

**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 2022

**Incumbent (to 15 March 2023)**

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 2022 until the date this report was approved are:

*Incumbent:* Revd Russell Smart (to 15.3.2023) Chairman

*Wardens:* Lance Nevill Lay Chair  
Jacqui Ward

*Representatives on the Deanery Synod:*  
Malc Bardsley  
Alison Lake  
Sarah Smart (to 12.2.2023)

*Elected Members:* Ben Edwards  
Robert McKee (to 25.5.2022)  
Bev Marchment Secretary  
Derick Musonda  
Dianne Pickford  
Steve Reid (from 25.5.2022)  
David Riddlestone  
Steven Robinson  
Marian Rudall Treasurer  
Doris Rudd  
Carole Speller  
Terence Thomson (to 25.5.2022)  
Richard Troughton (from 25.5.2022)  
Sue Troughton (to 25.5.2022)  
Peter Webb (from 25.5.2022)

*Co-opted Members* 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, where appropriate, 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 145 parishioners on the Church Electoral Roll, 30% of whom are resident within the parish. The average Sunday attendance at services across the year was 70 (2021-74). The October measure of 'usual Sunday attendance' was 73. These figures are for those attending in person but we also live stream on YouTube.

## **Review of the year**

The full PCC met seven times during 2022, with the Standing Committee meeting eleven times.

2022 was a much more positive year following the challenges of the last two years which were so deeply affected by Covid. Early in the year we were able to resume all our normal activities and services and get back to a new kind of 'normal'. Most people had already returned to church by this time, but a few continued to stay at home and watch our hybrid services online.

We began the year by working on a new vision process for the church. The PCC spent a number of months working on this together and the vision and a new logo were launched in the autumn.

Our services during Holy Week and Easter are always a highlight and were well attended. The Walk of Witness on

## Review of the year (contd)

Good Friday up Sand Hill with the Nepali Church worked well again and was a positive visual sign of Christian unity in the area. The Deaf Church also had their service on Easter Sunday.

As well as running our usual groups and activities throughout the year, we also ran a new Pattern discipleship course for the first time. This was aimed at helping people in the church to explore joining small groups and discover more about the benefits of spiritual disciplines. It was a successful course and as a result of it a few Pattern groups have started meeting together regularly. We also ran a Kintsugi Hope wellbeing group for the first time which people found very helpful.

Over the summer we were able to join the country in celebrating the Queen's Jubilee celebrations. Then in August we had our annual cream tea event for the local community which also went very well. Sadly, the Queen suddenly passed away in September and so we quickly organised a time of prayer and reflection and changed our Sunday service to respect this. Many appreciated what we had done.

In November our pioneer community worker went on maternity leave and we had to prepare for the year ahead without her. Our church administrator found a new job around the same time, so we had to start the recruitment process for that position too. Then in December the vicar announced he had a new job and would be moving on soon, so we had to start preparing for a vacancy. Our youth and children's minister continues to do great work with the children, families, young people, and schools. We have seen numbers of under 18s increase on a Sunday morning and mid-week thanks to her hard work.

As always, Christmas was a wonderful time, and it was lovely to have all of our regular Christmas services again without any Covid restrictions. Good numbers attended and it felt like we were back to normal. On reflection, it was a good year and we have seen the church grow in many ways.

Demand for our Larder foodbank is at unprecedented levels with nearly 900 No Questions Asked bags provided during the year, more than double the 400 given in 2021.

We wait, with expectation, to see what lies ahead for us a church, serving our community, as we wait for a new Vicar.

## Financial review

During 2022, total donations to the Church of the Good Shepherd, increased by 3.5% to £207,096. Expenditure increased from £222,938 to £239,547. The Church's 2022 contribution to Parish Share of £70,620 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 decreased by £6,179. We drew down £25,625 from the Youth and Children's Minister fund, slightly less than budgeted for.

## 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 2022 was £45,309 which equates to just over three months' budgeted expenditure for 2023.

## 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 2022 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  
14 April 2023

## Statement of Financial Activities

For the year ending 31 December 2022

		Unrestricted	Restricted	Total 2022	Unrestricted	Restricted	Total 2021
	Notes	£	£	£	£	£	£
<b>INCOME FROM:</b>							
Donations	2a	163,924	43,172	207,096	162,276	37,781	200,057
Investments	2b	2,348	-	2,348	1,209	-	1,209
Church activities	2c	15,202	28	15,230	8,423	-	8,423
<b>Total income</b>		<b>181,474</b>	<b>43,200</b>	<b>224,674</b>	<b>171,908</b>	<b>37,781</b>	<b>209,689</b>
<b>EXPENDITURE ON:</b>							
Church activities	3	192,870	46,677	239,547	173,514	49,424	222,938
<b>Total expenditure</b>		<b>192,870</b>	<b>46,677</b>	<b>239,547</b>	<b>173,514</b>	<b>49,424</b>	<b>222,938</b>
Net expenditure before transfers		(11,396)	(3,477)	(14,873)	(1,606)	(11,643)	(13,249)
Transfers between funds	11	10,217	(10,217)	-	9,082	(9,082)	-
<b>Net movement in funds</b>		<b>(1,179)</b>	<b>(13,694)</b>	<b>(14,873)</b>	<b>7,476</b>	<b>(20,725)</b>	<b>(13,249)</b>
Fund balances brought forward at 1 January 2022		181,488	38,680	220,168	174,012	59,405	233,417
Fund balances carried forward at 31 December 2022		<b>180,309</b>	<b>24,986</b>	<b>205,295</b>	<b>181,488</b>	<b>38,680</b>	<b>220,168</b>

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

## Balance Sheet

At 31 December 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	7,999	11,268
<b>CURRENT ASSETS</b>			
Debtors	8	3,974	3,944
Cash at bank and in hand	9	196,615	207,598
		<u>200,589</u>	<u>211,542</u>
<b>LIABILITIES</b>			
Creditors - amounts falling due within one year	10	(3,293)	(2,642)
<b>NET CURRENT ASSETS</b>		<u>197,296</u>	<u>208,900</u>
<b>TOTAL NET ASSETS</b>		<u><b>205,295</b></u>	<u><b>220,168</b></u>
<b>PARISH FUNDS</b>	11		
Restricted		24,986	38,680
Unrestricted:			
Designated funds		135,000	130,000
General funds (free reserves)		45,309	51,488
	12	<u><b>205,295</b></u>	<u><b>220,168</b></u>

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

Approved by the Parochial Church Council on 14 April 2023  
and signed on its behalf by:

L Nevill  
Lay Chair

B Marchment  
PCC Secretary

## Notes to the Financial Statements

For the year ended 31 December 2022

### 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 2022

<b>2 Income</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	£	£	£	£
<b>a Donations</b>				
Planned giving:				
Gift aid donations	112,481	4,162	116,643	116,941
Income tax recoverable	29,394	1,003	30,397	30,581
Other planned giving	14,588	1,559	16,147	16,791
Legacy	-	-	-	100
Collections at services	1,585	-	1,585	354
Grants	2,844	6,000	8,844	5,000
Donations/appeals etc	3,032	10,962	13,994	5,595
Value of food given for Larder	-	19,486	19,486	24,695
	<b>163,924</b>	<b>43,172</b>	<b>207,096</b>	<b>200,057</b>
<b>b Investments</b>				
Bank and other interest	2,348	-	2,348	1,209
	<b>2,348</b>	<b>-</b>	<b>2,348</b>	<b>1,209</b>
<b>c Church activities</b>				
Bookstall	368	-	368	367
Church hall lettings	12,510	-	12,510	7,093
Fees	552	-	552	518
Miscellaneous	1,772	28	1,800	445
	<b>15,202</b>	<b>28</b>	<b>15,230</b>	<b>8,423</b>
<b>TOTAL INCOME</b>	<b>181,474</b>	<b>43,200</b>	<b>224,674</b>	<b>209,689</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 3 Expenditure

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Missionary and charitable giving:				
Overseas				
Mission organisations	-	10,230	10,230	11,500
Relief and development agencies	-	3,010	3,010	1,500
Home mission	100	2,360	2,460	2,580
Secular charities	-	960	960	1,105
	100	16,560	16,660	16,685
Ministry:				
Diocesan parish share	70,620	-	70,620	69,236
Other ministry costs	14,909	18	14,927	10,709
Larder	-	30,099	30,099	32,692
Office expenses	1,081	-	1,081	541
Church and hall running expenses	11,979	-	11,979	10,104
Church and grounds maintenance	19,135	-	19,135	10,469
Bookstall	192	-	192	339
Salaries and pension	73,679	-	73,679	71,482
Training costs	573	-	573	523
Special events	602	-	602	158
	192,770	30,117	222,887	206,253
<b>Total expenditure</b>	<b>192,870</b>	<b>46,677</b>	<b>239,547</b>	<b>222,938</b>

### 4 Staff costs

	2022	2021
	£	£
Salaries	68,316	67,704
National Insurance	1,407	19
Pension costs	3,956	3,759
	<b>73,679</b>	<b>71,482</b>

During 2022 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 £27,176 during the year (2021 - £26,520). The PCC contributed £1,591 (2021 - £1,525) in pension costs for Mrs Edwards. The Pioneer Community Worker, the Youth and Children's Minister and the parish secretary were reimbursed for expenses incurred in carrying out their duties.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 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 (2022: £3,956; 2021: £3,759).

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. 10 (2021 – 11) trustees were reimbursed a total of £5,401 (2021 - £2,408) during the year for expenses incurred on behalf of the church. Donations received from members of the PCC and their related parties amounted to £58,805 (2021 - £58,101) in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 7 Fixed assets for use by the PCC

		Church Equipment £	Total £
Actual / deemed cost	At 1 January 2022	27,974	27,974
	Additions	365	365
	At 31 December 2022	28,339	28,339
Depreciation	At 1 January 2022	16,706	16,706
	Charge for the year	3,634	3,634
	At 31 December 2022	20,340	20,340
Net Book Value	At 31 December 2022	7,999	7,999
	At 31 December 2021	11,268	11,268

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

### 8 Debtors

	2022 £	2021 £
Income tax recoverable	3,240	3,251
Prepayments and accrued income	590	290
Other debtors	144	403
	<b>3,974</b>	<b>3,944</b>

### 9 Cash and bank accounts

	2022 £	2021 £
Charities Aid Foundation current account	10,845	9,198
Nat West current account	9,625	16,048
Cambridge and Counties Bank 95 day access	62,956	61,942
Cambridge and Counties Bank 60 day access	27,848	27,470
CBF Deposit Fund	28,773	36,381
Charities Aid Foundation	6,568	6,559
Charity Bank 1 year fixed term account	50,000	50,000
	<b>196,615</b>	<b>207,598</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 10 Creditors

	2022	2021
	£	£
Amounts falling due within one year:	<b>3,293</b>	<b>2,642</b>

### 11 Statement of funds

#### Restricted funds

	Balance at 1 Jan 2022	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2022
	£	£	£	£	£
Larder	2,349	36,523	30,099	-	8,773
Banner workshop	454	-	-	-	454
Youth and Children's Minister	35,000	5,625	-	(25,625)	15,000
Flower stand	21	-	4	-	17
Church for deaf people	306	-	-	-	306
Mission Fund	400	1,052	16,560	15,408	300
Spring Harvest	150	-	14	-	136
	<b>38,680</b>	<b>43,200</b>	<b>46,677</b>	<b>(10,217)</b>	<b>24,986</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. The transfer from the Youth and Children's Minister Funds is to the General Fund to cover expenditure on that item during the year.

#### Unrestricted funds

	Balance at 1 Jan 2022	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2022
	£	£	£	£	£
Designated funds:					
Development fund	95,000	-	-	-	95,000
Major repairs fund	35,000	-	-	5,000	40,000
	<b>130,000</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>135,000</b>
General funds:					
Free reserves	51,488	181,474	192,870	5,217	45,309
	<b>181,488</b>	<b>181,474</b>	<b>192,870</b>	<b>10,217</b>	<b>180,309</b>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 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 2022 £
Fixed assets for church use	7,999	-	7,999
Current assets	175,603	24,986	200,589
Current liabilities	(3,293)	-	(3,293)
Fund balance	180,309	24,986	205,295

### 13 Mission and charitable giving

#### Overseas mission

Crosslinks / Arise - Debbie and Alan Burt	5,110
Operation Mobilisation (OM) - Jenny and Nihad Shihadi	5,120

#### Relief and development agencies

Open Doors	1,430
Tearfund	1,580

#### Home mission

BSL Translation	290
Christian Deaflink	50
Church Pastoral Aid Society (CPAS)	740
Connect Christian Counselling	550
Signs of God	240
The Triangle	590

#### Secular charities

Disaster Emergencies Committee (for Ukraine)	400
Step-By-Step	560
	<u>16,660</u>

Additionally, special offerings have been taken up for Children's Society, Citizens Advice Farnborough, National Deaf Children's Society, Step by Step and Tearfund.