

THE SOCIETY OF MARY AND MARTHA
FINANCIAL STATEMENTS AND ANNUAL REPORT
Year Ended 31 December 2006

THE SOCIETY OF MARY AND MARTHA

YEAR ENDED 31 DECEMBER 2006

CONTENTS

	Page
Administrative Information	1
Trustees Report	2 - 8
Auditors' Report	9 - 10
Statement of Financial Activities	11
Balance Sheet	12
Notes on the Financial Statements	13 - 18

THE SOCIETY OF MARY AND MARTHA
FINANCIAL STATEMENTS AND ANNUAL REPORT

Year Ended 31 December 2006

ADMINISTRATIVE INFORMATION

REG CHARITY NO.	327394
TRUSTEES	Mrs Averil Swanton (Chair) Rev John Perry Rev Dr Roy Walford Mrs Valerie Hawkins Rev Jonathan Williams Dr Ann Buxton Mrs Jean Smith
WARDEN	Carl A Lee
TREASURER	Sarah Horsman
THE SHELDON COMMUNITY	Carl Lee Susan Lee Hillary Hanson Sarah Horsman Jan Kaye
ADDRESS	Sheldon Dunsford Exeter EX6 7LE
BANKERS	Barclays Bank Plc 20 High Street Exeter EX4 3LL
AUDITORS	Bush & Co 2 Barnfield Crescent Exeter EX1 1QT
SOLICITORS	Foot Anstey Sargent Senate Court Southernhay Gardens Exeter EX1 1NT

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

Introduction

The Trustees submit their Annual Report and Summarised Financial Statements for the year ended 31 December 2006. 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 2005.

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
- 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; rising expectations regarding the quality of retreat accommodation; advances in spiritual and psychological care; and legislative changes relating to governance, accountability and risk assessment.

Objectives for 2006

The Society's Annual Report for 2005 stated the following specific objectives for the charity in 2006 and 2007.

- Complete the construction of the **Pig Pens**.
- Re-order administrative space in the Great Barn to provide an **additional office** next to Reception.
- Demolish a failing retaining wall near the entrance and rebuild with extended tarmaced area to provide more **carparking space**.
- Renew 20-year old **house lights** in the open air theatre to improve safety when we stage open air theatre events.
- Lay **hedges**, erect stock-proof **fencing** and manage **woodland** on the Spanishlake land.
- Complete the refurbishment of the ground floor of the **Long Barn**.
- Upgrade the **computer** peer-to-peer network to a server-network.
- Install underfloor heating in the medieval **Chapel**, re-order the interior and re-build the access steps.
- Extend the **Animal Barn** to make room for animals and grounds machinery.

Strategies, Achievements, Activities, Performance 2006

We have a great deal of experience in running building projects alongside welcoming guests, as we have steadily developed the Sheldon site since 1991. However, it still takes a good deal of additional time, care and planning to ensure that needs of future guests are not met at the expense of today's guests. We were pleased to welcome 208 clergy guests into the four Linhay Lodges, with a total of 1118 bed nights (941 in 2005). The average length of stay was 5.4 nights (7 year average 5.3). We continue our policy of refusing more than a strict proportion of advance bookings in order to be able to respond to more short notice and emergency requests. These are often from people who have been signed off sick and urgently need sanctuary away from the

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

pressures of the vicarage or manse. About 50% of our Lodge bookings are taken at less than 4 weeks notice, and 25% at less than 10 days. This approach places more demands on the Sheldon team, and is less financially lucrative, but clearly meets the core objectives of the charity more effectively than only dealing with bookings made months in advance. The addition of the three Pig Pens has given us a good deal more scope to juggle bookings and bring the benefits of time out and space apart to more guests. The Pig Pens are open to everyone, whereas the Linhay Lodges are exclusively for people in ordained and/or full time ministry. So far, about half the Pig Pen bookings for private retreats have been made by people in ministry, and half from people in other walks of life. The new "Friday Fringe" events have enabled us to make more connection with local people, and attract new supporters. We now have over 600 Friends of the Society who regularly support the ministry with financial and prayerful contributions, and receive the quarterly newsletter.

We continued to consolidate our own programme of events. 46 clergy attended 12,000-mile Service weeks – over 800 clergy have now experienced one of these flagship resource weeks since we started in 1987. 17 clergy families took part in the Family Holiday weeks. Although we make no selection criteria, it is noticeable that families with particular needs (eg children with Asperger's Syndrome) gravitate towards our resources, and particularly benefit. Retreats and training events continue to be open to everyone, and on average half the guests on these events are able to claim the 20% clergy discount. The running of our hospitality programme is very dependent on the massive contribution made by volunteers who live at Sheldon for a week at a time. Most of our hospitality volunteers are retired men and women – a high proportion of whom first came to Sheldon as guests, and now return to help us care for others.

We continued to focus on development of the staff team during 2005. All staff and volunteers now have a formal induction and training process with annual reviews appropriate to their level of work. With the significant growth in the number of employed staff in the last few years, and the increasing legislative requirements, it was necessary to bring things together on a more formal footing.

The specific objectives as stated in the 2005 report were addressed as follows:

- The construction of the three **Pig Pens** was completed on schedule and the opening ceremony took place on Easter Monday. As anticipated, there have been a wide variety of users of these new self-contained units of guest accommodation. 215 unit nights were used by larger groups in conjunction with the Pound House and/or Long Barn; 200 unit nights were used by guests taking part in our own programme events, and 70 unit nights by 20 private retreatants. Guests included mums and babies on a training weekend from a Teenage Parents Project in Bristol; a young man in a wheelchair taking part in a Phab holiday with a group from London; a clergy couple who had suffered a succession of bereavements on a private retreat; a woman with restricted mobility due to a brain tumour attending one of our courses. The new disabled access provision is working very well in extending our resources to those we could not previously accommodate. The quality is "no comparison" with the Chalets they replaced, and we have been actively promoting them for private retreats. This is the type of usage where we expect to see the most increase as people become more aware of the resource in the next year or two.
- Re-ordering in the Great Barn annexe to provide an **office** for the Administrator was completed in March 2006. This is ideally situated next to, but separate from, the Reception area enabling the Administrator to carry out her duties more effectively. It has freed up space in the upstairs office enabling existing staff on the administration team to have more flexibility over working days and working space, and giving the potential to employ additional hours when needed. This has been especially helpful with a change of personnel on the admin team in December 2006.
- The potentially unsafe retaining wall was rebuilt in March 2006. The work was necessary for safety reasons, but we made the most of the opportunity to extend what had been an odd-shaped corner to create more **carparking space**, and to provide appropriate lighting in

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

that area. We further tackled the shortage of parking space by improving the access route to the Barn Field to enable us to use that area more safely whenever large events are held.

- Open-air Theatre **house lights** were renewed as planned, and we were pleased to hold 5 very successful fund-raising concerts during July and August. 1,400 people attended, many of them visiting Sheldon for the first time. As well as raising money for the charity, these events provide an excellent way of raising the Centre's profile in the local area and publicising the work that we do.
- The next phase of **hedge laying, fencing, bank maintenance and tree planting** was carried out on the 25 acres of Spanishlake land purchased in 2004. Some of the work was carried out professionally to repair features of landscape interest, and some was carried out by workparty volunteers. The rare breed flocks of Greyface Dartmoors and Manx Loghtans have continued to grow as our own ewe lambs are retained. They provide a great deal of pleasure for guests as well as grazing the land and providing meat for the table. The walkways around the fields are now well established, and an additional path was created through Benedict's Wood. Sheldon's 45 acres are managed as part of the Dartmoor Environmentally Sensitive Area.
- The **Long Barn** re-opened in February 2006 as planned. We put in new flooring throughout the ground floor, decorated with a fresh colour scheme and replaced a range of fittings through the downstairs cloakrooms and living room. This has combined to give a warmer and fresher feeling for a building that is heavily used throughout the year. The building was scaffolded during March so that the whole roof could be repainted, and high level windows and rainwater goods repaired and re-decorated. Although we plan to start looking at the longer term plans for this building quite soon, these works were needed in the interim to ensure the comfort and care of guests over the next few years. As with the Pig Pens, the work had to be carried out to a tight schedule in order to minimise down time and honour bookings commitments.
- The first stage of the **Animal Barn extension** was carried out in June – excavating and laying the foundations. A delay in getting planning paperwork sorted out meant that phase two was postponed until 2007. We were able to make good use of much of the excavated material to improve the landscaping in front of the newly completed Pig Pens by building up the ground level. The same exercise also included the improved access to the Barn Field for major event carparking. When completed, part of the extension will provide secure storage for grounds machinery, and the other will provide additional space for animal husbandry.
- A new accounting system was introduced for 2006. We settled in well with internet banking, and with receipts, payments and bank reconciliation in Sage Line50. However, we suffered substantial problems caused by software and support inadequacies on the newly-launched Funds Module for charities. Having to prioritise sorting out the accounting meant postponing the upgrading of the computer network to a server.
- The **Chapel underfloor heating** was designed and purchased along with the system for the Pig Pens. Facing challenging time pressures on the Pig Pens, we decided to delay installation of the Chapel heating until 2007 when we could give it proper attention as a project in its own right.

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.

Annual *Portable Appliance Testing* (PAT) is undertaken for all electrical appliances, plus a rolling programme of 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, and staff training.

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

Employment Legislation – all staff have job descriptions, induction procedures, disciplinary and grievance procedures in place.

Child Protection, Confidentiality and Whistleblowing policies are in place.

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 3 or 5 years and are eligible to stand for re-election when their term expires. Val Hawkins and Jonathan Williams came to the end of their terms office in March 2006, and being eligible, stood for re-election and were elected for 5 years each. The Chair is elected by the Trustees for a year at a time. 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. New Trustees are trained with the aid of the Organisation Handbook which summarises all major policy decisions taken by the trustees. 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, 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. Community members are employees of the charity, provided with housing and food and a personal allowance of £65 per week. Five members served throughout the year, four of whom had employed status. Work is organised into Administration, Housekeeping and Maintenance departments. The charity employs a dozen local part time staff salaried at market rates. The total staff wages bill was £47,000 (£41,000 in 2005). About 50 people contributed a total of about 4,300 hours of voluntary labour in 2006 as hospitality, reception, maintenance and workparty volunteers, with an estimated monetary value of £26,000).

Financial Review

In previous years we have divided accounts between the Ministry Fund for day to day activities, and the Capital Fund for additions and major improvements to the property. This division has now been dropped in order to follow the SORP 2005 guidelines on Restricted and Unrestricted Funds.

Fund balances and net assets

Readers should note that the charity only holds modest cash (current) assets, and most of these are in Reserves. The vast majority of the charity's assets are in the form of the fixed asset of the Sheldon Centre (£1.8m) plus the fixed assets of furniture, vehicles and equipment connected with running the Centre (£65,000). The charity also holds £173,000 in interest free loans from supporters with most repayment dates ranging from one to five years. An appropriate balance for cash flow purposes is held in current accounts, and all other current assets are held in the COIF Charities Deposit Account.

Reserves (Unrestricted)

The charity's Reserves policy was adopted in 1998 and reviewed most recently in 2006. At the end of 2006, the following Reserves were held:

- Contingency Reserve of £35,000 (2005: £30,000) for major or unexpected repairs to the buildings;
- Equipment Reserve of £40,000 (2005: £40,000) for routine replacement and upgrading of vehicles, computers and equipment.
- Staff Benevolent Reserve of £50,000 (2005: £40,000) which is held at the discretion of the Trustees.

Other money was set aside for specific projects during 2007

- £20,000 for completing the Animal Barn,
- £10,000 for heating the medieval Chapel,
- £6,500 for hedging and fencing
- £8,000 for further development of the theatre grounds and facilities.

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

The balance remaining serves as a buffer to cover running expenses for 2 – 3 months in the event of unforeseen interruption to income sources.

Income

£102,970 was received as donations to the Pig Pens Appeal, shown as Restricted Funds. Donations included £30,000 from the Henry Smith Charity, £25,000 from the Wolfson Foundation, and £5,000 from the Sheldon Trust. Other Trusts contributing to the Pig Pens Appeal were the AG, Appleton, Foster and Bailey Thomas Trusts, The Leathersellers' Company, The Rind Foundation, and The Community of the Presentation. Almost all the remaining contributions to the Appeal came from individual donors. All the restricted income, as well as the £86,000 brought forward from 2005, was spent in the year on the construction of the Pig Pens. This is shown as the increase in the value of the freehold land and buildings.

Guests contribute towards the costs of their stays at Sheldon. Usually this is from their own resources, although increasingly church leaders or local churches will make a contribution towards this. People in ministry receive a 20% discount on all events that are open to everyone. For the Linhay Lodges, we provide contribution guidelines at a level which most guests are able to afford, but are below the real costs of provision. We do not operate a formal bursary scheme, but endeavour to ensure that finance is not a bar to guests who need the resources of Sheldon.

The bulk of our donated income is received from the 600+ Friends of the Society. £34,000 of this was received in standing orders, CAF vouchers and other planned giving. A further £24,500 was received from individual supporters (mostly Friends) in 240 gifts. £15,000 was given by Churches and other Religious Communities. Trusts supporting the day to day expenses of the ministry included The Corporation of the Sons of the Clergy (£5,500) and the Mercers' Company.

One major legacy was received from Rev K Jackson, with a payment on account of £5,000 in 2006, and the anticipated balance in 2007 of approximately £20,000 included as a debtor. This money was spent on the refurbishment of the Long Barn.

Statutory Grants of £6,415 were received from the Rural Payments Agency as Single Farm Payment, ESA (Dartmoor Environmentally Sensitive Area) annual payment, and ESA grant for hedging and fencing.

Every effort is made to ensure that gifts are made in a tax efficient way, and £40,000 of tax was reclaimed. This is an unusually large figure that includes some tax on gifts in earlier years. In future all tax refunds will be accounted for in the same year as the gifts to which they relate.

Trading income was received from the shop in the Reception area and the Fat Pigeon bar, plus small amounts of frozen food supplied to groups. Fund-raising concerts took place in Sheldon's open air theatre in the summer months.

All profits from the Society's wholly-owned subsidiary company, Sheldon Ltd, were gift aided to the Society.

Expenditure

The 2005 Statement of Recommended Practice requires that all expenditure be apportioned between the headings shown on the SOFA (Statement of Financial Activities). While this may suit larger charities, the nature of this charity is that staff, buildings and other resources are used in a flexible and integrated way across all the categories. We have therefore endeavoured to construct a reasonable and consistent basis for apportionment (see note 3 to the accounts), but would caution against placing undue reliance on these apportionments. For example, the costs of generating voluntary income are shown as £18,658. As well as direct costs like the printing of our newsletter, this includes a proportion of Community and admin staff wages, an allowance of the food consumed by Community members thus engaged, and a proportion of running costs of the buildings such as insurance and energy.

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

Investment management costs relate to the use of the Sheldon premises by Sheldon Ltd to generate the rent and profits shown in the income section.

Governance costs include the expenses of auditors and trustees, plus a proportion of wage and running costs of the buildings as outlined above.

Maintaining the buildings and grounds is always a large part of our budget. Routine costs such as boiler servicing, PAT testing, fire protection servicing, and septic tank emptying are reasonably constant, but projects vary widely year to year. 2006 included the refurbishment of the Long Barn, the alterations to the Great Barn Annexe, the repairs to the South Wing Wall and creation of parking area, and hedging and fencing.

Wage costs are kept low by the salary sacrifice made by all the members of the Community. Remuneration in 2006 included a personal allowance of £65/week, plus accommodation on the Sheldon site, and food. Part time salaried staff are paid at market rates. Small contributions are also made to Stakeholder pensions.

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 initial purchase of such items is made from the Equipment Reserve, and in 2006 year one vehicle was replaced and all the furniture for the new Pig Pens was purchased.

Plans for 2007 & Beyond

Our objectives for 2007 are to continue running high quality resources for people in ministry on a day to day basis, and to continue building capacity within the team through recruitment and training of Community, staff and volunteers.

We plan to accomplish some specific projects during the year

- Install underfloor heating and re-order the interior of the medieval Chapel of Christ the Servant, and improve its accessibility with new steps and handrail. The provision of attractive and welcoming spaces for private prayer throughout the year is important with increasing numbers of guests visiting Sheldon for private retreats.
- Construct the extension to the Animal Barn on the foundations built in 2006. This is needed to provide secure storage for estate machinery and improve animal husbandry.
- Continue the programme of laying neglected hedges and erecting stock-proof fencing where necessary. Well-kept grounds are a very important resource for resident guests.
- Create an easy access platform for the Open air Theatre to enable guests in wheelchairs to attend fundraising events in safety and comfort. Upgrade water, electricity and telephone supplies to the theatre area to improve the provision of refreshments to theatregoers and to improve communications for safety and control purposes.
- Develop our office and accounting systems to enable guests and supporters to make payments and donations by credit card in person and through the website. Although there are cost implications for the charity, this is considered necessary in order to meet expectations of convenience. We also plan to sell tickets for theatre concerts directly through the website for the convenience of supporters and to cut down on staff time on the telephone.
- Assess the charity's computer network and re-consider the need for a server to improve office efficiency and data security.
- Consult on the future of the Long Barn, perhaps with an outline planning application. As major building projects can have a lead time of 5 – 6 years from conception to completion, it is considered important to begin the process of planning the longer term future of this building.

THE SOCIETY OF MARY AND MARTHA

TRUSTEES' REPORT

Patrons

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
Peter Meadows
The Earl of Morley
Ret Rev Dom Kenneth Newing OSB
Dr Peter Nixon
Canon Roger Royle

Approved by the Trustees of The Society of Mary and Martha and signed on its behalf by

Mrs Averil Swanton

Rev John Perry

Date: 21 March 2007

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE SOCIETY OF MARY AND MARTHA
YEAR ENDED 31 DECEMBER 2006**

We have audited the financial statements of The Society of Mary and Martha for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Charity's trustees, as a body, in accordance with Sections 43 and 44 of the Charities Act 1993. 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 auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are to prepare financial statements for each financial year which give a true and fair view of the 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:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards and statements of recommended best practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity, and to enable them to ensure that the financial statements comply with the Charities Act 1993 the Charity (Accounts and Reports). 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE SOCIETY OF MARY AND MARTHA
YEAR ENDED 31 DECEMBER 2006**

We planned and performed our audit in order to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2006 and of its incoming resources and application of resources for the year then ended, and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

BUSH & CO
Chartered Accountants
Registered Auditors

2 Barnfield Crescent
Exeter

29 March 2007

THE SOCIETY OF MARY AND MARTHA
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
<i>Voluntary income</i>					
Donations		112,646	102,970	222,032	247,908
Tax refunds		40,406	-	40,406	10,808
<i>Activities for generating funds</i>					
Trading income		16,819	-	16,819	19,310
Fund raising events		9,196	-	9,196	7,075
<i>Investment income</i>					
Bank interest		13,791	-	13,791	15,415
Gift aid from Sheldon Ltd		40,000	-	40,000	6,000
Rent		12,000	-	12,000	12,000
Incoming Resources from Charitable Activities					
Contributions from guests	2	107,927	-	107,927	108,353
Other Incoming Resources	3	8,712	-	8,712	3,885
		<u>361,497</u>	<u>102,970</u>	<u>464,467</u>	<u>430,754</u>
RESOURCES EXPENDED					
Cost of generating funds					
Costs of generating voluntary income		17,532	726	18,258	22,291
Fundraising & Trading: costs of goods and other costs		20,362	-	20,362	24,902
Investment management costs		19,979	-	19,979	20,418
Charitable activities		244,109	4,000	248,109	235,944
Governance costs		7,057	-	7,057	10,274
	4	<u>309,039</u>	<u>4,726</u>	<u>313,765</u>	<u>313,828</u>
Net Incoming Resources Before Transfers		52,458	98,244	150,702	116,926
Funds transfer		98,244	(98,244)	-	-
Total funds brought forward		<u>1,975,245</u>	<u>-</u>	<u>1,975,245</u>	<u>1,858,319</u>
		<u>2,125,947</u>	<u>-</u>	<u>2,125,947</u>	<u>1,975,245</u>

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

There were no recognised gains or losses other than the net income for the year.

The notes on pages 13 to 18 form part of these financial statements.

THE SOCIETY OF MARY AND MARTHA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

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 and in accordance with applicable accounting standards and Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in February 2005.

b) Incoming Resources

Voluntary income including grants is accounted for on receipt. Legacies are recognised as income when there is entitlement, certainty as receipt and measurability of the legacy.

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 for these refunds when the underlying gift is received.

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 and the costs of other income generation.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources as described below:

Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor area or per capita, staff costs by the time spent and other costs by usage.

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:

Equipment	20% Straight line
Vehicles	25% Reducing balance

Individual items of equipment with a cost of less than £500 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.

THE SOCIETY OF MARY AND MARTHA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

Major improvements and additions to land and buildings are initially included in Fixed Assets at cost. The Trustees then form an opinion as to whether they result in an addition to the market value of the property of an amount less than cost. Where improvements give added value to the current use of the property, but are not likely to increase its market value, they are charged to the Capital Fund in the year the costs are incurred.

f) Funds

The Ministry Fund represents the main work of the society. The Capital Fund represents amounts given, raised or allocated for the purchase and improvement of the property, or the provision of new facilities. Maintenance of existing facilities is charged to the Ministry Fund. Allocation of overhead expenditure between the funds is done on an equitable basis.

g) Stock

Stock is included at the lower of cost, and net realisable value.

h) Pensions

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

2. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS

	2006 £	2005 £
Individual Retreats	44,041	40,926
Programme Events	58,071	61,177
Groups	8,815	6,250
	-----	-----
	107,927	108,353
	=====	=====

3. OTHER INCOMING RESOURCES

	2006 £	2005 £
Grants	6,416	728
Other Income	2,296	3,157
	-----	-----
	8,712	3,885
	=====	=====

**THE SOCIETY OF MARY AND MARTHA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006**

**4. TOTAL RESOURCES EXPENDED
UNRESTRICTED**

	Basis of Allocation	Voluntary Income	Fundraising Trading	Investment Management	Charitable Activities	Governance Costs	2006 Total	2005 Total
	£	£	£	£	£	£	£	£
Trading	Direct		9,134				9,134	11,059
Fund Raising Events	Direct		7,466				7,466	9,741
Newsletter	Direct	2,938					2,938	2,229
Annual Report Printing	Direct						343	654
Trustee Expenses	Direct					43	142	132
Audit Fees	Direct					2,702	2,702	2,500
Accountancy and Bookkeeping	Usage	199	40	60	1,592	100	1,990	2,342
Legal Fees	Usage	85	17	26	683	43	854	3,120
Software Support	Usage	182	36	55	1,454	91	1,817	-
Bank Charges	Direct				84		84	-
Wages Costs	Staff Time	4,056	957	6,518	50,698	1,144	63,372	59,174
Pension Costs	Staff Time	476	95	238	3,806	143	4,757	4,715
Community Council Tax	Staff Time	239	48	119	1,911	72	2,389	1,712
Guest Leaders	Direct				5,502		5,502	5,596
Training Costs	Direct				2,083		2,083	924
Recruitment Costs	Direct				598		598	-
Miscellaneous Staff Costs	Direct				1,657		1,657	-
Building and Grounds	Direct				51,707		51,707	32,972
Food	Usage	1,282	513	3,077	20,514	256	25,643	50,513
Energy and Water	Usage	600	120	300	19,127	180	20,327	23,160
Insurance	Usage	1,120	448	2,689	17,926	224	22,408	18,771
Transport	Usage	688	275	1,652	11,014	138	13,767	12,131
Telephone	Usage	245	49	123	1,960	74	2,450	3,711
Postage	Usage	317	63	95	2,538	159	3,173	2,518
Computer Costs	Usage	371	74	111	2,967	185	3,709	3,961
Advertising	Usage	404	81	121	3,230	202	4,038	1,222
Printing	Direct	1,482			1,483		2,965	2,743
Stationery, Copier etc.	Usage	362	72	109	2,897	181	3,621	2,617
Depreciation	Usage	609	122	183	4,874	305	6,092	9,712
Equipment, Library, etc.	Usage	1,877	751	4,504	30,028	375	37,535	33,318
	Direct				3,766		3,776	6,185
		17,532	20,362	19,979	244,109	7,057	309,039	307,432
RESTRICTED								
Publicity	Direct	726	-	-	-	-	726	3,396
Wages costs	Staff Time	-	-	-	4,000	-	4,000	3,000
		726	-	-	4,000	-	4,726	6,396

THE SOCIETY OF MARY AND MARTHA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

5. EMPLOYEES' REMUNERATION

Included in the resources expended by the Society are costs of providing free accommodation and an allowance for food for the five members of the community. Four members of the community are paid a wage and work as full time employees of the Society. There was also a full time employee for 6 months of the year who was not a member of the community, so that on average there were 4.5 (2005:6) full time staff in the year. The average number of full and casual employees during the year, including residents, was 25 (2005:23). The total remuneration excluding food land accommodation costs was:

	2006	2005
	£	£
Gross Wages	66,121	62,208
Employer's national insurance	1,251	1,422
Pension contributions	4,757	4,715
Council Tax for community members	2,389	1,712
	<hr/>	<hr/>
	74,518	70,057
	<hr/> <hr/>	<hr/> <hr/>

The number of employees of the Society of Mary and Martha whose emoluments fell in the following band:

	2006	2005
	£	£
0 - £10,000	25	25

No one employee earns in excess of £60,000.

The number of employees for whom retirement benefits are accruing was as follows:

Money Purchase schemes	4	4
	<hr/>	<hr/>

6. TRUSTEES' REMUNERATION AND EXPENSES

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them (2005: £nil).

Travel expenses of £142 were paid to one of the trustees in the year (2005: £132).

7. MANAGEMENT AND ADMINISTRATION

These costs include:	2006	2005
	£	£
Audit Fee	2,702	2,000
Other fees payable to auditor	1,078	500

THE SOCIETY OF MARY AND MARTHA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

8. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Equipment £	Motor Vehicles £	Total £
COST				
At 1 January 2006	1,619,668	250,435	17,440	1,887,543
Additions	197,770	17,418	17,441	232,629
Disposals	-	-	(12,195)	(12,195)
	-----	-----	-----	-----
At 31 December 2006	1,817,438	267,853	22,686	2,107,977
DEPRECIATION				
At 1 January 2006	-	184,446	12,332	196,778
Charge for Year	-	32,838	4,913	37,751
On Disposals	-	-	(9,300)	(9,300)
	-----	-----	-----	-----
At 31 December 2006	-	217,284	7,945	225,229
NET BOOK VALUE				
At 31 December 2006	1,817,438	50,569	14,741	1,882,748
NET BOOK VALUE				
At 31 December 2005	1,619,668	65,989	5,108	1,690,765
	=====	=====	=====	=====

The historic cost of the land and buildings is £2,056,213 (2005: £1,825,471).

9. INVESTMENTS

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 at 31 December 2006 were:

	£
Current Assets	8,604
Less: Creditors: Amounts falling due within one year	5,704

Total Net Assets	2,854
	=====
Aggregate share capital and reserves	2,854
	=====

The results are not consolidated into these financial statements as the impact is immaterial. Turnover for the year was £52,907 2005 £18,632 and after deducting expenditure of £52,231 (2005: £19,082) a surplus of £138 arises (2005: £798). A gift aid payment of £40,000 was made to the charity and this is included as investment income in the Statement of Financial Activities.

THE SOCIETY OF MARY AND MARTHA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

10. DEBTORS

	2006	2005
	£	£
Tax recoverable	19,859	-
Legacy	20,000	-
	<hr/>	<hr/>
	39,859	-
	<hr/> <hr/>	<hr/> <hr/>

11. LONG TERM LOANS

The loans are interest free and repayable as follows:

	2006	2005
	£	£
After 1 year and within 5 years	159,950	129,950
After 5 years	9,850	11,350
	<hr/>	<hr/>
	169,800	141,300
	<hr/> <hr/>	<hr/> <hr/>

12. UNRESTRICTED RESERVES

Amounts disclosed in the Statement of Financial Activities for the year relate to capital expenditure, the Pig Pen development. Income for this purpose has been spent in full on the property and this is recorded as additions in note 7. There are no restrictions placed upon the use of the buildings following their development and, therefore, the surplus on the restricted reserve is transferred to unrestricted reserves. The charity has no restricted reserves carried forward.

13. CAPITAL COMMITMENTS

At 31 December 2006 the Trustees had no capital expenditure contractual commitments.

14. SECURED CREDITORS

There is a legal charge dated 29 November 2002 and secured on the freehold property for a maximum of £100,000. This maximum sum was drawn by 31 December 2004 and is included in long term creditors.

15. RELATED PARTIES

The Treasurer of the Society (Sarah Horsman) and Averil Swanton are two of the three directors of Sheldon Limited. It is a wholly owned subsidiary of the charity as detailed in Note 8 above. Neither received any income of any kind from that company. The company used some of the Society's facilities on its site at Sheldon and paid a rent for such use. The total paid in 2006 was £12,000 (2005: £12,000). The company gifted £40,000 (2005: £6,000) to the Society during 2006. At 31 December 2006 the Society owed Sheldon Limited £nil (2005: £2,000).