

**The Parish Church of the Good Shepherd**  
Sand Hill Farnborough GU14 8ER

**Annual Report  
and  
Financial Statements  
of the  
Parochial Church Council**

for the year ended 31 December 2020

**Incumbent**

Revd Russell M Smart  
The Vicarage  
45, Sand Hill  
Farnborough  
GU14 8ER

**Banks**

National Westminster Bank plc      CAF (Charities Aid Foundation)

CCLA Investment Management Ltd (CBF Church of England Fund)

Cambridge and Counties Bank      Charity Bank Ltd

**Independent Examiner:**

Mr Stephen Marriott  
Pennines. Guildown Road, Guildford GU2 4EU

**Registered Charity No 1127829**

## Administrative information

The Parish Church of the Good Shepherd is situated in Sand Hill, Farnborough, Hampshire. Together with the Parish of St. Peter's it forms the North Farnborough Group Ministry as part of the Diocese of Guildford within the Church of England. The church's patron is the Church Pastoral Aid Society.

The Parochial Church Council (PCC) of the Church of the Good Shepherd is a charity, registered with the Charity Commission as Registered Charity Number 1127829.

PCC members who have served from 1 January 2020 until the date this report was approved are:

<i>Incumbent:</i>	Revd Russell Smart	Chairman
<i>Wardens:</i>	Lance Nevill Steven Robinson	
<i>Representatives on the Deanery Synod:</i>	Malc Bardsley Michael Houghton Alison Lake	(to 28.10.2020)
<i>Elected Members:</i>	Ben Edwards Dianne Elsey Robert McKee Bev Marchment Derick Musonda Dianne Pickford David Riddlestone Marian Rudall Doris Rudd Terence Thomson Sue Troughton Jacqueline Ward	Secretary (from 28.10.2020) (from 28.10.2020)  Treasurer
<i>Co-opted Members</i>	Judith Hillary	(from Deaf church)

## **Structure governance and management**

The Parochial Church Council is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure.

The method of appointment of PCC members is set out in the Church Representation Rules. All Church attendees are encouraged to register on the Electoral Roll and stand for election to the PCC.

The PCC operates through a small number of committees, which meet between full meetings of the PCC.

The Standing Committee is the only committee required by law. It has power to transact the business of the PCC between its meetings, subject to any directions given by the Council. The Standing Committee consists of the Vicar, Wardens, Secretary and Treasurer.

## **Safeguarding**

The PCC has a safeguarding policy and appoints a Safeguarding Officer who acts as a focal point for concerns. All key staff and volunteers working with children and vulnerable adults are recruited using Safer Recruitment principles and are checked with the Disclosure and Barring Service. Clergy receive regular safeguarding training through the Diocese of Guildford and training is undertaken by other staff and volunteers as required. The PCC receives an annual report on safeguarding and reviews the safeguarding policy. Additionally, safeguarding is an item on the agenda of every PCC meeting.

## **Objectives and activities**

The PCC of the Church of the Good Shepherd has the responsibility of co-operating with the Vicar in promoting in the ecclesiastical parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical. It also has maintenance responsibilities for the Church of the Good Shepherd, Sand Hill, Farnborough and its grounds. The incumbent and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

## **Church attendance**

There are 148 parishioners on the Church Electoral Roll, 30% of whom are resident within the parish. The average Sunday attendance at services across the year was 75 (2019 -111). The decrease reflects the fact that because of the Covid-19 pandemic our services went online from March 2020 and several of our older members do not have internet access. Until the end of March when the church building was closed our average attendance had been closer to 100.

## **Review of the year**

The full PCC met seven times during 2020, with the Standing Committee meeting twelve times.

The first part of the year began well, and we hosted a licensing service for our pioneer community worker, celebrating of the birth of a new ministry within the church and community. Sadly, not long after that the Covid-19 pandemic struck, and we entered a new world of lockdown. Over 2020 we learnt a lot about our church family and leadership as we rallied together to provide support and encouragement to as many as we could. Our foodbank was blessed by amazing support and we were able to meet the hugely increased demand. In 2020 we delivered 640 parcels compared with 232 in 2019. In addition, we set up a community phone line to offer assistance to those who needed help with shopping or prescriptions.



## Review of the year (contd)

Our church services rapidly developed to being on line, moving to interactive livestreamed services on Zoom, using breakout rooms for coffee time afterwards. We learnt how to operate this new technology in a short space of time and we are so grateful to our small team of volunteers who keep all this going. Our Deaf church also began recording services with contributions from their congregation, and their monthly 'Sip & Sign' group met on Zoom.

We started to run Messy Church online and had a great experience with an online holiday club too, with our Messy Church videos now being used by local schools. We offered an online youth club and videos, and more recently an online coffee morning. As the restrictions eased, we temporarily reopened our children's clothing exchange, socially distanced, in our church hall, so those in need of school uniform and children's clothing could receive assistance.

A real highlight for the church was interviewing and employing a youth and children's minister towards the end of 2020, a new post we had been seeking to fill for about 18 months. We are very excited to have someone with lots of experience join our team to develop and grow our ministry to children, families and young people. We look forward to life returning to some kind of new normal in 2021 so we can start all our services, groups and activities again in person.

It has been a challenging year for everyone, but we are so grateful to God for the continued support we've had during these difficult times. The congregation have supplied the funds and other resources we need to continue our mission and ministry in our community and beyond. We will no doubt learn many lessons from this pandemic and we certainly hope and pray we will come back stronger as a church family in 2021. We are so thankful to our faithful God for sustaining and encouraging us over this last year.

*God is our refuge and strength, an ever-present help in times of trouble (Ps 46:1)*

## Financial review

During 2020, total donations to the Church of the Good Shepherd decreased by 18% to £187,106, reflecting a substantial gift received in 2019 towards the refurbishment of our worship area; gifts to our unrestricted funds showed a slight increase of 2.7%. We were grateful to receive a grant of £1,500 from All Churches Trust towards the equipment to provide hybrid services. Expenditure increased from £166,842 to £190,647, reflecting the purchase of carpeting for the worship area and increased costs for the Larder. The Church's 2020 contribution to Parish Share of £69,236 was met in full. At the end of the year £5,000 was transferred from general reserves to a designated fund to meet the costs of major repairs to our buildings and the general reserves increased by £3,459. Additionally, we were able to transfer £10,000 into our Parish Development Fund.

## Reserves policy

The PCC's policy is to maintain a minimum balance on unrestricted funds of three months' expenditure. The balance held at 31 December 2020 was £49,012, which equates to just over three months' budgeted expenditure for 2021.

## Missions Policy

The church aims to give 10% of its donated and investment income to other local, national, and overseas mission organisations.

## **Independent Examiner's Report to the Parochial Church Council of The Church of the Good Shepherd, Farnborough**

I report on the accounts for the year ended 31 December 2020 which are set out on pages 5 to 13.

### **Respective responsibilities of the PCC and Independent Examiner**

The PCC considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners section 145 (5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

### **Basis of Independent Examiner's Statement**

My examination was carried out in accordance with the General Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the PCC concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in a full audit, and consequently I do not express an audit opinion on the accounts.

### **Independent Examiner's Statement**

In connection with my examination, no matters have come to my attention

- (1) which give me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with s.130 of the 2011 Act; or
  - to prepare accounts which accord with these accounting records have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Stephen Marriott MA FRSA  
Pennines. Guildown Road, Guildford GU2 4EU  
24 March 2021

# Statement of Financial Activities

For the year ending 31 December 2020

		Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	Notes	£	£	£	£	£	£
<b>INCOME FROM:</b>							
Donations	2a	159,831	27,275	187,106	155,616	72,445	228,061
Investments	2b	2,012	-	2,012	2,216	-	2,216
Church activities	2c	5,989	-	5,989	16,221	-	16,221
<b>Total income</b>		<b>167,832</b>	<b>27,275</b>	<b>195,107</b>	<b>174,053</b>	<b>72,445</b>	<b>246,498</b>
<b>EXPENDITURE ON:</b>							
Church activities	3	134,447	56,200	190,647	141,868	24,974	166,842
<b>Total expenditure</b>		<b>134,447</b>	<b>56,200</b>	<b>190,647</b>	<b>141,868</b>	<b>24,974</b>	<b>166,842</b>
Net income/(expenditure) before transfers		33,385	(28,925)	4,460	32,185	47,471	79,656
Transfers between funds	11	(14,926)	14,926	-	(14,676)	14,676	-
<b>Net movement in funds</b>		<b>18,459</b>	<b>(13,999)</b>	<b>4,460</b>	<b>17,509</b>	<b>62,147</b>	<b>79,656</b>
Fund balances brought forward at 1 January 2020		155,553	73,404	228,957	138,044	11,257	149,301
Fund balances carried forward at 31 December 2020		<b>174,012</b>	<b>59,405</b>	<b>233,417</b>	<b>155,553</b>	<b>73,404</b>	<b>228,957</b>

The notes on pages 7 to 13 form part of these accounts.



## Balance Sheet

At 31 December 2020

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	5,662	5,395
<b>CURRENT ASSETS</b>			
Debtors	8	6,709	6,126
Cash at bank and in hand	9	225,034	226,420
		<u>231,743</u>	<u>232,546</u>
<b>LIABILITIES</b>			
Creditors - amounts falling due within one year	10	(3,988)	(8,984)
<b>NET CURRENT ASSETS</b>		<u>227,755</u>	<u>223,562</u>
<b>TOTAL NET ASSETS</b>		<u><b>233,417</b></u>	<u><b>228,957</b></u>
<b>PARISH FUNDS</b>	11		
Restricted		59,405	73,404
Unrestricted:			
Designated funds		125,000	110,000
General funds (free reserves)		49,012	45,553
	12	<u><b>233,417</b></u>	<u><b>228,957</b></u>

The notes on pages 7 to 13 form part of these accounts.

Approved by the Parochial Church Council on 24 March 2021  
and signed on its behalf by:

R Smart  
Incumbent



B Marchment  
PCC Secretary



## Notes to the Financial Statements

For the year ended 31 December 2020

### 1 Accounting policies

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the Charities SORP FRS102.

The financial statements have been prepared under the historical cost convention. The financial statements include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

#### Funds

**Restricted funds** represent a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund.

**Designated funds** are unrestricted funds which the PCC has earmarked for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

**Unrestricted funds** are general funds which can be used for PCC ordinary purposes.

**Income:** Planned giving, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. All other income is recognised when it is receivable. All incoming resources are accounted for gross. The value of gifts donated for the Larder is calculated by valuing the parcels given out and deducting the costs of items purchased.

**Expenditure:** This includes all expenditure incurred in meeting the church's main objectives and includes all costs in support of those objectives. Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due.

#### Fixed assets

Consecrated and benefice property is not included in the accounts in accordance with s96(2)(a) of the Charities Act 1993.

Moveable church furnishings held by the Incumbent and Churchwardens on special trust for the PCC, and which require a faculty for disposal, are inalienable property, listed in the Church's inventory, which can be inspected (at any reasonable time). For anything acquired prior to 2000 there is insufficient cost information available and therefore such assets are not valued in the financial statements.

Equipment used within the church premises is depreciated on a straight line basis over 5 years. Individual items of equipment with a purchase price of £1,000 or less are written off when the asset is acquired.



## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

<b>2 Income</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£
<b>a Donations</b>				
Planned giving:				
Gift aid donations	112,173	2,875	115,048	154,977
Income tax recoverable	27,447	719	28,166	39,242
Other planned giving	17,193	844	18,037	20,225
Collections at services	292	-	292	1,915
Grants	2,263	-	2,763	-
Donations/appeals etc	463	1,303	1,266	4,292
Value of food given for Larder	-	21,534	21,534	7,410
	<b>159,831</b>	<b>27,275</b>	<b>187,106</b>	<b>228,061</b>
<b>b Investments</b>				
Bank and other interest	2,012	-	2,012	2,216
	<b>2,012</b>	<b>-</b>	<b>2,012</b>	<b>2,216</b>
<b>c Church activities</b>				
Bookstall	378	-	378	495
Church hall lettings	4,062	-	4,062	13,203
Fees	834	-	834	706
Miscellaneous	715	-	715	1,817
	<b>5,989</b>	<b>-</b>	<b>5,989</b>	<b>16,221</b>
<b>TOTAL INCOME</b>	<b>167,832</b>	<b>27,275</b>	<b>195,107</b>	<b>246,498</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Missionary and charitable giving:				
Overseas				
Mission organisations	-	10,660	10,660	11,690
Relief and development agencies	-	1,440	1,440	1,440
Home mission	100	2,880	2,980	2,890
Secular charities	-	540	540	540
	100	15,520	15,620	16,560
Ministry:				
Diocesan parish share	69,236	-	69,236	67,547
Other ministry costs	5,945	497	6,442	12,564
Larder	-	23,890	23,890	8,129
Office expenses	1,063	-	1,063	1,841
Church and hall running expenses	9,046	-	9,046	9,592
Church and grounds maintenance	4,262	16,293	20,555	6,952
Bookstall	411	-	411	399
Salaries and pension	44,262	-	44,262	40,585
Training costs	47	-	47	2,287
Special events	75	-	75	386
	134,347	40,680	175,027	150,282
<b>Total expenditure</b>	<b>134,447</b>	<b>56,200</b>	<b>190,647</b>	<b>166,842</b>

### 4 Staff costs

	2020 £	2019 £
Salaries	42,021	38,561
Pension costs	2,241	2,024
	<b>44,262</b>	<b>40,585</b>

During 2020 the PCC employed a parish secretary, a Pioneer Community Worker, a Youth and Children's Minister (from 1 December 2020) and a church cleaner, none of whom earned £60,000 or more. The Pioneer Community Worker, Mrs A Edwards is closely connected to a member of the PCC and was paid £26,000 during the year (2019 - £24,768). The PCC contributed £1,495 (2018 - £1,424) in pension costs for Mrs Edwards. The Pioneer Community Worker and the Youth and Children's Minister were reimbursed for expenses incurred in carrying out their duties.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 5 Pension Scheme

The Church of the Good Shepherd participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

#### Pension Builder Scheme

The Pension Builder Scheme of the CWPF is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. The Church of the Good Shepherd participates in the latter section.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable (2020: £2,241; 2019: £2,024).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020. For the Pension Builder 2014 section, the 2016 valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Church of the Good Shepherd could become responsible for paying a share of that employer's pension liabilities.

### 6 Trustees

None of the PCC members was paid any remuneration or received any benefit from an employment with the charity but, where appropriate, were reimbursed out-of-pocket expenses. 8 (2019 – 10) trustees were reimbursed a total of £2,981 (2019 - £5,312) during the year for expenses incurred on behalf of the church. Donations received from members of the PCC and their related parties amounted to £52,930 (2019 - £100,980) in the year.



# Notes to the Financial Statements (continued)

For the year ended 31 December 2020

## 7 Fixed assets for use by the PCC

		Church Equipment £	Total £
Actual / deemed cost	At 1 January 2020	21,166	21,166
	Disposals	(4,623)	(4,623)
	Additions	2,114	2,114
	At 31 December 2020	18,657	18,657
Depreciation	At 1 January 2020	15,771	15,771
	Disposals	(4,623)	(4,623)
	Charge for the year	1,847	1,847
	At 31 December 2020	12,995	12,995
Net Book Value	At 31 December 2020	5,662	5,662
	At 31 December 2019	5,395	5,395

Church equipment comprises office equipment, two video projectors, a sound desk, hybrid services equipment and kitchen equipment.

## 8 Debtors

	2020 £	2019 £
Income tax recoverable	5,266	3,104
Prepayments and accrued income	628	629
Other debtors	815	2,393
	<b>6,709</b>	<b>6,126</b>

## 9 Cash and bank accounts

	2020 £	2019 £
Charities Aid Foundation current account	32,155	-
Nat West current account	11,407	46,288
Cambridge and Counties Bank 95 day access	61,329	60,472
Cambridge and Counties Bank 60 day access	27,226	26,911
CBF Deposit Fund	36,362	36,208
Charities Aid Foundation	6,555	6,541
Charity Bank 1 year fixed term account	50,000	50,000
	<b>225,034</b>	<b>226,420</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 10 Creditors

	2020	2019
	£	£
Amounts falling due within one year:	<u>3,988</u>	<u>8,984</u>

### 11 Statement of funds

#### Restricted funds

	Balance at 1 Jan 2020	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£
Larder	1,849	25,361	23,890	-	3,320
Community	635	-	488	-	147
Banner workshop	454	-	-	-	454
Chairs and carpets replacement	20,000	750	16,293	-	4,457
Youth and Children's Minister	50,000	-	-	-	50,000
Flower stand	30	-	9	-	21
Church for deaf people	286	20	-	-	306
Mission Fund	-	1,144	15,520	14,926	550
Spring Harvest	150	-	-	-	150
	<b>73,404</b>	<b>27,275</b>	<b>56,200</b>	<b>14,926</b>	<b>59,405</b>

The Larder Fund is for the provision of food and essential household items to people within the local community. The transfer to the Mission Fund is from general funds to cover the shortfall of income over expenditure for that fund.

#### Unrestricted funds

	Balance at 1 Jan 2020	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£
Designated funds:					
Development fund	85,000	-	-	10,000	95,000
Major repairs fund	25,000	-	-	5,000	30,000
	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>125,000</b>
General funds:					
Free reserves	45,553	167,832	134,447	(29,926)	49,012
	<b>155,553</b>	<b>167,832</b>	<b>134,447</b>	<b>(14,926)</b>	<b>174,012</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2020

### 11 Statement of funds (continued)

Funds are held in the Development Fund to provide for the future development of the church's ministry and it is anticipated that these will be used up over the next four years as we build up our regular giving to meet the cost of employing a Youth and Children's Minister.

The Major Repairs Fund is being built up so that funds are available when major repairs are required to our buildings.

### 12 Analysis of net assets by fund

	Unrestricted Funds £	Restricted funds £	Total 2020 £
Fixed assets for church use	5,662	-	5,662
Current assets	171,889	59,854	231,743
Current liabilities	(3,539)	(449)	(3,988)
Fund balance	174,012	59,405	233,417

### 13 Mission and charitable giving

#### Overseas mission

Church Mission Society	1,560
Crosslinks / Arise - Debbie and Alan Burt	4,600
Operation Mobilisation (OM) - Jenny and Nihad Shihadi	4,500

#### Relief and development agencies

Open Doors	720
Tearfund	720

#### Home mission

BSL Translation	290
Christian Deaflink	110
Church Pastoral Aid Society (CPAS)	720
Connect Christian Counselling	540
Interserve	600
Signs of God	180
The Triangle	540

#### Secular charities

Step-By-Step	540
	15,620

Additionally, special offerings have been taken up for Bishop of Guildford's Fund, Children's Society and Step by Step.