

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

Registered Company No: 04943183  
Registered Charity No: 1101444

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

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**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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<b>TRUSTEES</b>	Fr Jonathan Ewer Sr Margaret Moakes Revd Paul Golightly (until April 2017) Revd Wendy Carey Mr Jeremy Hopkinson Mr Allan Hargreaves Br Anthony Purvis Fr Robert Stretton
<b>PROVINCIAL</b>	Fr Jonathan Ewer
<b>PROVINCIAL BURSAR</b>	Revd Paul Golightly (until April 2017)
<b>SECRETARY</b>	Mr Allan Hargreaves
<b>COMPANY REGISTRATION NUMBER</b>	04943183
<b>CHARITY REGISTRATION NUMBER</b>	1101444
<b>GOVERNING INSTRUMENT</b>	Memorandum and Articles of Association dated 24 October 2003
<b>REGISTERED OFFICE</b>	St Michael's Priory Newport Road Willen Milton Keynes MK15 9AA
<b>AUDITOR</b>	haysmacintyre 10 Queen Street Place London EC4R 1AG
<b>SOLICITORS</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ
<b>BANKERS</b>	Royal Bank of Scotland Plc London City Office 62/63 Threadneedle Street London EC2R 8LA
<b>INVESTMENT MANAGERS</b>	Rathbone Greenbank Investments 1 Curzon Street London W1J 5FB

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees (who are the Directors for the purposes of Company Law) present their report and accounts for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Society of the Sacred Mission (Europe) is a religious community of the Anglican Church founded in 1893. It consists of men and women Members, who have made either a profession of life intention, or a commitment to dedicate a period of their lives to the Society, together with others, who have a commitment to the aims and work of the Society.

Decisions about structure, functioning and work of the Province are made by the Members of the company, who are the professed Members of the Society. The company is limited by guarantee and a registered charity. The Company's annual general meeting elects four Directors/Trustees who need not be members of the company. The Board has final authority over financial matters.

The Company was incorporated on 24 October 2003. On 1 January 2004, the assets, liabilities and undertakings of two charitable trusts, the Society of the Sacred Mission and the Kelham Theological College Fund were transferred to the Company. With effect from 9 February 2017 the company was appointed Custodian Trustee of the assets of The Society of the Sacred Mission (Southern Africa). Consolidated accounts incorporating the results of the subsidiary from 9 February 2017 have been prepared.

The Company is governed by the Memorandum and Articles of Association dated 24 October 2003. It is registered with the Charity Commission (Number 1101444) and the Registrar of Companies (Number 04943183). Its financial year runs from 1 January to 31 December.

Trustees are encouraged to attend training courses connected with charity governance. Bespoke training is provided by the charity's advisors on an *ad hoc* basis.

The remuneration of key management personnel is determined by the trustees and is based on regular appraisals and salary benchmarking.

**AIMS, POLICIES, OBJECTIVES, ACHIEVEMENTS AND FUTURE PLANS**

The aims of the Society are to increase the number of those who give themselves to the divine service (including training those preparing for ministry); to convert and perfect souls; and to cultivate the divine science. 'Divine service' is interpreted by the Society as including all forms of Christian ministry. The term, 'conversion and perfection of souls' expresses the Society's aim of uniting the devotion of women and men in their daily lives to the service of the Church. The 'divine science' refers to the study of theology.

It is the Society's policy to undertake charitable activities within the fields of Christian ministry, spirituality and education, usually at the invitation of the wider Church. This has been the Society's policy since its inception. The principal areas in which the Society is currently involved are theological education and Christian service, and these are conducted in a number of activities set out below.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AIMS, POLICIES, OBJECTIVES, ACHIEVEMENTS AND FUTURE PLANS (continued)**

**Houses and Projects of the Society, or related to the Society**

**1. St Michael's Priory**

The Community consists of 14 members, residents and staff, 11 of whom live on site.

The life of the Priory is centred around the daily rhythm of prayer and work. St Michael's seeks to be a place of peace, encounter and welcome, and our community life provides a space where all may meet as one. The house seeks to build on the work and mission of the SSM and its charitable objects with the four-fold office remaining central to our life and witness. We seek to share our life with all who come here and, whenever possible, we welcome all around our common table. The community at the Priory seeks to find God in contemplation and action.

The Community offers a pattern of daily prayer, plus a programme of events, retreats, quiet days, spiritual direction and study, making use of the library and the meeting room. It also continues to offer guest accommodation and hospitality in different ways. In 2017 three Pastoral Assistants joined the community working with Revd Ruth Maxey & Revd Keith Straughan in Broughton and with Revd Paul Smith & Sr Margaret Moakes in Willen. The community also welcomed Br Katleho & Br Mojalefa, novices from the Southern African province to undertake formation in the house.

The Library remains a resource for the area supporting the clergy and local churches, especially those training for the ministry in the Anglican Diocese of Oxford. It is now home to the Thomas Merton Collection and is acknowledged as a vital resource for a number of groups with an interest in spirituality and theology.

We now have only one Meeting Room (Room B) as Room A and the Round Room are now full time chapels.

St Michael's Priory also houses the Province's administration centre. The following people live or work here:

Fr Jonathan Ewer, Provincial and Professed Member  
Br Anthony Purvis, Prior and Professed Member  
Sr Margaret Moakes, Professed Member and Trustee  
Fr Frank Green, Professed Member  
Fr Gregory Stephens, Professed Member (returned to Australia November 2017)  
Katleho Motsoeneng, Southern African Novice  
Mojalefa Lenkoe, Southern African Novice  
Revd Sarah Burrow -(non-resident team member from August 2017)  
Karen Watson, Administrator  
Kevin Stephenson, Gardener  
Joy Derbyshire, Bookings & Reception (until December 2017)  
Michael Lester, Pastoral Assistant  
Robert White, Pastoral Assistant  
Ruth Cooper, Pastoral Assistant

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AIMS, POLICIES, OBJECTIVES, ACHIEVEMENTS AND FUTURE PLANS (continued)**

**Houses and Projects of the Society, or related to the Society (continued)**

**2. St Antony's Priory, Durham**

St Antony's Priory, Durham is a house of the Society established in 1984.

The Ecumenical Spirituality Centre is based at the Priory. It has a full-time Director and seven part-time staff (including a cook). An important activity of the Centre is to train people to be spiritual directors and prayer guides. Also, the Centre offers a programme of retreats, workshops, quiet days and other support. These give people from a wide variety of backgrounds the opportunity for prayer and reflection away from the routine and business of their daily lives. This year has seen an emphasis on outreach to the local clergy.

Revd Paul Golightly Project Director and his wife Joan have announced their plans to retire in August 2018.

St Antony's Priory was staffed by:

Revd Paul Golightly, Project Director  
Joan Golightly, Team Member  
Ruth Grant, Team Member  
Lynne Burke, Team Member  
Revd Paul Tyler, Team Member  
Yvonne Hall, Team Member (left September 2017)  
Lynn Nausner, Team Member and  
Joanne Morrison, Cook

**3. Individuals**

- i. Professed Member, Fr Edmund Wheat living in a care home in Newport Pagnell.
- ii. Professed Member, Sr Mary Hartwell living in a care home in Milton Keynes.
- iii. Professed Member, Br Andrew Murumatsu is in ministry at St Andrew's Cathedral, Yokohama, Japan.
- iv. Professed Member, Fr Robert Stretton, is in ministry at St John the Divine Church, Kennington, South London.
- v. & vi Elizabeth and Robin Baker, formerly at The Well at Willen, continue to thrive in Scotland, where Elizabeth has a parish.

**Pastoral Work**

Members of the Society are involved in a wide range of pastoral work. Some are active in the parishes in which they live. Many are active in spiritual direction and formation. Guests are welcomed into the Society's houses in Durham and in Willen, Milton Keynes, to live alongside the Members of the Society and to share in its life of work and prayer. Members of the Society offer their services as ordained clergy or lay ministers in parishes, where they preach and lead worship. This ministry, together with workshops, retreats and study days, is an important way of fulfilling the Society's aim of 'converting and perfecting souls'. In all, five Members and others have been active in parish ministries throughout the year.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AIMS, POLICIES, OBJECTIVES, ACHIEVEMENTS AND FUTURE PLANS (continued)**

**Future Plans**

- Members of the Province in Willen, Milton Keynes, will continue to work with the Oxford Diocese to provide ministry in the area. They will also continue to expand the work of their library.
- St Michael's Priory will welcome a Postulant and 2 Pastoral Assistants.
- With the retirement of the Project Director in Durham the trustees have appointed a new Director whose brief is to nurture vocations to the ordained ministry, to put in place educational and spiritual growth programmes, and to support local clergy and parishes.
- Two of the older members of the Society remain in care, and the Society is aware that other older Members may require more acute care in the future. The Trustees are aware that the physical demands on Members, and the financial demands on the Society will require continual assessment and change.

**FINANCIAL REVIEW**

**Result for the year**

Group income for the year was £2,915,599 (2016: £671,979). The increase was due to the transfer of £1,620,376 to the charity from The Society of the Sacred Mission (Southern Africa) upon consolidation for the first time and £113k of income from the same organisation, and £470k in respect of lease extensions at various properties.

Expenditure in the year was £904,733 (2016: £797,253) with the main changes being £61k in respect of The Society of the Sacred Mission (Southern Africa) following the inclusion in the consolidated accounts and £32k additional spending in Durham.

Investment assets showed an increase in value for the year of £737,226 (2016: £894,499) which, in view of market conditions during the year, the Trustees consider to be acceptable.

On 9 February 2017, the Charity became the sole trustee of Society of the Sacred Mission (Southern Africa) which held reserves of £1,620,376 at that date. These have been included in the Statement of Financial Activities as income in 2017.

Overall there was a net increase in total group funds of £2,748,092 to give total funds carried forward of £12,070,431 (2016: £9,322,339).

The level of unrestricted funds held increased to £7,359,809 (2016: £6,540,033). The Trustees will continue to monitor the level of funds, but until investments are realised, a large proportion of the fund continues to be subject to the vagaries of the Stock Market.

**Investment Policy**

The Society operates an actively-managed investment portfolio of equities and bonds. The Society seeks to avoid military-related and tobacco-related holdings.

The Society's primary investments were managed by Rathbones during the year.

In addition to managed investments, some short-term cash holdings are held in deposit accounts with the Royal Bank of Scotland.

**Reserves Policy**

The Society's reserves policy focuses on the level of 'free reserves'. Free reserves exclude restricted funds, designated funds and the net book value of the Society's fixed assets. Free reserves at the year-end amounted to £1,703,498.

The Society seeks to maintain sufficient free reserves to manage the risks to which the Charity is exposed in the course of its business, including, but not limited to, safeguarding against volatile income.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**FINANCIAL REVIEW (continued)**

**Reserves Policy (continued)**

The Province has eight Members. Seven of the members are over sixty-five years of age. Members have spent their lives fulfilling the charitable aims and activities of the Society, and all continue that work in one way or another. Members remit their earnings to the Society, which is committed to supporting them.

The Trustees designation of £4.0m to the area of 'Care of the Elderly' recognises the obligation and intention of the Trustees towards Members, and the residual unrestricted funds of £3.4m are not considered excessive, taking into account the future plans of the Society and the £1.7m tied up in fixed assets. Such future plans include further designations towards the care of the elderly as Members get older and may require specialist care. They also include further designations for capital acquisitions and for maintenance of the Society's properties.

**Grants**

The responsibility for making decisions to pay grants rests with the Board of Trustees. The Board reviews applications for grants at a meeting once a year (usually November), for payment in the following year.

**Risk Management**

The Trustees have assessed the major risks to which the Society is exposed, in particular those related to its ongoing operations and financial obligations. They are satisfied that adequate control systems are in place to mitigate any exposure to major risks. The major risks for the Society are:

**Investment:** The trustees have appointed investment advisers who handle the charity's portfolio. In the light of that, the main risk lies with the state of the market for time to time, over which the trustees have no control. Regular meetings are held with the Audit and Investment Committee to assess changes in the portfolio.

Risk is lessened and managed by holding a balanced portfolio in accordance with the provisions of the Trustee Act 2000, together with a property portfolio.

**Financial:** The charity has few cash transactions; thus, the risk of cash fraud is minimal. All expenditure is subject to robust dual authorisation procedures in accordance with Charity Commission Guidelines. The charity has appointed a Finance sub group to manage the day to day financial management of the charity. Reporting to the board it will be reviewing the use of the Charity's assets with a view to improving income to support mission particularly in view of the changes to the priory at Durham.

**Legal:** The charity has appointed solicitors to advise on issues which face the charity from time to time: throughout the period the charity has taken the opportunity to review its governing instrument to ensure that it acts within its provisions, and changes are in the course of being effected which will improve governance.

**Operational and Reputational:** The review referred to above ensures that the charity continues to operate as a recognised Religious Order within the Church of England, and activities at St Michael's Priory (formerly The Well) fall squarely within that framework, all other peripheral activity having been discontinued. The charity is building up its reputation as a House for prayer, retreats and contemplation for those who need to recharge their spiritual batteries.

With the appointment of its new Director, an Anglican priest, St Antony's Priory at Durham will be operating as a regular Priory of the Society.

**Solicitors**

The Provincial Chapter appointed Stone King as its solicitors.



**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**FINANCIAL REVIEW (continued)**

**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of the Society of the Sacred Mission (Europe) for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

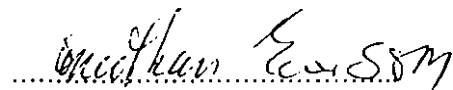
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Received and approved by the Board on 28 June 2018 and signed as authorised on their behalf by:



**Jonathan Ewer**  
**Director/Trustee**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SOCIETY OF THE SACRED MISSION (EUROPE)

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## Opinion

We have audited the consolidated financial statements of Society of the Sacred Mission (Europe) for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, Group and Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SOCIETY OF THE SACRED MISSION (EUROPE) (continued)**

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### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Adam Halsey, (Senior Statutory Auditor)**  
**For and on behalf of haysmacintyre, Statutory Auditor**

**28 June 2018**

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>INCOME AND EXPENDITURE</b>		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
	<b>Notes</b>				
<b>Income from:</b>					
<i><b>Donations and legacies:</b></i>					
Stipends and pensions		116,873	-	116,873	122,526
Subscriptions, donations and other income		141,740	50,047	191,787	111,070
Transfer from Society of the Sacred Mission (Southern Africa)	17	-	1,620,376	1,620,376	-
<i><b>Charitable activities:</b></i>					
Guests and residents		43,288	-	43,288	47,414
Rent received		527,662	-	527,662	53,060
<i><b>Other trading activities:</b></i>					
Conference facility income		10,651	-	10,651	18,211
Investments	2	217,348	187,614	404,962	260,077
<i><b>Other:</b></i>					
Surplus on disposal of tangible fixed assets		-	-	-	59,621
<b>Total income</b>		<u>1,057,562</u>	<u>1,858,037</u>	<u>2,915,599</u>	<u>671,979</u>
<b>Expenditure on:</b>					
<i><b>Raising funds:</b></i>					
Conference costs		21,199	-	21,199	18,873
Investment management fees		43,313	-	43,313	34,109
<i><b>Charitable activities:</b></i>					
Support of members and their ministry	3	721,660	118,561	840,221	744,271
<b>Total expenditure</b>		<u>786,172</u>	<u>118,561</u>	<u>904,733</u>	<u>797,253</u>
Net gains on investment assets	9	516,058	221,168	737,226	894,499
<b>Net income</b>	4	787,448	1,960,644	2,748,092	769,225
Transfers between funds		32,328	(32,328)	-	-
<b>Net movement in funds</b>		<u>819,776</u>	<u>1,928,316</u>	<u>2,748,092</u>	<u>769,225</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,540,033	2,782,306	9,322,339	8,553,114
<b>Total funds carried forward</b>		<u>7,359,809</u>	<u>4,710,622</u>	<u>12,070,431</u>	<u>9,322,339</u>

All recognised gains and losses are included in the Statement of Financial Activities.

The accompanying notes form an integral part of these financial statements. Details of comparative figures by fund can be found in note 19.

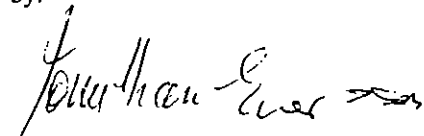
**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	8	1,656,311	1,679,526
Fixed asset investments	9	10,291,659	7,525,587
		<u>11,947,970</u>	<u>9,205,113</u>
<b>CURRENT ASSETS</b>			
Debtors	10	2,998	767
Bank and cash		172,118	149,753
		<u>175,116</u>	<u>150,520</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(38,609)</u>	<u>(24,627)</u>
<b>NET CURRENT ASSETS</b>		136,507	125,893
<b>CREDITORS: amounts falling due after one year</b>	12	<u>(14,046)</u>	<u>(8,667)</u>
<b>NET ASSETS</b>		<u>12,070,431</u>	<u>9,322,339</u>
<b>FUNDS:</b>	14		
Restricted funds	16	4,710,622	2,782,306
Unrestricted funds	15	7,359,809	6,540,033
<b>TOTAL FUNDS</b>		<u>12,070,431</u>	<u>9,322,339</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The net movements in funds of the charity in the year amounts to £1,027,145.

The financial statements were approved by the board and authorised for issue on 28 June 2018 and signed on its behalf by:



**Jonathan Ewer**  
**Director/Trustee**

The accompanying notes form an integral part of these financial statements.

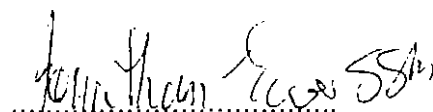
**CHARITY BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	8	1,656,311	1,679,526
Fixed asset investments	9	8,583,117	7,525,587
		<u>10,239,428</u>	<u>9,205,113</u>
<b>CURRENT ASSETS</b>			
Debtors	10	2,998	767
Bank and cash		156,113	149,753
		<u>159,111</u>	<u>150,520</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(35,009)</u>	<u>(24,627)</u>
<b>NET CURRENT ASSETS</b>		124,102	125,893
<b>CREDITORS: amounts falling due after one year</b>	12	<u>(14,046)</u>	<u>(8,667)</u>
<b>NET ASSETS</b>		<u>10,349,484</u>	<u>9,322,339</u>
<b>FUNDS:</b>	14		
Restricted funds	16	3,038,239	2,782,306
Unrestricted funds	15	7,311,245	6,540,033
<b>TOTAL FUNDS</b>		<u>10,349,484</u>	<u>9,322,339</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The net movements in funds of the charity in the year amounts to £1,027,145.

The financial statements were approved by the board and authorised for issue on 28 June 2018 and signed on its behalf by:



**Jonathan Ewer**  
Director/Trustee

The accompanying notes form an integral part of these financial statements.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**STATEMENT OF CONSOLIDATED CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>		<b>2016</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>				
<i>Net cash provided by (used in) operating activities</i>		1,668,982		(407,259)
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	404,962		260,077	
Proceeds from sale of property, plant and equipment	962		122,357	
Purchase of property, plant and equipment	(23,695)		(607,500)	
Proceeds from sale of investments	2,073,411		3,791,567	
Purchase of investments	(4,102,257)		(3,181,830)	
<i>Net cash (used in) provided by investing activities</i>		(1,646,617)		384,671
<b>Change in cash and cash equivalents in the reporting period</b>		<u>22,365</u>		<u>(22,588)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>149,753</u>		<u>172,341</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>172,118</u></u>		<u><u>149,753</u></u>
 <b>RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>				
		<b>2017</b>	<b>2016</b>	
		<b>£</b>	<b>£</b>	
<b>Net income for the reporting period</b> <b>(as per the statement of financial activities)</b>		2,748,092	769,225	
<i>Adjustments for:</i>				
Depreciation charges		44,129	36,945	
Gains on investments		(737,226)	(894,499)	
Gain on sale of fixed assets		1,819	(59,621)	
Dividends, interest and rents from investments		(404,962)	(260,077)	
(Increase)/decrease in debtors		(2,231)	1,468	
Increase/(decrease) in creditors		19,361	(700)	
<b>Net cash provided by/(used) in operating activities</b>		<u><u>1,668,982</u></u>	<u><u>(407,259)</u></u>	
 <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
		<b>2017</b>	<b>2016</b>	
		<b>£</b>	<b>£</b>	
Cash in hand		<u>172,118</u>	<u>149,753</u>	
<b>Total cash and cash equivalents</b>		<u><u>172,118</u></u>	<u><u>149,753</u></u>	

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation**

The financial statements 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**1.2 Basis of Consolidation**

The Group Statement of Financial Activities and Group Balance Sheet include the financial statements of the charity and its subsidiary undertaking, the Society of the Sacred Mission (Southern Africa) (see note 17). The results of the subsidiary are consolidated on a line by line basis.

**1.3 Preparation of accounts on a going concern basis**

The trustees consider there are no material uncertainties about the Society's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives trustees confidence the Society remains a going concern for the foreseeable future.

**1.4 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed below.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**1.5 Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**1.6 Income**

All income is included in the statement of financial activities when the charity is entitled to the income, it is probable that income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.



**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Income (continued)**

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Income from investments is included in the Statement of Financial Activities in the year in which it is received. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

**1.6 Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure consists of all expenditure relating to the objects of the charity. All costs are directly attributable to the activities under which they have been analysed.

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	2% straight line
Leasehold properties	-	Straight line over the life of the lease
Motor vehicles	-	25% straight line

**1.8 Investments**

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments.

**1.11 Creditors and provisions**

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Employee benefits**

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

- **Pension scheme**

The Society operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the Society in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year. This scheme closed in September 2016 to new starters and a NEST scheme was opened for auto enrolment.

**1.13 Financial instruments**

The Charity only has basic financial assets and liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>2. INVESTMENT INCOME</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2017 £</b>	<b>2016 £</b>
Bank interest	48	20	68	52
Income for quoted investments	217,300	187,594	404,894	260,025
	<u>217,348</u>	<u>187,614</u>	<u>404,962</u>	<u>260,077</u>
<b>3. SUPPORT OF MEMBERS AND THEIR MINISTRY</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2017 £</b>	<b>2016 £</b>
Community (see below)	686,206	76,841	763,047	640,471
Travel and transport	8,659	-	8,659	5,007
Furniture and equipment	8,185	-	8,185	7,028
Chapter	1,326	-	1,326	4,014
Publicity	5,026	-	5,026	5,838
Donations and grants (see below)	2,706	41,720	44,426	75,421
Administration	7,733	-	7,733	6,492
Loss on disposal of fixed assets	1,819	-	1,819	-
	<u>721,660</u>	<u>118,561</u>	<u>840,221</u>	<u>744,271</u>
Community costs include:				
Staff costs (note 5)	168,050	-	168,050	206,076
Depreciation	44,129	-	44,129	36,945
Other direct costs	474,027	76,841	550,868	397,450
	<u>686,206</u>	<u>76,841</u>	<u>763,047</u>	<u>640,471</u>
Donations and grants comprise:				
Grants to individuals	-	10,200	10,200	46,251
Dhyana Ashram	-	-	-	2,145
SSM Australia	-	29,520	29,520	12,020
SSM South Africa	-	-	-	3,500
HOM South Africa	-	-	-	3,105
Breathe	-	-	-	600
DACYM	-	2,000	2,000	4,000
Parish of Holy Innocents, Hornsey	2,706	-	2,706	3,800
	<u>2,706</u>	<u>41,720</u>	<u>44,426</u>	<u>75,421</u>
<b>4. NET INCOME FOR THE YEAR</b>			<b>2017 £</b>	<b>2016 £</b>
Net income is stated after charging:				
Auditor's remuneration - audit of accounts			8,450	8,150
- other			950	925
			<u>9,400</u>	<u>9,075</u>

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>5. STAFF COSTS</b>	<b>2017 £</b>	<b>2016 £</b>
Wages and salaries	155,097	192,376
Social security costs	6,181	7,222
Pension costs	6,772	6,478
	<u>168,050</u>	<u>206,076</u>

No employee received emoluments of more than £60,000 (2016: none). Total remuneration for key management personnel for the year was £79,897 (2016: £79,396).

The average monthly numbers of employees during the year was as follows:

<b>Number</b>	<b>Number</b>
<u>12</u>	<u>11</u>

**6. TRUSTEES' EMOLUMENTS**

Some of the trustees are members of the Society and they have their living expenses borne by the Trust. These trustees received no remuneration or other benefits in connection with their duties as trustees during the year (2016: None). In addition, one trustee is a seconded minister of the Methodist church, and the Society is responsible for his whole salary costs, pension payments and the provision of accommodation: he is paid as Project Director of St Antony's Priory, and not for his duties as a trustee. One member of paid staff is his wife, and is thus a connected party: her emoluments were £16,999 during the year (2016: £17,004).

**7. TAXATION**

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. TANGIBLE FIXED ASSETS**

<b>Group and charity</b>	<b>Land and buildings freehold £</b>	<b>Motor vehicles £</b>	<b>Building improvements £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2017	2,098,412	36,995	35,977	2,171,384
Additions	-	23,695	-	23,695
Disposals	-	(22,250)	-	(22,250)
At 31 December 2017	2,098,412	38,440	35,977	2,172,829
<b>Depreciation</b>				
At 1 January 2017	454,430	31,432	5,996	491,858
Charge for the year	34,789	5,743	3,597	44,129
Disposals	-	(19,469)	-	(19,469)
At 31 December 2017	489,219	17,706	9,593	516,518
<b>Net Book Value</b>				
At 31 December 2017	1,609,193	20,734	26,384	1,656,311
At 31 December 2016	1,643,982	5,563	29,981	1,679,526

The trustees are of the opinion that the market value of properties at the year-end would significantly exceed the book values included in the financial statements but they are unable to quantify this excess in the absence of a professional valuation. The costs of valuation are not considered justifiable in view of the charity's intention to retain ownership of its existing properties for use in the charity in the foreseeable future.

The net book value of tangible fixed assets of the group includes an amount of £5,562 (2016 - £11,125) in respect of assets held under finance leases on which the depreciation charge was £5,563 (2016 - £5,563).

**9. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Listed investments £</b>	<b>Investment properties £</b>	<b>Total £</b>
<b>Valuation</b>			
At 1 January 2017	7,493,587	32,000	7,525,587
Investments from Society of the Sacred Mission (Southern Africa)	1,623,338	-	1,623,338
Additions	2,478,919	-	2,478,919
Disposals	(2,073,411)	-	(2,073,411)
Net gain on revaluations	737,226	-	737,226
At 31 December 2017	10,259,659	32,000	10,291,659

The cost of listed investments at the year end was £7,139,913 (2016: £6,250,450).

All fixed asset investments are held within the United Kingdom.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. FIXED ASSET INVESTMENTS (continued)**

<b>Charity</b>	<b>Listed investments £</b>	<b>Investment properties £</b>	<b>Total £</b>
<b>Valuation</b>			
At 1 January 2017	7,493,587	32,000	7,525,587
Additions	2,478,919	-	2,478,919
Disposals	(2,073,411)	-	(2,073,411)
Net gain on revaluations	652,022	-	652,022
	<u>8,551,117</u>	<u>32,000</u>	<u>8,583,117</u>
At 31 December 2017			

**10. DEBTORS**

<b>Group and charity</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Other debtors	<u>2,998</u>	<u>767</u>

**11. CREDITORS: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>Total 2017 £</b>	<b>Total 2016 £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Accruals and deferred income	35,225	22,139	31,625	22,139
Finance lease liability (note 13)	3,384	2,488	3,384	2,488
	<u>38,609</u>	<u>24,627</u>	<u>35,009</u>	<u>24,627</u>

**12. CREDITORS: amounts falling due after one year**

<b>Group and charity</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Finance lease liability (note 13)	<u>14,046</u>	<u>8,667</u>

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. FINANCE LEASE COMMITMENTS**

The future finance lease obligations to which the group is committed are as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
<b>Group and charity</b>		
Within one year	3,384	2,488
Between one and two years	3,384	2,488
Between two and five years	10,662	6,179
	<u>17,430</u>	<u>11,155</u>

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total funds £</b>
<b>Group</b>			
Fund balances at 31 December 2017 as represented by:			
Tangible fixed assets	1,656,311	-	1,656,311
Fixed asset investments	5,581,037	4,710,622	10,291,659
Net current assets	136,507	-	136,507
Creditors: amounts due after more than one year	(14,046)	-	(14,046)
	<u>7,359,809</u>	<u>4,710,622</u>	<u>12,070,431</u>

	<b>Unrestricted funds £</b>	<b>Restricted Funds £</b>	<b>Total funds £</b>
<b>Charity</b>			
Fund balances at 31 December 2017 as represented by:			
Tangible fixed assets	1,656,311	-	1,656,311
Fixed asset investments	5,544,878	3,038,239	8,583,117
Net current assets	124,102	-	124,102
Creditors: amounts due after more than one year	(14,046)	-	(14,046)
	<u>7,311,245</u>	<u>3,038,239</u>	<u>10,349,484</u>

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. UNRESTRICTED FUNDS**

	At 1 January 2017 £	Income £	Expenditure £	Transfers £	Net gains on investments £	At 31 December 2017 £
<b>Group</b>						
General fund	2,540,033	1,057,562	(654,432)	(99,412)	516,058	3,359,809
Designated:						
Care of the elderly	4,000,000	-	(131,740)	131,740	-	4,000,000
	<u>6,540,033</u>	<u>1,057,562</u>	<u>(786,172)</u>	<u>32,328</u>	<u>516,058</u>	<u>7,359,809</u>

**Purposes of unrestricted funds**

A fund has been designated to provide for the charity's commitment to provide for the retirement and care, in old age and sickness, of the Society's Professed members. The level of funds required is currently set at £4m but will be reviewed on an annual basis.

	At 1 January 2017 £	Income £	Expenditure £	Transfers £	Net gains on investments £	At 31 December 2017 £
<b>Charity</b>						
General fund	2,540,033	859,473	(419,703)	(99,412)	430,854	3,311,245
Designated:						
Care of the elderly	4,000,000	-	(131,740)	131,740	-	4,000,000
	<u>6,540,033</u>	<u>859,473</u>	<u>(551,443)</u>	<u>32,328</u>	<u>430,854</u>	<u>7,311,245</u>

**16. RESTRICTED FUNDS**

	At 1 January 2017 £	Income £	Expenditure £	Transfers	Net gains on investments £	At 31 December 2017 £
<b>Group</b>						
Kelham College fund	2,782,306	96,785	(41,721)	(32,328)	221,168	3,058,538
Durham fund	-	27,990	(15,961)	-	-	12,029
Southern Africa	-	1,733,262	(60,879)	-	-	1,672,383
	<u>2,782,306</u>	<u>1,858,037</u>	<u>(118,561)</u>	<u>(32,328)</u>	<u>221,168</u>	<u>4,710,622</u>



**SOCIETY OF THE SACRED MISSION (EUROPE)**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. RESTRICTED FUNDS (continued)**

**Kelham College Fund**

The Kelham College fund arises from a transfer from the Kelham Theological College Fund on 1 January 2004. The fund is used for the training of persons intending to take Holy Orders in the Church of England or any church in communion with it, the training for mission of members of the Church of England or any church in communion with it and the training or education of persons working for the extension of Christ's kingdom in any way connected with the Church of England or any church in communion with it. The transfers represent grants paid in respect of other areas of the Society's work.

**Durham Fund**

Income was received during the year to fund recovery days at St Antony's Priory, Durham.

**Southern Africa**

Represents amounts in the Society of the Sacred Mission (Southern Africa) to be spent on work on southern Africa (see note 17).

	At 1 January 2017 £	Income £	Expenditure £	Transfers	Net gains on investments £	At 31 December 2017 £
<b>Charity</b>						
Kelham College fund	2,782,306	96,785	(41,721)	(32,328)	221,168	3,026,210
Durham fund	-	27,990	(15,961)	-	-	12,029
	<u>2,782,306</u>	<u>124,775</u>	<u>(57,682)</u>	<u>(32,328)</u>	<u>221,168</u>	<u>3,038,239</u>

**17. SUBSIDIARY CHARITY**

On 9 February 2017 the charity became the sole trustee of The Society of the Sacred Mission (Southern Africa) a registered charity (charity number 1126944 and company number 06646941) and the results of the subsidiary have been consolidated on a line by line basis from that date.

A summary of the accounts of the subsidiary are provided below:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Income	112,886	43,423
Expenditure	(97,518)	(178,999)
Investment (losses)/gains	(715,124)	68,294
Net (expenditure)/income	<u>(699,756)</u>	<u>(67,282)</u>
Investments	1,708,541	2,423,665
Net current assets/(liabilities)	<u>12,406</u>	<u>(2,962)</u>
Total assets	<u>1,720,947</u>	<u>2,420,703</u>

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**18. FINANCIAL INSTRUMENTS**

**Group and charity**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Financial assets measured at fair value	<u>10,291,659</u>	<u>7,525,587</u>
Financial assets measured at amortised cost	<u>2,998</u>	<u>767</u>

Financial assets measured at fair value include investments.

Financial assets measured at amortised cost include other debtors.

**SOCIETY OF THE SACRED MISSION (EUROPE)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**19. ACTIVITIES BY FUND IN PREVIOUS YEAR**

Activities in both unrestricted and restricted funds for the previous year are as follows:

<b>INCOME AND EXPENDITURE</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2016 £</b>
<b>Income from:</b>			
<i><b>Donations and legacies:</b></i>			
Stipends and pensions	122,526	-	122,526
Subscriptions, donations and other income	94,136	16,934	111,070
<i><b>Charitable activities:</b></i>			
Guests and residents	47,414	-	47,414
Rent received	53,060	-	53,060
<i><b>Other trading activities:</b></i>			
Conference facility income	18,211	-	18,211
Investments	183,370	76,707	260,077
<i><b>Other income:</b></i>			
Surplus on disposal of tangible fixed assets	59,621	-	59,621
<b>Total income</b>	<b>578,338</b>	<b>93,641</b>	<b>671,979</b>
<b>Expenditure on:</b>			
<i><b>Raising funds:</b></i>			
Conference costs	18,873	-	18,873
Investment management fees	34,109	-	34,109
<i><b>Charitable activities:</b></i>			
Support of members and their ministry	661,831	82,440	744,271
<b>Total expenditure</b>	<b>714,813</b>	<b>82,440</b>	<b>797,253</b>
Net gains on investment assets	626,149	268,350	894,499
<b>Net income</b>	<b>489,674</b>	<b>279,551</b>	<b>769,225</b>
Transfers between funds	30,080	(30,080)	-
<b>Net movement in funds</b>	<b>519,754</b>	<b>249,471</b>	<b>769,225</b>
Total funds brought forward	6,020,279	2,532,835	8,553,114
<b>Total funds carried forward</b>	<b>6,540,033</b>	<b>2,782,306</b>	<b>9,322,339</b>