

**The Society of Mary and Martha**  
**FINANCIAL STATEMENTS AND ANNUAL REPORT**  
**Year Ended 31 December 2018**



## **The Society of Mary and Martha**

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**The Society of Mary and Martha  
Report of the Trustees  
Year Ended 31 December 2018**

**Administrative Information**

Reg charity no	327394
Trustees	Mrs Isabel Garty (Chair) Mrs Margaret Smith (retired Sept) Mr Roger Hands Rev Canon Dr Lynda Barley Mr Tony Day Mr Carl Lee Miss Hillary Hanson Mrs Jacky Henretty (appointed Oct) Rev Frank Wright (appointed Apr)
Warden	Dr Sarah Horsman
The Sheldon Community	Carl Lee Susan Lee Hillary Hanson Jan Kaye Andrew Lane Rhian Lane
Address	Sheldon, Sheldon Lane, Doddiscombsleigh Exeter EX6 7YT
Bankers	Barclays Bank plc 20 High Street Exeter EX4 3LL  Arbuthnot Latham 17 Southernhay West Exeter EX1 PJ  Triodos Bank Deanery Road Bristol BS1 5AS  CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Auditors	Bush & Co Ltd 2 Barnfield Crescent Exeter EX1 1QT

Key management personnel include all the trustees and the warden

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

#### **Introduction**

The Trustees submit their Annual Report and Financial Statements for the year ended 31 December 2018. The Trustees confirm that the Annual Report and the Financial Statements of the charity have been prepared so as to comply with the statutory requirements, governing document, and the Charities Statement of Recommended Practice (FRS 102).

#### **The Charity**

The Society of Mary and Martha is an independent ecumenical national charity caring for people in Christian ministry at times of stress, crisis, burnout or breakdown. These specialist resources are provided at Sheldon and online. At Sheldon they are set in the context of broadly-based retreat and education resources open to everyone. Sheldon is a converted farm on the edge of Dartmoor that also serves as home to the resident Community whose members carry out this work. The Sheldon Hub is the online resource.

#### **Overview of 2018**

- The well-established day to day ministry at Sheldon continued at a steady pace, quietly delivering high quality resources to people in ministry and others.
- The Sheldon Hub had a successful second year and is establishing a respected niche in the rapidly changing online environment.
- 'Project CDM – restoring humanity to clergy discipline' was launched harnessing the capacity of real world Sheldon and the Hub.
- The Sheldon Community showed resilience continuing effectively to meet the needs of the charity's beneficiaries through a year which brought a number of personal challenges
- There is an ongoing challenge of balancing affordability for guests with the costs of providing high quality care, ensuring sustainability in uncertain times, and meeting the rising costs of compliance. The Society remains dependent on regular donations to supplement bookings income as well as legacies, grants and fundraising appeals for any major new developments.

#### **Objectives and Activities for the Public Benefit**

The charity's core objective is to deliver resources to people in ministry at a consistently high standard and in a manner that is sustainable for the longer term. Achieving this involves recruiting, training and retaining committed members of the Sheldon Community, staff and volunteers, and a focus on the sustainable development and maintenance of the Sheldon buildings and grounds. This has recently expanded to include the development and maintenance of online resources hosted and curated by Sheldon in the Sheldon Hub.

The Trustees are mindful of the need to keep pace with external changes, including changes in the nature of ministry within the church; rising expectations regarding the quality of retreat accommodation; food safety including allergies; advances in spiritual and psychological care; advances in information technology; and legislative changes relating to governance, accountability and risk assessment. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities and developments.

# **The Society of Mary and Martha**

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### **Year Ended 31 December 2018**

It is important to view the activities of the charity in a holistic manner. It is structured so as to integrate the values and benefits of community, continuity, participation and balance. Development of a sustainable way of life, openhearted hospitality, stewardship of the natural environment, mutual support online and engagement with the local community are harnessed for beneficiaries who need normality, balance and perspective in the face of stressful or traumatic experiences. Today's world is in great need of such rooted expressions of faith, love and commitment.

#### **What the Sheldon Community does**

The most important part of the Community's work is the support of people in ministry going through difficult times. Ministry care is not a single isolated component, but a tight focusing of the broad spectrum of Sheldon's multi-layered offering. On the surface this approach can appear deceptively low-key and homely but this belies a honed professionalism with deep experience and tight attention to detail.

Important layers that go to make up the whole Sheldon experience include

- the life of the resident Community – working through in their own daily lives some of the same challenges as those in ministry whom they seek to serve – the simple rule of stability, stewardship and servanthood – their approachability and long-term holding of people's stories – their relationships with the Friends and volunteers who support the charity
- Sheldon itself – its buildings harmoniously blending historic and modern craftsmanship – the indoor and outdoor spaces conducive to prayer and reflection including labyrinth, art shed and chapels – its 45 acres for nourishing the soul, exercising the body, calming the mind – care of facilities translating to care of their occupants
- food and drink as healthy nourishment, as treat, as an expression of love, as context for social sharing and hospitality
- attentive administration – provision of clear and accurate information at every step – website, printed material, telephone – clarity on expectations, boundaries – accurate information flow between guests and providers (housekeeper, cellarer, therapist, receptionist)
- workshops and led retreats – training and learning – validation of issues and shared experience – preventive and/or recuperative
- 1:1 resources – talking therapies, retreat accompaniment, massage, relaxation – reducing physiological arousal, making sense of the bad stuff, supporting and facilitating the natural healing of the body, mind and spirit
- Online community in the Hub – mutual support, sharing of wisdom, gathering and signposting of resources – because no-one in ministry should feel alone

Any one guest will benefit from their own unique combination of some or all of the above. The way Sheldon is routinely run delivers much to many without the need to deconstruct all the details. The food is cooked, the grass is cut, the boiler is serviced, the beds are made, the telephone is answered, the prayers are said. Feedback is routinely solicited from all guests and can be striking in the depth and intensity of their experience.

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

#### **Case Study**

Rev G collapsed while leading a church service and was taken to hospital in an ambulance. After 2 days of tests he was discharged with no diagnosis. Unsure what to do next, and because he didn't feel ill and no-one had said any different, he returned to work the next day. As the week progressed he felt increasingly anxious and early the next Sunday morning telephoned the Churchwarden, tearful and not feeling able to leave the house. Searching on the internet for clergy stress support his wife found the Sheldon Hub and applied to join. Once logged in she read a couple of similar stories from other Hub members and picked up some helpful advice from the forum conversations although she didn't have the confidence to write anything herself. She began to recognise how the mounting stress of recent months, including the death of a close colleague and a conflict with the church treasurer who had made a complaint against him, may have contributed to the initial collapse. Browsing further she began to get more ideas of resources that might be helpful, and at least felt there were others who understood their predicament. By this time the GP had signed Rev G off work for 2 weeks and referred him for counselling but with a waiting list of 12 weeks. Mrs G telephoned Sheldon to find out about options for visiting, but aware that his anxiety about leaving the house would make it very difficult. Sheldon gave Mrs G some initial information and advice over the phone and the following day Rev G was able to make a call himself. After an hour of being able to tell his story, have an explanation of what might be going on at a body/mind level, and ask plenty of questions about what being at Sheldon would be like, he felt it would be worth trying to make the journey. A date was fixed for the following weekend when his wife would be able to travel and stay with him for a couple of days before she had to return home for work commitments. That gave him the confidence he needed to get to Sheldon, and once he arrived he immediately knew it felt like a safe place and he would be happy to stay for a week. After an assessment session a programme was devised that included 1:1 sessions, deep relaxation, how to interrupt the panic loop, massage, and advice on how to structure his retreat days with walks, art, prayer, resting, etc. Once he began to unwind and realised how exhausted he was, he decided to extend his stay for a second week. As the days progressed he began to recognise what had been happening to his body and mind in the face of severe stress, and recognised similarities with an episode 10 years previously after his father had died. He also explored possible ways of handling the current relationship with the treasurer, made plans for some long overdue reshaping of his day to day working patterns, and resolved to look for a spiritual director. Importantly, he also planned detail steps to give him the best chance of confidently going back into the church and leading services without the anxiety being triggered. On leaving Sheldon he booked in for a follow up retreat in 6 months' time.

This sort of intensely focused work carried out without fanfare is the fruit of many years of developing skills and processes at every level of the organisation.

#### **Operational sustainability and development**

In recent years the trustees have been paying attention to building organisational resilience and sustainability, and assessing how the charity's activities can be developed to meet the evolving needs of people in ministry in a changing world. This continues to include investing in the skills and welfare of the resident Community, building relationships with key trades and suppliers, hardware and software IT resilience, and prudent financial planning.

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

#### **The Sheldon Hub – doing healthy ministry together**

The Hub is Sheldon's bold and imaginative venture to provide new ways of supporting people in ministry. After major IT investment supported by the early adopter funders, the site went live in February 2017. During 2018 we implemented learnings from the first year and continued to grow membership, engagement and content. Our primary focus was to improve the User Experience, helping people navigate the site and engage with the ever-growing content in ways that suit their needs. The Hub membership grew by 50% to 1,350 and new Associate membership was created for people who train, support and work alongside people in ministry. Our internal statistics show 7,500 user engagements during the year (forum posting, uploading and rating content). The proportion of visitors who actively engaged rose from 20-25% to 25-30% which we hope demonstrates the impact of the improvements to the design of the site which went live in June. It is clear from verbal feedback that the 'silent' members who don't leave a digital footprint also benefit greatly by learning from the experiences of others and feeling less alone. Logins average 90 per day (2017: 50) with visits peaking at 250 (2017: 100) on Wednesdays when the weekly digest email goes out. Google Analytics track the number of hits on the site (including the public pages). These showed a 95% increase during 2018 to 10,279 (2017: 5,268).

Beneath the statistics is the real story of the Hub which is the establishment of a rich, mutually supportive community of practice. *"Its strength for me is the willingness to look at subjects that get left aside by the wider church as too difficult or controversial and its inviting of the sharing of experiences in a safe place" "I have found the hub to be a lifeline in the midst of all these difficulties. Normally clergy do not take the risk of admitting their vulnerability. But the hub provides a safe space and mutual support. So I thank you for your ministry and look forward to your future developments."*

In April we appointed Darren Hill as Managing Editor/Curator for the Hub. Thanks to an anonymous grant we now have funding for this post for 3 days per week to the end of 2020. The appointment has brought new IT skills and experience of online work into the team and is enabling us to work more steadily on the site. Having spent time with careful improvements to site fundamentals our next focus is on routines for adding new material, growing the membership and using the Hub as a resource for collaboration with other charities and projects also working to support people in ministry.

#### **2018 activities and projects**

Beyond the routine running of Sheldon, our 2017 report set out some specific aims for 2018. The sections below set out how we delivered results in these areas.

##### Community life and development

Sustaining the ministry of Sheldon is intimately bound up with sustaining the life of the ministering Community at its heart. It has been a personally challenging year for the Community. Two members experienced major family bereavements, one went through life-changing cancer treatment, and one needed additional care within the framework envisaged under the Later Years Provision established in 2017. The focus on improving organisational resilience over recent years really paid off, and the Community can be proud of having continued to minister effectively through a difficult season while caring for each other, and reaching the end of the year in good heart. One member served on the local Parish Council as part of our engagement with the locality. The period of discernment with the Waller family has concluded with their decision to leave in the summer of 2019. All parties have been enriched by the exploration but decided, sadly, that community membership was not the right next step. Reorganisation of roles and new recruitment will be undertaken in 2019, including looking ahead to succession planning for the Lanes when they complete their 5 year term in 2020. We recognise the value that shorter term community members bring to the ministry and are working to streamline our recruitment, induction, training and support processes to reflect this.

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

#### Project CDM – restoring humanity to clergy discipline

A particular issue of concern regarding clergy welfare has arisen out of work with guests at Sheldon and on the Sheldon Hub. The Clergy Discipline Measure 2003 came into effect just over 10 years ago and is the process by which complaints against Anglican clergy are handled. Anecdotal accounts of the severity of the impact of case handling on some Respondents led us to set up this project. We have commissioned independent academic research by distinguished researchers from Aston University Business School and Department of Psychology. Sheldon is the non-academic partner and responsible for raising £48,000 towards the cost of the pilot study. We hope to have first results ready to publish in 2020 and then progress to a more comprehensive investigation with social science research funding. The overall aims of Sheldon's project are (1) to provide better support and resource signposting for people going through CDM (already under way), (2) to improve the way cases are handled within the existing legislative framework to minimise harm and (3) to make evidence based recommendations for repair or replacement of the 2003 Measure itself which others can take forward. Because it is such a sensitive issue, early steps involve learning, building confidence, and networking with stakeholders at all stages of the process. The project builds on the facilities of Sheldon and the Hub.

#### Animal Barn Conversion plans

Looking to the future, the greatest capacity need for the Sheldon site is more small/medium size units that can be rapidly repurposed to serve either as guest accommodation or community living quarters. As needs and emphasis have changed, the Animal Barn with associated workshop and storage space now has potential for conversion. Depending on the future size and structure of the community we may also need to reorganise office, meeting and worship spaces to support the smooth running of Sheldon and the life of its community. An initial submission to Teignbridge District Council for pre-application advice raised no obvious objection. We have therefore progressed to more detailed design and costing work with a view to making a full planning application after the bat survey can be completed in summer 2019. We have allocated £20,000 to continue progressing the preliminary stages, and £50,000 to prime the pump of a full capital appeal in anticipation of achieving consent by the end of 2019. It is possible that any such development could be usefully undertaken in two phases as it mainly involves rebuilding within the existing superstructure.

#### Miscellaneous improvements

The housekeeping team are meticulous in their routine cleaning of the guest accommodation, and we also keep a close eye on routine repairs and look for opportunities for further improvements to benefit guests. This year we renewed television aerials across the site to provide better reception for guests (£1,200). The control of lighting in the Long Barn meeting rooms was developed in order to create better ambient environments for relaxing and for meetings/presentations. (£1,800). A shed was upgraded to create more accessible space for better sorting and temporary storage of waste generated at Sheldon to improve our recycling capacity (£1,100). We are replacing roadside and other signage to Sheldon to help guests and couriers find Sheldon more easily (£560 so far). Plans were made to upgrade shower rooms in two of the Pig Pen guest units to wet rooms, with the work carried out during the closed period in January 2019 (£20,400 set aside). This improves the quality of the showering experience for all guests as well as improving accessibility of the Pig Pens for guests with mobility difficulties. The final stage in our 3 year project to upgrade the main (Pound House) dining room was completed with the purchase of 50 chairs (£13,300). They improve the comfort and aesthetic of the space and are easier to stack and move. The cost reflects the challenges of hosting a lot of people in a small space and needing furniture that can easily be reset into different layouts. We spent £1,500 to repair and recover some of the chairs in the Chapel of Mary, Martha and Lazarus. The Linhay Lodges have worn extremely well since they were opened in 1999 and to keep them in good condition we set aside £6,000 to re-carpet them all. This work was completed in January 2019.



# **The Society of Mary and Martha**

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### **Year Ended 31 December 2018**

#### Estate team

The 45 acres of grounds at Sheldon form a core part of the provision for guests and are managed by the Estate team. A new 2 day per week estate worker was recruited early in the year who brought additional hedge laying and woodland management skills to the team. We bought a long-overdue welfare unit (£10,800) to serve the needs of the Estate team for storing and drying workwear, hot water for washing, and appropriate space for rest breaks. Office space for the team enables better collaboration when, as frequently happens, working days do not overlap. Projects during the year included significant care laying and cutting hedges, and preparations to replace old bridges with culverts with a view to improving safety and disabled access through the woodlands. We built another area for composting grass and carried out groundworks in the camping field along with various other small landscaping improvements. We bought a storage tank for machine diesel to improve safety and reduce costs. Several new benches were sited around the grounds to add to the number of restful places to sit and enjoy Sheldon's wonderfully varied views. We installed an Electric Vehicle charging point to encourage visitors with EVs to stay and to reduce Sheldon's carbon footprint.

#### Open Air Theatre

Summer concerts continue to be an enjoyable way of raising funds and offering local people opportunities to visit and enjoy Sheldon. We successfully introduced a revised ticket structure as part of the lessons learned from bad weather problems in 2016. 4 very enjoyable concerts were staged with good ticket sales and a boost to Sheldon's reputation and funds. We plan to build on this in 2019.

#### Office and publicity

Cybersecurity and compliance are significant infrastructure issues for all organisations of our size, but are especially important now we are running a major web based resource that depends on reliable and secure IT underpinnings. We were fairly well prepared for the introduction of GDPR in May 2018 having made the necessary changes to our database and mailing consents the previous year, and are continuing to update our workflows to stay compliant. We completed a comprehensive upgrade to our network servers and backup systems (£15,000). We now have three VMware virtual machines running the latest versions of Windows Server and SQL Server for our databases. We have moved away from tape backups which needed changing every day and replaced with network attached storage (NAS) devices situated in different parts of the site. This provides a much more robust backup solution for improved business continuity and disaster recovery. We hope to never have to use this in anger, but we should now be able to get essential systems including the bookings database up and running within a few hours of a major hardware failure, fire, flood, vandalism etc. We are continuing to move our publicity material in all media into the new house style and develop Sheldon's online presence. We have committed £5,400 to replacing the CMS (content management system) and rebuilding the Sheldon website during 2019 as the site is too old to have an upgrade pathway. The printed programme has been redesigned to be flexible across calendar years, reducing wastage and reflecting the primacy of online publicity.

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

#### **Plans for 2019**

As at the end of 2018 we had made financial provision for the following plans for 2019

- Recruit new members to the Community
- Progress design, costing and planning consent for conversion of the Animal Barn
- Set up independent academic research into the Clergy Discipline Measure
- Grow the membership of the Sheldon Hub
- Refurbish shower rooms in two Pig Pens (£20,000)
- Replace carpets in four Linhay Lodges (£5,500)
- Replace CMS for Sheldon website and rebuild the site (£5,500)
- Replace the Woodshed boiler (installed 1993) (£15,000)

#### **Risk Assessments**

The Trustees have identified the risks to which the charity is exposed, and have established systems to mitigate those risks. The Trustees affirm their ongoing commitment to implementation of all policies.

*Fire Safety* – a risk assessment has been carried out of the entire premises, supported by staff training and routine checks.

*Portable Appliance Testing (PAT)* is undertaken biannually for all electrical appliances, plus a rolling programme of five yearly electrical installation certification.

*Health and Safety at Work* – a risk assessment has been undertaken for all public areas, staff practices and public events, plus product assessment for COSHH.

*Employment Legislation* – all staff have job descriptions plus induction, disciplinary and grievance procedures in place and receive the statutory paid holiday allowance.

*Pensions* – contributions for all staff, in line with auto-enrolment rules, are being paid into the NEST scheme.

*Safeguarding* – the Trustees take the safety of children and vulnerable/at risk adults very seriously and are committed to safe recruitment procedures and staff training to maintain a high level of vigilance.

*Confidentiality and Whistleblowing* policies are also in place.

*GDPR and Cybersecurity* – the Trustees are in the process of implementing all recommendations of an independent assessor.

#### **Governance and Management**

The charity's governing instrument is the Deed of Trust dated 10th February 1987. The charity's Trustees are elected by majority vote of existing Trustees. Trustees serve for terms of 2, 3 or 5 years and are eligible to stand for re-election when their term expires. The Chair is elected by the Trustees. The Warden is entitled to nominate candidates for consideration by the Trustees. Trustees are given an induction to the running of the charity by the Warden, and trained in the responsibilities of trusteeship by the Chair. The Trustees currently have a minimum of two meetings per year including an overnight visit to give time for in depth discussions, and they make their decisions by majority vote. Additional meetings are convened as needed, with a minimum of four trustees to provide a quorum. The Warden is responsible for all day to day management of the charity and leadership of the Sheldon Community. In recent years the Trustees considered the balance of representation on the Trustee board. The Trustees decided that as well as representatives of beneficiaries it would be valuable to include input from members of the Community. In consideration of relative numbers it was decided in 2014 that non-resident board members (ie those who are neither Community nor Alongsiders) should remain in the majority. The Charity Commission have provided helpful advice on this process.

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

Sheldon Ltd is a subsidiary trading company, wholly owned by the charity, and profits are gift aided to the charity.

The Sheldon Community has its own Rule of Life and domestic decision making which is independent of the Trustees.

## **Financial Review**

### **Fund Balances and Net Assets**

The objects of the charity are delivered through the tangible fixed assets of the Sheldon property with its buildings, land and equipment, plus the intangible fixed asset of the Sheldon Hub. Together these working assets make up the vast bulk of the potentially misleading figure of nearly £5m in total reserves. An appropriate balance for cash flow purposes is held in current accounts, and other current assets are held in one year bonds and deposit accounts with COIF, Arbuthnot Latham, Triodos Bank and CAF.

### **Endowment Fund**

The Trustees have established an Endowment Fund to support the ongoing expenses of the day to day ministry and provide greater financial security for the future. £100,000 was invested in 2015 and a further £100,000 was added in 2016. Having decided on a cautious and ethical investment policy taking a medium to long term view, the Trustees chose the CCLA COIF Charities Ethical Investment Fund, a diversified long-term fund designed for charities with strong ethical investment requirements. This is felt to be a prudent response to the growing responsibilities of the charity which now carries a retreat centre with a property value of £3.7m, a working community of 9 for whom Sheldon is their only or main home, a staff team, and an online space potentially serving many thousands of people in ministry. It is essential that relatively modest interruptions to cash flow from donations and/or bookings should not have the capacity to jeopardise the stability and survival of the charity.

### **Borrowing**

The charity benefits from £70,500 in interest free loans from supporters (notes 13 and 14). No new loans were received in the year and £6,000 was repaid. A £25,000 loan from the Diocese of Exeter remains secured against the property. These loans give us the cash resources to be able to develop the Sheldon Hub and the CDM research while we raise funds against those projects.

### **Reserves**

The charity's Reserves policy was adopted in 1998 and reviewed in 2018. The charity holds both Restricted and Unrestricted Reserves. The Unrestricted Reserve is predominantly represented by the land, buildings and equipment at Sheldon, plus the Sheldon Hub.

In order to ensure stability and continuity for beneficiaries, the trustees aim to maintain free reserves which are capable of covering the following needs:

Working capital	£160,000
Contingency	£60,000
Equipment and vehicles	£80,000
Staff Benevolent Reserve	£292,000
Endowment Fund	<u>£230,982</u>
	<u>£822,982</u>

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

Expenditure for running the charity is projected to be about £40,000 per month for the coming year so our working capital reserve would cover approximately four months of expenditure.

The Contingency Reserve at £60,000 is to enable a swift response in the face of substantial unexpected repairs such as a septic tank failure, and to save towards large but infrequent infrastructure needs such as rethatching of roofs.

The Equipment and Vehicles Reserve of £80,000 is spread across Administration, Catering, Housekeeping, Estate and Garden and provides for routine upgrades for everything needed to run Sheldon for the benefit of guests such as cars, mowers, computer servers, cookers, greenhouses, etc. It is spent on individual items costing £1,000 - £10,000 which are depreciated over 5 years.

£30,000 was transferred to the Staff Benevolent Reserve as budgeted under the Later Years Provision policy. £3,000 was spent on care and £10,000 on contributions to Community Pensions under the terms of the policy.

As at the year end, the charity had unrestricted net assets of £4,936,354, of which £3,894,995 was held in tangible and intangible fixed assets. Of the remaining £1,041,359 of reserves, £46,686 of this has been set aside by the Trustees for specific works to be carried out during 2019. These include re-carpeting the Linhay Lodges (£5,804), refurbishing guest showers in two Pig Pens (£20,382), upgrading the CMS on the Sheldon website (£5,500), replacing the Woodshed boiler (£15,000). In October 2018 the Trustees also allocated £20,000 towards preliminaries to convert the Animal Barn, of which £2,955 was spent on survey and design work during the year and £17,045 carried forward. £50,000 was donated by an anonymous Trust in 2018 specifically towards the salary of the Hub Curator/Managing Editor for 2019 and 2020. The Trustees allocated £50,000 in October 2018 to start the appeal for the conversion of the Animal Barn to residential and other guest facilities.

This leaves £877,628 of unrestricted free reserves which is in excess of the reserves policy by £54,646. Of this:

- Up to £43,000 could be needed to underwrite the funds committed to independent academic research into the CDM if we are not successful in fundraising for this purpose.
- Up to £46,518 could be needed to cover the current deficit on the Sheldon Hub, again if fundraising were to be unsuccessful.

There are various uncertainties in the progress of these projects and their associated fundraising over the coming year.

#### **Ministry (General) Fund Income**

The charity's primary source of income is contributions made by guests staying at Sheldon. Despite the challenges of the year, this was maintained at the same level as 2017 (combining contributions from guests and income received from Sheldon Ltd).

Guest contributions are supplemented by donations from individual supporters, churches, Trusts and occasionally legacies. These donations are essential to cover the routine expenditures not met by guest contributions. Any new developments such as the Art Shed, The Sheldon Hub, Project CDM and the Animal Barn conversion are dependent on additional fundraising.

# **The Society of Mary and Martha**

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### **Year Ended 31 December 2018**

Unrestricted donations (excluding legacies) have remained fairly steady over recent years. Legacy income is by its nature much more difficult to forecast and can lead to fluctuations in reserves. It is sad to lose good friends and at the same time we have been recipients of great generosity in their wills. At £103,780 Legacy income is unusually high in 2018 with the accounts including monies deferred from one complicated Will from 2017 and receipts from another one anticipated in 2019. The equivalent total for 2017 was £3,567.

The Clergy Support Trust (formerly Sons & Friends of the Clergy) generously donated £54,000 in restricted funding towards the unrecovered costs of our work with Anglican clergy and their families facing physical or mental illness.

We are enormously grateful to all these donors for helping to make Sheldon's remarkable ministry possible.

#### **Ministry (General) Fund Expenditure**

The expenditure as shown on Charitable Activities (see SOFA and note 5) was fairly consistent with the previous year. A few notes of items that may not be immediately obvious.

- Computer costs were unusually high in 2018 as we undertook a major hardware and software upgrade of our server and backup systems.
- Amortisation (£35,000). We are already familiar with Depreciation of tangible fixed assets such as vehicles and equipment (see note 10a). Amortisation is the equivalent for intangible fixed assets – ie the Sheldon Hub (note 10b). The costs incurred before the Hub went live plus major improvements since are counted as capital and amortised over 5 years.
- Community costs were higher with 2 members who arrived in July 2017 serving a full year in 2018. Lower staff wages reflect natural turnover and transfer of some tasks to resident community members.
- Ongoing development and support costs of the Hub since the launch of the Hub are included on either a direct or apportioned basis. Now that the Hub is an integral part of the whole Sheldon ministry, it will continue to be shown in this way in future years.

The charity has a relatively flat pay structure for both staff and community. Key management personnel who are members of the community are remunerated at the same level as other community members. The Warden has a responsibility allowance.

#### **Finances of the Sheldon Hub – doing healthy ministry together**

The main costs associated with the Hub are the salary of the Managing Curator/Editor, an apportionment for office overheads and time spent by Community members, webhosting of the site, IT developer costs as we continue to make improvements, and promoting the site to potential members through advertisements and printed material.

The Hub is now an integral part of the whole Sheldon ministry and is included under all restricted funds Charitable Activities on the SOFA. Reasonable efforts are made to separate the expenditure (see note 5) for proper accountability to those who are so generously funding the project. We continue to be grateful to the visionary funders who made significant multi-year grants to get the Hub off the ground, including Allchurches Trust Ltd, The Mercers' Company, The Leathersellers' Company and the Association for Promoting Retreats. Having successfully invested in the initial creation of the Hub we are now looking to establish ongoing funding streams to support this aspect of the ministry.

# **The Society of Mary and Martha**

## **Report of the Trustees**

### **Year Ended 31 December 2018**

#### **Trustees' Responsibilities in Relation to the Financial Statements**

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and then enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE TRUSTEES on Friday 12<sup>th</sup> April 2019

Mrs Isabel Garty



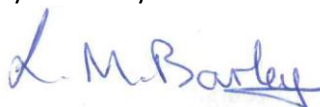
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)

Trustees

Rev Lynda Barley

)



#### **Patrons of the Society**

Major General Sir Christopher Airy

Rev Dr Paul Beasley-Murray

Rev Professor Richard Burridge

Dr Sheila Cassidy

Rt Rev'd & Rt Hon Richard Chartres

Wing Commander Mike Dudgeon

The Very Rev'd Dr Jane Hedges

Most Rev'd & Rt Hon Dr David Hope

Rev'd Professor Michael Jacobs

Sir John James

Rt Rev'd Dom Kenneth Newing OSB

Rev'd Canon Roger Royle

Margaret Silf

Lay Canon Professor Brian Thorne

# **Independent Auditors' Report to the Trustees of The Society of Mary and Martha Year Ended 31 December 2018**

## **Opinion**

We have audited the financial statements of The Society of Mary and Martha (the "Charity") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet 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 Charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **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 Charity 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.

## **Use of our report**

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## **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 Charity'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.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

# **Independent Auditors' Report to the Trustees of The Society of Mary and Martha Year Ended 31 December 2018**

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.

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

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## **Responsibilities of the trustees**

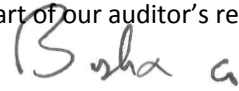
As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

## **Our 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.

  
Bush & Co Limited  
Chartered Accountants  
Statutory Auditors

2 Barnfield Crescent  
Exeter  
EX1 1QT

Date: 12 April 2019

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006



**The Society of Mary and Martha**  
**Statement of Financial Activities**  
**Year Ended 31 December 2018**

	Notes	All Unrestricted Funds £	All Restricted Funds £	Total 2018 £	All Unrestricted Funds £	All Restricted Funds £	Total 2017 £
<b>INCOMING RESOURCES</b>							
<b>Donations and legacies</b>	2	238,531	181,086	419,617	150,934	169,369	320,303
<b>Trading activities</b>							
Trading income		24,615	-	24,615	24,565	-	24,565
Fundraising events		18,257	-	18,257	22,612	-	22,612
<b>Investments</b>							
Bank interest		14,643	-	14,643	12,116	-	12,116
Donation from Sheldon Ltd		33,950	-	33,950	27,400	-	27,400
Rent		42,500	-	42,500	42,500	-	42,500
<b>Charitable Activities</b>							
Contributions from guests	3	199,923	-	199,923	208,837	-	208,837
<b>Other Income</b>	4	14,023	-	14,023	7,419	-	7,419
<b>TOTAL INCOME</b>		<u>586,442</u>	<u>181,086</u>	<u>767,528</u>	<u>496,383</u>	<u>169,369</u>	<u>665,752</u>
<b>RESOURCES EXPENDED</b>							
<b>Raising funds</b>							
Costs of generating voluntary income		37,092	-	37,092	34,200	-	34,200
Fundraising events & trading: costs of goods and other costs		35,944	-	35,994	33,094	-	33,094
<b>Premises Costs</b>		36,863	-	36,863	39,286	-	39,286
<b>Charitable Activities</b>		357,679	134,357	492,036	346,240	138,516	484,756
<b>TOTAL EXPENDITURE</b>	5	<u>467,578</u>	<u>134,357</u>	<u>601,935</u>	<u>452,820</u>	<u>138,516</u>	<u>591,336</u>
<b>Net Income before Investment (Losses)/Gains</b>		118,864	46,729	165,593	43,563	30,853	74,416
<b>Net Gains/(Losses) on Investments</b>		<u>(8,398)</u>	<u>-</u>	<u>(8,398)</u>	<u>17,575</u>	<u>-</u>	<u>17,575</u>
<b>NET INCOME</b>		110,466	46,729	157,195	61,138	30,853	91,991
Transfers between funds	15	-	-	-	175,965	(175,965)	-
<b>Net movement in funds</b>		110,466	46,729	157,195	237,103	(145,112)	91,991
<b>Reserves brought forward</b>		4,825,888	(88,271)	4,737,617	4,588,785	56,841	4,645,626
<b>Reserves carried forward</b>	18	<u>4,936,354</u>	<u>(41,542)</u>	<u>4,894,812</u>	<u>4,825,888</u>	<u>(88,271)</u>	<u>4,737,617</u>


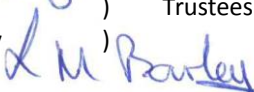
There were no acquisitions or discontinued operations in the current or preceding year.

The notes on pages 18 to 29 form part of these financial statements.

**The Society of Mary and Martha**  
**Balance Sheet**  
**As at 31 December 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	10(a)		3,782,683		3,770,311
Intangible fixed assets	10(b)		112,312		147,505
Investments	11		250,326		238,724
			<hr/>		<hr/>
			4,145,321		4,156,540
<b>CURRENT ASSETS</b>					
Stock for resale		13,591		13,273	
Debtors and prepayments	12	88,449		69,848	
Current asset investments		374,203		372,149	
Cash at bank and in hand		385,371		240,995	
		<hr/>		<hr/>	
		861,614		696,265	
<b>CURRENT LIABILITIES: Amounts falling due within one year</b>					
Creditors and Accruals	13	66,623		73,688	
		<hr/>		<hr/>	
<b>NET CURRENT ASSETS</b>			794,991		622,577
			<hr/>		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,940,312		4,779,117
<b>LIABILITIES: Amounts falling due after more than one year</b>					
Long term loans	14		45,500		41,500
			<hr/>		<hr/>
<b>NET ASSETS</b>			4,894,812		4,737,617
			<hr/>		<hr/>
<b>THE FUNDS OF THE CHARITY</b>					
<b>Unrestricted Reserves</b>					
Endowment Fund	11		230,982		238,624
General			4,705,372		4,572,264
Designated			-		15,000
			<hr/>		<hr/>
			4,936,354		4,825,888
<b>Restricted Reserves</b>	15,18		(41,542)		(88,271)
			<hr/>		<hr/>
			4,894,812		4,737,617
			<hr/>		<hr/>

Mrs Isabel Garty

  
 ) Trustees  
 Rev Canon Dr Lynda Barley   
 )

The financial statements were approved by the Trustees on

The notes on pages 18 to 29 form part of these financial statements

**The Society of Mary and Martha**  
**Statement of Cash Flows**  
**Year Ended 31 December 2018**

	2018	2017
<b>Reconciliation of net income to net cash flow from operating activities</b>		
<b><i>Net income for the reporting period statement of financial activities</i></b>	157,195	91,991
<b>Adjustments for</b>		
Depreciation and amortisation	76,384	80,531
Dividends, interest and rent	(91,093)	(82,016)
Loss/(Gain) on investments	8,398	(17,575)
Asset disposal	-	21,591
Decrease ( increase) in stock	(318)	(3,303)
Decrease ( increase) in debtors	(18,601)	(14,638)
Increase ( decrease) in creditors	2,935	(21,987)
<b><i>Net cash provided by operating activity</i></b>	<u>134,900</u>	<u>54,594</u>
<b>Cash from investing activities</b>		
Dividends, Interest and rent	91,093	82,016
Purchase of fixed assets	(53,563)	(99,192)
Purchase of fixed asset investments	(20,000)	-
Net movement on current asset investments	(2,054)	(1,518)
<b><i>Net cash provided by (used in) investing activities</i></b>	<u>15,476</u>	<u>(18,694)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowing	(6,000)	(22,600)
<b><i>Net cash provided by (used in) financing activities</i></b>	<u>(6,000)</u>	<u>(22,600)</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	144,376	13,300
<b>Cash and cash equivalents at the beginning of the year</b>	240,995	227,695
<b><i>Total cash and cash equivalents at the year end</i></b>	<u>385,371</u>	<u>240,995</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	3,016	3,397
Cash at bank	382,355	237,598
	<u>385,371</u>	<u>240,995</u>

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**1. Accounting Policies**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Society's financial statements.

**a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention except for investments which are held at market value and in accordance with applicable accounting standards and Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS102) effective from 1 January 2016.

The Society of Mary and Martha meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical costs or transaction value unless otherwise stated in the relevant accounting policy notes.

There are no material uncertainties regarding the charity's ability to continue as a going concern.

**b) Incoming Resources**

Voluntary income, trading income and fundraising events are accounted for on receipt. Legacies and grants are recognised as income when there is entitlement, it is probable that the income will be received and it can be reliably measured. Where conditions are attached to a grant, income is only deferred where these conditions are outside of the charity's control or there is uncertainty as to whether the conditions will be met.

Contributions from guests are recognised when the service is delivered. Contributions received in advance are deferred to a later period and are reported as deposits in creditors.

Investment income is accounted for on a receivable basis.

**c) Tax Refunds**

Tax refunds arise out of the receipt of donations by way of Gift Aid and credit is taken in the accounts in the relevant fund at the time of receipt of the underlying donations.

**d) Resources Expended**

Expenditure is recognised when it is incurred and is reported gross of related income on the following bases:

Cost of generating funds comprises the costs associated with attracting voluntary income. Charitable activities expenditure comprises direct expenditure including direct staff costs attributable to the charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources as detailed in Note 5. The total expenditure on charitable activities includes support and governance costs as detailed in Note 5. The support and governance expenditure relates to necessary overheads that are not directly related to work with the beneficiaries of the charity.

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**e) Depreciation and Fixed Assets**

Fixed assets are capitalised at cost and depreciation is calculated so as to write off the cost over their effective useful lives:

Fixtures, Fittings & Equipment	20% Straight line
Tractors & Vehicles	25% Reducing balance
Computers	33 $\frac{1}{3}$ % Straight line

Individual items of equipment with a cost of less than £1,000 are not capitalised but are written off in the year of expenditure unless they are part of a larger project.

No depreciation is provided on the freehold property. It is the Society's policy to regularly incur expenditure on the maintenance and improvement of the property. The Trustees consider that the lives of these assets are so long and their residual value is so high that their depreciation is insignificant.

Major improvements and additions to land and buildings are included in Fixed Assets at cost. The Trustees form an opinion as to whether they result in an addition to the value of the property of an amount less than cost. Where improvements do not increase its value in use, they are charged to the Statement of Financial Activities as an impairment expense.

**f) Intangible Fixed Assets**

Intangible fixed assets are recognised at cost less accumulated amortisation and impairment loss. They are written off over 5 years from the date that they are brought into use.

**g) Investments**

Investments are stated at their mid market price ruling at the balance sheet date which gives rise to unrealised gains and losses which are included in the statement of financial activities. Realised gains and losses arising on disposal of investments are separately identified in the statement of financial activities.

**h) Debtors**

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

**i) Cash at Bank and in Hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

**j) Current Asset Investments**

Deposits with a maturity date greater than three months and less than one year are held as current asset investments.

**k) Creditors and Accruals**

Creditors and provisions are recognised where the charity has a present obligation arising 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 accruals are recognised at their settlement amount.

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**l) Reserves**

The unrestricted reserve represents the main activity of the society. The restricted reserves represent amounts given or raised for the purchase and improvement of the property, the provision of new facilities, or for some other specific purpose. Maintenance of existing facilities is charged to the unrestricted reserve unless funded by a specific restricted reserve. Allocation of overhead expenditure between the reserves is apportioned based upon staff time or usage.

Restricted income expended on capital assets and subject to no further restrictions is transferred to the unrestricted reserve.

Further details of each restricted reserve are provided in Note 15.

**m) Pensions**

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society.

**n) Financial Instruments**

The charity only has 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.

**2. Donations and Legacies**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Donations	295,979	296,067
Legacies	103,780	3,567
Tax refunds	19,858	20,669
	<hr/>	<hr/>
	419,617	320,303
	<hr/> <hr/>	<hr/> <hr/>

**3. Contributions from Guests**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Programme Events	102,980	123,824
Individual Retreats	85,424	82,747
Day groups	11,519	2,266
	<hr/>	<hr/>
	199,923	208,837
	<hr/> <hr/>	<hr/> <hr/>

**4. Other Incoming Resources**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Grants	2,719	184
Other Income	11,304	7,235
	<hr/>	<hr/>
	14,023	7,419
	<hr/> <hr/>	<hr/> <hr/>

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**5. Total Resources Expended**

<b>Unrestricted</b>	<b>Basis of Allocation</b>	<b>Voluntary Income</b>	<b>Fundraising &amp; Trading</b>	<b>Premises Costs</b>	<b>Charitable Activities</b>	<b>2018 Total</b>	<b>2017 Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trading	Direct	-	13,438	-	-	13,438	11,956
Fundraising Events	Direct	-	14,191	-	-	14,191	12,929
Support and governance costs (Note 9)	Direct/Usage	2,775	555	832	27,646	31,808	25,643
Legal Fees	Usage	12	2	4	102	120	1,167
Computer Costs	Usage	3,873	775	1,162	32,919	38,729	23,776
Sheldon Hub direct costs	Direct	-	-	-	57,988	57,988	61,026
Bank Charges	Direct	-	-	-	3,370	3,370	3,298
Community allowance, pensions and council tax	Staff Time	7,283	1,457	3,642	60,452	72,834	61,069
Staff wages	Staff Time	7,264	1,453	3,632	60,288	72,637	73,316
Training, recruitment, miscellaneous staff costs	Direct	-	-	-	5,701	5,701	4,213
Guest Leaders	Direct	-	-	-	10,008	10,008	12,606
Grounds and gardening	Usage	2,189	876	6,568	34,153	43,786	44,781
Housekeeping	Usage	1,256	503	3,769	19,599	25,127	24,741
Food	Usage	1,300	260	650	34,775	36,985	35,210
Energy and water	Usage	1,811	725	5,434	28,257	36,227	31,161
Insurance	Usage	1,474	589	4,421	22,989	29,473	25,868
Telephone, postage, copier and stationery	Usage	627	125	313	5,202	6,267	11,346
Transport	Usage	856	171	257	7,278	8,562	9,047
Advertising, printing and newsletter	Direct	4,312	-	-	2,948	7,260	4,798
Depreciation	Usage	2,060	824	6,197	32,128	41,191	52,072
Amortisation of Hub intangible asset	Direct	-	-	-	35,193	35,193	28,460
Asset disposal	Usage	-	-	-	-	-	21,591
Licenses and sundry	Direct	-	-	-	7,997	7,997	6,894
Chapel, library, Guest Facilities, etc	Direct	-	-	-	3,043	3,043	4,368
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		37,092	35,944	36,863	492,036	601,935	591,336
Less:							
Attributable to Restricted Funds (see next page)		-	-	-	(134,357)	(134,357)	(138,516)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		37,092	35,944	36,863	357,679	467,578	452,820
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Premises costs relate to the parts of Sheldon used by Sheldon Limited and for which Sheldon Limited pays rent to the Society.

# The Society of Mary and Martha

## Notes to the Financial Statements

### Year Ended 31 December 2018

#### Transfers Attributable to Restricted Funds

More details on these transactions can be found in Note 15.

The expenditure relating to the Community Fund is included in staff costs.

The costs attributable to the charity's work for Anglican Clergy are spread across the whole range of categories of expenditure incurred in fulfilling the Society's charitable purposes. The £54,000 (2016: £54,667) is therefore shown as an allocation from the total expenditure on charitable activities.

The direct Sheldon Hub expenditure covers ongoing expenditure on the IT structure of the resource, the development of content, research and publicity. The apportioned costs relate to staff time allocated to maintaining the Sheldon Hub Service.

	Basis of Allocation	Voluntary Income £	Fundraising & Trading £	Premises Costs £	Charitable Activities £	2018 Total £	2017 Total £
Community Fund	Direct	-	-	-	2,369	2,369	2,823
Anglican Clergy	Apportioned	-	-	-	54,000	54,000	54,667
Sheldon Hub	- Direct	-	-	-	57,988	57,988	61,026
	- Apportioned	-	-	-	20,000	20,000	20,000
		-	-	-	134,357	134,357	138,516

## 6. Employees' Remuneration

Included in the resources expended by the Society are costs of providing accommodation and food for the resident members of the community and those living and working alongside the community. Of the 7 members of the community, 4 were paid an allowance and 3 were self-supporting. One Alongsider was self-supporting until she left in November 2017. Two new Alongsiders joined in July and are each paid an allowance. The average number of full time and part time employees, during the year, including residents, was 22 (2016: 22). The total remuneration excluding food and accommodation costs was:

	2018 £	2017 £
Gross wages - community	53,626	48,674
- other staff	88,554	71,964
Employer's national insurance	-	-
Pension contributions	10,565	8,904
Council Tax for community members	5,077	4,843
Training recruitment/miscellaneous staff costs	7,962	4,213
	165,784	138,598

There are no employees with emoluments over £60,000.

Aggregate employee-benefits of key management personnel were £25,685 (2017: £25,020).

## 7. Trustees' Remuneration and Expenses

One trustee received remuneration as reported in note 8. (2017: one).

No travel expenses were paid to the trustees in the year (2017: £251).



# The Society of Mary and Martha

## Notes to the Financial Statements

### Year Ended 31 December 2018

#### 8. Related Parties

The Warden of the Society, Sarah Horsman is a director of Sheldon Ltd. Mrs Margaret Smith, a Trustee, is also a director of the company.

Sheldon Ltd is a wholly owned subsidiary of the charity as detailed in Note 11. Neither the Warden, nor any Trustee, received any income from that company. The company used some of the Society's facilities on its site at Sheldon and paid for such use. The total paid in 2018 was £42,500 (2017: £42,500). The company gifted £33,950 (2017: £27,400) to the Society during 2018. At 31 December 2018 the Society neither owed any money to Sheldon Limited (2018 £Nil) nor was owed any money by that company (2017: £Nil).

Mr Carl Lee, a trustee, and his wife lived on site as part of the community as self-supporting members. They received no salary but living quarters, food and support were provided. Miss Hillary Hanson, lived on site as part of the community, receiving living quarters and food as other members of the Community. In November 2016 she was appointed as a trustee with the approval of the Charity Commission. She received a total remuneration of £8,565.

During the year less than £11,000 was paid to the son of Mr Carl Lee and less than £2,000 was paid to the daughter of Mr Carl Lee for work at the Sheldon site. The contracts of employment are the same for any other employee of the charity. They were paid at less than the market rate. During the year, £2,656 was paid to the son of Mr Carl Lee for the rental of various equipment for use at the Sheldon site.

#### 9. Support and Governance Costs

These costs include:

	2018	2017
	£	£
Audit	4,000	3,500
Other fees payable to Auditor	16,088	11,954

#### 10(a) Tangible Fixed Assets

	Freehold Land & Buildings £	Fixtures, Fittings & Equipment £	Computers £	Tractors and Motor Vehicles £	Total £
<b>COST</b>					
At 1 January 2018	3,963,133	376,706	125,704	96,007	4,561,550
Additions	-	31,120	19,433	3,000	53,563
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	3,963,133	407,836	145,137	99,007	4,615,113
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION/IMPAREMENT</b>					
At 1 January 2018	268,631	351,422	111,676	59,510	791,239
Charge for Year	-	15,473	15,844	9,874	41,191
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	268,631	366,895	127,520	69,384	832,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 December 2018	3,694,502	40,941	17,617	29,623	3,782,683
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 December 2017	3,694,502	25,284	14,028	36,497	3,770,311
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**10(b) Intangible Fixed Assets**

	Hub £
Cost at 1 January 2018	175,965
Additions	-
	<hr/>
At 31 December 2018	175,965
	<hr/>
<b>AMORTISATION</b>	
At 1 January 2018	28,460
Charge for year	35,193
	<hr/>
At 31 December 2018	63,653
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2018	112,312
	<hr/>
At 31 December 2017	147,505
	<hr/>

This asset is the Sheldon Hub which is an online resource to extend the work of the Society beyond the geographical constraints of the site at Sheldon.

**11. Fixed Asset Investments**

	B/forward £	Additions £	Gains/Losses on revaluation £	C/forward £
Endowment Fund	238,624	-	(7,642)	230,982
General	-	20,000	(756)	19,244
Sheldon Ltd	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
	238,724	20,000	(8,398)	250,326
	<hr/>	<hr/>	<hr/>	<hr/>

**The Endowment Fund** is held in the CCLA COIF Charities Ethical Investment Fund. It was created in 2015 by the Trustees after receipt of two substantial legacies. The purpose of the Fund is to provide greater long term financial stability for the charity.

The charity relies on legacies and donations to cover the shortfall of its income when compared to expenditure incurred. Income generated through the charitable activities, trading income, and investment income from the wholly owned subsidiary company (Sheldon Limited) are all related to the single site at Sheldon. In the event of substantial physical damage to the site, or reputational damage to the Society, there could be a reduction in the voluntary and/or other income, leaving the Society with an excess of expenditure over the remaining income. While insurance should cover some of that liability, it would still leave a potential shortfall.

# The Society of Mary and Martha

## Notes to the Financial Statements

### Year Ended 31 December 2018

#### 11. Fixed Asset Investments (continued)

Most of the expenditure would be difficult to reduce in the short term, and reductions in some areas could result in additional liabilities, such as where the Society has a responsibility for the welfare of the members of the Community who are also employees of the Society. The property at Sheldon is very extensive and includes several older buildings and there are no easy short term options for converting land and buildings into cash.

The Trustees wish to be confident of maintaining the provision of services for the beneficiaries of the Charity and to have adequate provision for the members of the Community and the other employees in the face of these uncertainties. They have, therefore, established their own endowment fund with the object of generating income to help with the excess of expenditure over voluntary and charitable activities income. The capital element of the endowment fund would also be available in the case of major unplanned events. Its existence, therefore, gives valuable additional financial stability to the Charity.

**Sheldon Limited.** The Society has beneficial ownership of all of the ordinary share capital of Sheldon Limited. These shares were purchased on 25 May 2002 for £100.

The assets and liabilities of the subsidiary Sheldon Ltd at 31 December 2018 were:

	£
Current Assets	22,751
Less: Creditors: Amounts falling due within one year	19,174
	<hr/>
Total Net Assets	3,577
	<hr/>
Aggregate share capital and reserves	3,577
	<hr/>

The results are not consolidated into these financial statements. Income for the year was £80,007 (2017: £71,609) and after deducting expenditure of £79,958 (2017: £71,598) a profit of £11 arises (2017: profit £78). A donation under Gift Aid of £33,950 (2017: £27,400) was made to the charity and the charity charged Sheldon Ltd rent of £42,500 and this is included as investment income in the Statement of Financial Activities.

If consolidated accounts were prepared, the net income would increase by £49. Activities for generating funds would increase by £80,007, investment income would reduce by £76,450 and cost of generating voluntary income would increase by £3,645.

#### 12. Debtors and Prepayment

	2018 £	2017 £
Tax recoverable	4,832	4,943
Grants and legacies receivable	60,383	40,000
Prepayments	19,942	24,905
Other debtors	3,292	-
	<hr/>	<hr/>
	88,449	69,848
	<hr/>	<hr/>

**The Society of Mary and Martha**  
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**13. Creditors and Accruals**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Creditors	7,379	7,425
Deposits re future bookings	19,466	18,731
Accruals	14,778	12,532
Interest free loans due in less than one year	25,000	35,000
	<hr/>	<hr/>
	66,623	73,688
	<hr/>	<hr/>

**14. Long Term Loans**

The loans are interest free and repayable as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
After 1 year and within 5 years	38,000	34,000
After 5 years	7,500	7,500
	<hr/>	<hr/>
	45,500	41,500
	<hr/>	<hr/>

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**15. Restricted Reserves**

<b>Current Period</b>	<b>Anglican Clergy £</b>	<b>Sheldon Hub £</b>	<b>Community Fund £</b>	<b>Total £</b>
<b>INCOME FROM:</b>				
Donations and legacies	54,000	122,110	4,976	181,086
	<hr/>	<hr/>	<hr/>	<hr/>
	54,000	122,110	4,976	181,086
<b>EXPENDITURE ON: (Note 5)</b>				
Charitable Activities	54,000	77,988	2,369	134,357
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOMING RESOURCES</b>	-	44,122	2,607	46,729
Reserves brought forward	-	(90,640)	2,369	(88,271)
	<hr/>	<hr/>	<hr/>	<hr/>
Reserves carried forward	-	(46,518)	4,976	(41,542)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Previous Period</b>	<b>Anglican Clergy £</b>	<b>Sheldon Hub £</b>	<b>Community Fund £</b>	<b>Total 2017 £</b>
<b>INCOME FROM:</b>				
Donations and legacies	45,000	122,000	1,910	168,910
Tax refunds	-	-	459	459
	<hr/>	<hr/>	<hr/>	<hr/>
	45,000	122,000	2,369	169,369
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURE ON: (Note 5)</b>				
Charitable Activities	54,667	81,026	2,823	138,516
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOMING/ (OUTGOING) RESOURCES</b>	(9,667)	40,974	(454)	30,853
Moving the Sheldon Hub intangible assets to unrestricted funds	-	(175,965)	-	(175,865)
Reserves brought forward	9,667	44,351	2,823	56,841
	<hr/>	<hr/>	<hr/>	<hr/>
Reserves carried forward	-	(90,640)	2,369	(88,271)
	<hr/>	<hr/>	<hr/>	<hr/>

**The Society of Mary and Martha**  
**Notes to the Financial Statements**  
**Year Ended 31 December 2018**

**15. Restricted Reserves (continued)**

The Sheldon Hub is an innovative online support resource for people in ministry.

The project is funded by a specific appeal and all income is reported through a restricted reserve.

Expenditure of £153,315 in 2016 was capitalised as an intangible asset and brought forward in Note 10(b). £22,650 was added in the 2 months of 2017 before the site went live, making a total capital cost of £175,965. After the site went live, no further restriction applied so the asset was transferred to the unrestricted reserve.

Ongoing maintenance and development of the Sheldon Hub is reported in resources expended in Note 5. While the Hub appeal continues, costs will continue to be charged to the restricted reserve. The brought forward deficit has been reduced during the year to £46,518. This is carried forward in anticipation of it being covered by future restricted grants and donations.

The Anglican Clergy Fund relates to the general work of the Society to support clergy in the Church of England and their families who are experiencing mental and/or physical illness and who may have limited financial resources thus making them unable to meet the full costs of staying at Sheldon. The work of the Society in this area is supported by the very generous grant of £54,000 by the Sons and Friends of the Clergy.

The Community Fund represents donations made specifically for the Community and they are distributed through the payroll into the Community's communal account.

**16. Capital Commitments**

At 31 December 2018 the Trustees had outstanding capital commitments of £26,186 (2017: £3,243)

**17. Secured Creditors**

Included in creditors is £25,000 (2017: £25,000) secured on all the freehold property by a legal charge dated 29 November 2002.

**The Society of Mary and Martha**  
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**18. Analysis of Assets and Liabilities between Funds**

	Unrestricted Reserve £	Sheldon Hub	Community Fund £	2018 Total £	2017 Total £
<b>FIXED ASSETS</b>					
Tangible assets	3,782,683	-	-	2,782,683	3,770,311
Intangible assets	112,312	-	-	112,312	147,505
Investments	250,326	-	-	250,326	238,724
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,145,321	-	-	4,145,321	4,156,540
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>CURRENT ASSETS</b>					
Stock	13,591	-	-	13,591	13,273
Debtors and prepayments	88,449	-	-	88,449	69,848
Current asset investment	374,203	-	-	374,203	372,149
Cash at bank and in hand	380,395	-	4,976	385,371	240,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	856,836	-	4,976	861,614	696,265
Creditors due within one year	(66,623)	-	-	(66,623)	(73,688)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	790,015	-	4,976	790,015	622,577
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	4,935,336	-	4,976	4,940,312	4,779,117
Interfund	46,518	(46,518)	-	-	-
Creditors due after one year	(45,500)	-	-	(45,500)	(41,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,936,354	(46,518)	4,976	4,894,812	4,737,617
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The charity expects to raise further grants and donations to fund the Sheldon Hub. Expenditure to date has been met by the unrestricted fund on the basis that this is treated as a loan which it is anticipated will be repaid when further restricted income is received in future years.

Additional information relating to proposed future application of reserves is reported in the Trustees Report.