

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

SCOTTISH CHARITY NUMBER: SC019165

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

YEAR ENDED 31 DECEMBER 2014

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

TRUSTEES' REPORT

OFFICE BEARERS

Philip Lucas (Area Meeting Clerk)
Rosemary Roberts (Assistant Clerk to 22nd February 2014)
Alastair Cameron (Assistant Clerk from 23rd February 2014)
Mark Hutcheson (Treasurer)

PRINCIPAL OFFICE

The Quaker Meeting House
7 Victoria Terrace
Edinburgh EH1 2JL

ACCOUNTANT

Heather Hartman, BA (Hons) CA

INDEPENDENT EXAMINER

David Jeffcoat FCCA
Alexander Sloan (Chartered Accountants)
1 Atholl Place
Edinburgh EH3 8HP

BANKERS

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

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

TRUSTEES (during 2014 and at the time of signing this report)

Pauline Browell-Hook (from 1 st October 2014)	Philip Lucas
Martin Burnell (to 31 st December 2014)	Brian Mayes
Ann Forsyth	Laurie Naumann
Mark Hutcheson	John Phillips (Clerk to Trustees)
Kenneth Jobling (to 30 th September 2014)	Rufus Reade
Elizabeth Law (from 1 st January 2015)	Henry Thompson (to 30 th April 2015)

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

This is the Report for South East Scotland Area Meeting of the Religious Society of Friends (Quakers) for the year ended 31st December 2014. This report is prepared in accordance with the Area Meeting's governing document and the recommendations of the *Statement of Recommended Practice - Accounting and Reporting by Charities* (2005), and complies with applicable law.

ORGANISATION AND AFFILIATION

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

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

South East Scotland Area Meeting is one of four making up the General Meeting for Scotland. It contains 236 members (232 in 2013) worshipping in nine separate Local Quaker Meetings, of which the largest are Central and South Edinburgh with 113 and 42 members respectively. In addition, many non-members (known as 'attenders') regularly attend meetings for worship and participate fully in the life of the Society.

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

GOVERNANCE AND CHARITABLE TRUSTEES

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

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

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

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

OBJECTIVES

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

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The Area Meeting is the over-arching entity supporting Quaker worship and Quaker witness within South East Scotland. Quaker Meetings for Worship are open to the public and are held on a regular basis in ten localities in our area: in the Edinburgh Quaker Meeting House (several meetings each week, both on Sundays and on weekdays) and in the Kelso Quaker Meeting House (on Sundays), as well as in eight additional locations (on a weekly basis in South Edinburgh and Polmont, twice monthly in Dunbar, Kirkcaldy, Peebles and Portobello/Musselburgh, and monthly in Penicuik and in North Edinburgh).

Meetings for Church Affairs (business meetings of the Area Meeting) were held on eight occasions during 2014. All members of the Religious Society of Friends as well as others who attend our Meetings for Worship are welcome to attend these meetings, at which subjects of general interest are explored, reports covering a variety of Quaker concerns are received, and decisions are made concerning the use of our various resources. Among special topics under consideration in 2014 were:

- the further development of our ongoing concern for economic justice "Economics as though People and the Planet Matter";
- envisioning the future development of Scotland in connection with the independence referendum held in September 2014;
- further work on how we might build a more sustainable community;
- development of links with the Scottish Parliament through our support of a joint initiative of General Meeting for Scotland and Britain Yearly Meeting to appoint a half-time Parliamentary Engagement Officer;
- a new project that takes forward our concern that our society is becoming increasingly militarised.

Individual Local Meetings have explored these and other themes through their own Meetings for Learning and Study Days. In addition, we have commenced a process of review of the spiritual and corporate life within each of our local meetings.

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

As in previous years, our most high-profile engagement in the life of the community was our use of the Quaker Meeting House in Edinburgh as a venue during the Edinburgh Festival Fringe. During 2014 we hosted visiting theatre companies from around the world for three weeks, using volunteer staff drawn from our own Quaker meetings and from others around the UK.

As in a number of recent years, South Edinburgh Meeting together with smaller meetings in Midlothian and West Lothian hosted a residential weekend for study and recreation at Wiston Lodge, Biggar, in September 2014.

The Area Meeting owns two meeting houses (located in the Edinburgh Old Town and in Kelso), both of which are hired out to community groups and voluntary organisations when they are not being used for Quaker activities. Each meeting house is seen not only as a base for the activities of the Society of Friends but also as a resource for the local community. Considerable effort is being made to reduce energy consumption in each, to maximise recycling and to use Fairtrade materials. There has been major renovation of the kitchen and toilet areas of the Edinburgh Meeting House, and all its large windows have now been replaced by double-glazed units. These greatly improve both heat retention and the sound quality in the main rooms; the next major development will be modernisation of the building's heating and ventilation systems.

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

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

The Area Meeting has been the fortunate recipient of a legacy established as the John Wigham (Enjoyment) Trust. This makes grants to "deserving persons resident in Scotland who owing to straitened circumstances are unable to enjoy the usual pleasures of life, the purpose of such grants being to provide the recipients with some additional comfort or pleasure of an exceptional nature over and above the usual necessities of life." Well over a hundred grants have been distributed since 2002 to Quakers and non-Quakers from all over Scotland to enable them to experience some aspect of enjoyment in their lives. The Trust received a major grant for the support of its work during 2014.

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

FINANCIAL REVIEW

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

(a) RESERVES POLICY

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

Since 2009 many donations and a number of interest-free loans were received from members for financing the improvement of the facilities at the Edinburgh Meeting House during 2012 and 2013. Key tasks during 2014 have been to start reducing the size of the loans held from members and starting to rebuild the reserves that were used. Although the net size of the reserves has not increased very significantly during 2014, the size of loans held has been reduced.

(b) FUNDS

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

The land and buildings belonging to the Area Meeting were revalued professionally during the spring of 2014. They are included in the Balance Sheet at their market value at the date of these valuations in order to give a reasonable reflection of the charity's assets. It is the trustees' policy not to depreciate them but to revalue them at approximately five year intervals.

(c) FUNDING SOURCES

The Area Meeting depends primarily on donations from its members to fund its activities. Such donations may be made for unrestricted purposes or for specific restricted purposes, as directed by the donor. Donations income in 2014 roughly equalled that in previous years.

Income is received from letting out rooms in the meeting houses to external organisations (normally charities or community groups) when they are not needed for Quaker activity. The utilisation of the Edinburgh property was reviewed in 2009, following which recommendations were prepared for the future development of the building to make it more attractive for letting, and to reduce its energy costs. In fact, income from lettings at the Edinburgh building has increased significantly during 2014 compared with 2013, more nearly covering the associated costs.

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

TRUSTEES' REPORT

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 in this endeavour is used to support certain external charities as well as funding various aspects of Quaker activity. The Area Meeting has initiated a review of this activity; any change would affect our contribution to the Festival Fringe from 2016.

(d) GRANT MAKING POLICY

The substantial annual grant made by the Area Meeting to Britain Yearly Meeting was curtailed while funds were required for development of the Edinburgh meeting house (though individual members continued to offer financial support for the centrally-managed work of the Society of Friends during this time). The Area Meeting was able to resume its support during 2013 and 2014. Other grants payable usually cover Quaker activities. Part of the income generated from the general public during the Edinburgh Festival each year is passed on as grants to charitable organisations, as decided by the members: these generally cover a Quaker charity working in the United Kingdom, one working overseas and one working in environmental conservation. In addition, members and attenders may contribute to a restricted Donations Fund, specifying aspects of Quaker or Area Meeting work to be supported from it. Much non-Quaker (and some Quaker) work is also supported through special collections following local meetings for worship on Sundays.

(e) RISK MANAGEMENT

An assessment has been made of the major risks to which the charity is exposed, and systems are in place to mitigate its exposure to major risks. This process is ongoing. An architect undertook a quinquennial review of the Edinburgh premises at the end of 2013 (reported in early 2014). While no major problems were identified, the trustees are planning a phased programme of repairs and improvement based upon this report. The Kelso meeting house is also inspected periodically (most recently in 2010).

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

PLANS FOR FUTURE PERIODS

The priority of the Area Meeting is to maintain and support its worshipping communities within the area of South East Scotland, encouraging the establishment of further groups whenever possible. It also has a responsibility to increase the profile of Quakerism within this area and it undertakes periodic outreach activities. It has been particularly rewarding to note the growth of several Local Quaker Meetings within the area over recent years, each providing regular opportunities for Quaker worship.

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

TRUSTEES' REPORT

There is an on-going need to maintain the Area Meeting's property to a high standard and the trustees are developing plans for further improvement of the Edinburgh Meeting House, in particular to reduce still further the energy costs involved in heating the building. They will undertake further work as funds become available. They are also aware that some external work will be needed on the meeting house in Kelso.

THE AREA MEETING'S RESPONSIBILITIES

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

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

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 ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees are responsible for safeguarding the assets of the Area Meeting and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees on 21st April 2015. It was signed on their behalf by John Phillips. The Report and the Statement of Accounts for 2014 were presented to an Area Meeting held on 29th August 2015 and the Clerk of the Area Meeting was authorized to sign them.



John Phillips (Clerk to Trustees)



Phil Lucas (Area Meeting Clerk)

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

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF THE AREA MEETING
YEAR ENDED 31 DECEMBER 2014**

I report on the financial statements for the year ended 31st December 2014 as set out on pages 11 to 23.

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
1 Atholl Place
Edinburgh EH3 8HP

Date: 29 August 2015

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

YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted £	Restricted £	2014 £	2013 £
Incoming resources					
Voluntary income:					
<i>Donations and legacies</i>	2	81,225	24,788	106,013	96,657
<i>Grants</i>	3	1,000	31,473	32,473	40,160
Activities for generating funds					
<i>Letting income</i>		49,987	-	49,987	40,652
<i>Fundraising activities</i>		62,051	73	62,124	57,664
Investment income		159	20	179	786
Income from Quaker activities		408	8,754	9,162	3,943
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		194,830	65,108	259,938	239,862
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Cost of generating funds					
<i>Fundraising trading</i>	4	34,403	155	34,558	33,374
<i>Support costs</i>	5	52,796	82	52,878	56,795
Charitable activities					
<i>Grants payable</i>	6	34,165	18,080	52,245	35,393
<i>Cost of Quaker activities</i>	7	12,630	5,948	18,578	18,402
<i>Support costs</i>	5	52,795	83	52,878	65,882
Governance	8	1,500	-	1,500	1,480
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		188,289	24,348	212,637	211,326
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources before transfers	9	6,541	40,760	47,301	28,536
Gross transfers between funds	16, 17	28,972	(28,972)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources before other recognised gains / (losses)		35,513	11,788	47,301	28,536
Losses on revaluation of fixed assets		(137,301)	-	(137,301)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds for the year		(101,788)	11,788	(90,000)	28,536
Total funds at 1 January		1,002,990	26,636	1,029,626	1,001,090
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds at 31 December		901,202	38,424	939,626	1,029,626
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The charity has no other recognised gains or losses other than the result for the year as set out above. All activities of the charity are classified as continuing.

The notes on pages 13 to 23 form part of the financial statements.

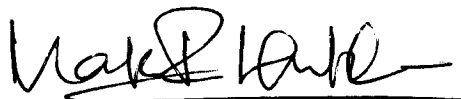
**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

BALANCE SHEET

YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	13	855,473	963,530
Current assets			
Debtors	14	25,145	32,617
Short term deposits		38,668	33,115
Cash at bank and in hand		66,466	85,617
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		130,279	151,349
Creditors: Amounts falling due within one year	15	(46,126)	(85,253)
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Net current assets		84,153	66,096
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Total assets less current liabilities		939,626	1,029,626
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Funds			
Unrestricted funds	16		
General funds		5,005	103
Designated funds			
Property & Property Improvements		845,500	957,449
Fixtures and fittings		9,198	6,081
Various		41,499	39,357
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		901,202	1,002,990
Restricted funds	17	38,424	26,636
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		939,626	1,029,626
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

These accounts were approved at an Area Meeting held on 29th August 2015 and signed by:



Mark Hutcheson (Treasurer to Area Meeting)



John Phillips (Clerk to Trustees)

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

1. Accounting policies

(a) Basis of accounting

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

(b) Fund accounting

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

(c) Incoming resources

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

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

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

(d) Resources expended

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

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

(e) Fixed assets

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

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

2. Donations and legacies		2014	2013
		£	£
Donations from members and other individuals		93,013	96,657
Legacies		13,000	-
		<hr/>	<hr/>
		106,013	96,657
		<hr/> <hr/>	<hr/> <hr/>
3. Activities in furtherance of the charity's objects			
Grants received			
	Unrestricted funds	Restricted funds	2014 Total
	£	£	£
Camfield Trust	1,000	-	1,000
Garfield Weston	-	-	-
Edinburgh World Heritage Trust	-	3,240	3,240
Foundation Scotland	-	10,000	10,000
Listed Places of Worship Grant Scheme	-	18,233	18,233
	<hr/>	<hr/>	<hr/>
	1,000	31,473	32,473
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
4. Costs associated with fundraising		2014	2013
		£	£
Advertising hall hire		-	(515)
Goods for sale at meeting house		17,540	13,332
Festival venue costs		14,798	16,914
Sale items and tea room during Festival		1,195	3,513
Periodicals & PRS cost		276	108
Costs of fundraising		39	22
Bad debts – room hire		710	-
		<hr/>	<hr/>
		34,558	33,374
		<hr/> <hr/>	<hr/> <hr/>

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

5. Support costs

Expenses associated with the two meeting houses and with supporting the running of the Area Meeting were divided 50% for support of Quaker activities and 50% for fundraising activity.

	2014	2013
	£	£
<u>Meeting House expenses</u>		
Wages and salaries	44,530	42,316
Council tax and utilities	11,870	17,959
Repairs and maintenance	12,981	22,554
Building upgrades	-	12,351
Professional fees	5,817	-
Insurance	4,347	4,260
Cleaning	8,895	8,612
Office costs and minor purchases	4,881	5,534
Staff training and miscellaneous expenditure	1,824	-
<u>Support of the Area Meeting</u>		
Accounting support	6,000	5,500
Computing support, postage	650	455
Depreciation of fixed assets	3,961	3,136
	<hr/>	<hr/>
	105,756	122,677
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**RELIGIOUS SOCIETY OF FRIENDS (QUAKERS)
SOUTH EAST SCOTLAND AREA MEETING**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

6. Grants paid

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Grants over £1,000				
Britain Yearly Meeting	21,750	5,293	27,043	16,763
General Meeting for Scotland	3,536	-	3,536	4,227
Northern Friends Peace Board	4,219	-	4,219	-
Refugee Survival Trust	1,750	-	1,750	1,250
Quaker Bolivia Link	-	-	-	1,250
MAG International	1,750	-	1,750	-
	<hr/>	<hr/>	<hr/>	<hr/>
	33,005	5,293	38,298	23,490
Various grants < £1,000*	1,160	12,787	13,947	11,903
	<hr/>	<hr/>	<hr/>	<hr/>
Total grants payable	34,165	18,080	52,245	35,393
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*All grants were made to organisations, with the exception of a net expenditure of £507 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 £7,067 (2013: £6,426) for various charitable purposes.

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

7. Cost of Quaker activities

	2014	2013
	£	£
<u>Area Meeting expenses</u>		
Attendance at conferences & meetings	4,633	3,065
Bursary help (requested by overseers)	415	434
Committee expenses	690	1,549
Administration costs	279	492
Books, newsletters, publicity & outreach	4,439	4,922
Registrations & membership of other organisations	260	250
Activities within Local Meetings	3,100	3,698
Premises costs of Local Meetings	4,762	3,992
	<hr/>	<hr/>
	18,578	18,402
	<hr/>	<hr/>

8. Governance costs

	2014	2013
	£	£
Independent examiner's fees	1,500	1,480
	<hr/>	<hr/>
	1,500	1,480
	<hr/>	<hr/>

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

9. Net incoming resources for the year

This is stated after charging:

	2014	2013
	£	£
Depreciation	3,961	3,136
Independent examination fee	1,500	1,480
	_____	_____

10. Staff Costs

The average number of full time staff during the year was

	2014	2013
	2	2
	=====	=====

Staff costs comprise:

	2014	2013
	£	£
Salaries and wages	43,467	40,892
Employer's social security costs	148	556
Employer's pension costs	915	868
	_____	_____
	=====	=====

No employee was paid a salary of more than £60,000 per annum in the current or previous years.

The office bearers were not paid remuneration, and one office bearer was reimbursed for postage totalling £216. In the prior year, one office bearer was reimbursed for stationery items totalling £5.

11. Commitments under operating leases

At 31 December 2014 the charity had aggregate annual commitments under a non-cancellable operating lease as set out below:

	2014	2013
	£	£
Within 1-2 years	-	854
Within 2-5 years	-	-
	_____	_____

12. Taxation

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

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

13. Fixed Assets

	Property/ improvements £	Fixtures & Fittings £	Total £
<u>Cost/valuation</u>			
As at 1 January 2014	957,449	83,374	1,040,823
Additions during year	25,352	7,853	33,205
Disposals	-	(2,085)	(2,085)
Loss on revaluation	(137,301)	-	(137,301)
	-----	-----	-----
As at 31 December 2014	845,500	89,142	934,642
	-----	-----	-----
<u>Depreciation</u>			
As at 1 January 2014	-	77,293	77,293
Charge for year	-	3,961	3,961
Released on disposal	-	(2,085)	(2,085)
	-----	-----	-----
Depreciation at 31 December 2014	-	79,169	79,169
	-----	-----	-----
<u>Net Book Value</u>			
As at 31 December 2014	845,500	9,973	855,473
	=====	=====	=====
As at 31 December 2013	957,449	6,081	963,530
	=====	=====	=====

The three Edinburgh properties were valued on 2 June 2014 by Ryden Property Consultants. They considered the market value of the properties to be £775,000 on this date. The Kelso property was valued on 25 April 2014 by Roger Dodd, Kelso. The market value was considered to be £70,500. 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:	£410,000	£240,000	£125,000	£70,500

14. Debtors

	2014 £	2013 £
Debtors	22,598	30,088
Prepayments	2,547	2,529
	-----	-----
Total	25,145	32,617
	=====	=====

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

15. Creditors: amounts falling due within one year

	2014	2013
	£	£
Creditors	9,176	14,122
Accruals	2,950	13,631
Loans: Loans from members	34,000	57,500
	46,126	85,253
Total	46,126	85,253

Loans from members: At 31 December 2014, £34,000 was outstanding (2013: £57,500). All loans are interest free and repayable on request within one month. Included in the loans from members are loans of £12,000 from two of the trustees.

16. Unrestricted Funds

	Balance at 1 Jan 2014	Incoming	Outgoing	Transfers	Loss on revaluation	Balance at 31 Dec 2014
	£	£	£	£	£	£
General account	103	79,722	(55,808)	(19,012)	-	5,005
Property account	957,449	-	-	25,352	(137,301)	845,500
Capital account	25,998	2,313	-	(3,629)	-	24,682
Festival account	407	27,543	(13,858)	(11,533)	-	2,560
Victoria Terrace	12,510	81,309	(110,877)	29,441	-	12,383
Kelso Meeting House	-	3,943	(3,691)	968	-	1,220
Committee account	442	-	(289)	500	-	653
Fixtures and fittings	6,081	-	(3,767)	6,885	-	9,198
	1,002,990	194,830	(188,289)	28,972	(137,301)	901,202
	1,002,990	194,830	(188,289)	28,972	(137,301)	901,202

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. The capital account is a designated account for legacies and donations received by the Area Meeting. It is used for major capital projects. The Festival account is operated by the Festival Committee for the purpose of using the Edinburgh Quaker Meeting House as a venue during the Edinburgh Festival Fringe. The Victoria Terrace account is for all transactions involved in running the Edinburgh Quaker meeting house, with the exception of its special use during the annual Edinburgh Festival. The Kelso Meeting House is used for all transactions involved in running the Kelso Quaker meeting house. The Committee account incorporates the funds of two small committees: Library Committee and the Sustainability Network. Fixtures and fittings relates to the value of fixtures and fittings within the main meeting house at 7 Victoria Terrace. For transfers between unrestricted and restricted accounts, see Note 17.

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

17. Restricted Funds

	Balance at 1 Jan 2014 £	Incoming £	Outgoing £	Transfers £	Balance at 31 Dec 2014 £
John Wigham Trust	2,723	10,188	(507)	-	12,404
Local Quaker Meetings	23,913	25,114	(17,160)	(5,847)	26,020
Donations Fund	-	8,333	(6,681)	(1,652)	-
Windows Appeal (restricted)	-	21,473	-	(21,473)	-
	<u>26,636</u>	<u>65,108</u>	<u>(24,348)</u>	<u>(28,972)</u>	<u>38,424</u>

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

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

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

Transfers between restricted and unrestricted funds:

Transfers: £5,847 was transferred from Local Quaker Meetings to the General Account for the purposes related to the running of 7 Victoria Terrace during 2014, including contributions of £793 to the fundraising appeal.

The windows appeal finished in 2013, but remaining funds from World Heritage Trust and Listed Places of Worship Scheme were received in 2014 and utilised against the remaining capital spend and thus transferred to the Property account.

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SOUTH EAST SCOTLAND AREA MEETING**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

18. Analysis of funds

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Fixed assets	855,473	-	855,473	963,530
Current assets	87,347	42,932	130,279	151,349
Creditors	(41,618)	(4,508)	(46,126)	(85,253)
	901,202	38,424	939,626	1,029,626
	901,202	38,424	939,626	1,029,626

19. Related party transactions

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

20. Capital Commitments

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

	2014 £	2013 £
	-	13,557
	-	13,557
	-	13,557