh) act as focal points not only for Quakers but for the wider community, their rooms and facilities being made available for community groups. Both worship and work are overseen by the whole community of Friends through Area Meetings for Church Affairs, at which the process of decision-making is guided by the Spirit.

This report gives some insight into Quaker activities in South East Scotland during 2018, as well as highlighting the main concerns of the Meetings and work that is undertaken to facilitate their running. Financially the Society is largely dependent on the voluntary donations of its members and attenders and their great generosity is warmly recognised.

We also hope that those that have used the Society's rooms during the year have found a peaceful haven in which they can pursue the purpose that has brought them to us.

PURPOSES AND ACTIVITIES

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 give witness to Quaker testimonies.

PRINCIPAL ACTIVITIES

The Area Meeting is the over-arching entity supporting Quaker worship and witness within South East Scotland. Quaker Meetings for Worship are open to the public and are held at:

- Edinburgh Quaker Meeting House (several meetings on Sundays and on weekdays)
- Kelso Quaker Meeting House (on Sundays)
- South Edinburgh and Polmont (each Sunday)
- Dunbar, Kirkcaldy, Peebles and Portobello/Musselburgh (twice each month)
- Penicuik and North Edinburgh (monthly).

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

ACHIEVEMENTS AND PERFORMANCE

Meetings for Church Affairs (business meetings of the Area Meeting) were held on seven occasions during 2018, including four whole-day, all-age meetings. 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.

As in recent years, the main concerns of the Area Meeting during 2018 have been focussed in a small number of areas.

- Our concern for the effects of climate change led us to make further representations to the Scottish Parliament about preventing "fracking" for shale gas in Scotland.
- To support peace work we have continued to ask the Scottish Parliament to review the role of military personnel in visiting schools in our area, providing children with a one-sided view of the role of our armed forces (this work is part of a programme pursued by the Parliamentary Engagement Officer who is supported by all four Area Meetings in Scotland); we have made a grant available for the work of the Campaign Against the Arms Trade in Scotland which will help to support a new member of staff developing their work against arms trade support for companies and events held in Scotland; one of our local meetings (Polmont) worked over a long period to have a Peace Pole erected in the Helix Park in Falkirk, home to the famous Kelpies, and this was finally unveiled in November in a ceremony involving many different local communities. A further project has been our support for the Edinburgh Peace and Justice Centre's project to erect a memorial in Princes Street Gardens to commemorate the courage and steadfastness of conscientious objectors during the two world wars.
- In consideration of societal issues, we have continued with our focus on the potential benefits of universal basic income, as well as some problems around rough sleepers in Edinburgh and issues to do with children's rights. We have also given thought to issues concerned with diversity and inclusiveness within our own Meetings. In addition, work in prisons has continued with a focus on supplying funds to enable newly admitted remand prisoners to be able to maintain telephone contact with their families.
- Finally, the Area Meeting started new work on the issues thrown up by what appears to be governmental complicity in torture, namely a historic role in prisoner rendition and in acceptance of brutal techniques undertaken in a number of rendition centres run by the American military authorities.

Local meetings support these initiatives through their own Meetings for Learning and study groups, including collecting funds and supporting new themes that are brought before the wider membership. Many have interacted regularly with their local MPs and MSPs. As in previous years, the strengthening of ties between members of meetings has been fostered

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

through a residential weekend held at Wiston Lodge in Lanarkshire, and through residential weekends promoted through General Meeting for Scotland. Members of the Area Meeting have attended the four meetings of General Meeting for Scotland that are held each year, open to all Scottish Friends, and also Britain Yearly Meeting, held for members of the Society of Friends from the whole of Great Britain.

Compliance with recent data protection legislation has been a major administrative issue during the year, and the Area Meeting's programme of agreeing memoranda of understanding with all its constituent local meetings has continued. These memoranda list the tasks carried out in each meeting, along with the local meeting and area meeting responsibilities for them. They have now been agreed with all but one of our local meetings.

OUTREACH AT THE EDINBURGH FESTIVAL

As in previous years, our most high-profile engagement in the life of the community was the use of the Quaker Meeting House in Edinburgh as "Venue 40" during the Edinburgh International Festival Fringe in August 2018. We hosted visiting theatre companies from around the world for three weeks, using volunteer staff drawn from our own Quaker meetings and from others in Britain. The main theatre space on the first floor of the meeting house was used by ten companies for a total of 86 performances, with the second floor meeting room being used by a further eight companies for 85 performances as well as three concerts, a book week arranged by the Luath Press and a project inviting public participation around the making of white poppies to commemorate the stand taken by conscientious objectors. Funds raised during the three weeks have been shared among three charities: Mary's Meals, Aid & Abet, and Quaker work in Britain.

OUR MEETING HOUSES

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 to 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. There have been improvements to doors and windows at the Kelso meeting house, and the plans for improving the Edinburgh building's heating and ventilation systems will be now taken forward during 2019, starting with further detailed survey and thermal imaging work.

The Edinburgh Meeting House Management Committee, in association with the library review group that reported in 2017, is progressing plans to revitalise the Area Meeting library that is housed in the Edinburgh building. The intention is to create a modern, welcoming library space which could be used in many ways, including as a learning resource centre. These changes are part of a wider reconsideration of the ways in which the whole building could be used.

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

MEETING HOUSE STAFF

The Area Meeting employs a number of staff to manage the Edinburgh meeting house. Our present managers, Sue Proudlove and Tony Wilkes, took over at the start of 2016. They have overseen considerable growth in the lettings of rooms to external organisations, and the complement of paid staff that assist them with this work has been increased from early in 2019.

DONATIONS AND 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);
- to General Meeting for Scotland as support for Scottish ecumenical and interfaith initiatives;
- for the support of the Scottish Parliamentary Engagement Officer (funded through General Meeting for Scotland and Britain Yearly Meeting);
- to its members and others to attend Quaker meetings and conferences;
- 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."* More than 130 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. While grants are normally sought by and distributed to individuals, a series of grants has been made in the past three years to the GalGael Trust in Glasgow to enable groups of up to two dozen homeless people to travel to Iona for a few days of peace and reflection. Reports on grants made by the trust are published regularly in *Scottish Friend*, the newsletter of General Meeting for Scotland.

A number of other generous legacies have been received during recent years. These have normally been unrestricted in terms of purpose, but one legacy that featured in our report for 2017 was specifically for peace work, with a preference that it should be directed towards the work of the Edinburgh Peace and Justice Centre. Distribution of this legacy was concluded during 2018. A further substantial legacy received in 2016 was directed towards the development and nurturing of Central Edinburgh Local Meeting. It has been established as a restricted fund (the Sylvia Marshall Fund) with oversight by a small committee appointed by and reporting to that local meeting and with representation from Area Meeting Trustees. The Area Meeting received an unexpected legacy of £538,330 in 2018. This is discussed in the financial review below.

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

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.

OVERVIEW OF INCOME AND EXPENDITURE

In terms of the general income and expenditure of the Area Meeting, 2018 was a normal year. Income received from donations that were made by our members and attenders was comparable to that in other recent years, as was our general expenditure on running our meeting houses, and on supporting the life of our meetings. Lettings income received at the Edinburgh meeting house continued to follow a welcome upward trend; no major repair work was undertaken at this meeting house during 2018, although some further improvements were made to the Kelso meeting house.

In contrast, exceptional items in both 2017 and 2018 concerned certain major legacies. These are reviewed in more detail below, but the largest were (i) a legacy for restricted purposes (for the support of the Edinburgh Peace and Justice Centre), the majority of which was received in 2017, though approximately one-fifth was received and passed on during 2018; and (ii) the exceptionally large legacy which was received in June 2018; consideration of how the Area Meeting should deal with this has continued during 2019.

RESERVES POLICY

The Area Meeting acquired the large Quaker meeting house that is situated in the centre of Edinburgh's historic Old Town in 1987, undertaking at that time a major programme of conversion work to provide the meeting venues that are utilised within the building today. We have had to undertake major building works at the site every few years since then, either to upgrade and improve the facilities or to address defects uncovered during the regular quinquennial surveys that are undertaken by our architects. These projects are inevitably very expensive compared with the normal income and expenditure levels of the Area Meeting, with their costs frequently over-running, though we have been fortunate that a number of generous grants have been made available to support us. This recurrent pattern has meant that financial reserves are regularly severely depleted, followed by a lengthy period when their rebuilding is attempted. One of the most important sources of funds for rebuilding these reserves is the receipt of legacies from our members.

About three years ago the Area Meeting undertook a careful review of its need to maintain free reserves, agreeing at that time to try to maintain these at a level of around £100,000. This is equivalent to around six months of normal expenditure and is therefore designed to protect the Area Meeting against unexpected financial demands. However, this sum is relatively small when the sums required for building projects for repairs and for renovation work are considered; consequently such work regularly requires depletion of the reserves. Generous loans received from members of the meeting help us with cash flow problems, but rebuilding the reserves takes several years, so that in fact it would clearly be desirable to hold reserves that are somewhat larger. This would enable development work for both of our meeting houses to be planned using a rather longer time horizon.

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

Repair of the Edinburgh meeting house's lead roof (together with high-level stonework repairs) was undertaken during 2017, with the invoices being settled during that year and the final grant support being received at the start of 2018. We were greatly assisted by grants from various trusts, particularly the Edinburgh World Heritage Trust which took a special interest in this project; drawing on some loans made by our members we were able to settle all outstanding payments while starting to replenish our reserves. However, notification of the large bequest to the Area Meeting that occurred during March 2018 from a member of the Meeting who had passed away during the previous year has meant that our reserves are at present substantial. There was no formal restriction on the use of this legacy.

The trustees of the Area Meeting therefore took a number of steps during the second half of 2018 in their consideration of the right use of these new funds. Following consultation with the staff of Britain Yearly Meeting at Friends House, London, they appointed Rathbones Greenbank to act as investment advisers. A group of trustees then undertook to work on the ethical criteria and the time and risk profiles to be followed in placing the funds in investments. A major portion of the bequest was invested in ethical funds in the early part of 2019, with a smaller portion being placed in a savings account with the Charity Bank. In order to provide longer-term guidance for the trustees, the Area Meeting arranged an open meeting for members in early 2019 to consider all the issues raised by receipt of funds on such a scale, and to provide an opportunity for the membership to contribute their views.

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 in Edinburgh and Kelso belonging to the Area Meeting were revalued professionally in April 2019 (previously 2014). They are included in the Balance Sheet at the market value at the date of the 2019 valuations as the Trustees consider these amounts to be a reasonable reflection of the value of the charity's properties at 31 December 2018. It is the trustees' policy not to depreciate them but to revalue them at five-year intervals.

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, for example, for the use of a Local Meeting, as directed by the donor. Donations income in 2018 was similar to that in recent years.

Income is received from letting out rooms in both meeting houses to external organisations (normally charities or community groups) when they are not needed for Quaker activity. The use of the Edinburgh property was reviewed in 2009, following which recommendations were prepared for the future development of the building to make it more attractive for letting, and to reduce its energy costs; many of these plans have now been realised.

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

Following a good recovery in lettings income during 2016 and 2017, there has been a continuing increase during 2018. A further review of room use has recently been initiated and this will be continued during the coming year. Revised lettings policies were prepared during 2018.

The Edinburgh Meeting House is used as a venue for the Edinburgh Festival Fringe each year, staffed by volunteers both from within the Area Meeting and from other Quaker meetings. Large numbers of members of the public attend the performances and utilise the opportunities that are offered for rest and refreshment. Income raised through Festival Fringe performances and activities is used to support several external charities as well as funding various aspects of Quaker activity.

GRANT MAKING POLICY

Every year the Area Meeting makes substantial grants both to Britain Yearly Meeting and to General Meeting for Scotland to fund their general work in supporting Quaker witness in Britain and further afield, and the activities of our Quaker meetings. For some years our Area Meeting has been concerned about the size of its contribution to Britain Yearly Meeting. In 2018, however, in the light of the major legacy referred to above, it was possible to make a much larger grant than usual; we hope to continue this in future years.

Most other grants payable during the year cover Quaker activities, though as noted above part of the income generated from the general public during the Edinburgh Festival each year is passed on as grants to external charitable organisations. Other non-Quaker as well as Quaker work is supported through special collections following local meetings for worship held on Sundays. Members and attenders may also specify that parts of their regular donations to the Area Meeting should be passed to Britain Yearly Meeting or to one of the Local Meetings (through a restricted Donations Fund).

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 has been particularly rewarding to note the growth of several new Local Quaker Meetings within the area over recent years, each providing regular opportunities for Quaker worship.

As noted above, members wish to maintain the financial support that they were able to offer to Britain Yearly Meeting during 2018; it covers both general support of Quaker work, including technical support and training for those serving in specialised areas such as trustees, treasurers, clerks and registering officers, and for Quaker work both in the United Kingdom and overseas. Members would also like to increase the level of their support for General Meeting for Scotland. Apart from representational work among religious communities in Scotland, General Meeting has embarked on a major programme of parliamentary liaison work, as outlined above. Clearly, the generosity of the recent large legacy received by the Area Meeting makes it possible to reappraise these goals.

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

YEAR ENDED 31 DECEMBER 2018
Trustees Report

SUSTAINABILITY

For many years members of the Society of Friends have upheld a commitment to reducing global warming and mitigating climate change (this is known as the “Canterbury Commitment” following a decision taken at a Yearly Meeting held in Canterbury in 2011). Britain Yearly Meeting has asked Area Meetings to include an annual statement about activities and progress towards becoming low-carbon communities. Apart from trying to influence the lifestyles of all who worship in Quaker Meetings it is clear that a major ambition is to try to increase the energy efficiency of each of our two meeting houses. As part of the 2019 quinquennial reviews of their structure our architect has been asked to include thermal imaging studies to assist with planning more effective wall insulation as well as further improvement to their windows; at the same time recommendations will be made for upgrading their heating systems and, in Edinburgh, ventilation within the two large rooms. In addition to this structural work considerable efforts are directed towards maximising recycling as well as the use of Fairtrade materials.

STRUCTURE GOVERNANCE AND MANAGEMENT

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 was published in 2013.

Britain Yearly Meeting of the Religious Society of Friends currently contains 70 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, in Scotland, Area Meetings are also the main charitable and accounting units.

South East Scotland Area Meeting is one of four making up the General Meeting for Scotland. It contains 245 members (243 in 2017) worshipping in ten separate Local Quaker Meetings, of which the largest are Central and South Edinburgh with 104 and 41 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.

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

YEAR ENDED 31 DECEMBER 2018
Trustees' Report

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.

The Area Meeting also appoints office bearers (who are not trustees for the purposes of charity law). They include a clerk and assistant clerk, a registering officer for marriages and members of an Area Meeting Nominations Committee. The Area Meeting co-treasurers are trustees *ex officio*.

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, as well as the Handbook for Quaker Trustees, followed by briefing from committee members. In addition, new trustees are encouraged to attend a residential training course for Quaker trustees held at Woodbrooke Quaker Study Centre, Birmingham.

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. Architects undertake quinquennial inspections of both meeting houses, that for Edinburgh being received by the trustees in early 2014 and that for Kelso in late 2015. These reports give the trustees warning of major issues as well as detailed information to assist them with any minor repairs that are required. The next inspections are due in 2019 and 2020.

Area Meeting policies covering safeguarding, health and safety, and food hygiene are in place. The actions required by the General Data Protection Regulation (GDPR), which came into effect in May 2018, have been completed.

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

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

YEAR ENDED 31 DECEMBER 2018

Trustees' Report

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Area Meeting will continue in operation.

The Area Meeting has appointed a body of trustees as required by its 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 report that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended), the Area Meeting's governing document, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

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.

In accordance with good practice recommendations by OSCR, all Trustees have completed a declaration of eligibility.

REFERENCE AND ADMINISTRATIVE DETAILS

SCOTTISH CHARITY NUMBER: SC019165

PRINCIPAL OFFICE:

The Quaker Meeting House, 7 Victoria Terrace, Edinburgh EH1 2JL

ADVISERS:

Accountant

Heather Hartman BA (Hons) CA

Auditor

Alexander Sloan (Accountants and Statutory Auditor),
50 Melville Street, Edinburgh EH3 7HF.

Bankers

Bank of Scotland,
61 Leith Walk, Edinburgh EH6 8LS.

Triodos Bank,
Deanery Road, Bristol BS1 5AS.

Solicitors

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

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

YEAR ENDED 31 DECEMBER 2018
Trustees' Report

OFFICE BEARERS (2018):

Elizabeth Allen (Area Meeting Clerk) to 31 March 2018
Kate Arnot (Area Meeting Co-Clerk) 1 April 2018 to 30 Sep 2018
Philip Lucas (Area Meeting Co-Clerk) 1 April 2018 to 30 Sep 2018
Alastair Cameron (Assistant Clerk) to 30 Sep 2018 and Area Meeting Clerk from 1 Oct 2018
Cath Dyer (Area Meeting Assistant Clerk) from 1 Nov 2018
Mark Hutcheson (Treasurer) to 30 Sep 2018
John Phillips (Co-Treasurer) from 1 Oct 2018
Jacqueline Noltingk (Co-Treasurer) from 1 Oct 2018

KEY MANAGEMENT PERSONNEL

Meeting House managers

Anthony Wilkes and Sue Proudlove
Michael Stokes

TRUSTEES (during 2018 and at the time of signing this report):

Kate Arnot	Philip Lucas
Ian Beamish	Jacqueline Noltingk (from 1 Oct 2018)
Ann Forsyth	John Phillips (from 1 Oct 2018)
Mark Hutcheson (to 30 Sep 2018)	David Somervell
Kenneth Jobling (clerk to the Trustees)	Neil Turner

Elizabeth Allen, Kate Arnot, Philip Lucas and Alastair Cameron (Clerks to the Area Meeting) attended the meetings of trustees during their periods in office.

This Report was approved by the trustees on 23 July 2019. It was signed on their behalf by Kenneth Jobling.

This Report and the Statement of Accounts for 2018 were presented to an Area Meeting held in Edinburgh on 4 September 2019 and the Clerk of the Area Meeting was authorized to sign them.



Kenneth Jobling (Clerk to Trustees)



Alastair Cameron (Area Meeting Clerk)

Date: 4th September 2019

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

YEAR ENDED 31 DECEMBER 2018

**Independent Auditor's Report to the Trustees of the Religious Society of Friends (Quakers)
South East Scotland Area Meeting**

Opinion

We have audited the financial statements of the Religious Society of Friends (Quakers) South East Scotland Area Meeting for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 December 2018 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements 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 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 charity's ability to continue to adopt the going concern basis of accounting for 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 Report and Financial Statements, other than the financial statements and our Auditor's Report thereon. The other information comprises: Trustees' 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.

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

YEAR ENDED 31 DECEMBER 2018

**Independent Auditor's Report to the Trustees of the Religious Society of Friends (Quakers)
South East Scotland Area Meeting (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out in the Trustees' Annual Report), the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as Auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

YEAR ENDED 31 DECEMBER 2018

**Independent Auditor's Report to the Trustees of the Religious Society of Friends (Quakers)
South East Scotland Area Meeting (continued)**

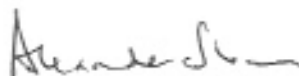
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council ('FRC's') website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Prior period financial statements

In the prior financial period, the Trustees took advantage of the charity's audit exemption. As a result, the comparative financial information has not been audited.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Sloan
Accountants and Statutory Auditor

50 Melville Street
Edinburgh
EH3 7HF

Date: 4th September 2019

Alexander Sloan is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

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

YEAR ENDED 31 DECEMBER 2018

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted £	Restricted £	2018 £	2017 £
Income from:					
Donations and legacies	3	618,162	47,496	665,658	225,119
Charitable activities	4	539	10,045	10,584	10,983
Other trading activities	5	136,360	133	136,493	129,864
Investment income		96	242	338	129
Total income		755,157	57,916	813,073	366,095
Expenditure on:					
Raising funds	6	92,281	384	92,665	88,725
Charitable activities	7	139,073	48,925	187,998	185,226
Total resources expended		231,354	49,309	280,663	273,951
Net income		523,803	8,607	532,410	92,144
Gross transfers between funds		7,062	(7,062)	-	-
Net incoming resources before other recognised gains / (losses)		530,865	1,545	532,410	92,144
Gains on revaluation of fixed assets		558,875	-	558,875	-
Net movement in funds for the year		1,089,740	1,545	1,091,285	92,144
Total funds at 1 January 2018		1,046,322	117,657	1,163,979	1,071,835
Total funds at 31 December 2018		2,136,062	119,202	2,255,264	1,163,979

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.

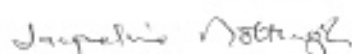
The notes on pages 20 to 33 form part of the financial statements.

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

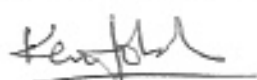
YEAR ENDED 31 DECEMBER 2018
BALANCE SHEET

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	13	1,524,738	970,780
Current assets			
Debtors	14	20,527	17,029
Short term deposits		191,400	90,510
Cash at bank and in hand		551,302	115,370
		<hr/>	<hr/>
		763,229	222,909
Creditors: Amounts falling due within one year	15	(32,703)	(29,710)
		<hr/>	<hr/>
Net current assets		730,526	193,199
		<hr/>	<hr/>
Total assets less current liabilities		2,255,264	1,163,979
		<hr/>	<hr/>
Funds			
Unrestricted funds	16		
General funds		570,662	39,805
Designated funds			
Property & Property Improvements		1,510,000	951,126
Fixtures and fittings		12,677	16,658
Various		42,723	38,733
		<hr/>	<hr/>
		2,136,062	1,046,322
Restricted funds	17	119,202	117,657
		<hr/>	<hr/>
		2,255,264	1,163,979
		<hr/>	<hr/>

These accounts were approved at an Area Meeting held on 4 September 2019 and signed by:



Jacqueline Noltingk (Treasurer to Area Meeting)



Kenneth Jobling (Clerk to Trustees)

The notes on pages 20 to 33 form part of the financial statements.

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

YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Cash flows from operating activities:			
Net cash provided by operating activities	5	538,900	68,000
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		338	129
Purchase of tangible fixed assets		(2,416)	(119,080)
		<hr/>	<hr/>
Net cash provided/(used) in investing activities		(2,078)	(118,951)
		<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents in the year		536,822	(50,951)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		205,880	256,831
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		742,702	205,880
		<hr/>	<hr/>

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2018</u> £	<u>2017</u> £
Net movement in funds	532,410	92,144
Add back depreciation charge	7,333	7,691
Interest received	(338)	(129)
(Increase) in debtors	(3,498)	(4,151)
Increase/(decrease) in creditors	2,993	(27,555)
	<hr/>	<hr/>
Net cash provided by operating activities	538,900	68,000
	<hr/>	<hr/>

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CHARITY INFORMATION

Religious Society of Friends (Quakers) South East Scotland Area Meeting is an unincorporated charity with registered number SCD19165. The Principal Office is The Quaker Meeting House, 7 Victoria Terrace, Edinburgh EH1 2JL.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The accounts 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 (FRS102)– Charities SORP (FRS102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The presentational currency in the financial statements is Pound Sterling and the level of rounding is to the nearest pound.

Religious Society of Friends (Quakers) South East Scotland Area Meeting meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

Judgements And Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions which affect reported income, expenditure, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable. Actual results in the future could differ from such estimates.

Judgements

The judgements (apart from those involving estimations) that management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

In relation to the charity's properties: The Trustees consider that the value of the properties at 31 December 2018 is not materially different to the amounts reported in professional valuations carried out in April 2019.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The estimated useful economic life and residual value of the properties is considered to be not materially different to the current value stated in the accounts and consider a depreciation charge in respect of the properties is not necessary.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (cont'd)

Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income from donations and legacies includes all income that is in substance a gift, made to the charity on a voluntary basis. This is included in full in the Statement of Financial Activities when receivable. Grants of a general nature, where entitlement is not conditional on delivery of a specified level of service, are recognised when the charity becomes unconditionally entitled to the grant. A legacy, in whole or part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
- Income from charitable activities includes income earned both from the supply of services and from performance-related grants which have conditions that specify the provision of particular services to be provided by the charity. Grants where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Income from other trading activities includes income earned from both trading activities to raise funds for the charity and is recognised when receivable. 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 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.
- Investment income is included when 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.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (cont'd)

Expenditure

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

- Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It 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 Fringe.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries including grant making. It includes both costs that can be directly attributed to such activities and those of an indirect nature necessary to support them including costs related to the governance of the charity.

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.

The value of services provided by volunteers has not been included in these accounts as the monetary value is not easily measured.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They comprise 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).

The bases on which support costs have been allocated are set out in note 8.

Pensions

The charity operates a defined contribution pension scheme for all employees who have elected to participate. The assets of the schemes are held separately from those of the charity in an independently administered fund.

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.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (cont'd)

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.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are recognised at the amount prepaid after taking account of any discounts due.

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 the opening of the deposit or similar account.

Creditors

Creditors are recognised where SESAM has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Financial Instruments

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

3. Donations and legacies

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Donations from members and Other individuals	71,429	38,175	109,604	102,608
Legacies	544,175	9,321	553,496	32,000
Grants	2,558	-	2,558	90,511
	<hr/>	<hr/>	<hr/>	<hr/>
	618,162	47,496	665,658	225,119
	<hr/>	<hr/>	<hr/>	<hr/>

The income from donations and legacies totalled £665,658 (2017: £225,119) of which £618,162 was unrestricted (2017: £191,154) and £47,496 was restricted (2017: £33,965). The charity benefits greatly from the involvement and enthusiastic support of volunteers, details of which are given in our annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from Quaker activities	539	10,045	10,584	10,983
	<hr/>	<hr/>	<hr/>	<hr/>
	539	10,045	10,584	10,983
	<hr/>	<hr/>	<hr/>	<hr/>

The income from charitable activities in the year totalled £10,584(2017: £10,983) of which £539 was unrestricted (2017: £841) and £10,045 (2017: £10,142) was restricted.

5. Income from other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Room lettings	71,595	-	71,595	61,290
Letting catering	35,666	-	35,666	41,191
Festival venue fee income	21,996	-	21,996	20,272
Festival venue café/tea-room sales	1,551	-	1,551	750
B & B income	295	-	295	379
Sales of books, foyer refreshments etc	5,257	133	5,390	5,982
	<hr/>	<hr/>	<hr/>	<hr/>
	136,360	133	136,493	129,864
	<hr/>	<hr/>	<hr/>	<hr/>

The income from other trading activities in the year totalled £136,493 (2017: £129,864) of which £136,360 (2017: 129,808) was unrestricted and £133 (2017: £56) was restricted.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. Analysis of expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Goods for sale at meeting house	19,653	-	19,653	20,465
Festival venue costs	12,184	-	12,184	12,551
Cost of sale items & tea-room costs	564	-	564	385
Periodicals & PRS cost	326	-	326	278
Support costs of raising funds (note 7)	59,554	384	59,938	55,046
	<hr/>	<hr/>	<hr/>	<hr/>
	92,281	384	92,665	88,725
	<hr/>	<hr/>	<hr/>	<hr/>

The expenditure on raising funds in the year totalled £92,665 (2017: £88,725) of which £92,281 (2017: £88,291) was unrestricted and £384 (2017: £434) was restricted.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Grant Making:				
Britain Yearly Meeting	56,475	9,636	66,111	36,665
General Meeting for Scotland	5,758	2,354	8,112	7,786
Northern Friends Peace Board	2,065	-	2,065	2,168
MAG International	-	-	-	150
Mary's Meals	1,800	-	1,800	1,250
Aid & Abet (SCHA)	1,800	-	1,800	1,250
Northern Friends Youth Events Trust	1,384	-	1,384	1,045
Galgael Trust	-	1,750	1,750	-
Peace & Justice Centre	-	9,366	9,366	50,085
Various grants < £1,000*	-	14,535	14,535	13,745
	<u>69,282</u>	<u>37,641</u>	<u>106,923</u>	<u>114,144</u>
Quaker Activities:				
Attendance at conferences & meetings	3,424	-	3,424	3,329
Bursary help (requested by overseers)	187	1,000	1,187	321
Committee expenses	1,144	391	1,535	2,054
Administration costs	-	738	738	280
Books, newsletters, publicity & outreach	2,173	471	2,644	2,141
Reg' & memb'ship of other org's	270	-	270	267
Activities within local meetings	1,728	3,400	5,128	1,864
Premises costs of local meetings	1,311	4,900	6,211	5,780
	<u>10,237</u>	<u>10,900</u>	<u>21,137</u>	<u>16,036</u>
Support costs (see note 8)	<u>59,554</u>	<u>384</u>	<u>59,938</u>	<u>55,046</u>
TOTAL	<u>139,073</u>	<u>48,925</u>	<u>187,998</u>	<u>185,226</u>

*All grants were made to organisations, with the exception of expenditure of £1,000 from the John Wigham (Enjoyment) Fund, made to individuals under the terms of the bequest and £187 of Bursary help. Contributions by members of Local Meetings for Special Collections passed on £8,762 (2017: £8,394) for various charitable purposes.

The expenditure on charitable activities in the year totalled £187,998 (2017: £185,226) of which £139,073 (2017: £101,194) was unrestricted and £48,925 (2017: £84,032) was restricted.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Analysis of support and governance costs

The charity initially identifies the costs of its support functions. It then identifies those costs that relate to the governance function. Governance costs and other support costs are apportioned separately between charitable activities and raising funds for the year. Refer to the table below for the analysis of support and governance costs and the basis of apportionment.

	2018 £	2017 £
<u>Meeting House expenses</u>		
Wages and salaries	54,869	52,273
Council tax and utilities	18,964	14,781
Repairs and maintenance	4,826	7,062
Building upgrades**	-	(3,000)
Professional fees **	-	(749)
Insurance	4,884	4,256
Cleaning	10,291	10,148
Office costs and minor purchases	5,376	6,832
Staff training and miscellaneous expenditure	822	1,238
 <u>Support of the Area Meeting</u>		
Accounting support	7,534	6,969
Audit/Independent examiner's fees (governance)	4,488	1,650
Other professional fees	-	450
Computing support, postage	489	491
Depreciation of fixed assets	7,333	7,691
	<hr/> 119,876	<hr/> 110,092
	<hr/>	<hr/>
50% allocation to raising funds (based on time)	59,938	55,046
50% allocation to charitable activities (based on time)	59,938	55,046
	<hr/> 119,876	<hr/> 110,092
	<hr/>	<hr/>

** Building upgrades/professional fees: Note that, as a result of capitalising the entire costs of the roof repair project in 2017, some costs classified as meeting house expenses in the previous year have been capitalised in 2017. This results in the apparent "refund" of fees indicated above.

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Summary analysis of expenditure and related income for charitable activities

	Grant Making £	Quaker Activities £	2018 Total £	2017 Total £
Costs	(106,923)	(81,075)	(187,998)	(185,226)
Income from Quaker activities	539	10,045	10,584	10,983
	<hr/>	<hr/>	<hr/>	<hr/>
Net cost funded from other income	(106,384)	(71,030)	(177,414)	(174,243)
	<hr/>	<hr/>	<hr/>	<hr/>

10. Net income for the year

This is stated after charging:

	2018 £	2017 £
Depreciation	7,333	7,691
Audit/Independent examination fee	4,488	1,650
	<hr/>	<hr/>

11. Staff Costs

	2018	2017
The number of staff on a head count basis during the year was	11	13
	<hr/>	<hr/>
	2018 £	2017 £
<u>Staff costs comprise:</u>		
Salaries and wages	53,084	50,587
Employer's social security costs	-	-
Employer's pension costs	1,785	1,686
	<hr/>	<hr/>
	54,869	52,273
	<hr/>	<hr/>

No employee was paid a salary of more than £60,000 per annum in the current or previous years. The average number of full-time staff (full time equivalents) was 2 (2017: 2).

Remuneration of key management personnel for the year, including pension contributions was £36,505 (2017: £35,181).

The office bearers were not paid remuneration, and two office bearers were reimbursed for postage totalling £263 (2017: postage £188).

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. Taxation

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

13. Fixed Assets

	Property/ improvements £	Fixtures & Fittings £	Total £
<u>Cost/valuation</u>			
As at 1 January 2018	951,125	78,013	1,029,138
Additions during year	-	2,416	2,416
Revaluation adjustment	558,875	-	558,875
Disposals	-	(6,497)	(6,497)
	<hr/>	<hr/>	<hr/>
As at 31 December 2018	1,510,000	73,932	1,583,932
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
As at 1 January 2018	-	58,358	58,358
Charge for year	-	7,333	7,333
Released on disposals	-	(6,497)	(6,497)
	<hr/>	<hr/>	<hr/>
Depreciation at 31 December 2018	-	59,194	59,194
	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>			
As at 31 December 2018	1,510,000	14,738	1,524,738
	<hr/>	<hr/>	<hr/>
As at 31 December 2017	951,125	19,655	970,780
	<hr/>	<hr/>	<hr/>

The three Edinburgh properties were valued in April 2019 by Ryden Property Consultants and Laing & Co Property Consultants. They considered the market value of the properties to be £1,380,000 on this date. The Kelso property was also valued in April 2019 by Hastings Property, Kelso. The market value was considered to be £130,000. The Trustees consider that the market value of the properties at 31 December 2018 is unlikely to be materially different to the April 2019 valuation amounts and therefore consider it reasonable to adopt these values in these accounts. 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:	£800,000	£340,000	£240,000	£130,000

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Debtors

	2018	2017
	£	£
Debtors	17,720	14,150
Prepayments	2,807	2,879
	<hr/>	<hr/>
Total	20,527	17,029
	<hr/>	<hr/>

15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Creditors	11,606	10,026
Accruals	9,097	7,684
Loans: Loans from members	12,000	12,000
	<hr/>	<hr/>
Total	32,703	29,710
	<hr/>	<hr/>

Loans from members: At 31 December 2018, £12,000 was outstanding (2017: £12,000). All loans are interest free and repayable on request within one month.

16. Unrestricted Funds – Current Year

	Balance at 1/1/18	Incoming	Outgoing	Transfers	Gain on revaluation	Balance at 31/12/18
	£	£	£	£	£	£
General account	39,805	615,423	(91,818)	7,252	-	570,662
Property account	951,125	-	-	-	558,875	1,510,000
Capital account	8,567	1,158	-	-	-	9,725
Festival account	1,426	25,399	(12,231)	(12,714)	-	1,880
Victoria Terrace	24,346	107,308	(117,921)	9,834	-	23,567
Kelso Meeting House	3,955	5,769	(2,920)	388	-	7,192
Committee account	439	100	(66)	(114)	-	359
Fixtures and fittings	16,659	-	(6,398)	2,416	-	12,677
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,046,322	755,157	(231,354)	7,062	664,500	2,136,062
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

YEAR ENDED 31 DECEMBER 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Unrestricted Funds – Prior Year

	Balance at 1/1/17	Incoming	Outgoing	Transfers	Loss on revaluation	Balance at 31/12/17
	£	£	£	£	£	£
General account	7,602	101,403	(52,225)	(16,975)	-	39,805
Property account	845,500	-	-	105,625	-	951,125
Capital account	20,933	89,511	-	(101,877)	-	8,567
Festival account	880	22,398	(13,102)	(8,750)	-	1,426
Victoria Terrace	17,791	103,606	(114,214)	17,163	-	24,346
Kelso Meeting House	1,772	5,002	(3,158)	339	-	3,955
Committee account	701	-	(30)	(232)	-	439
Fixtures and fittings	12,859	-	(6,756)	10,556	-	16,659
	<u>908,038</u>	<u>321,920</u>	<u>(189,485)</u>	<u>5,849</u>	<u>-</u>	<u>1,046,322</u>

The general account is used for the main income and expenditure items of the Area Meeting. The property account represents the market value of property held and the value of any improvements work during the year.

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

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 is used for all transactions involved in running the Kelso Quaker meeting house.

The Committee account incorporates the funds of two small committees: Library Committee and the Sustainability Network. The Sustainability Network fund was closed during 2017 and the remaining funds transferred to the general fund.

Fixtures and fittings relates to the value of fixtures and fittings within the main meeting house at 7 Victoria Terrace.

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

17. Restricted Funds – Current Year

	Balance at 1 Jan 2018	Incoming	Outgoing	Transfers	Balance at 31 Dec 2018
	£	£	£	£	£
John Wigham Trust	9,431	1,001	(2,750)	-	7,682
Local Quaker Meetings	108,226	35,559	(25,203)	(7,062)	111,520
Peace & Justice Centre	-	9,366	(9,366)	-	-
Donations Fund	-	11,990	(11,990)	-	-
	<u>117,657</u>	<u>57,916</u>	<u>(49,309)</u>	<u>(7,062)</u>	<u>119,202</u>

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

YEAR ENDED 31 DECEMBER 2018
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. Restricted Funds – Prior Year

	Balance at 1 Jan 2017 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 2017 £
John Wigham Trust	9,199	1,212	(930)	(50)	9,431
Local Quaker Meetings	104,598	31,326	(21,899)	(5,799)	108,226
Peace & Justice Centre	50,000	-	(50,000)	-	-
Donations Fund	-	11,637	(11,637)	-	-
	163,797	44,175	(84,466)	(5,849)	117,657

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 nine such funds, shown under the collective heading "Local Quaker Meetings".

The Peace and Justice Centre fund refers to a restricted legacy received in 2017. The final payment was received and passed to the Edinburgh Peace and Justice Centre in 2018.

The Donations Fund contains donations made by members to be passed on for Quaker work outwith the Area Meeting.

Transfers between restricted and unrestricted funds:

Transfers: £7,062 was transferred from Local Quaker Meetings to the Victoria Terrace account and General account for the purposes related to the running of 7 Victoria Terrace and the Area Meeting during 2018.

18. Analysis of funds – Current Year

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Fixed assets	1,524,738	-	1,524,738	970,780
Current assets	644,027	119,202	763,229	222,909
Creditors	(32,703)	-	(32,703)	(29,710)
	2,136,062	119,202	2,255,264	1,163,979

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

YEAR ENDED 31 DECEMBER 2018
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. Analysis of funds – Prior Year

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Fixed assets	970,780	-	970,780	859,391
Current assets	105,252	117,657	222,909	269,709
Creditors	(29,710)	-	(29,710)	(57,265)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,046,322	117,657	1,163,979	1,071,835
	<hr/>	<hr/>	<hr/>	<hr/>

19. Related party transactions

Related party transactions during the year are disclosed in note 11.