

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 2021

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 2021 until the date this report was approved are:

<i>Incumbent:</i>	Revd Russell Smart	Chairman
<i>Wardens:</i>	Lance Nevill	
	Steven Robinson	(to 26.5.2021)
	Jacqui Ward	(from 26.5.2021)
<i>Representatives on the Deanery Synod:</i>	Malc Bardsley	
	Alison Lake	
	Sarah Smart	(from 26.5.2021)
<i>Elected Members:</i>	Ben Edwards	
	Dianne Elsey	(to 26.5.2021)
	Robert McKee	
	Bev Marchment	Secretary
	Derick Musonda	
	Dianne Pickford	
	David Riddlestone	
	Steven Robinson	(from 26.5.2021)
	Marian Rudall	Treasurer
	Doris Rudd	
	Carole Speller	(from 26.5.2021)
	Terence Thomson	
	Sue Troughton	
	Jacqueline Ward	(to 26.5.2021)
<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 144 parishioners on the Church Electoral Roll, 28% of whom are resident within the parish. The average Sunday attendance at services across the year was 74 (2020-75). This number continues to reflect the impact of Covid-19. Our services went online at the beginning of the pandemic and although we are now able to meet in person, several of our congregation have chosen to continue to participate in our services on line. Until the end of March 2020 when the church building was closed our average attendance had been around 100.

Review of the year

The full PCC met eight times during 2021, with the Standing Committee meeting twelve times.

We were hopeful that 2021 would see a return to normal life after the major disruption caused by COVID-19 in 2020. However, we were still subject to many restrictions which limited what we were able to do.

The good news for us was that our new youth and children's minister, Mandy Watts, just started her new role in December 2020 and she was able to meet people online and visit some people outdoors when dropping off 'Faith at Home' packs. This became a great way for people to get to know her during all the restrictions we faced during that time.

Review of the year (contd)

We continued to livestream services in church via Zoom and Facebook for people to participate in at home or watch later on YouTube. As time went on and limited numbers of people were allowed back in the church building, we were able to offer hybrid services.

We took the opportunity through Lent and Easter to produce many videos for schools, Messy Church, all age services, and a Lent course too. We aimed to provide something online for everyone who had internet access.

In April the diocese organised a big online PCC away day and we all gathered together to think about our church development plan and our priorities for the year ahead. It was a useful time and is something we plan to do each year to help focus us on our ministry and mission.

By the time we reached the summer many of the restrictions were being relaxed and more people were slowly returning to the church building. At the beginning of August we launched our CAP job club, which has been appreciated by those who have taken advantage of it.

With restrictions easing over the summer, we able to enjoy the nice summer weather and the annual cream tea on the church field. It was lovely to gather people together again after what felt like such a long time. Then as we moved into autumn, we were full steam ahead with our regular programme of activities and events. That was until December when new restrictions were imposed following the spread of the new variant of the virus 'Omicron'. We were able to have most of our Christmas services and activities, but people were cautious and numbers attending were often reduced.

Our Larder food bank was heavily used again in 2021 with nearly 800 parcels being distributed to referred clients. We introduced 'No Questions Asked' bags in April and nearly 400 bags of essential food items were collected by anyone who wanted one.

Financial review

During 2021, total donations to the Church of the Good Shepherd, increased by nearly 7% to £200,057. Expenditure increased from £190,647 to £222,938, reflecting the return to activities following a long period where the church building was closed because of the Covid-19 pandemic. The Church's 2021 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 £2,476. We drew down £10,000 from the Youth and Children's Minister fund, less than budgeted for, despite this being the first full year of employment.

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 2021 was £51,488 which equates to nearly three and a half months' budgeted expenditure for 2022. These additional reserves will used to offset the approved negative budget for 2022.

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 2021 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
30 March 2022

Statement of Financial Activities

For the year ending 31 December 2021

		Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	Notes	£	£	£	£	£	£
INCOME FROM:							
Donations	2a	162,276	37,781	200,057	159,831	27,275	187,106
Investments	2b	1,209	-	1,209	2,012	-	2,012
Church activities	2c	8,423	-	8,423	5,989	-	5,989
Total income		171,908	37,781	209,689	167,832	27,275	195,107
EXPENDITURE ON:							
Church activities	3	173,514	49,424	222,938	134,447	56,200	190,647
Total expenditure		173,514	49,424	222,938	134,447	56,200	190,647
Net income/(expenditure) before transfers		(1,606)	(11,643)	(13,249)	33,385	(28,925)	4,460
Transfers between funds	11	9,082	(9,082)	-	(14,926)	14,926	-
Net movement in funds		7,476	(20,725)	(13,249)	18,459	(13,999)	4,460
Fund balances brought forward at 1 January 2021		174,012	59,405	233,417	155,553	73,404	228,957
Fund balances carried forward at 31 December 2021		181,488	38,680	220,168	174,012	59,405	233,417

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

Balance Sheet

At 31 December 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	7	11,268	5,662
CURRENT ASSETS			
Debtors	8	3,944	6,709
Cash at bank and in hand	9	207,598	225,034
		<u>211,542</u>	<u>231,743</u>
LIABILITIES			
Creditors - amounts falling due within one year	10	(2,642)	(3,988)
NET CURRENT ASSETS		<u>208,900</u>	<u>227,755</u>
TOTAL NET ASSETS		<u>220,168</u>	<u>233,417</u>
PARISH FUNDS	11		
Restricted		38,680	59,405
Unrestricted:			
Designated funds		130,000	125,000
General funds (free reserves)		51,488	49,012
	12	<u>220,168</u>	<u>233,417</u>

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

Approved by the Parochial Church Council on 30 March 2022
and signed on its behalf by:

R Smart
Incumbent

B Marchment
PCC Secretary

Notes to the Financial Statements

For the year ended 31 December 2021

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 2021

2 Income	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
a Donations				
Planned giving:				
Gift aid donations	114,701	2,240	116,941	115,048
Income tax recoverable	30,036	545	30,581	28,166
Other planned giving	15,891	900	16,791	18,037
Legacy	100	-	100	
Collections at services	339	15	354	292
Grants	-	5,000	5,000	2,763
Donations/appeals etc	1,209	4,386	5,595	1,266
Value of food given for Larder	-	24,695	24,695	21,534
	162,276	37,781	200,057	187,106
b Investments				
Bank and other interest	1,209	-	1,209	2,012
	1,209	-	1,209	2,012
c Church activities				
Bookstall	367	-	367	378
Church hall lettings	7,093	-	7,093	4,062
Fees	518	-	518	834
Miscellaneous	445	-	445	715
	8,423	-	8,423	5,989
TOTAL INCOME	171,908	37,781	209,689	195,107

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Missionary and charitable giving:				
Overseas				
Mission organisations	-	11,500	11,500	10,660
Relief and development agencies	-	1,500	1,500	1,440
Home mission	100	2,480	2,580	2,980
Secular charities	-	1,105	1,105	540
	100	16,585	16,685	15,620
Ministry:				
Diocesan parish share	69,236	-	69,236	69,236
Other ministry costs	10,562	147	10,709	6,442
Larder	-	32,692	32,692	23,890
Office expenses	541	-	541	1,063
Church and hall running expenses	10,104	-	10,104	9,046
Church and grounds maintenance	10,469	-	10,469	20,555
Bookstall	339	-	339	411
Salaries and pension	71,482	-	71,482	44,262
Training costs	523	-	523	47
Special events	158	-	158	75
	173,414	32,839	206,253	175,027
Total expenditure	173,514	49,424	222,938	190,647

4 Staff costs

	2021 £	2020 £
Salaries	67,704	42,021
National Insurance	19	-
Pension costs	3,759	2,241
	71,482	44,262

During 2021 the PCC employed a parish secretary, a Pioneer Community Worker, a Youth and Children's Minister 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 £26,520 during the year (2020 - £26,000). The PCC contributed £1,525 (2020 - £1,495) 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 2021

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. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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 means 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 (2021: £3,759; 2020: £2,241).

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 2019. The next valuation is due at 31 December 2022. For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m 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. 11 (2020 – 8) trustees were reimbursed a total of £2,408 (2020 - £2,981) during the year for expenses incurred on behalf of the church. Donations received from members of the PCC and their related parties amounted to £58,101 (2020 - £52,930) in the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

7 Fixed assets for use by the PCC

		Church Equipment £	Total £
Actual / deemed cost	At 1 January 2021	18,657	18,657
	Additions	9,317	9,317
	At 31 December 2021	27,974	27,974
Depreciation	At 1 January 2021	12,995	12,995
	Charge for the year	3,711	3,711
	At 31 December 2021	16,706	16,706
Net Book Value	At 31 December 2021	11,268	11,268
	At 31 December 2020	5,662	5,662

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

8 Debtors

	2021 £	2020 £
Income tax recoverable	3,251	5,266
Prepayments and accrued income	290	628
Other debtors	403	815
	3,944	6,709

9 Cash and bank accounts

	2021 £	2020 £
Charities Aid Foundation current account	9,198	32,155
Nat West current account	16,048	11,407
Cambridge and Counties Bank 95 day access	61,942	61,329
Cambridge and Counties Bank 60 day access	27,470	27,226
CBF Deposit Fund	36,381	36,362
Charities Aid Foundation	6,559	6,555
Charity Bank 1 year fixed term account	50,000	50,000
	207,598	225,034

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

10 Creditors

	2021	2020
	£	£
Amounts falling due within one year:	<u>2,642</u>	<u>3,988</u>

11 Statement of funds

Restricted funds

	Balance at 1 Jan 2021	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2021
	£	£	£	£	£
Larder	3,320	31,721	32,692	-	2,349
Community	147	-	147	-	-
Banner workshop	454	-	-	-	454
Chairs and carpets replacement	4,457	-	-	(4,457)	-
Youth and Children's Minister	50,000	5,000	-	(20,000)	35,000
Flower stand	21	-	-	-	21
Church for deaf people	306	-	-	-	306
Mission Fund	550	1,060	16,585	15,375	400
Spring Harvest	150	-	-	-	150
	<u>59,405</u>	<u>37,781</u>	<u>49,424</u>	<u>(9,082)</u>	<u>38,680</u>

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. The transfers from the Chairs and Carpets Replacement and Youth and Children's Minister Funds are to the General Fund to cover expenditure on those items during the year.

Unrestricted funds

	Balance at 1 Jan 2021	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£
Designated funds:					
Development fund	95,000	-	-	-	95,000
Major repairs fund	30,000	-	-	5,000	35,000
	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>130,000</u>
General funds:					
Free reserves	49,012	171,908	173,514	4,082	51,488
	<u>174,012</u>	<u>171,908</u>	<u>173,514</u>	<u>9,082</u>	<u>181,488</u>

Notes to the Financial Statements (continued)

For the year ended 31 December 2021

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 five 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 2021 £
Fixed assets for church use	11,268	-	11,268
Current assets	172,654	38,888	211,542
Current liabilities	(2,434)	(208)	(2,642)
Fund balance	181,488	38,680	220,168

13 Mission and charitable giving

Overseas mission

Church Mission Society	1,450
Crosslinks / Arise - Debbie and Alan Burt	5,020
Operation Mobilisation (OM) - Jenny and Nihad Shihadi	5,030

Relief and development agencies

Open Doors	750
Tearfund	750

Home mission

BSL Translation	320
Christian Deaflink	50
Church Pastoral Aid Society (CPAS)	750
Connect Christian Counselling	570
Interserve	50
Signs of God	270
The Triangle	570

Secular charities

Step-By-Step	1,105
	<u>16,685</u>

Additionally, special offerings have been taken up for Children's Society, Disaster Emergencies Committee for Afghanistan, National Deaf Children's Society, Tearfund and Vaccine Aid.