

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 2023

Incumbent (to 15 March 2023)

Revd Russell M Smart

Incumbent (from 5 October 2023)

Revd Thea Edwards

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 2023 until the date this report was approved are:

<i>Incumbent:</i>	Revd Russell Smart	(to 15.3.2023) Chair
	Revd Thea Edwards	(from 5 October 2023) Chair

<i>Wardens:</i>	Lance Nevill	Lay Chair
	Jacqui Ward	(to 24.5.2023)
	Karen Dawson	(from 24.5.2023)

<i>Representatives on the Deanery Synod:</i>	Malc Bardsley	
	Alison Lake	
	Sarah Smart	(to 12.2.2023)

<i>Elected Members:</i>	Ben Edwards	(to 9.12.2023)
	Bev Marchment	Secretary
	Derick Musonda	
	Dianne Pickford	
	Steve Reid	
	David Riddlestone	
	Steven Robinson	
	Marian Rudall	Treasurer
	Doris Rudd	
	Carole Speller	
	Richard Troughton	
	Peter Webb	(to 7.2.2023)

<i>Co-opted Members</i>	Judith Hillary	(from Deaf church)
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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 members are responsible for making decisions on all matters of general concern and importance to the parish, including deciding on how the funds of the PCC are to be spent. New members receive initial training into the workings of 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.

The full PCC met eight times during 2023, with the Standing Committee meeting thirteen times.

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 Incumbent, the Revd Thea Edwards, 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 146 parishioners on the Church Electoral Roll, 29% of whom are resident within the parish. The average Sunday attendance at services across the year was 83 (2022-70). The October measure of 'usual Sunday attendance' was 95. These figures are for those attending in person but we also live stream on YouTube.

Review of the year

2023 was marked by major change and considerable 'forward movement'.

The ministry of the Revd Russ Smart came to an end in March, launching the church into a period of vacancy which lasted just six months when our new Vicar, the Revd Thea Edwards arrived. She was licensed on Thursday 5 October.

Review of the year (contd)

Vacancies are always challenging, but over those months there was a gentle influx of families with children: this is now a highly positive continuing trend with its roots in the work of our Children and Families Minister, Mandy Watts. Our services continue to be available on YouTube but numbers on line have dwindled as physical attendance has increased.

Despite the absence on maternity leave, until late October, of our Licensed Lay Pioneer Minister and Community Worker, Abbie Edwards, Good Shepherd's outreach ministries continued in 2023 with faithful volunteer support. 'The Larder', our long established food bank, saw demand growing markedly in the wake of cost of living increases. A weekly availability of 'no questions asked' bags of basic foods had to be reined back to monthly only because of heavy demand, but the number of delivered food parcels increased 25% over 2022 to 763. Olive Branch, providing clothing for children, also faced strong demand for the same reason.

Ministry to senior citizens and the popular monthly 'Thursday Service' has continued along with other important outreaches such as 'Toddler Music Time', Messy Church, Youth Club and POD - a small group with a focus on discipleship for young people.

The deaths of significant senior members involved at Good Shepherd since its earliest days meant that a series of major funerals were held in 2023. However, over the same period more infant Baptisms than usual highlighted that Good Shepherd continues to make an impact on the consciousness of the area. The year ended with well-attended Christmas services and a pervasive sense of warm vibrancy, perhaps summed up in the striking replacement sign on the face of the church building bearing our name and new logo, announcing to all what we stand for.

Our new vicar's first sermon was on Micah 6.8: 'He has shown you what is good. And what does the Lord require of you? To act justly, love mercy and walk humbly with your God.' This encapsulates our call to follow Jesus and keep everything we do in reference to who God is and what God does. It will be important for us to evaluate and review our activities and ministry to build strategy and see transformed lives into the future. We look forward to 2024 and all that God will do in and through us here in Sandhill.

Financial review

During 2023, total donations to the Church of the Good Shepherd, increased by 8.1% to £223,791. Expenditure decreased from £239,547 to £226,151, mainly because a member of staff was on maternity leave and was not replaced full time. The Church's 2023 contribution to Parish Share of £71,679 was met in full. At the end of the year the general reserves had increased by £10,264, in part due to the receipt of a substantial donation. We drew down £5,000 from the Youth and Children's Minister fund, less than budgeted for.

Reserves policy

The PCC's policy is to maintain a minimum balance on unrestricted funds of three months' expenditure. It is held to smooth out fluctuations in cash flow and to meet emergencies. The balance held at 31 December 2023 was £55,573 which equates to just over three months' budgeted expenditure for 2024.

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 2023 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
19 March 2024

Statement of Financial Activities

For the year ending 31 December 2023

		Unrestricted	Restricted	Total 2023	Unrestricted	Restricted	Total 2022
	Notes	£	£	£	£	£	£
INCOME FROM:							
Donations	2a	175,183	48,608	223,791	163,924	43,172	207,096
Investments	2b	5,587	-	5,587	2,348	-	2,348
Church activities	2c	13,987	-	13,987	15,202	28	15,230
Total income		194,757	48,608	243,365	181,474	43,200	224,674
EXPENDITURE ON:							
Church activities	3	172,476	53,675	226,151	192,870	46,677	239,547
Total expenditure		172,476	53,675	226,151	192,870	46,677	239,547
Net income/(expenditure) before transfers		22,281	(5,067)	17,214	(11,396)	(3,477)	(14,873)
Transfers between funds	11	(12,017)	12,017	-	10,217	(10,217)	-
Net movement in funds		10,264	6,950	17,214	(1,179)	(13,694)	(14,873)
Fund balances brought forward at 1 January 2023		180,309	24,986	205,295	181,488	38,680	220,168
Fund balances carried forward at 31 December 2023		190,573	31,936	222,509	180,309	24,986	205,295

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

Balance Sheet

At 31 December 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible fixed assets	7	4,368	7,999
CURRENT ASSETS			
Debtors	8	5,530	3,974
Cash at bank and in hand	9	220,355	196,615
		225,885	200,589
LIABILITIES			
Creditors - amounts falling due within one year	10	(7,744)	(3,293)
NET CURRENT ASSETS		218,141	197,296
TOTAL NET ASSETS		222,509	205,295
PARISH FUNDS	11		
Restricted		31,936	24,986
Unrestricted:			
Designated funds		135,000	135,000
General funds (free reserves)		55,573	45,309
	12	222,509	205,295

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

Approved by the Parochial Church Council on 19 March 2024
and signed on its behalf by:

Revd Thea Edwards
Incumbent

B Marchment
PCC Secretary

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

The PCC is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by 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 2023

2 Income	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
a Donations				
Planned giving:				
Gift aid donations	115,552	6,999	122,551	116,643
Income tax recoverable	29,770	1,750	31,520	30,397
Other planned giving	15,836	2,053	17,889	16,147
Collections at services	1,655	-	1,655	1,585
Grants	1,000	6,250	7,250	8,844
Donations/appeals etc	11,370	10,024	21,394	13,994
Value of food given for Larder	-	21,532	21,532	19,486
	175,183	48,608	223,791	207,096
b Investments				
Bank and other interest	5,587	-	5,587	2,348
	5,587	-	5,587	2,348
c Church activities				
Bookstall	245	-	245	368
Church hall lettings	10,969	-	10,969	12,510
Fees	402	-	402	552
Miscellaneous	2,371	-	2,371	1,800
	13,987	-	13,987	15,230
TOTAL INCOME	194,757	48,608	243,365	224,674

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

3 Expenditure

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Missionary and charitable giving:				
Overseas				
Mission organisations	-	10,273	10,273	10,230
Relief and development agencies	-	2,950	2,950	3,010
Home mission	100	2,900	3,000	2,460
Secular charities	-	650	650	960
	100	16,773	16,873	16,660
Ministry:				
Diocesan parish share	71,679	-	71,679	70,620
Other ministry costs	14,008	15	14,023	14,927
Larder	-	36,887	36,887	30,099
Office expenses	1,398	-	1,398	1,081
Church and hall running expenses	14,135	-	14,135	11,979
Church and grounds maintenance	8,724	-	8,724	19,135
Bookstall	324	-	324	192
Salaries and pension	60,786	-	60,786	73,679
Training costs	164	-	164	573
Special events	1,158	-	1,158	602
	172,376	36,902	209,278	222,887
Total expenditure	172,476	53,675	226,151	239,547

4 Staff costs

	2023	2022
	£	£
Salaries	54,973	68,316
National Insurance	780	1,407
Pension costs	5,033	3,956
	60,786	73,679

During 2023 the PCC employed a parish secretary, a Pioneer Community Worker, a Youth and Children's Minister and a church cleaner (to the end of January), 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 £12,127 during the year (2022 - £27,176). The PCC contributed £2,224 (2022 - £1,591) 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 2023

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 two sections - the Defined Benefits Scheme and the Pension Builder Scheme which has two subsections - 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 which 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 (2023: £5,033; 2022: £3,956).

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. 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 next valuation is due as at 31 December 2022.

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 (2022 – 10) trustees were reimbursed a total of £4,323 (2022 - £5,401) during the year for expenses incurred on behalf of the church. Donations received from members of the PCC and their related parties amounted to £57,190 (2022 - £58,805) in the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

7 Fixed assets for use by the PCC

		Church Equipment £	Total £
Actual / deemed cost	At 1 January 2023	28,339	28,339
	Additions	-	-
	At 31 December 2023	28,339	28,339
Depreciation	At 1 January 2023	20,340	20,340
	Charge for the year	3,631	3,631
	At 31 December 2023	23,971	23,971
Net Book Value	At 31 December 2023	4,368	4,368
	At 31 December 2022	7,999	7,999

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

8 Debtors

	2023 £	2022 £
Income tax recoverable	3,461	3,240
Prepayments and accrued income	136	590
Other debtors	1,933	144
	5,530	3,974

9 Cash and bank accounts

	2023 £	2022 £
Charities Aid Foundation current account	33,322	10,845
Nat West current account	28,047	9,625
Cambridge and Counties Bank 95 day access	65,345	62,956
Cambridge and Counties Bank 60 day access	13,507	27,848
CBF Deposit Fund	29,474	28,773
Charities Aid Foundation 90 day access	-	6,568
Charity Bank 1 year fixed term account	50,000	50,000
Cash in hand	660	-
	220,355	196,615

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

10 Creditors

	2023	2022
	£	£
Amounts falling due within one year:	7,744	3,293

11 Statement of funds

Restricted funds

	Balance at 1 Jan 2023	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2023
	£	£	£	£	£
Larder	8,773	42,552	36,885	-	14,440
Banner workshop	454	-	-	-	454
Youth and Children's Minister	15,000	5,000	-	(5,000)	15,000
Flower stand	17	-	17	-	-
Church for deaf people	306	-	-	-	306
Mission Fund	300	1,056	16,773	17,017	1,600
Spring Harvest	136	-	-	-	136
	24,986	48,608	53,675	12,017	31,936

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 2023	Incoming resources	Resources Expended	Transfers	Balance at 31 Dec 2023
	£	£	£	£	£
Designated funds:					
Development fund	95,000	-	-	-	95,000
Major repairs fund	40,000	-	-	-	40,000
	135,000	-	-	-	135,000
General funds:					
Free reserves	45,309	194,757	172,476	(12,017)	55,573
	180,309	194,757	172,476	(12,017)	190,573

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

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 2023 £
Fixed assets for church use	4,368	-	4,368
Current assets	192,247	33,638	225,885
Current liabilities	(6,042)	(1,702)	(7,744)
Fund balance	190,573	31,936	222,509

13 Mission and charitable giving

Overseas mission

Crosslinks / Arise - Debbie and Alan Burt	5,123
Operation Mobilisation (OM) - Jenny and Nihad Shihadi	5,150

Relief and development agencies

Giving Hope to Turkey	1,450
Open Doors	750
Tearfund	750

Home mission

BSL Translation	350
Christian Deaflink	50
Church Pastoral Aid Society (CPAS)	850
Connect Christian Counselling	650
Signs of God	300
The Triangle	800

Secular charities

Step-By-Step	650
	<u>16,873</u>

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