
The Society of Mary and Martha

Caring for people in ministry

Annual Report 2004



Trustees' Report

Introduction

The Trustees submit their Annual Report and Summarised Financial Statements for the year ended 31 December 2004. 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 2000.



Rev Dr Roy Walford, Chair of Trustees

The Charity

The Society of Mary and Martha is an independent ecumenical charity caring for people in Christian ministry at times of stress, crisis, burnout or breakdown. These specialist resources are set in the context of serving the church and community by providing broadly-based retreat and education resources.

Objectives

The charity's core objective is to achieve long term stability, delivering resources to people in ministry at a consistently high standard. Achieving this involves recruiting, training and retaining committed members of the Sheldon Community, staff and volunteers. It also requires a long term commitment to the development and maintenance of the Sheldon buildings and grounds. As the charity matures, the Trustees are mindful of the need to keep pace with external changes, including changes in the nature of ministry within the church; expectations regarding quality of provision in retreat and counselling fields; and legislative changes relating to governance, accountability and risk assessment.

Objectives for 2004

- ~ to complete the final stages of remedials and functional adjustments to ensure the effective running of the newly built Courtyard Development
- ~ to improve publicity and promotion of the charity's resources, both to attract new users for the new facilities,

and to find new channels for promoting existing core resources to reach those in need of them

~ to improve access for residential guests with disabilities

Strategies, activities and achievements

Guests

165 guests stayed in Linhay Lodges, 290 people attended programme events; and 30 residential groups and 20 day groups hired self-catering facilities at Sheldon. This totals about 4,500 bed nights and 600 day visitors in the year. The Warden worked hard to ensure that high standards were maintained for guests while extended compassionate leave was needed for members of the Sheldon Community in the early part of the year. As a result, overall guest numbers were marginally down on the previous year, but all feedback indicated that the charity's usual high standards were indeed maintained. Extended feedback is now published on our website. The nature of our provision for people in ministry is that we plan bookings to leave space to respond to urgent needs. This means running at a lower occupancy rate than a hotel-type operation which simply aims to maximise the bed nights. The capacity to respond with highly individual attention to the needs of those who contact the charity, makes meaningful quantitative measurement of performance very difficult. Among other things, our guests during the year have been recovering from trauma and/or bereavement;

gathering courage for major life changes; reflecting on their ministry and vocation; grappling with issues of spirituality, sexuality, leadership and conflict; managing major changes in their jobs; going through marriage breakdown; or recovering from illness or exhaustion. The charity has a good reputation as a reliable place of safety, support and understanding, with a focus on the capacity of each individual for growth and change.

The Courtyard Development

The new facilities of the Courtyard Development, opened in 2003, have now had their first full year of operation. The building was closed as planned during January for the standard remedials and final decoration etc. The five years of planning, fundraising and construction have radically improved the quality of the day to day experience at Sheldon for guests, and enabled us to take on more staff to steadily build capacity over the next few years. The Courtyard includes new guest bedrooms, meeting rooms and a large kitchen in the Pound House; plus a reception, chapel, bar, therapy suite and offices in the Great Barn. Fine tuning and troubleshooting continued throughout the year to ensure that the building will deliver long and robust service for all guests visiting Sheldon.

Publicity

We need to ensure that people are kept well informed about the changes taking place at Sheldon. A new publicity leaflet was designed to promote the Linhay Lodges five years after they were opened. The annual programme was completely redesigned for 2005 after having been published in the previous format since 1997. The leaflet promoting Sheldon for self-catering groups for schools and churches was updated to include the new Courtyard facilities. Thousands of leaflets were direct mailed to selected clergy, churches and schools. A vibrant and comprehensive new website was designed and launched in a format that can be readily extended in future. With the reduction in opportunities for free listings, regular paid advertisements are being trialled in various church publications. Concerted efforts are also being made to identify and regularly contribute to the email bulletins that are replacing paper mailings to clergy and ministers in many regions. We anticipate seeing the benefits of this publicity effort in increased bookings in 2005 and beyond. £6,500 has been spent on printed literature and the website in 2004; this is approximately double the normal expenditure, and postage costs were also doubled.

The Chalets (Pig Pens) and disabled access

Access for guests with disabilities presents a considerable challenge with Sheldon's historic buildings set on a hillside. Small adaptations are seldom possible, so each building is

being tackled in turn. The Linhay includes one fully accessible Lodge, the ground floor of the new Courtyard is good, and the upstairs Chapel has a stairlift. The next project is to rebuild the two Chalets, which currently have two bed sitting rooms each, linked by a shared bathroom and kitchenette. Steps, narrow doorways and minimal manoeuvring space mean disabled access is currently difficult. Planning consent is being sought to completely rebuild the Chalets as three self-contained "Pig Pen" units equally suitable for guests with or without mobility difficulties. The rebuild will give the opportunity to improve the overall quality of these units which are heavily used throughout the year by self-catering groups, our own programme events, and private retreatants. They will be carefully integrated with the rest of the site by thoughtful landscaping to give good wheelchair access between the buildings while maintaining the character of the grounds. The first part of the project has been successful in creating a good design. Assuming that planning consent and fundraising for the project go according to plan, the construction work will be carried out during the winter of 2005/6. The Pig Pens Appeal target is £210,000 and the Appeal will be launched in 2005.

Spanishlake land

An unexpected achievement in the year has been to double the extent of the Sheldon grounds by purchasing an additional 23 acres. The land adjacent to Sheldon came on the market for

the first time in over 20 years, and the opportunity was too good to miss. The extra acreage will be developed carefully over the next few years to extend the much-valued resource of meditation walks and explorations within a safe environment.

Financial notes

Fund balances and net assets

Readers should note that the charity only holds modest cash (current) assets, mostly in Reserves (see page 9). The vast majority of the charity's assets are the fixed asset of the Sheldon Centre (£1.6m) plus the fixtures, fittings, vehicles and equipment connected with running the Centre (£87,500). The charity also holds £156,000 in interest free loans from supporters with most repayment dates ranging from one to five years.

Ministry Fund expenditure

The day to day expenses of running the ministry are accounted for within the Ministry Fund. As the charity is primarily providing residential resources, most of the expenditure relates to the practical details of maintaining the **buildings and grounds**. Expenditure from the Contingency Reserve is set against the buildings and grounds in the year it is spent, so this figure can vary quite widely according to the projects undertaken. In 2003 we resurfaced the access road, rethatched the chapel and repaired the Linhay roof. In 2004 only minor

work was needed for the replacement of failed double-glazing and repair of a septic tank soakaway. The routine expenditure on buildings and grounds includes service contracts for boilers and septic tanks; running repairs and redecoration; grass cutting and gardening. The functional expenditure categories allow for easy identification of **insurance, energy, staffing** and vehicle (**transport**) costs. **Insurance** includes property and professional indemnity insurance. The **people resources** category includes all financial remuneration for Community and staff, plus guest leaders, pension contributions, training and council tax. The food and housing of Community members is included in the overall costs of catering and buildings for the whole site as the Community portion is not easily identified separately. The 40% increase in staff costs reflects the policy decision to employ more salaried staff. **Office** costs cover all the telephone, stationery, postage and computing costs of running the office. Most of this is directly related to delivering the charitable objects, but an appropriate proportion is reallocated to the categories of management and administration and publicity. Two cars serve all the work of the charity and Community members have a small mileage allowance for personal use. **Depreciation** is the method of accounting for items such as cars, furniture and equipment that cost over £500 and have a lifespan of longer than a year. The relatively high figure currently reflects the substantial expenditure in 2002 and 2003 furnishing and equipping the

new Courtyard. The initial purchase of such items is made from the Equipment Reserve, which this year funded new office computers (£2,500), a tower frame (£1,000) and equipment for the Theatre (£2,800). **Affirmation and Accountability** is the workbook of practical suggestions for preventing clergy stress, sickness and early retirement published in 2002. There was no reprint in 2004, but sales continue of residual stocks. Small items of equipment and furniture, plus new books for the library are included in the final expenditure category.

The charity undertakes its own **trading** in the gift shop, the bar, and supplying food to self-catering groups. The profit in the year was just under £6,000. There was no separate category of fundraising events in 2004 as all events were deemed to play multiple roles in publicity, fundraising and direct ministry. Likewise with publicity, all printed literature and the website serve both to promote the resources of the charity to users (charitable objects) and to publicise the charity to potential donors (cost of generating funds). An approximate division has been made, but readers should be aware that in a small charity many functions are combined or overlap and cannot usefully be separated into artificial categories.

Overall expenditure remained virtually the same as the previous year, despite sizeable variations in the distribution of expenditure across different categories.

Ministry fund income

The charity's income is primarily from fee contributions made by guests and donations given by supporters. The charity receives no statutory funding and no core funding from central church sources (although increasingly church leaders will pay for guests to come to Sheldon from church funds). We have been trying to increase the proportion of earned over donated income for several years to make the charity less dependent on donations, but in practice we find it hard to achieve. Although actual earned income has increased by over 60% in the last 6 years, earned income as a proportion of expenditure has stayed steady at 50-60%. Fee income is divided approximately equally between self-catering groups, guests on our own programme events, and guests staying in Linhay Lodges. Setting the rates for charges and contribution guidelines remains a challenge because we are committed to making resources accessible for those who need them without the expense and sometimes indignity of means-tested bursaries. This means we choose to set our rates at levels that feel affordable to the majority of our guests, even though this is less than the realistic cost of provision. Some happily offer more, and some contribute significantly less than the suggested amount.

Donations to the charity come primarily from the 550 Friends of the Society, many of whom give by standing order. The total given by Friends in 2004 was £51,600, and £3,500 by

other individuals. We were also very grateful for the support of 115 churches from all over the country, amounting to £15,000.

Capital Fund

The Capital Fund is for projects to extend the property held by the charity, and/or make major improvements to existing buildings or land. This Fund has net current liabilities of £42,500 at the end of the year. This cash shortfall has arisen because of the unexpected opportunity to purchase additional land (see page 5). The £86,000 purchase was made possible by reserves plus the interest free loans held by the charity. The Trustees have budgeted to raise £10,500 per year for the next four years, in order to repay the loans according to the agreed schedules. A further £2,000 was spent on agent's and solicitor's fees in connection with the purchase, and £6,000 on immediate fencing and laying of water pipes etc.

In January 2004 £11,000 was spent as budgeted to complete the standard remedials and redecoration work 6 months after the opening of the Courtyard Development.

In November 2003 the Trustees approved expenditure of £5,000 for the design and planning application for the rebuilding of the Chalets as The Pig Pens. Of this, £2,700 has been spent during 2004. We anticipate planning consent early in 2005, and the budget for the whole project is £210,000. The process of awarding the contract by competitive tender will take place early in 2005.

The Trustees are pleased to present the achievements of the charity during the year, and thank the members of the Sheldon Community especially for their hard work and commitment in making it possible.

Auditor's Report

We have examined the Summarised Financial Statements for the year ended 31st December 2004 published by the Society of Mary and Martha, and confirm that they are consistent with the full audited accounts on which we reported on 15th February 2005. The summarised figures are extracts from the full accounts and may not contain sufficient information to allow for a full understanding of the charity's affairs. The full accounts and an unqualified auditor's report have been submitted to the Charity Commission and are available from the Society. The accounts were approved by the Trustees at a meeting on 5th March 2005.

Bush & Co

Accountants and Auditors

Bush & Co, 2 Barnfield Crescent, Exeter EX1

Policies and Risk assessments

Risk assessments

A major programme of updating risk assessments has been carried out over the past 18 months. 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.

General policies

Fire Safety – risk assessment carried out of entire premises, followed by staff training and implementation of routine checks. Annual *Portable Appliance Testing* (PAT) for all electrical appliances, plus rolling programme of electrical installation certification. *Health and Safety at Work* – risk assessment of public areas, staff practices and public events, product assessment for COSHH, and staff training. *Employment Legislation* – implementation of contracts, job descriptions, induction procedures, disciplinary and grievance procedures for all staff. Checks and updates carried out on *Child Protection, Confidentiality and Whistleblowing* policies. *Professional therapeutic conduct* assessed to ensure potential risks to guests, to staff and to the organisation are mitigated through good practice standards, supervision and a proper complaints procedure.

Financial policies

The charity's Reserves policy was adopted in 1998 and reviewed in 2002. The Ministry Fund has the following Reserves: Contingency Reserve of £50,000 for major or unexpected repairs to the buildings; Equipment Reserve of £30,000 for routine replacement and upgrading of vehicles and equipment; and Staff Benevolent Reserve of £30,000 which is held at the discretion of the Trustees. All capital funds and reserves and cash flow surpluses from the ministry fund are held in the Charities Deposit Fund.

Licensing

The premises are licensed for the supply and sale of alcohol (full justice's on license with conditions) and the open air theatre is licensed for public entertainments. Both of these have involved detailed scrutiny by the police, fire authorities and building control. In 2005 the regulatory framework for licensing public entertainment and the sale of alcohol will be changed. We do not yet know what additional cost implications this will have for the charity – we often find ourselves as small nuts under the regulatory sledgehammer because the charity's work seldom falls into neatly defined categories.

Statement of Financial Activities

	12 months to December 2004			12 months to December 2003		
	Ministry £	Capital £	Total £	Ministry £	Capital £	Total £
<u>Resources Expended</u>						
Cost of generating funds						
<i>Trading</i>	11,488	-	11,488	10,191	-	10,191
<i>Fund-raising events</i>	-	-	-	-	394	394
<i>Publicity</i>	7,041	-	7,041	8,117	9,551	17,668
<i>Total cost generating funds</i>	18,529	-	18,529	18,308	9,945	28,253
<i>Management & administration</i>	8,187	-	8,187	5,442	-	5,442
Charitable Objects						
<i>People resources</i>	74,322	-	74,322	54,604	-	54,604
<i>Buildings & grounds</i>	32,788	-	32,788	46,694	-	46,694
<i>Food & catering</i>	15,367	-	15,367	16,453	-	16,453
<i>Other events</i>	4,379	-	4,379	-	-	-
<i>Energy & water</i>	14,889	-	14,889	13,177	-	13,177
<i>Insurance</i>	7,614	-	7,614	7,537	-	7,537
<i>Transport</i>	3,441	-	3,441	3,528	-	3,528
<i>Office</i>	20,742	-	20,742	16,184	-	16,184
<i>Depreciation</i>	32,028	-	32,028	35,883	-	35,883
<i>Loss on disposal</i>	-	-	-	378	-	378
<i>Affirmation & Accountability</i>	202	-	202	3,832	-	3,832
<i>Equipment, library etc</i>	7,396	-	7,396	6,562	-	6,562
	213,168	-	213,168	204,832	-	204,832
Reallocation	-	-	-	(30,000)	30,000	-
<i>Total Charitable Objects</i>	213,168	-	213,168	174,832	30,000	204,832
Total resources expended	239,884	-	239,884	198,582	39,945	238,527

	<i>12 months to December 2004</i>			<i>12 months to December 2003</i>		
	Ministry £	Capital £	Total £	Ministry £	Capital £	Total £
<u>Incoming Resources</u>						
<i>Donations</i>	114,399	14,226	128,625	111,139	222,575	333,714
<i>Tax Refunds</i>	7,345	19,321	26,666	10,456	13,898	24,354
<i>Bank Interest</i>	2,250	10,925	13,175	2,700	4,072	6,772
<i>Trading Income</i>	16,924	-	16,924	15,093	-	15,093
<i>Fees</i>	85,982	-	85,982	92,421	-	92,421
<i>Affirmation & Accountability</i>	1,843	-	1,843	4,290	-	4,290
<i>Other events</i>	4,748	-	4,748	-	1,614	1,614
<i>Other income</i>	2,131	-	2,131	2,080	-	2,080
Total	235,622	44,472	280,094	238,179	242,159	480,338
Net Incoming Resources	(4,262)	44,472	40,210	39,597	202,214	241,811
Total Funds brought forward	285,444	1,532,665	1,818,109	245,847	1,330,451	1,576,298
Total Funds carried forward	281,182	1,577,137	1,858,319	285,444	1,532,665	1,818,109
<u>Analysis of Fund Balances and Net Assets</u>						
Fixed Assets	87,515	1,619,668	1,707,183	111,580	1,518,152	1,629,732
Net Current Assets	193,667	103,019	296,686	173,864	70,063	243,927
Long Term Loans	-	(145,550)	(145,550)	-	(55,550)	(55,550)
Total	281,182	1,577,137	1,858,319	285,444	1,532,665	1,818,109

Sheldon Ltd - assets and liabilities of subsidiary

	@31 Dec. 2004	@31 Dec. 2003
Current Assets	4,742	3,901
Less: Creditors due within one year	2,824	4,290
Total net assets/(liabilities)	1,918	(389)
Aggregate share capital and reserves	1,918	(389)

Plans for the future

After any major change or expansion of premises, it is essential to have a proper period of consolidation. Such consolidation is currently needed on several fronts: The **Courtyard Development** was a very big project, taking five years to complete and virtually doubling the capital value of the Sheldon buildings. 2005 will be its second full year of operation, and we will be working to achieve a varied and sustainable level of occupancy within the context of the whole of Sheldon. The smooth transition belies the very substantial changes and expansion in our day to day ministry as a result of moving into the Courtyard. The newly acquired **Spanishlake land** has been neglected for many years. This doubling of the Sheldon acreage will require investment of money and labour to make it accessible and enjoyable for guests, while conserving its environmental value through good management of grassland, woodland and hedges. Careful investment in the equipment of the **Open Air Theatre** in recent years now provides a springboard for developing the arts, creativity and entertainment at Sheldon, beginning with a four-concert season in the summer of 2005.

The rebuilding of the Chalets as the Pig Pens will be part of the long term focus on providing good quality accommodation for all guests, and substantially improving the ease of access for guests with disabilities. We will be working hard during 2005/6 to raise the necessary funds, and to carry out the building work with minimum disruption to guests. There is also a chronic shortage of suitable housing for members of the Community, and volunteers willing to offer for longer than one week. It is difficult to know how to resolve these issues within the current Planning restrictions. Existing accommodation, (including the Linhay Lodges which are now in their seventh year), requires constant vigilance to maintain quality. There will be routine replacement of selected carpets, furniture and equipment during the year.

Sheldon benefits from a high level of commitment of volunteers of a very high calibre. This is especially important on our hospitality teams and for 12,000-mile Service weeks. Approximately 4,000 hours of volunteer labour were contributed during 2004, which at minimum wage value would be worth £18,000.

Needs for 2005

People

We would like to recruit 50 new Friends. Friends of Mary and Martha make an annual gift of £20 or more, join our monthly cycle of prayer, and receive the quarterly newsletter.

We would like to recruit 20 new volunteers to join with workparties, hospitality teams, or reception duties.

We are looking for people interested in exploring the more in-depth vocational commitment of living as a member of the Sheldon Community. The primary needs are for someone to fill the role of Estate Manager, and someone to work as a member of the Housekeeping team.

Money

Ministry Fund

In order to run the day to day ministry during 2005, we need to raise £65,000 in donations to the Ministry Fund above the standing orders already in place. To achieve this, we hope that an additional 30 churches and/or cathedrals will support

the ministry as part of their outward giving, and another 30 Friends take out standing orders. We are looking for ways to increase occasional giving from people who receive our mailings but who don't wish to become Friends. We are very grateful for the support from Trusts, but recognise that only the £1,000 from the Mercers' Company is a regular commitment to be relied on. We will be looking for other Trusts willing to recognise the value of the core ministry with regular support. The charity's financial strength is in its breadth of grassroots support, and this needs to be constantly extended.

Capital Fund

The first tranche of the Pig Pens Appeal money needs to be raised in order to sign the contract for construction work in the summer of 2005. The balance will need to be in place by the time work is complete in order to provide fittings, furnishings and equipment to reopen the accommodation for guests.

The Spanishlake land has been purchased partly on the strength of loans, and we are budgeting £10,500 per year from 2005 to 2008 to repay the loans on schedule.

Personnel and organisational structure

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. The Warden is entitled to nominate candidates for consideration by the Trustees. A quorum of Trustees (four) meets three times a year to be briefed by the Society's Officers (the Warden and Treasurer) and to make decisions by majority vote. The Warden is responsible for all day to day management of the charity and leadership of the Sheldon Community.

Sheldon Ltd is a subsidiary trading company set up in 2002, wholly owned by the charity. Sheldon Ltd manages self-catering letting of the Long Barn and Chalets. All 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. Community members are employees of the charity, provided with housing and food and a personal allowance of £60 per week. Five members served throughout the year, and Lindsey Bolton left in June after six years of service. Work is organised into Administration, Housekeeping and Maintenance departments. The charity employs a dozen local part time staff salaried at market rates (total wages bill = £47,000). About 50

people contributed a total of about 4,000 hours of voluntary labour in 2004 as hospitality, reception or workparty volunteers (estimated value £18,000).

Trustees of the Society of Mary and Martha

Dr Ann Buxton (*appointed November 2004*)

Mrs Valerie Hawkins

Rev John Perry (*Vice Chair*)

Mrs Jean Smith (*appointed November 2004*)

Mrs Averil Swanton

Rev Dr Roy Walford (*Chair*)

Rev Jonathan Williams

Mrs Susan Wollen (*retired March 2004*)

Reimbursement of trustee expenses in 2004 amounted to £134.

Officers

Mr Carl Lee MBE (Warden)

Dr Sarah Horsman (Treasurer)

Company Directors of Sheldon Ltd

Dr Sarah Horsman

Mr Philip Hutchins

Mrs Averil Swanton

Solicitors

Foot Anstey Sargent, 4-6 Barnfield Crescent, Exeter EX1

Our thanks to

Patrons of the Society

Major General Sir Christopher Airy
Father Peter CGA
Rabbi Lionel Blue
Rev Anthony Burnham
Dr Sheila Cassidy
Rt Revd & Rt Hon Richard Chartres
Dr Jack Dominian
Very Rev Richard Eyre
Rev Malcolm Goodspeed
Most Rev & Rt Hon Dr David Hope
Joyce Huggett
Rev Michael Jacobs
Rev Sr Una Kroll CJC
Dr Sir Alexander Macara
Very Rev Michael Mayne
Peter Meadows
The Earl of Morley
Ret Rev Dom Kenneth Newing OSB
Dr Peter Nixon
Canon Roger Royle

We are grateful for the support of ...

Trusts: Capital Fund: Courtyard Appeal: Bernard Sunley Foundation (£5,000), AG Trust (£2,000). Pig Pens Appeal: The Burden Trust (£2,000).
Ministry Fund: Esmee Fairbairn Foundation (£10,000), Corporation of the Sons of the Clergy (£5,500), The Leathersellers' Company, The Mercers' Company, The Loseley Charitable Trust (£1,000 each), The Salamander Trust (£250).
Exeter Diocesan Board of Finance for 5 year interest free loan of £100,000.

To the many hundreds of people who have worked, prayed and given money during 2004 to enable Sheldon to continue as a place of sanctuary, healing and new growth for so many people – a heartfelt thank you.

Members of the Sheldon Community

Carl Lee
Susan Lee
Hillary Hanson
Sarah Horsman
Jan Kaye

Perhaps you were expecting a big, full-colour Annual Report as published in recent years?

We have decided to make this change because charities are required to publish an ever-increasing amount of information in an Annual Report. We think it will be a better stewardship of the charity's resources to publish the required formal information in a cheaper format. The £2,500 saved will be spent on separate promotional literature, advertising, and further development of the charity's website.

Please visit our website at

www.sheldon.uk.com

for much more information about the nature and ministry of the Society of Mary and Martha, its home and its people – and lots of pictures too!

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