

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

SCOTTISH CHARITY NUMBER: SC019165

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

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YEAR ENDED 31 DECEMBER 2019

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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 2019.

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 2019, 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 weekdays)
- Kelso Quaker Meeting House (on Sundays)
- South Edinburgh and Polmont (each Sunday)
- Dunbar and Kirkcaldy (twice each month)
- Peebles and Portobello/Musselburgh (three times each month)
- Penicuik and North Edinburgh (monthly).

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ACHIEVEMENTS AND PERFORMANCE

Meetings for Church Affairs (business meetings of the Area Meeting) were held on six occasions during 2019, including three 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 other recent years, the main concerns of the Area Meeting during 2019 have been focussed in a small number of areas.

- The year saw continued development of our concerns about the effects of climate change, with consideration both of the planetary effects and the impact that this must make on our own lifestyles. Many Friends have felt compelled to take part in the raising of public awareness both through supporting the public actions of Extinction Rebellion in London and Edinburgh, and in supporting our young Friends who have participated in school strikes. We have tried to uphold those Friends who have been arrested as a consequence of their actions of conscience.
- In relation to peace work, we have supported Friends who took action through joining the demonstrations outside the Defence & Security Equipment International arms fair (DSEI) in London in September. The Area meeting has contributed to the initiative taken by Friends in Polmont Local Meeting in installing a Peace Bench beside the Peace Pole that they erected in the Helix Park in Falkirk. We have also continued 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.
- Along with the other three Area Meetings in Scotland, we have continued our involvement with and our support for the Scottish Parliamentary Engagement Officer. Employed jointly by General Meeting for Scotland and Britain Yearly Meeting she has worked with members of the Scottish Parliament on a number of issues including the influence that military personnel have through working within some Scottish schools. However, the focus of this work has been shifting during the year on to the Scottish commitments to reduce the country's dependence on fossil fuels.
- In relation to societal issues, we have been providing funds to support remand prisoners in maintaining contact with their families while they are held in prison. We continue to support the benefits that might follow for society should it be possible to introduce a Universal Basic Income, and we have hosted public events on this theme. We have also

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been considering how we might embrace greater diversity and inclusiveness within our own meetings.

- Finally, the Area Meeting has continued work on the issues raised 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 American military authorities. Letters have been sent to MPs and MSPs and meetings have been held with some of them. The Area Meeting is now a recognised supporting member of the Quaker Concern for the Abolition of Torture, QCAT.

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 different meetings has been fostered through a residential weekend held in September 2019 at Wiston Lodge in Lanarkshire, and through the meetings of all Scottish Friends organised by General Meeting for Scotland (four meetings each year). Members of the Area Meeting attended Britain Yearly Meeting, held for members of the Society of Friends from the whole of Britain.

Our compliance with recent data protection legislation has been a major administrative issue during the year. The Area Meeting has also pursued its programme of agreeing memoranda of understanding with each of its constituent Local Meetings. These memoranda detail all the functions and responsibilities that are pursued at Local Meeting level.

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 2019. The programme in 2018 had been attended by some challenges because of its size, so that for 2019 was somewhat reduced. We hosted 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 seven companies for runs of one, two or three weeks, as well as three additional concerts by our assistant manager and friends. The second floor meeting room was made available for a variety of outreach activities including the production of paper cranes and notebooks, an art workshop and an exhibition about Scottish First World War conscientious objectors. In the third week, Luath Press arranged a programme of 15 talks there. Funds raised during the three weeks were shared among three charities: Mary's Meals, the Grassmarket Project and Quaker work in Britain and abroad.

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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.

The Edinburgh Meeting House Management Committee, in association with the library review group that reported in 2017, is continuing to progress 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.

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 was increased in 2019.

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 task is to try to increase the energy efficiency of each of our two meeting houses. Our architect undertook detailed quinquennial surveys of each meeting house at the end of 2019, including thermal imaging studies of the Edinburgh building. He made specific recommendations about improving energy efficiency through installing better wall insulation and more double glazing (in both meeting houses). We also wish to upgrade their heating systems and ventilation and hope to start on this work during 2020.

In addition to planning the structural work on the two buildings, considerable efforts are directed towards maximising recycling as well as using Fairtrade materials.

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 itself makes grants:

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- 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 Liaison 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."* Since the Trust was established in 2002 more than 130 grants have been distributed to Quakers and non-Quakers from all over Scotland to enable them to experience some aspect of enjoyment in their lives. Reports on grants made by the trust are published regularly in *Scottish Friend*, the newsletter of General Meeting for Scotland.

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, 2019 was a year without exceptional sums such as major legacies or grants in income, or expenditure on building projects. Income received from donations that were made by our members and attenders was slightly reduced compared with recent years; general expenditure on running our meeting houses and on supporting the life of our meetings was similar to other years. 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 2019, although some further improvements were made to the Kelso meeting house.

The main financial development during 2019 was the establishment of an Area Meeting investment fund, following the receipt of the unusually large legacy from the estate of our late Friend Catriona Collins during June 2018. This is explained further in the next section.

RESERVES POLICY AND LEGACIES

The Area Meeting acquired the 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.

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Inevitably 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 become 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.

Several 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; cash flow during such work is generally maintained through generous loans received from members of the meeting, followed as far as possible by grants received from external sources (in general, when the work has been completed). Rebuilding reserves generally takes several years; holding larger reserves would enable development work for both of our meeting houses to be planned over a longer period. The unrestricted legacy received from Catriona Collins meant that the Area Meeting's reserves were much larger at the end of 2018 than had been the case at any previous time.

Following consultation with the staff of Britain Yearly Meeting at Friends House, London, the trustees appointed Rathbones Greenbank to act as investment advisers. A group of trustees then worked on the ethical criteria and the time and risk profiles to be followed in making the 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 at the end of 2018. In order to provide longer-term guidance for the trustees, the Area Meeting arranged an open meeting for members in early 2019 to consider the issues raised by receipt of funds on such a scale, and to provide an opportunity for the membership to contribute their views.

While most legacies received by the Area Meeting are unrestricted in terms of their purpose, it is worth noting that the relatively large legacy received from the estate of our Friend Sylvia Marshall in 2016 was specifically for the purpose of the development and nurturing of Central Edinburgh Local Meeting. It has now been incorporated into the funds of the Local Meeting with oversight by a small committee appointed by and reporting to that local meeting, and with representation from Area Meeting Trustees.

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

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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 2019. 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. The Area Meeting's total donations income was somewhat reduced in 2019 compared with 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. A Management Committee keeps the use of the Edinburgh Meeting House rooms under review, undertaking the updating of lettings policies and charges, health and safety issues and so on. In particular this committee supports the staff who have been appointed to manage the facilities, reviewing their job descriptions and contracts of employment regularly.

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. The former provides technical support and training for those serving their Meetings in specialised areas such as trustees, treasurers, clerks and registering officers as well as providing overarching support for many aspects of Quaker witness in Britain and overseas; the latter undertakes representational work among religious groups in Scotland but has greatly increased its profile in recent years through the work of the parliamentary liaison officer. Following receipt of the large legacy in 2018 the trustees agreed to considerably increase the size of the annual grant made to Britain Yearly Meeting in both 2018 and 2019.

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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 directly to Britain Yearly Meeting or to one of the Local Meetings (through a restricted Donations Fund).

At a meeting held in May 2018 the Area Meeting pledged the sum of £10,000 from the legacy received from our Friend Marjorie Farquharson to support the appointment of a local officer to support the work of the Campaign Against the Arms Trade (CAAT) in Scotland. Quakers are much involved with this campaign as part of their testimony to peace, and have been since its foundation. This sum was agreed by the trustees and committed during 2019 so that it can be paid to CAAT in two instalments in 2020 and 2021, following the appointment of an individual to this post.

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.

The Area Meeting recognises that it is important to upgrade the quality of its two meeting houses so that their environmental impact is minimised. The trustees recognise that for both this implies a steady programme of improvement not only to keep their decoration and facilities in good condition but also to minimise heat loss and to provide comfortable facilities that will attract both the Friends and attenders at our Quaker Meetings as well as those that choose to hire the premises for their own meeting.

PROSPECTS FOR 2020

The trustees need to make it clear that 2020 will prove to be a year completely unlike previous years. The two Quaker Meeting Houses were closed in mid-March in response to the Coronavirus pandemic, with Quaker Meetings for Worship and for business taking place remotely and room letting ceasing. There will clearly be a major impact on the Area Meeting's annual income; the managerial staff continued to care for the premises, but other staff were placed on furlough. While governmental sources of support were sought, major expenditure will of course continue.

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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 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 comprises 241 members (246 in 2018) worshipping in ten separate Local Quaker Meetings, of which the largest are Central and South Edinburgh with 98 and 41 members respectively. In addition, a similar number of 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.

The Area Meeting also appoints office bearers (who are not trustees for the purposes of the Charities Accounts (Scotland) Regulations). 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

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residential training course for Quaker trustees usually held at Woodbrooke Quaker Study Centre, Birmingham. Other events are organised by Britain Yearly Meeting to enable trustees and treasurers from Area Meetings throughout Britain to meet, and to share best practice and experience.

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, the latest being in late 2019. These reports give the trustees warning of major issues as well as detailed information to assist them with any minor repairs that are required.

Area Meeting policies covering child protection, 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
- 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.

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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

Independent Examiner

David Jeffcoat FCCA,
Alexander Sloan (Accountants and Business Advisers),
50 Melville Street, Edinburgh EH3 7HF.

Bankers

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

Triodos Bank,
Deanery Road, Bristol BS1 5AS.

Charity Bank Ltd.,
Fosse House, 182 High Street, Tonbridge TN9 1BE.

Investment Managers

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

Solicitors

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

OFFICE BEARERS (2019):

Alastair Cameron (Area Meeting Clerk)
Catherine Dyer (Area Meeting Assistant Clerk)
Jacqueline Noltingk (Co-Treasurer)
John Phillips (Co-Treasurer)

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KEY MANAGEMENT PERSONNEL

Meeting House managers

Antony Wilkes and Susan Proudlove
Michael Stokes

TRUSTEES (during 2019 and at the time of signing this report):

Kathryn Arnot
Ian Beamish
Ann Forsyth
Kenneth Jobling (Clerk to the Trustees)
Philip Lucas
Jacqueline Noltingk
John Phillips
David Somervell
Neil Turner

Alastair Cameron (Clerk to the Area Meeting) attended the meetings of trustees during his period in office.

This Report was approved by the trustees on 25th August 2020. It was signed on their behalf by Kenneth Jobling.

This Report and the Statement of Accounts for 2019 were presented to an Area Meeting held in Edinburgh on 2nd September 2020 and the Clerk of the Area Meeting was authorized to sign them.



Kenneth Jobling (Clerk to Trustees)



Alastair Cameron (Area Meeting Clerk)

Date: 2nd September 2020

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

I report on the financial statements for the year ended 31st December 2019 as set out on pages 16 to 32.

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.

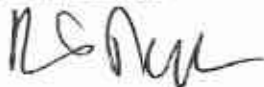
Basis of independent examiner's report

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 Jeffcoat FCCA
Alexander Sloan
50 Melville Street,
Edinburgh EH3 7HF

Date: 2nd September 2020

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STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted £	Restricted £	2019 £	2018 £
Income from:					
Donations and legacies	3	66,087	36,445	102,532	665,658
Charitable activities	4	956	11,457	12,413	10,584
Other trading activities	5	145,369	25	145,394	136,493
Investment income	6	5,602	276	5,878	338
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		218,014	48,203	266,217	813,073
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Raising funds	7	106,508	505	107,013	92,665
Charitable activities	8	147,226	39,811	187,037	187,998
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		253,734	40,316	294,050	280,663
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources before other recognised gains / (losses)		(35,720)	7,887	(27,833)	532,410
		<hr/>	<hr/>	<hr/>	<hr/>
Unrealised (losses)/gains on investments	15	34,389	-	34,389	-
Realised gains on investments	15	2,401	-	2,401	-
Gains on revaluation of fixed assets		-	-	-	558,875
		<hr/>	<hr/>	<hr/>	<hr/>
Net income		1,070	7,887	8,957	1,091,285
		<hr/>	<hr/>	<hr/>	<hr/>
Gross transfers between funds		6,587	(6,587)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		7,657	1,300	8,957	1,091,285
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds at 1 January 2019		2,136,062	119,202	2,255,264	1,163,979
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds at 31 December 2019		2,143,719	120,502	2,264,221	2,255,264
		<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 18 to 32 form part of the financial statements.

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

YEAR ENDED 31 DECEMBER 2019

BALANCE SHEET

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	14	1,527,506	1,524,738
Investments	15	388,010	-
		<hr/>	<hr/>
		1,915,516	1,524,738
Current assets			
Debtors	16	18,062	20,527
Short term deposits		193,667	191,400
Cash at bank and in hand		168,074	551,302
		<hr/>	<hr/>
		379,803	763,229
Creditors: Amounts falling due within one year	17	(31,098)	(32,703)
		<hr/>	<hr/>
Net current assets		348,705	730,526
		<hr/>	<hr/>
Total assets less current liabilities		2,264,221	2,255,264
		<hr/>	<hr/>
Funds			
Unrestricted funds	18		
General funds		578,985	570,662
Designated funds			
Property & Property Improvements		1,510,000	1,510,000
Fixtures and fittings		14,025	12,677
Various		40,709	42,723
		<hr/>	<hr/>
		2,143,719	2,136,062
Restricted funds	19	120,502	119,202
		<hr/>	<hr/>
		2,264,221	2,255,264
		<hr/>	<hr/>

These accounts were approved at an Area Meeting held on 2nd September 2020 and signed by:



Jacqueline Noltingk (Treasurer to Area Meeting)



Kenneth Jobling (Clerk to Trustees)

The notes on pages 18 to 32 form part of the financial statements.

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CHARITY INFORMATION

The Religious Society of Friends (Quakers): South East Scotland Area Meeting is an unincorporated Scottish charity with registered number SC019165. 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 2019 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 2019

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 2019

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 9.

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 18 and 19.

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 2019

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.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors.

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.

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

YEAR ENDED 31 DECEMBER 2019
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Donations and legacies

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Donations from members and Other individuals	64,589	36,445	101,034	109,604
Legacies	98	-	98	553,496
Grants	1,400	-	1,400	2,558
	<u>66,087</u>	<u>36,445</u>	<u>102,532</u>	<u>665,658</u>

The income from donations and legacies totalled £102,532 (2018: £665,658) of which £66,087 was unrestricted (2018: £618,162) and £36,445 was restricted (2018: £47,496). 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.

4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Income from Quaker activities	956	11,457	12,413	10,584
	<u>956</u>	<u>11,457</u>	<u>12,413</u>	<u>10,584</u>

The income from charitable activities in the year totalled £12,413 (2018: £10,584) of which £956 was unrestricted (2018: £539) and £11,457 (2018: £10,045) was restricted.

5. Income from other trading activities

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Room lettings	76,214	-	76,214	71,595
Letting catering	46,161	-	46,161	35,666
Festival venue fee income	14,854	-	14,854	21,996
Festival venue café/tea-room sales	1,342	-	1,342	1,551
B & B income	210	-	210	295
Sales of books, foyer refreshments etc	6,588	25	6,613	5,390
	<u>145,369</u>	<u>25</u>	<u>145,394</u>	<u>136,493</u>

The income from other trading activities in the year totalled £145,394 (2018: £136,493) of which £145,369 (2018: £136,360) was unrestricted and £25 (2018: £133) was restricted.

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. Investment Income	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Dividends	4,184	-	4,184	-
Bank interest	1,418	276	1,694	338
	<hr/>	<hr/>	<hr/>	<hr/>
	5,602	276	5,878	338
	<hr/>	<hr/>	<hr/>	<hr/>

The income from investment income in the year totalled £5,878 (2018: £338) of which £5,602 (2018: £96) was unrestricted and £276 (2018: £242) was restricted.

7. Analysis of expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Goods for sale at meeting house	25,371	-	25,371	19,653
Festival venue costs	12,051	-	12,051	12,184
Cost of sale items & tea-room costs	596	-	596	564
Periodicals & PRS cost	339	-	339	326
Cost of fundraising	89	-	89	-
Support costs of raising funds (note 9)	68,062	505	68,567	59,938
	<hr/>	<hr/>	<hr/>	<hr/>
	106,508	505	107,013	92,665
	<hr/>	<hr/>	<hr/>	<hr/>

The expenditure on raising funds in the year totalled £107,013 (2018: £92,665) of which £106,508 (2018: £92,281) was unrestricted and £505 (2018: £384) was restricted.

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Grant Making:				
Britain Yearly Meeting	55,825	9,811	65,636	66,111
General Meeting for Scotland	6,012	1,330	7,342	8,112
Northern Friends Peace Board	2,205	-	2,205	2,065
Mary's Meals	700	-	700	1,800
Aid & Abet (SCHA)	-	-	-	1,800
Northern Friends Youth Events Trust	1,274	-	1,274	1,384
Gaelgael Trust	-	1,200	1,200	1,750
Peace & Justice Centre	-	-	-	9,366
Various grants < £1,000*	885	17,581	18,466	14,535
	<u>66,901</u>	<u>29,922</u>	<u>96,823</u>	<u>106,923</u>
Quaker Activities:				
Attendance at conferences & meetings	6,632	-	6,632	3,424
Bursary help (requested by overseers)	270	-	270	1,187
Committee expenses	555	98	652	1,535
Administration costs	-	191	191	738
Books, newsletters, publicity & outreach	2,262	364	2,626	2,644
Reg' & memb'ship of other org's	327	-	327	270
Activities within local meetings	1,695	2,812	4,507	5,128
Premises costs of local meetings	522	5,919	6,441	6,211
	<u>12,263</u>	<u>9,384</u>	<u>21,647</u>	<u>21,137</u>
Support costs (see note 9)	<u>68,062</u>	<u>505</u>	<u>68,567</u>	<u>59,938</u>
TOTAL	<u>147,226</u>	<u>39,811</u>	<u>187,037</u>	<u>187,998</u>

*All grants were made to organisations, with the exception of expenditure of £2,739 from the John Wigham (Enjoyment) Fund, made to individuals under the terms of the bequest and £270 of Bursary help. Contributions by members of Local Meetings for Special Collections passed on £9,138 (2018: £8,762) for various charitable purposes.

The expenditure on charitable activities in the year totalled £187,037 (2018: £187,998) of which £147,226 (2018: £139,073) was unrestricted and £39,811 (2018: £48,925) was restricted.

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. 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.

	2019 £	2018 £
<u>Meeting House expenses</u>		
Wages and salaries	63,295	54,869
Council tax and utilities	15,917	18,964
Repairs and maintenance	10,083	4,826
Professional fees	3,810	-
Insurance	4,871	4,884
Cleaning	11,258	10,291
Office costs and minor purchases	6,146	5,376
Staff training and miscellaneous expenditure	1,100	822
 <u>Support of the Area Meeting</u>		
Accounting support	7,354	7,534
Audit/Independent examiner's fees (governance)	1,600	4,488
Investment management fees	3,353	-
Computing support, postage	453	489
Depreciation of fixed assets	7,894	7,333
	<hr/> 137,134 <hr/>	<hr/> 119,876 <hr/>
 50% allocation to raising funds (based on time)	 68,567	 59,938
50% allocation to charitable activities (based on time)	68,567	59,938
	<hr/> 137,134 <hr/>	<hr/> 119,876 <hr/>

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

	Grant Making £	Quaker Activities £	2019 Total £	2018 Total £
Costs	(96,823)	(90,214)	(187,037)	(187,998)
Income from Quaker activities	-	12,413	12,413	10,584
	<hr/>	<hr/>	<hr/>	<hr/>
Net cost funded from other income	(96,823)	(77,801)	(174,624)	(177,414)
	<hr/>	<hr/>	<hr/>	<hr/>

11. Net income for the year

This is stated after charging:

	2019 £	2018 £
Depreciation	7,894	7,333
Independent examination/Audit fee	1,600	4,488
	<hr/>	<hr/>

12. Staff Costs

	2019	2018
The number of staff on a head count basis during the year was	9	11
	<hr/>	<hr/>
	2019 £	2018 £
<u>Staff costs comprise:</u>		
Salaries and wages	61,047	53,084
Employer's social security costs	-	-
Employer's pension costs	2,248	1,785
	<hr/>	<hr/>
	63,295	54,869
	<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 2.5 (2018: 2).

Remuneration of key management personnel for the year, including pension contributions was £37,438 (2018: £36,505).

The office bearers were not paid remuneration, and two office bearers were reimbursed for postage totalling £167 (2018: postage £263).

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13. Taxation

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

14. Fixed Assets

	Property/ improvements £	Fixtures & Fittings £	Total £
<u>Cost/valuation</u>			
As at 1 January 2019	1,510,000	73,932	1,583,932
Additions during year	-	10,662	10,662
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2019	1,510,000	84,594	1,594,594
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
As at 1 January 2019	-	59,194	59,194
Charge for year	-	7,894	7,894
Released on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation at 31 December 2019	-	67,088	67,088
	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>			
As at 31 December 2019	1,510,000	17,506	1,527,506
	<hr/>	<hr/>	<hr/>
As at 31 December 2018	1,510,000	14,738	1,524,738
	<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 2019 is unlikely to be materially different to the April 2019 valuation amounts and therefore consider it reasonable to carry these values in the 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 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Investments

	2019 £	2018 £
Market value of quoted investments at 1 January 2019	-	-
Additions	338,632	-
Disposals	(20,698)	-
Unrealised gains on revaluation	34,389	-
	<hr/>	<hr/>
Market value of investments at 31 December 2019	352,323	-
Cash held as part of the portfolio	35,687	-
	<hr/>	<hr/>
	388,010	-
	<hr/>	<hr/>
Historical cost of investments at 31 December 2019	353,656	-
	<hr/>	<hr/>
	2019 £	2018 £
The portfolio consists of:		
UK Equities	11,685	-
Overseas Equities	6,725	-
Unit Trusts	284,177	-
Bonds	49,736	-
Cash	35,687	-
	<hr/>	<hr/>
	388,010	-
	<hr/>	<hr/>

All investments are carried at their fair value. Investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of the financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy of the Trustees Annual Report.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors, particularly as the charity is reliant on the dividend yield in part to finance its work.

The charity has managed the investment risks by retaining an expert advisor and operating an investment policy that provides for a high degree of diversification of holdings quoted on a recognised stock exchange. The charity does not make use of derivatives and other similar complex financial instruments.

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

YEAR ENDED 31 DECEMBER 2019
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Debtors

	2019	2018
	£	£
Debtors	15,172	17,720
Prepayments	2,890	2,807
	<hr/>	<hr/>
Total	18,062	20,527
	<hr/>	<hr/>

17. Creditors: amounts falling due within one year

	2019	2018
	£	£
Creditors	13,948	11,606
Accruals	6,150	9,097
Loans: Loans from members	11,000	12,000
	<hr/>	<hr/>
Total	31,098	32,703
	<hr/>	<hr/>

Loans from members: At 31 December 2019, £11,000 was outstanding (2018: £12,000). All loans are interest free and repayable on request within one month.

18. Unrestricted Funds – Current Year

	Balance at 1/1/19	Incoming	Outgoing	Transfers	Gain on revaluation	Balance at 31/12/19
	£	£	£	£	£	£
General account	570,662	66,417	(92,438)	(2,446)	36,790	578,985
Property account	1,510,000	-	-	-	-	1,510,000
Capital account	9,725	5,000	-	-	-	14,725
Festival account	1,880	17,368	(12,781)	(5,600)	-	867
Victoria Terrace	23,567	122,502	(137,513)	13,261	-	21,817
Kelso Meeting House	7,192	6,726	(4,311)	(6,575)	-	3,032
Committee account	359	-	(78)	(14)	-	267
Fixtures and fittings	12,677	-	(6,613)	7,961	-	14,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,136,062	218,014	(253,734)	6,587	36,790	2,143,719
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

**YEAR ENDED 31 DECEMBER 2019
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

18. Unrestricted Funds – Prior 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
	<u>1,046,322</u>	<u>755,157</u>	<u>(231,354)</u>	<u>7,062</u>	<u>558,875</u>	<u>2,136,062</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 account 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 2018 and the remaining funds transferred to the general fund.

Fixtures and fittings relate 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 19.

19. Restricted Funds – Current Year

	Balance at 1 Jan 2019 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 2019 £
John Wigham Trust	7,682	756	(3,939)	-	4,499
Local Quaker Meetings	111,520	36,205	(25,235)	(6,587)	115,903
Donations Fund	-	11,142	(11,142)	-	-
Prison Work Fund	-	100	-	-	100
	<u>119,202</u>	<u>48,203</u>	<u>(40,316)</u>	<u>(6,587)</u>	<u>120,502</u>

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. Restricted Funds – Prior 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)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	117,657	57,916	(49,309)	(7,062)	119,202
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 out with the Area Meeting.

The Prison Work Fund contains a donation received from outside the Area Meeting for the benefit of work undertaken to support remand prisoners at HMP Saughton.

Transfers between restricted and unrestricted funds:

Transfers: £6,587 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 2019.

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

YEAR ENDED 31 DECEMBER 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20. Analysis of funds – Current Year

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Fixed assets	1,527,506	-	1,527,506	1,524,738
Investments	388,010	-	388,010	-
Current assets	259,301	120,502	379,803	763,229
Creditors	(31,098)	-	(31,098)	(32,703)
	<u>2,143,719</u>	<u>120,502</u>	<u>2,264,221</u>	<u>2,255,264</u>

Analysis of funds – Prior 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)
	<u>2,136,062</u>	<u>119,202</u>	<u>2,255,264</u>	<u>1,163,979</u>

21. Commitments

The Area Meeting has committed a conditional grant of £10,000 (2018: nil) to Campaign Against The Arms Trade as at 31 December 2019.

22. Related party transactions

Related party transactions during the year are disclosed in note 12.

23. Non-Adjusting Post Balance Sheet Event

In March 2020, the World Health Organisation declared COVID-19 a pandemic. The long-term impact on the charity of the effects of the pandemic, operationally and financially, remains uncertain at the date on which these financial statements are approved. The Trustees have assessed the possible impact of COVID-19 on the charity's future income and expenditure and further disclosure is made in respect of the going concern assumption in Note 2. The Trustees have also assessed that the pandemic is a non-adjusting Post Balance Sheet Event and the charity's assets as at the balance sheet date are not impaired.