

Religious Society of Friends (Quakers) - WSAQM

Annual report and accounts for the year ending 31 Dec 2017

The final payments on the Taunton project were made early in 2017 of some £30,000 and a loan of £20,000 was converted to a donation in 2017 increasing the donation total.

Taunton Centre again increased its hiring income and with the benefit of donation support from AM Friends a surplus was transferred to AM funds (see transfers below for more information). The support donations end in 2018 so any future surplus is likely to be small until loans are repaid.

The funds of the charity meet the reserves policy (see below for more information), and the Ilminster Fund is a significant additional resource waiting to be put to use. The Bridgwater Maintenance Fund is now exhausted and buildings will be supported from general funds in future.

In 2017 accounting and book keeping arrangements were centralised which, though needing a lot of work, we hope will simplify the work of the LM and AM treasurers. There were teething issues but these are hoped to be behind us.

Report of the independent examiner

I report on the accounts of the Charity for the year ended 31 December 2017, which are set out on pages 3 to 8.

Responsibility - The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to examine the accounts, to follow the procedures laid down in the General Directions given by the Charity Commission, and to state whether particular matters have come to my attention.

Basis of the examination - My examination was carried out in accordance with the General Directions given by the Charity Commission. 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 the trustees concerning 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 accounts.

Examiner's statement - In the course of my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that proper accounting records have been kept, and that accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

Date

Name

Address

Statement of Financial Activities	Unrestricted	Restricted	Endowment	2017	2016	
Incoming resources						
Voluntary income	72,366	0	0	72,366	55,051	
Activities for generating funds	19,778	0	0	19,778	13,203	
Investment income	14,747	2,832	317	17,896	18,150	
Income from Quaker activities	11	0	0	11	486	
Other incoming resources	362	0	0	362	300	
Total incoming resources	107,264	2,832	317	110,413	87,190	
Resources expended						
Costs of generating funds	1,641	0	0	1,641	1,415	Note 2
Costs of Quaker activities	16,835	0	620	17,455	29,278	Note 2
Support costs	70,483	0	15,223	85,706	81,503	Note 2
Costs of governance	400	0	0	400	400	
Other resources expended	0	0	0	0	0	
Total resources expended	89,359	0	15,843	105,201	112,596	
Net inc. resources before transfers	17,905	2,832	(15,526)	5,211	(25,406)	
Transfers into each fund	(73,763)	72,246	1,517	0	0	Note 9
Net incoming resources after transfers	(55,858)	75,078	(14,009)	5,211	(25,406)	
Gains (losses) on investments	0	0	0	0	0	
Net movement in funds	(55,858)	75,078	(14,009)	5,211	(25,406)	
Total funds brought forward, 1 Jan	100,271	233,594	34,717	368,581	393,987	
Prior year adjustments						Note 1
Total funds carried forward, 31 Dec	44,413	308,671	20,708	373,792	368,581	

Statement of Asset and Liabilities	Unrestricted	Restricted	Endowment	2017	2016	
Fixed assets						
Land and buildings	0	0	0	0	0	Note 6
Fixtures and fittings	0	0	0	0	0	
Long term investments	0	0	0	0	0	
Total fixed assets	0	0	0	0	0	
Current assets						
Debtors	0	0	0	0	1,000	Note 8
Short term deposits	0	0	0	0	0	
Cash at bank	117,502	308,671	20,708	446,882	471,777	
Total current assets	117,502	308,671	20,708	446,882	472,777	
Liabilities						
Creditors: due within one year	4,494	0	0	4,494	4,856	Note 8
Net current assets	113,009	308,671	20,708	442,388	467,921	
Total assets less current liabilities	113,009	308,671	20,708	442,388	467,921	
Creditors: due after one year	68,596	0	0	68,596	99,340	
Provisions for liabilities and charges	0	0	0	0	0	
Net assets	44,413	308,671	20,708	373,792	368,581	

Signed by one or two of the trustees on behalf of all the trustees

Signature

Name

Signature

Name

Date of approval

Balance Sheet - Analysis of Funds	Unrestricted	Restricted	Endowment	2017	2016
Unrestricted funds					
AM General Fund	39,617			39,617	46,419
Finch / Simonds Legacy	2,930			2,930	3,381
AM central debt	(72,696)			(72,696)	0
Premises Maintenance Reserve	30,000			30,000	16,415
Premises Development Reserve	0			0	0
Bridgwater LM	6,530			6,530	5,472
B-o-S LM	1,193			1,193	1,803
Ilminster LM	2,333			2,333	2,105
Minehead LM	2,401			2,401	3,470
Spiceland LM	13,255			13,255	12,879
Taunton LM	12,449			12,449	3,822
Wellington LM	4,401			4,401	3,505
Taunton Centre	2,000			2,000	1,000
Restricted funds					
Taunton MH Renewal		0		0	(72,246)
Ilminster		308,671		308,671	305,839
Endowment funds					
Assistance Fund			20,708	20,708	21,132
Bridgwater maintenance fund			0	0	13,585
Bridgwater Sale Proceeds			0	0	0
Totals for all funds	44,413	308,671	20,708	373,792	368,581

Notes to the accounts

1 - Accounting policies

Basis of accounting - These accounts have been prepared as "receipt and expenditure accounts" as income for the charity is below the limit requiring SORP accounting.

Income and expenditure - Contributions, grants, legacies, interest, dividends, and rents are all treated as income in the year in which they are received.

Acting as Agent - Further sums are collected specifically for passing on to other bodies, and so they do not represent income for the Area Meeting. These are not included in the SOFA or balance sheet, but they are summarised in Note 10.

Land and buildings - The properties owned by the Area Meeting comprise Meeting Houses, attached accommodation and burial grounds which are held for the furtherance of the Area Meeting's charitable objects. Buildings are not included in the balance sheet. The most recent valuation is shown in Note 7 at a valuation made in 2012 (for Taunton MH 2017), in the opinion of the Trustees, the cost of a professional valuation would not be a justifiable use of charitable funds on a regular basis and a further valuation is unlikely to be necessary or justifiable until 2024 however trustees will review the situation annually. The contents of the Meeting Houses are written off at purchase (though contents are insured).

Reserves - The Trustees have agreed a policy on reserves as follows:
Local and AM funds should hold 1 years expected expenditure, however for building maintenance the reserve will be for an expected 3 years of expenditure (this is presently assessed as £30,000). A building development reserve will be built as and when possible from funds to enable development or acquisition of Meeting Houses.

Investments - The Managing Trustees have agreed a policy that the sums of money at present held by the Area Meeting and Local Meetings are insufficient to require long term investment.

Pensions - The Area Meeting now has one employee and pensions obligations began 2017. We have registered with the Pension Regulator and use NEST as pensions provider though as yet no contributions have triggered due to pay levels.

Local Meetings - In accordance with the latest guidance from the Charity Commission and the Quaker Stewardship Committee, the unrestricted funds of Local Meetings are shown here as designated funds of the Area Meeting.

2 - Expenditure

No allocation has been made of support costs between Quaker activities and cost of generating funds. It is not a requirement for a charity of our size.

Cost of generating funds covers the costs both of Activities for Generating Funds and Costs of Investment - materials purchased for sale and the maintenance of Rental Property are examples of both.

3 - Trustees and examiners	2017	2016
Refund of expenses to Trustees as Trustees	0	0
Refund of other expenses to Trustees	0	0
Fees for examination or audit	400	400
Other fees paid to examiner or auditor	0	0
Other costs of governance	0	0
Total	400	400

4 - Paid employees	2017	2016
Staff wages and salaries	10,310	6,480
Total	10,310	6,480

The warden began work in March 2016. No pension contributions have been made and small NI contributions that have not been deemed worth the effort of splitting out.

5 - Grants and donations	Unrestricted	Restricted	Endowment	2017	2016
Donations to BYM	7,733	0	0	7,733	9,880
Donations to other Quaker bodies	3,990	0	0	3,990	120
Donations to non-Quaker bodies	2,577	0	0	2,577	2,340
Grants to individuals (hardship)	0	0	500	500	340
Grants to individuals (education)	0	0	1,000	1,000	1,000
Grants to individuals (other)	0	0	0	0	0
Totals	14,300	0	1,500	15,800	13,680

A one off donation to the Quaker Tapestry for the exhibition staged by Taunton Methodists at Taunton library is the largest element of Donations to other Quaker bodies. PFP continues to be supported for its work with £2,000 p.a.

6a -Resale value of properties	Land and buildings	Contents	Date of valuation
Minehead	100,000	0	31/12/2012
Spiceland	200,000	0	31/12/2012
Taunton	525,000	0	17/07/2017
Wellington	110,000	0	31/12/2012
Milverton Burial Ground	5,000	0	31/12/2012
	0	0	
Totals	940,000	0	

Bridgwater Sale Proceeds is a permanent endowment whose capital is protected and was used in the renovation of Taunton Meeting House. £122,193 of the value of the Taunton Meeting House is preserved for the Bridgwater Endowment. At future valuations for Taunton MH the future value of the Bridgwater Endowment will be fixed in proportion to this valuation.

8 - Debtors and creditors

Debtors -

None

Creditors -

£10,000 Loan (interest free) related to Taunton project repayable in 2025

£20,000 Loan (interest free) related to Taunton project from Friends MH Trust repayable in 8 more instalments

£42,695 Mortgage secured on TMH payable to 2036

The loans are planned to be repaid from lettings income at Taunton Meeting House. Taunton centre fund is accumulating £1,000 per year to settle the interest free loan.

£393.80 of funds held Acting as Agent yet to be disbursed.

9a - Designated, Restricted and Endowment Funds

Unrestricted funds are freely available for any purpose of the Area Meeting. **Designated funds** are unrestricted funds which are set aside for specific purposes, but remain at the discretion of the Area Meeting.

Restricted funds have been earmarked by the donor or testator for certain specific purposes.

Endowment funds must have their capital preserved, but the income can be used for the purposes specified by the donor or testator.

AM Designated funds -

The funds for the Finch and Symonds Legacy have been set aside in order to make provision for future expenditure relating to outreach and spiritual development. They were merged in 2016 by AM and are shown as one fund.

The property maintenance and development funds have been set aside to make provision for future expenditure.

Local Meeting funds are treated as Designated.

These funds remain at the discretion of the Charity.

AM Restricted funds -

Taunton Meeting House Development Fund is no longer shown as the project is complete.

Ilminster MH fund is a donation restricted to use for the purchase of a Meeting House for Ilminster LM (with some wider applications should Ilminster LM decide not to use the donation for purchase of a Meeting House). The Charity Commission has agreed to relax the restriction to purchase (or its use in renovating an

existing Meeting House) so that if necessary funds can be used for rent or lease, .

AM Endowment funds -

The Assistance Fund has use restricted to assistance of hardship, and Quaker Education (including "Travelling in the Ministry"). Some £13,000 is capital restricted (only interest in the fund - above this value - is expendible).

Bridgwater Maintenance fund is restricted to use in maintaining Meeting Houses in AM, it is not capital restricted. The fund is now exhausted.

Bridgwater Sale Proceeds is a capital restricted endowment used in the renovation of Taunton Meeting House, its value is now fixed in proportion to the 2017 valuation of TMH (£122,193:£525,000).

Local Meetings - The funds managed by the constituent Local Meetings are primarily for the expenses of each Meeting, but may also be used for the centrally-managed work of the Society of Friends, or other purposes of the Area Meeting. Each Local Meeting is shown in these consolidated accounts as an unrestricted designated fund, plus other restricted or endowment funds where appropriate.

9b - Movement of the funds	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Gains and losses	Fund balances carried forward
Unrestricted funds						
AM General Fund	46,419	25,587	40,223	7,833	0	39,617
Finch / Simonds Legacy	3,381	0	451	0	0	2,930
AM central debt	0	0	0	(72,696)	0	(72,696)
Premises Maintenance Reserve	16,415	0	0	13,585	0	30,000
Premises Development Reserve	0	624	0	(624)	0	0
Taunton Centre	1,000	33,002	23,141	(8,861)	0	2,000
Bridgwater LM	5,472	5,862	3,604	(1,200)	0	6,530
B-o-S LM	1,803	1,231	1,341	(500)	0	1,193
Ilminster LM	2,105	3,361	2,332	(800)	0	2,333
Minehead LM	3,470	9,204	6,374	(3,900)	0	2,401
Spiceland LM	12,879	14,053	8,077	(5,600)	0	13,255
Taunton LM	3,822	9,173	546	0	0	12,449
Wellington LM	3,505	5,167	3,271	(1,000)	0	4,401
Totals for unrestricted funds	100,271	107,264	89,359	(73,763)	0	44,413
Restricted funds						
Taunton MH Renewal	(72,246)	0	0	72,246	0	0
Ilminster	305,839	2,832	0	0	0	308,671.35
Totals for restricted funds	233,594	2,832	0	72,246	0	308,671
Endowment funds						
Assistance Fund	21,132	196	620	0	0	20,708
Bridgwater maintenance fund	13,585	121	15,223	1,517	0	0
Totals for endowment funds	34,717	317	15,843	1,517	0	20,708
Totals for all funds	368,581	110,413	105,201	0	0	373,792

Premises Maintenance Reserve is maintained at £30,000 required by our reserves policy and are adequate to fund the planned £14,000 expenditure in 2018.

The funds of the Local Meetings are at £42,000 broadly adequate to cover a year's expenditure (£25,000) . Taunton funds are higher than usual because transfers and contributions to AM, Taunton Centre, and BYM were made in early 2018.

The General Fund is, at £39,617, considered adequate to cover one year of AM expenditure - now containing the costs of Taunton Centre (AM expenditure is planned at about £12,000, TC at £22,000).

Premises Development Reserve was transferred to Central Funds to support other transfers (the uncertainties of funds and expenditure through the Taunton renovation made it difficult to build this reserve).

Finch and Symonds Legacy - is likely to be used fully in 2018.

Taunton Renewal fund was wound up at the start of 2017 final bills being settled from central funds.

Ilminster fund is little changed - Ilminster LM has decided not to purchase a Meeting House in the short term AM will begin in 2018 to consider use of the fund within the terms of gift.

9c - Transfers within AM	AM/LM	
Bridgwater LM	1,200	
Spiceland LM	5,600	
Wellington LM	1,000	
Minehead LM	3,900	
Iminster LM	800	
Burnham on Sea	500	
AM transfers		
Taunton Centre to AM	8,861	
AM central to central debt (debt paid down)	(29,144)	
Property Development Reserve transferred to AM central	624	
AM central to Property Maintenance (to keep reserve total at required £30,000)	(13,584)	
AM central to BW Maintenance to bring funds to 0	(1,516)	
Other transfers		
Totals	(21,759)	

Taunton LM makes its transfers for 2017 to Taunton Centre and to AM early in 2018

The transfer to central debt covers the £20,000 loan converted to donation, £2,500 repayment to FMHT and mortgage capital repayments

The transfer to Property Maintenance reserve means the reserve is at £30,000 and no further transfer is needed until the reserve needs to increase.

The transfer from TC to AM of £8,861 has therefore "funded" the repayments to FMHT and the CAF mortgage capital.

10 - Acting as Agent	Income	
Schedules and special collections	2017	2016
AM schedule contributions	720	1,057
BYM schedules	1,115	1,064
Other Quaker schedules	460	460
Non-Quaker schedules	625	0
Special collections		1,466
Other receipts to pass on	0	0
Totals	2,920	4,047

It is expected that special collections will be unrecorded being conducted at Local Meetings and not in the central books.