

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

SCOTTISH CHARITY NUMBER: SC019165

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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YEAR ENDED 31 DECEMBER 2022

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**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
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YEAR ENDED 31 DECEMBER 2022

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 2022.

INTRODUCTION

Nine local Meetings of varying sizes meet for regular sessions of Quaker worship within South East Scotland. They also work together as an Area Meeting (SESAM), 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 owned by the Area Meeting, 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 and other users. 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 2022, when activities were again limited to some degree by the Covid-19 pandemic. It highlights the main concerns of the meetings and work that is undertaken to facilitate their running.

We were able to make the Society's rooms available for the use of others when Scottish Government regulations allowed, but unfortunately both meeting houses had to be closed for public and most Quaker use in the early part of the year.

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. SESAM has nine Local Meetings and two worshipping groups.

Local meetings:

- Central Edinburgh (Edinburgh Quaker Meeting House on Victoria Terrace)
- South Edinburgh (Morningside)
- East Lothian (meeting at Dunbar)
- Kelso

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- Central Fife (meeting at Kirkcaldy and Dunfermline)
- Polmont
- Portobello and Musselburgh
- Tweeddale (meeting at Peebles)

Worshipping groups:

- Midweek Meeting (Edinburgh Quaker Meeting House)
- Edinburgh North (Bellevue)

Continuing impact of Covid

Although nationally mandated Covid restrictions were reduced early in 2022, many individuals and Quaker Meetings continued to take additional precautions during 2022. Some Meetings only resumed meeting in person during the year, often with advice about wearing masks and ventilation. 'Hybrid' arrangements with simultaneous Zoom participation were adopted for a number of meetings for worship. Some further improvements to the audio-visual facilities in meeting houses helped to make these effective, but there was continuing discussion about the place for continuing precautions, and about both the advantages and disadvantages of the hybrid format. Some meetings were still restricting attendance and recommending mask wearing at the end of 2022.

The continuing impact of Covid severely affected our income from letting out our premises during 2022, and this impact was increased by inflation in prices and the need to increase salaries in line with our commitment to pay the real Living Wage. This is considered further below.

ACHIEVEMENTS AND PERFORMANCE

Meetings for Church Affairs (business meetings) of South East Scotland Area Meeting were held on six occasions during 2022. 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. Meetings during 2022 have adopted a variety of formats (online only, hybrid, and in person only) in response to recommended precautions and facilities at the venues of meetings.

Major concerns during 2022, reported in our bimonthly publication *SESAME* and in local meeting newsletters and communications, as well as in the Scotland General Meeting magazine *Scottish Friend* (all of these available via www.quakerscotland.org) have included:

- **Climate change**, following on from COP26 held in Glasgow in 2021, and in accord with national concerns within the Society of Friends and more widely. While we continue to consider ways in which we might further green our meeting houses, cost increases and financial constraints have hindered progress.

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- **Peace** – the longstanding Quaker concern for peace is strongly represented in our Area Meeting. Actions continue to include campaigning against nuclear weapons; against the arms trade; against militaristic education in schools; and supporting non-violent communication methods and solutions.

The war in Ukraine has tested our peace testimony, and there have been extensive discussions of how best to respond.

- **Parliamentary Engagement** – along with the other three Area Meetings in Scotland and General Meeting for Scotland we have continued our involvement with and our support (including financial support) for our Scottish Parliamentary Engagement Officer, employed by Britain Yearly Meeting. A Parliamentary Engagement Working Group coordinates activity and regular reports are brought to our Area Meeting. Key areas of concern during 2022 have been
 - Disarmament and peacebuilding, including pressure for a more balanced view of military visits to schools
 - Climate justice
 - Human rights, including refugee issues
- **Cost of living and energy** – we have established a hardship fund for Quakers and attenders in our own Area Meeting. We have participated with other groups in planning to set up a warm space in central Edinburgh.
- **Support for refugees – Fáilte project.** Support for refugees has been a longstanding Quaker concern. In 2022 Area Meeting launched a project to sponsor a refugee family via the UK government-UNHCR Community Sponsorship scheme. This was termed the Fáilte (welcome) project. It entailed assembling a steering group, funding, and volunteers from both within and outwith our Quaker networks. In August 2022 the group were delighted to welcome a Syrian family with three children to a flat in Marchmont. The children have joined local schools, and the supporting group has put in a huge amount of work to arrange healthcare, banking, language tuition, and every kind of adjustment. The background is described at www.quakerscotland.org/south-east/failte-edinburgh and there are regular updates on progress in our bimonthly magazine SESAME (www.quakerscotland.org/south-east/newsletters).

When possible, 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. The strengthening of ties between members of different meetings has been fostered through the meetings of all Scottish Friends organised by General Meeting for Scotland (four meetings each year, of which in 2022 three were 'blended' and one online only) and Britain Yearly Meeting (blended), held for members of the Society of Friends throughout England, Scotland and Wales.

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OUTREACH AT THE EDINBURGH FESTIVAL

Festival Fringe activity at the Quaker Meeting House in Edinburgh as "Venue 40" was greatly reduced compared to pre-2020 programmes, because of uncertainty about risk of it not proceeding, of income versus costs, and the availability of fewer Friends to support it. A small programme was presented successfully. 'The Mistake', a Quaker production by Michael Mears elsewhere at the Festival Fringe, was very well received and led to discussions at Edinburgh Meeting House and more widely. The exhibition of the 80 Loving Earth panels, which were very well hung in the Meeting Room, was visited by almost 400 people.

OUR MEETING HOUSES

The Area Meeting's two meeting houses, located in the Edinburgh Old Town and in Kelso, are normally hired out to a variety of organisations including community groups and voluntary organisations when they are not being used for Quaker activities. Each meeting house is seen not only as a base for the activities of the Society of Friends but also as a resource for the local community. Income from lettings at Central Edinburgh have historically been a significant source of income for SESAM, but during and post-Covid, the costs of salaries, services, and routine works have substantially exceeded income, creating a need for review as described under 'Future' below.

In view of this, some work planned for Edinburgh Meeting House in 2022-2023 has been held over into 2023 or later.

MEETING HOUSE STAFF

The Area Meeting employs a number of staff to manage the Edinburgh Meeting House. Almost all staff work supporting Quaker worship and other activities in Edinburgh is carried out in the Meeting House and little can be done at home. We ended 2022 with a slightly smaller complement of staff and some increasing trend in income, but not to 2019 levels.

SUSTAINABILITY

For many years members of the Society of Friends have upheld a commitment to reducing global warming and mitigating climate change, 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.

In 2021 it was possible to undertake work on double-glazing and thermal insulation in Kelso, but discussions on further work at Edinburgh Meeting House for 2022 continued to be delayed by the impact of Covid. Consideration of these issues is a part of the review described under 'Future' below.

DONATIONS AND GRANTS

The voluntary contributions of those who attend our Meetings for Worship are our major source of income, and 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 provides funds:

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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, including young people, to attend Quaker meetings, events and courses;
- to support charitable work undertaken by its own members and for other charities undertaking work supported by the membership and in line with our charitable objectives.

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 150 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, and the Area Meeting's own newsletter, *SESAME*.

PLANNING FOR THE FUTURE

The priority of the Area Meeting continues to be 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.

Trustees recognised in late 2021 that the impact of Covid, coupled with cost of living and energy price rises, could threaten the financial viability of the charity, and proposed to review the position in late 2022. At the October 2022 meeting of trustees it was agreed that action was needed. The financial position is described in the next section.

A review was formally set in motion in November 2022, with the intention that possible responses to these pressures should be presented to Friends during 2023. Members and Attenders are being asked to contribute to, and kept closely informed of, developing thinking.

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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

The net financial result before other recognised losses was a deficit of £37,919 as compared to a deficit of £91,841 in 2021. The overall result in 2022, after accounting for investment losses and revaluation gains, is a surplus of £109,228 compared to a loss of £58,581 as reported in 2021. The reduction in deficit (prior to investment losses/revaluation gains) is due to the welcome return of trading activities as the restrictions from the pandemic eased. The liquidation of investment assets to manage cashflow and the rationalisation of the investment portfolio in the first quarter of 2022 (before markets rallied following the pandemic) led to significant book losses on investments. However, the property values have increased by £200,000 and these book gains mean a reported surplus at the year end. The income from trading has increased income by £53,000 compared to 2021 and income from charitable activities has also increased due to Local Meeting activity resuming and also the running of a successful Wiston Lodge weekend. Donated income has also increased but this is principally due to the setting up the successful Community Sponsorship Scheme – Fàilte Edinburgh. Expenditure has been well controlled in the year despite growing inflationary pressures and the main increase in costs is due to the new Fàilte Edinburgh project adding additional costs of £16,000. There were no major building repairs or upgrades in 2022, saving £29,000 on 2021 but this saving has been partially offset by increased premises costs (cleaning, heat & light & insurance) as the Meeting House returned to more normal levels of activity.

CAPITAL EXPENDITURE

As stated in the 2021 Annual Report, work following the 2019 quinquennial reviews of both meeting houses was delayed and phase one only completed in 2021. Because of concerns about the underlying financial situation, further work which would have been undertaken in 2022 was deferred. That work, on the courtyard side of the Edinburgh building, still needs to be done, along with some internal improvements and upgrades.

RESERVES POLICIES AND LEGACIES

As explained in previous reports, our capital development of the two meeting houses is expensive and can only be afforded intermittently. In the past we have been able to draw extensively on grant support, supplemented by reserves built up largely from legacies received by the Area Meeting. Following receipt of the large legacy from our Friend Catriona Collins in 2018 we set aside funds on which we planned to draw in part for the improvement work described above. In general, we aim to maintain accessible reserves of around £100,000 to £120,000. At 31 December 2022, the level of readily available reserves was £207,633 (2021: £97,564). The reserves are continually monitored given the difficult circumstances resulting from the pandemic and, from the start of 2022, both the international situation and the rapidly rising rate of inflation.

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INVESTMENTS POLICY

When the Area Meeting set up an account with Rathbone Greenbank in 2019, it was agreed that investments should be made in funds with agreed ethical objectives, a low risk profile and an intended investment period of three to five years. A review of the investments was undertaken in early 2022 with around one third of the investments being drawn down as cash in order to maintain sufficient reserves, and the remaining investments were reorganised. Trustees remain committed to ethical objectives.

FUNDS

Restricted Funds are those where the donor has stipulated the use to which the funds may be put. Funds at the disposal of Local Meetings and Fàilte Edinburgh 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 2019 and the decision was made early in 2023 to obtain revaluations, a year earlier than planned.

FUNDING SOURCES

The Area Meeting is very dependent on and grateful for the donations that it receives from its members. They may request that all or part of their donation is allocated to a Local Meeting, or some may be sent outwith SESAM's area to support the work of General Meeting for Scotland or Britain Yearly Meeting. Many members also contribute regularly by cash donations following Meetings for Worship, a source of funding that continued to be reduced in 2022, in part because fewer Friends now use cash and in part because of the slow resumption of attendance in person at those Meetings.

In normal years, income is received from letting out rooms in both meeting houses to external organisations (many being charities or community groups) when they are not needed for Quaker activity. Funds raised through the Edinburgh lettings support the employment of a number of staff to manage the facilities at the Meeting House in Edinburgh. A management committee supports these staff and reviews their contracts of employment regularly; it keeps the use of the Edinburgh rooms under review, undertaking the updating of lettings policies and charges, monitoring health and safety issues and so on. As a result of the pandemic, much time in 2020, 2021 and 2022 was spent in revising health and safety guidelines and that work formed the basis of policies when room hires restarted. Throughout the year the managers and all Meeting House staff have worked hard and shown flexibility in dealing with different patterns and timings of bookings, to which changes were sometimes made at very short notice. We thank them for all they have done.

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The Edinburgh Quaker Meeting House in pre-pandemic years became the lively Venue 40 in the Edinburgh Festival Fringe. At the start of 2022, when decisions had to be made about the summer programme, there were ongoing concerns both about Covid transmission in indoor spaces and the Area Meeting's finances which led to a decision to minimise the risks associated with running Venue 40. As described above, the programme was therefore limited and no raked seating was brought in. It was possible to run the programme using paid staff and local volunteers. Income was therefore much lower than in the years up to 2019 but there was a modest contribution to Area Meeting funds and, in accordance with past practice, a small donation was also made to an external charity, the Grassmarket Community Project.

Kelso Meeting House has no paid staff and fewer bookings but was open in 2022 when circumstances permitted for worship and lettings. We were grateful to the work of local Friends who made this possible.

GRANT-MAKING POLICY

Every year the Area Meeting makes contributions to both Britain Yearly Meeting and General Meeting for Scotland to fund their general work in supporting Quaker witness in Britain and in Scotland as well as further afield. The contribution to General Meeting for Scotland takes the form of a quota based on the number of members within SESAM as a proportion of the full Scottish membership of the Society of Friends. Britain Yearly Meeting provides technical support and training for those who serve their Meetings in specialised areas such as trustees, treasurers, clerks and registering officers. General Meeting for Scotland undertakes representational work among religious groups in Scotland and provides a forum for the four Area Meetings in Scotland to share matters of common concern. General Meeting for Scotland also provides guidance and some funding for the Parliamentary Engagement Officer and Regional Development Worker employed in Scotland by Britain Yearly Meeting. Because General Meeting's expenses were less during and immediately following the pandemic, the quota payments made by the four Scottish Area Meetings were lower.

Following receipt of the large legacy in 2018 the trustees substantially increased the annual donation passed on to Britain Yearly Meeting from unrestricted funds to about £55,000 in both 2018 and 2019. However, in view of the financial situation created by the pandemic this was reduced to £30,000 in 2020 and to £25,000 in 2021 and 2022.

Trustees, the treasury team, and management committee, express their thanks to the Area Meeting's accountant, Heather Hartman, for her work and advice during the year.

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.

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Quaker faith & practice is regarded as the nearest equivalent to 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) print edition was published in 2013. The online edition includes later updates.

Britain Yearly Meeting of the Religious Society of Friends currently contains about 70 Area Meetings (as well as a number of wider groupings 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 General Meeting for Scotland. It comprises 240 members (239 in 2021) worshipping in nine separate Local Quaker Meetings and two worshipping groups; the largest are Central and South Edinburgh with 92 (93 in 2021) and 34 (37 in 2021) 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 its governing document at a meeting held on 27 October 2007 with minor revisions being adopted in 2021. Its trustees are all members of the Religious Society of Friends and are appointed under the terms of this governing document. Trustees 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 treasurer is a trustee *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. There is a process for inducting new trustees who are also encouraged to attend a training course for Quaker trustees organised by Woodbrooke Quaker Study Centre. Other events are organised on occasion by Britain Yearly Meeting to enable trustees and treasurers from Area Meetings throughout Britain to meet in person or online 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 such risks. This process is ongoing and, in 2021 and 2022, included risk assessments for the reopening of

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Meetings for Worship during the current pandemic. Architects undertake quinquennial inspections of both meeting houses, the latest being in 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 safeguarding, health and safety and food hygiene are in place. The safeguarding policy is under review. 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.

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.

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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,
Hartman Figures Limited T/A Charity Figures
c/o 9 Ainslie Place, Edinburgh, EH3 6AT

Independent Examiner

David Jeffcoat FCCA,
Alexander Sloan (Accountants and Business Advisers),
1 Lochrin Square, 92-98 Fountainbridge, Edinburgh EH3 9QA.

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 (2022):

Alastair Cameron (Area Meeting Clerk)
Catherine Dyer (Area Meeting Assistant Clerk)
Jacqueline Noltingk (Treasurer)

KEY MANAGEMENT PERSONNEL

Meeting House managers

Antony Wilkes and Susan Proudlove (to 3 March 2023)
Miranda Girdlestone (from 27 February 2023)
Michael Stokes

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TRUSTEES (during 2022):

Kathryn Arnot (to 30 June 2023)	Philip Lucas (to 31 March 2023)
Ben Davies (from 1 April 2022)	Jacqueline Noltingk (Treasurer)
Jennifer Copsey (to 30 June 2022)	David Somervell (to 31 March 2022)
Madeleine Harding	Neil Turner (Clerk to the Trustees)
Kenneth Jobling (to 31 December 2022)	

TRUSTEES (at the time of signing this report):

Ben Davies	Jacqueline Noltingk (Treasurer)
Madeleine Harding	Neil Turner (Clerk to the Trustees)
Katrina McCrea (from 1 January 2023)	Martin Ward (from 1 January 2023)

Alastair Cameron (Clerk to the Area Meeting), Catherine Dyer (Assistant Clerk to the Area Meeting) and David Sterratt (Convenor of the Edinburgh Quaker Meeting House Management Committee) attended meetings of trustees during the year.

This Report was approved by the trustees on 15 June 2023. It was signed on their behalf by Neil Turner.

This Report and the Statement of Accounts for 2022 were presented to an Area Meeting held in Kelso on 1 July 2023 and the Clerk of the Area Meeting was authorised to sign them.

REDACTED

Neil Turner (Clerk to Trustees)

REDACTED

Alastair Cameron (Area Meeting Clerk)

Date: 1 July 2023

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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 2022 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.

REDACTED

David Jeffcoat FCCA
Alexander Sloan
1 Lochrin Square
92-98 Fountainbridge
Edinburgh EH3 9QA

Date: 1st July 2023

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STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted £	Restricted £	2022 £	2021 £
Income from:					
Donations and legacies	3	60,219	60,605	120,824	95,459
Charitable activities	4	184	12,393	12,577	699
Other trading activities	5	66,823	174	66,997	14,289
Investment income	6	4,795	252	5,047	5,396
Other income	7	906	-	906	24,347
Total income		132,927	73,424	206,351	140,190
Expenditure on:					
Raising funds	8	78,119	914	79,033	84,468
Charitable activities	9	110,070	55,167	165,237	147,563
Total resources expended		188,189	56,081	244,270	232,031
Net incoming resources before other recognised gains / (losses)		(55,262)	17,343	(37,919)	(91,841)
Unrealised (losses)/gains on investments	16	(8,355)	-	(8,355)	32,225
Realised (losses)/gains on investments		(44,498)	-	(44,498)	1,035
Gains on revaluation of fixed assets	15	200,000	-	200,000	-
Net income/(expenditure)		91,885	17,343	109,228	(58,581)
Gross transfers between funds		8,129	(8,129)	-	-
Net movement in funds		100,014	9,214	109,228	(58,581)
Total funds at 1 January 2022		2,094,847	100,131	2,194,978	2,253,559
Total funds at 31 December 2022		2,194,861	109,345	2,304,206	2,194,978

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 2022

BALANCE SHEET

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	15	1,749,193	1,552,869
Investments	16	239,177	445,148
		<hr/>	<hr/>
		1,988,370	1,998,017
Current assets			
Debtors	17	17,078	11,362
Short term deposits		85,232	70,400
Cash at bank and in hand		239,635	149,560
		<hr/>	<hr/>
		341,945	231,322
Creditors: Amounts falling due within one year	18	(26,109)	(34,361)
		<hr/>	<hr/>
Net current assets		315,836	196,961
		<hr/>	<hr/>
Total assets less current liabilities		2,304,206	2,194,978
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted funds	19		
General funds		369,241	516,935
Designated funds			
Property & Property Improvements		1,710,000	1,510,000
Fixtures and fittings		21,934	20,105
Various		93,686	47,807
		<hr/>	<hr/>
		2,194,861	2,094,847
Restricted funds	20	109,345	100,131
		<hr/>	<hr/>
		2,304,206	2,194,978
		<hr/> <hr/>	<hr/> <hr/>

These accounts were approved at an Area Meeting held on 1st July 2023 and signed by:

REDACTED

REDACTED

Jacqueline Noltingk (Treasurer to Area Meeting)

Neil Turner (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 2022

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 2022 is not materially different to the amounts reported in professional valuations carried out in March 2023.

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 2022

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 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 in normal years. Members from throughout the Area Meeting participate in all aspects of running this venue, 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 2022

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 2022

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. Although they are normally revalued at approximately five-year intervals, the Trustees decided to obtain revaluations in March 2023 in connection with their planning for the future.
- 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 South East Scotland Area Meeting 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 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. Donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Donations from members and Other individuals	58,219	60,105	118,324	94,209
Legacies	1,000	-	1,000	250
Grants: <i>Francis Camfield Trust</i>	1,000	-	1,000	1,000
<i>Faith in Community</i>	-	500	500	-
	<u>60,219</u>	<u>60,605</u>	<u>120,824</u>	<u>95,459</u>

The income from donations and legacies totalled £120,824 (2021: £95,459) of which £60,219 was unrestricted (2021: £62,279) and £60,605 was restricted (2021: £33,180). 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 £	2022 Total £	2021 Total £
Income from Quaker activities	184	12,393	12,577	699
	<u>184</u>	<u>12,393</u>	<u>12,577</u>	<u>699</u>

The income from charitable activities in the year totalled £12,577 (2021: £699) of which £184 was unrestricted (2021: £5) and £12,393 (2021: £694) was restricted.

5. Income from other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Room lettings	49,373	-	49,373	11,419
Letting catering	12,916	-	12,916	1,413
Festival venue fee income	1,183	-	1,183	262
Sales of books, foyer refreshments, B & B income etc	3,351	174	3,525	1,195
	<u>66,823</u>	<u>174</u>	<u>66,997</u>	<u>14,289</u>

The income from other trading activities in the year totalled £66,997 (2021: £14,289) of which £66,823 (2021: £13,938) was unrestricted and £174 (2021: £351) was restricted.

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6. Investment Income	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Dividends	3,958	-	3,958	5,092
Bank interest	837	252	1,089	304
	<u>4,795</u>	<u>252</u>	<u>5,047</u>	<u>5,396</u>

The income from investment income in the year totalled £5,047 (2021: £5,396) of which £4,795 (2021: £5,337) was unrestricted and £252 (2021: £59) was restricted.

7. Other Income

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Grants: <i>Coronavirus Job Retention Scheme</i>	-	-	-	24,347
Insurance receipt	906	-	906	-
	<u>906</u>	<u>-</u>	<u>906</u>	<u>24,347</u>

The other income in the year totalled £906 (2021: £24,347) of which £906 (2021: £24,347) was unrestricted and £nil (2021: £nil) was restricted.

8. Analysis of expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Goods for sale at Meeting House	7,437	-	7,437	994
Festival venue costs	32	-	32	221
Periodicals & PRS cost	303	-	303	101
Support costs of raising funds (note 10)	70,347	914	71,261	83,152
	<u>78,119</u>	<u>914</u>	<u>79,033</u>	<u>84,468</u>

The expenditure on raising funds in the year totalled £79,033 (2021: £84,468) of which £78,119 (2021: £83,728) was unrestricted and £914 (2021: £740) was restricted.

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Grant Making:				
Britain Yearly Meeting	25,000	9,738	34,738	34,500
General Meeting for Scotland	4,400	2,026	6,426	3,665
Northern Friends Peace Board	2,151	-	2,151	2,115
Campaign Against Arms Trade	-	-	-	5,000
Northern Friends Youth Events Trust	1,243	-	1,243	-
Peace & Justice Centre	-	-	-	500
Various grants < £1,000*	100	11,729	11,829	8,288
	<u>32,894</u>	<u>23,493</u>	<u>56,387</u>	<u>54,068</u>
Quaker Activities:				
Attendance at conferences & meetings	1,440	-	1,440	800
Bursary help (requested by overseers)	802	-	802	800
Fàilte Edinburgh Quaker activities	-	15,209	15,209	-
Committee expenses	39	65	104	51
Administration costs	108	-	108	17
Books, newsletters, publicity & outreach	2,473	36	2,509	2,999
Reg' & memb'ship of other org's	232	-	232	272
Activities within local meetings	1,736	6,591	8,327	424
Premises costs of local meetings	-	8,859	8,859	4,979
	<u>6,830</u>	<u>30,760</u>	<u>37,590</u>	<u>10,342</u>
Support costs (see note 10)	70,346	914	71,260	83,153
	<u>110,070</u>	<u>55,167</u>	<u>165,237</u>	<u>147,563</u>
TOTAL	<u><u>110,070</u></u>	<u><u>55,167</u></u>	<u><u>165,237</u></u>	<u><u>147,563</u></u>

*All grants were made to organisations, with the exception of expenditure of £1,850 from the John Wigham (Enjoyment) Fund, made to individuals under the terms of the bequest. Contributions by members of Local Meetings for Special Collections passed on £5,763 (2021: £694) for various charitable purposes.

The expenditure on charitable activities in the year totalled £165,237 (2021: £147,563) of which £110,070 (2021: £121,191) was unrestricted and £55,167 (2021: £26,372) was restricted.

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. 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.

	2022	2021
	£	£
<u>Meeting House expenses</u>		
Wages and salaries (note 13)	62,457	65,562
Council tax and utilities	18,804	14,795
Repairs and maintenance	11,104	14,864
Building upgrades	-	28,747
Professional fees	40	2,850
Recruitment costs	805	-
Insurance	6,290	5,192
Cleaning	10,453	928
Office costs and minor purchases	5,992	5,862
Staff training and miscellaneous expenditure	132	247
 <u>Support of the Area Meeting</u>		
Accounting support	7,604	6,508
Independent examiner's fees (governance)	1,988	1,784
Investment management fees	1,828	3,843
Computing support, postage	423	17
Depreciation of fixed assets	14,601	15,106
	<hr/>	<hr/>
	142,521	166,305
	<hr/>	<hr/>
 50% allocation to raising funds (based on time)	71,261	83,152
50% allocation to charitable activities (based on time)	71,260	83,153
	<hr/>	<hr/>
	142,521	166,305
	<hr/>	<hr/>

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

	Grant Making £	Quaker Activities £	2022 Total £	2021 Total £
Costs	(56,387)	(108,850)	(165,237)	(147,563)
Income from Quaker activities	6,251	6,326	12,577	699
	<hr/>	<hr/>	<hr/>	<hr/>
Net cost funded from other income	(50,136)	(102,524)	(152,660)	(146,864)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12. Net income for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	14,601	15,106
Independent examination fee	1,988	1,784
	<hr/>	<hr/>

13. Staff Costs

	2022	2021
The no. of staff on a head count basis	9	9
	<hr/>	<hr/>
	2022 £	2021 £
<u>Staff costs comprise:</u>		
Salaries and wages	59,791	62,998
Employer's social security costs	-	-
Employer's pension costs	2,666	2,564
	<hr/>	<hr/>
	62,457	65,562
	<hr/> <hr/>	<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 2.4 (2021: 2.5).

Remuneration of key management personnel for the year, including pension contributions was £48,134 (2021: £44,122).

The office bearers were not paid remuneration or reimbursed for any expenditure in the current or previous years.

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Taxation

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

15. Fixed Assets

	Property/ improvements £	Fixtures & Fittings £	Total £
<u>Cost/valuation</u>			
As at 1 January 2022	1,510,000	132,294	1,642,294
Additions during year	-	10,925	10,925
Revaluations during year	200,000	-	200,000
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2022	1,710,000	143,219	1,853,219
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
As at 1 January 2022	-	89,425	89,425
Charge for year	-	14,601	14,601
Released on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation at 31 December 2022	-	104,026	104,026
	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>			
As at 31 December 2022	1,710,000	39,193	1,749,193
	<hr/>	<hr/>	<hr/>
As at 31 December 2021	1,510,000	42,869	1,552,869
	<hr/>	<hr/>	<hr/>

The three Edinburgh properties were valued in March 2023 by Ryden Property Consultants and Allied Surveyors, Edinburgh. They considered the market value of the properties to be £1,595,000 on this date. The Kelso property was also valued in March 2023 by Allied Surveyors, Selkirk. The market value was considered to be £115,000. The Trustees consider that the market value of the properties at 31 December 2022 is unlikely to be materially different to the March 2023 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	£1,000,000	£385,000	£210,000	£115,000

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Investments

	2022	2021
	£	£
Market value of quoted investments at 1 January 2022	431,289	369,752
Additions	249,304	41,503
Disposals	(436,143)	(12,191)
Unrealised (losses)/gains on revaluation	(8,355)	32,225
	<hr/>	<hr/>
Market value of investments at 31 December 2022	236,095	431,289
Cash held as part of the portfolio	3,082	13,859
	<hr/>	<hr/>
	239,177	445,148
	<hr/>	<hr/>
Historical cost of investments at 31 December 2022	246,980	361,289
	<hr/>	<hr/>
	2022	2021
	£	£
The portfolio consists of:		
UK Equities	-	18,696
Overseas Equities	-	6,530
Unit Trusts	236,095	354,477
Bonds	-	51,586
Cash	3,082	13,859
	<hr/>	<hr/>
	239,177	445,148
	<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 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. Debtors

	2022	2021
	£	£
Debtors	13,547	7,733
Prepayments	3,531	3,629
	<hr/>	<hr/>
Total	17,078	11,362
	<hr/>	<hr/>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Creditors	13,821	14,480
Accruals	6,288	8,881
Loans: Loans from members	6,000	11,000
	<hr/>	<hr/>
Total	26,109	34,361
	<hr/>	<hr/>

Loans from members: At 31 December 2022, £6,000 was outstanding (2021: £11,000).
All loans are interest free and repayable on request within one month.

19. Unrestricted Funds – Current Year

	Balance at 1/1/22	Incoming	Outgoing	Transfers	Loss on revaluation	Balance at 31/12/22
	£	£	£	£	£	£
General account	516,935	65,649	(53,042)	(107,448)	(52,853)	369,241
Property account	1,510,000	-	-	-	200,000	1,710,000
Capital account	14,725	-	-	-	-	14,725
Festival account	1,569	1,183	244	(1,000)	-	1,996
Victoria Terrace	9,732	61,845	(118,097)	106,351	-	59,831
Kelso Meeting House	21,514	4,230	(8,937)	40	-	16,847
Library Committee account	267	20	-	-	-	287
Fixtures and fittings	20,105	-	(8,357)	10,186	-	21,934
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,094,847	132,927	(188,189)	8,129	147,147	2,194,861
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. Unrestricted Funds – Prior Year

	Balance at 1/1/21 £	Incoming £	Outgoing £	Transfers £	Gain on revaluation £	Balance at 31/12/21 £
General account	577,340	67,430	(78,890)	(82,205)	33,260	516,935
Property account	1,510,000	-	-	-	-	1,510,000
Capital account	14,725	-	-	-	-	14,725
Festival account	1,659	262	(221)	(131)	-	1,569
Victoria Terrace	12,814	37,245	(98,546)	58,219	-	9,732
Kelso Meeting House	4,841	969	(18,831)	34,535	-	21,514
Library Committee account	267	-	-	-	-	267
Fixtures and fittings	10,020	-	(8,431)	18,516	-	20,105
	<u>2,131,666</u>	<u>105,906</u>	<u>(204,919)</u>	<u>28,934</u>	<u>33,260</u>	<u>2,094,847</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.

Library Committee account is for all transactions involved in the upkeep of the Meeting House Library.

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 20.

20. Restricted Funds – Current Year

	Balance at 1 Jan 2022 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 2022 £
John Wigham Trust	5,731	1,483	(1,850)	-	5,364
Local Quaker Meetings	94,400	36,947	(26,418)	(8,800)	96,129
Fàilte Edinburgh project	-	23,230	(16,049)	671	7,852
Donations Fund	-	11,764	(11,764)	-	-
	<u>100,131</u>	<u>73,424</u>	<u>(56,081)</u>	<u>(8,129)</u>	<u>109,345</u>

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20. Restricted Funds – Prior Year

	Balance at 1 Jan 2021 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 2021 £
John Wigham Trust	4,586	1,655	(510)	-	5,731
Local Quaker Meetings	116,135	21,142	(15,115)	(27,762)	94,400
Donations Fund	-	11,487	(11,487)	-	-
AV Project Fund	1,172	-	-	(1,172)	-
	<hr/> 121,893	<hr/> 34,284	<hr/> (27,112)	<hr/> (28,934)	<hr/> 100,131 <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".

Fàilte Edinburgh is a new project, set up through the UK Government-UNHCR Community Sponsorship Scheme, which aims to support a refugee family in the community, providing accommodation, English language training, and help with practicalities like accessing health services, benefits, schools and jobs, and so ultimately enabling them to live independently in Edinburgh.

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

The AV Project fund is to support the upgrade of the AV equipment at 7 Victoria Terrace and a grant of £1,400 was received from Francis Camfield Trust in 2021 for this purpose and spent in that year.

Transfers between restricted and unrestricted funds:

Transfers: £8,129 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 2022. £671 of funds collected from Local Quaker Meetings were transferred to the Fàilte Edinburgh project during the year.

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

YEAR ENDED 31 DECEMBER 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. Analysis of funds – Current Year

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Fixed assets	1,748,051	1,142	1,749,193	1,552,869
Investments	239,177	-	239,177	445,148
Current assets	233,742	108,203	341,945	231,322
Creditors	(26,109)	-	(26,109)	(34,361)
	<u>2,194,861</u>	<u>109,345</u>	<u>2,304,206</u>	<u>2,194,978</u>

Analysis of funds – Prior Year

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Fixed assets	1,552,135	734	1,552,869	1,524,370
Investments	445,148	-	445,148	410,700
Current assets	131,525	99,797	231,322	345,811
Creditors	(33,961)	(400)	(34,361)	(27,322)
	<u>2,094,847</u>	<u>100,131</u>	<u>2,194,978</u>	<u>2,253,559</u>

22. Related party transactions

Related party transactions during the year are disclosed in note 13.