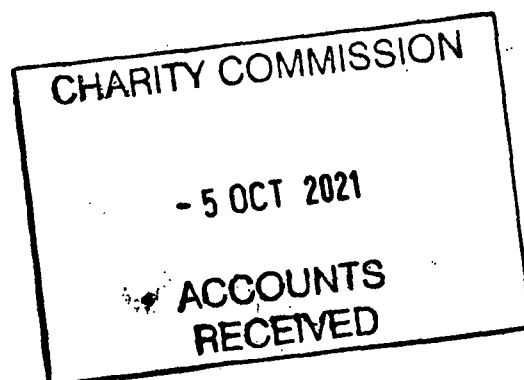


Charity Registration No. 1134973

Company Registration No. 06035697 (England and Wales)

THE PHILADELPHIA NETWORK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



THE PHILADELPHIA NETWORK LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd. Michael Rutter	(Appointed 5 April 2020)
	Revd. Giles Holloway	
	Mr Samuel Evans	(Appointed 5 April 2020)
	Dr Ade Adebajo	
	Mr Timothy Armstrong	
	Mr Neill Birchenall	
	Mr Brian Gooch	
	Mrs Rachel Marshall	
Secretary	Mr Andrew Buckley	
Charity number	1134973	
Company number	06035697	
Registered office	6 Gilpin Street Sheffield S6 3BL	
Auditor	Wells Richardson Cannon House Rutland Road Sheffield South Yorkshire S3 8DP	
Bankers	Virgin Money Fargate Sheffield S1 1LL	

THE PHILADELPHIA NETWORK LIMITED

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THE PHILADELPHIA NETWORK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity's objects are:

- a) To advance the Christian faith for the benefit of the public in the Diocese of Sheffield and in such parts of the United Kingdom and the World as the Trustees think fit, through the establishment and operation of a church or churches.
- b) The provision of pastoral care for the congregation worshipping at the extra-parochial place known as St Thomas' Church at Philadelphia.
- c) To promote education and to prevent and relieve poverty in the Diocese of Sheffield and such parts of the United Kingdom and/or the World as the Trustees may from time to time think fit.

Within that framework, the primary object of the Charity is to work towards the transformation of Sheffield, by making life better for its people and by inviting and supporting people to follow Jesus.

Main objectives for the year

Key objectives were:

- to continue and grow the existing Sunday services and community groups, despite the challenges of the Covid-19 pandemic;
- to plant new household and community groups;
- to work towards ending food poverty in Sheffield;
- to continue and develop support for children and young people across Sheffield, despite the challenges of the Covid-19 pandemic.

The success of this was principally measured by:

- the number of beneficiaries supported by the Charity;
- the attendance numbers at the Sunday services, both in person and online;
- the stories of people's changed lives;
- the number of household and community groups running;
- the number of people fed, and the total amount of food distributed, by S6 Foodbank.

The Trustees have confirmed that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Church's aims and objectives and in planning future activities. The trustees are also aware of the Charity Commission's guidance on public benefit in the Advancement of Religion for the Public Benefit and have regard to it in their administration of the Charity. The Church provides the following activities for the benefit of the general public:

- the celebration of public worship;
- the teaching of the Christian faith;
- mission and evangelism;
- pastoral work, including visiting the sick and bereaved;
- the provision of facilities with a Christian ethos for the local community (including but not restricted to) the elderly, the young and other groups with special needs; and
- the support of other charities in the UK and overseas.

The Charity aims to give away a percentage of its unrestricted income to other beneficiaries and charities in furtherance of the Charity's objectives. The majority of grants are made to registered charities although assistance may be given to other constituted groups.

The Charity encourages a culture of volunteering in all areas of its work. During the year at least 300 volunteers provided their services to the Charity. No financial value of volunteer's time has been included in the financial statements.

THE PHILADELPHIA NETWORK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Some of the highlights for 2020 were:

- In response to the Covid-19 pandemic S6 Foodbank grew during the year to encompass 7 foodbank sites across Sheffield, feeding at peak over 1000 people a week.
- S6 Foodbank distributed 279 tonnes of food.
- Forge Youth continued to run one to one support to vulnerable children across Sheffield throughout the pandemic, delivering 951 sessions during the year.
- The Charity supported 9 people to become debt free during 2020 and increased the size of the debt projects by 50%.
- Around 350 people engaged with Network Church Sheffield services each week.

Financial review

Church members make annual financial commitments to the Charity. The annual budget is based on the vision of its leadership team, tempered by the income that is promised by church members and anticipated from grant making bodies.

The statement of financial activities on pages 7 and 8 shows total unrestricted income of £731,728 (2019: £763,147) and total unrestricted expenditure of £630,671 (2019: £754,414). After net transfers of £10,209 from restricted funds (2019: £330 to restricted funds), this resulted in a surplus of £111,266 (2019: £8,403).

The Trustees have reviewed the reserves of the Charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the Charity finances to be managed effectively and to provide a buffer for uninterrupted services, unrestricted reserves (excluding property and related loans) equivalent to six weeks' expenditure should be maintained. At 31 December 2020, the value of such reserves was £138,929 (2019: £27,663).

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity is a registered charity and a company limited by guarantee. It was incorporated on 21 December 2006 as Network Church Limited. The name of the company was changed to The Philadelphia Network Limited on 29 March 2008.

The Charity is a Christian Church with Anglican, Baptist and Free Church roots. It has two major ministries: Forge Youth (children and young people) and Restore (marginalised and vulnerable adults), which includes S6 Foodbank.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Revd. Michael Rutter	(Appointed 5 April 2020)
Revd. Giles Holloway	
Revd. Peter Findley	(Resigned 31 July 2020)
Mr Samuel Evans	(Appointed 5 April 2020)
Dr Ade Adebajo	
Mr Timothy Armstrong	
Mr Neill Birchenall	
Mr Brian Gooch	
Mrs Rachel Marshall	

Membership of the company is at the discretion of the Trustees. The current members of the company are drawn from key leaders at St Thomas Philadelphia and the Kings Centre and approved by the Trustees. None of the trustees has any beneficial interest in the company. All of the Trustees are members of the company

THE PHILADELPHIA NETWORK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Trustees is made up of two groups:

- a) Three of the Trustees are employed by the Charity. They are not remunerated for their duties as trustees. This group makes the day-to-day decisions in the running of the Charity within the guidelines and budgets agreed by the whole board. They are accountable to the Board.
 - b) The remainder and majority of the Trustees are not employees of the Charity.
- Each Trustee appointment is recommended by the existing Trustees and approved by the Members.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Philadelphia Network Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Wells Richardson were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Mr Samuel Evans

Trustee

Dated: 20 September 2021

THE PHILADELPHIA NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PHILADELPHIA NETWORK LIMITED

Opinion

We have audited the financial statements of The Philadelphia Network Limited (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE PHILADELPHIA NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PHILADELPHIA NETWORK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Considering the nature of the sector and the charity's performance.
- Enquiry of management, and those charged with governance.
- Reviewing minutes of meetings of those charged with governance.
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

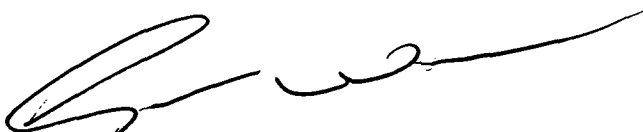
THE PHILADELPHIA NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PHILADELPHIA NETWORK LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Wade (Senior Statutory Auditor)
for and on behalf of Wells Richardson

20 September 2021

Chartered Accountants
Statutory Auditor

Cannon House
Rutland Road
Sheffield
South Yorkshire
S3 8DP

THE PHILADELPHIA NETWORK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total
	Notes	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
Income from:									
Donations and legacies	3	599,702	-	507,712	1,107,414	552,007	-	182,436	734,443
Charitable activities	4	115,202	-	282	115,484	77,400	-	826	78,226
Investments	5	16,824	-	-	16,824	133,740	-	-	133,740
Total income		731,728	-	507,994	1,239,722	763,147	-	183,262	946,409
Expenditure on:									
Charitable activities	6	630,671	52,618	202,798	886,087	754,414	55,025	164,028	973,467
Net incoming/(outgoing) resources before transfers		101,057	(52,618)	305,196	353,635	8,733	(55,025)	19,234	(27,058)

THE PHILADELPHIA NETWORK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total
		2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
Net incoming/(outgoing) resources before transfers		101,057	(52,618)	305,196	353,635	8,733	(55,025)	19,234	(27,058)
Gross transfers between funds	11	10,209	27,056	(37,265)	-	(330)	52,156	(51,826)	-
Net income/(expenditure) for the year/ Net movement in funds		111,266	(25,562)	267,931	353,635	8,403	(2,869)	(32,592)	(27,058)
Fund balances at 1 January 2020		27,663	1,855,744	78,193	1,961,600	19,260	1,858,613	110,785	1,988,658
Fund balances at 31 December 2020		138,929	1,830,182	346,124	2,315,235	27,663	1,855,744	78,193	1,961,600

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PHILADELPHIA NETWORK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		1,829,561		1,882,802
Current assets					
Debtors	13	73,285		72,516	
Cash at bank and in hand		579,327		146,044	
		<u>652,612</u>		<u>218,560</u>	
Creditors: amounts falling due within one year	15	(108,338)		(85,362)	
Net current assets			544,274		133,198
Total assets less current liabilities			<u>2,373,835</u>		<u>2,016,000</u>
Net assets excluding pension liability			2,373,835		2,016,000
Defined benefit pension liability	17		(58,600)		(54,400)
Net assets			<u><u>2,315,235</u></u>		<u><u>1,961,600</u></u>
Income funds					
Restricted funds	18	346,124		78,193	
Unrestricted funds		1,969,111		1,883,407	
		<u>2,315,235</u>		<u>1,961,600</u>	

The financial statements were approved by the Trustees on 20 September 2021



Mr Samuel Evans
Trustee

Company Registration No. 06035697

THE PHILADELPHIA NETWORK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		442,892		(126,947)
Investing activities					
Proceeds on disposal of tangible fixed assets		623		-	
Investment income received		16,824		133,740	
Net cash generated from investing activities			17,447		133,740
Financing activities					
Repayment of bank loans		(27,056)		(50,517)	
Net cash used in financing activities			(27,056)		(50,517)
Net increase/(decrease) in cash and cash equivalents			433,283		(43,724)
Cash and cash equivalents at beginning of year			146,044		189,768
Cash and cash equivalents at end of year			579,327		146,044

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Philadelphia Network Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 6 Gilpin Street, Sheffield, S6 3BL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. The monetary value of foodbank donations of goods is not able to be measured with sufficient reliability and is not included in the incoming resources of the Charity.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Grants are recognised in the year when the entitlement to the grant is confirmed. Grants for the purchase of equipment and towards the initial setting up of projects are credited in full to the relevant activities in furtherance of the Charity's objects. Grants that provide core funding, or are of a general nature provided by government and charitable foundations, are recorded as voluntary income. Grants specifically for goods and services to be provided as part of charitable activities are recorded against the activity to which they relate.

1.5 Expenditure

Expenditure is accounted for on an accruals basis.

Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.

Support costs are directly attributed to charitable activities on an actual basis and no further apportionment is necessary.

Governance costs include the costs of preparation and audit of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Redundancy costs incurred in the period are charged directly to the SOFA, allocated as necessary between the relevant funds.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% Straight line
Leasehold buildings	2% Straight line
Fixtures and fittings	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

On first-time adoption of FRS 102 in 2016, the trustees opted to freeze the existing carrying values of the freehold and leasehold premises as at the start of the prior financial year. The then existing carrying values were respectively: Freehold premises £1,485,000 (including King's Centre £300,000) and Leasehold premises £636,100. These carrying valuations were based on professional valuations carried out and adopted in the accounts for the year ended 31 December 2015. Since 2016, the freehold and leasehold properties (excluding land) are being depreciated at 2% pa on a straight line basis.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The Charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the asset cost or expense to which it relates.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Retirement benefits

Contributions in respect of the defined benefits and defined contributions schemes are calculated as a percentage of the pensionable salaries of employees. For schemes such as The Pension Builder Scheme (PBS), formerly known as the Church of England Defined Contributions Scheme (DCS), paragraph 9(b) of FRS 17 requires the Board to account for pension costs on the basis of contributions actually payable to the scheme during the year. Contributions to the pension schemes are charged monthly to the income and expenditure account.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	530,646	425,126	955,772	552,007	131,682	683,689
Sundry grants	69,056	82,586	151,642	-	50,754	50,754
	<u>599,702</u>	<u>507,712</u>	<u>1,107,414</u>	<u>552,007</u>	<u>182,436</u>	<u>734,443</u>
Donations and gifts						
Committed giving and donations	453,298	328,965	782,263	462,865	107,606	570,471
Other income	366	821	1,187	452	1,704	2,156
Gift aid receipts	76,936	31,679	108,615	88,690	13,227	101,917
Legacy income	-	63,636	63,636	-	-	-
Restore - Food Bank	46	25	71	-	9,145	9,145
	<u>530,646</u>	<u>425,126</u>	<u>955,772</u>	<u>552,007</u>	<u>131,682</u>	<u>683,689</u>

Included in Sundry grants were amounts totalling £3,584 (2019 - £Nil) from Sheffield City Council and £67,833 (2019 - £Nil) from the Job retention scheme.

4 Charitable activities

	2020 £	2019 £
Form	707	10,542
Playtime and other takings	47,919	24,398
Youth work	66,858	43,286
	<u>115,484</u>	<u>78,226</u>
Analysis by fund		
Unrestricted funds - general	115,202	77,400
Restricted funds	282	826
	<u>115,484</u>	<u>78,226</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Rent and conference fees	16,424	132,877
Interest receivable	400	863
	<u>16,824</u>	<u>133,740</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Network Church Sheffield 2020 £	Property & Capital 2020 £	Sundry 2020 £	Building Fund: Philadelphia 2020 £	Total 2020 £	Network Church Sheffield 2019 £	Property & Capital 2019 £	Sundry 2019 £	Total 2019 £
Staff costs	408,000	-	115,549	-	523,549	439,120	-	88,799	527,919
Depreciation and impairment	-	52,618	-	-	52,618	-	55,025	-	55,025
Projects and training	6,834	-	3,608	-	10,442	25,456	-	12,755	38,211
Staff expenses	1,910	-	2,422	-	4,332	12,173	-	-	12,173
Staff training	5,966	-	1,675	-	7,641	11,585	-	244	11,829
Worship and audio-visual	2,407	-	-	-	2,407	2,858	-	-	2,858
Community Life	1,533	-	54	-	1,587	10,077	-	-	10,077
Missional communities including food	2,405	-	23,965	-	26,370	11,791	-	7,437	19,228
Travel and transport-Youth	-	-	-	-	-	-	-	6,287	6,287
	<u>429,055</u>	<u>52,618</u>	<u>147,273</u>	<u>-</u>	<u>628,946</u>	<u>513,060</u>	<u>55,025</u>	<u>115,522</u>	<u>683,607</u>
Grant funding of activities (see note 7)	27,494	-	26,092	-	53,586	50,160	-	32,575	82,735
Share of support costs (see note 8)	167,522	-	25,540	3,893	196,955	187,894	-	15,931	203,825
Share of governance costs (see note 8)	6,600	-	-	-	6,600	3,300	-	-	3,300
	<u>630,671</u>	<u>52,618</u>	<u>198,905</u>	<u>3,893</u>	<u>886,087</u>	<u>754,414</u>	<u>55,025</u>	<u>164,028</u>	<u>973,467</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

(Continued)

	Network Church Sheffield 2020 £	Property & Capital 2020 £	Sundry 2020 £	Building Fund: Philadelphia 2020 £	Total 2020 £	Network Church Sheffield 2019 £	Property & Capital 2019 £	Sundry 2019 £	Total 2019 £
Analysis by fund									
Unrestricted funds - general	630,671	-	-	-	630,671	754,414	-	-	754,414
Unrestricted funds - designated Property & Capital	-	52,618	-	-	52,618	-	55,025	-	55,025
Restricted funds	-	-	198,905	3,893	202,798	-	-	164,028	164,028
	<u>630,671</u>	<u>52,618</u>	<u>198,905</u>	<u>3,893</u>	<u>886,087</u>	<u>754,414</u>	<u>55,025</u>	<u>164,028</u>	<u>973,467</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7	Grants payable	Network Church Sheffield 2020 £	Sundry 2020 £	Total 2020 £	Network Church Sheffield 2019 £	Sundry 2019 £	Total 2019 £
	A & M Burgess	4,713	22,850	27,563	5,040	21,612	26,652
	M & C Basile	5,037	1,200	6,237	5,040	7,450	12,490
	A Kennedy	6,578	195	6,773	5,040	65	5,105
	Kairos Connexion	1,800	-	1,800	6,000	-	6,000
	Baptist Union	3,065	-	3,065	1,400	-	1,400
	Diocese of Sheffield	5,850	-	5,850	8,040	-	8,040
	Fusion	-	-	-	1,500	-	1,500
	Gowers	-	-	-	5,040	-	5,040
	House Churches	-	-	-	2,000	-	2,000
	Message Trust	-	-	-	5,000	-	5,000
	The Order of Mission	-	-	-	2,400	-	2,400
	Yorks Baptist	-	-	-	3,220	-	3,220
	Sundry small donation	451	1,847	2,298	440	3,448	3,888
		<u>27,494</u>	<u>26,092</u>	<u>53,586</u>	<u>50,160</u>	<u>32,575</u>	<u>82,735</u>

8	Support costs	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
	Administration costs	27,361	-	27,361	29,759	-	29,759
	Bank charges	418	-	418	832	-	832
	Hire of equipment	2,727	-	2,727	3,015	-	3,015
	Legal fees	36,466	-	36,466	24,665	-	24,665
	Development costs and loan interest	207	-	207	1,883	-	1,883
	IT Costs	2,094	-	2,094	2,169	-	2,169
	Insurance	14,787	-	14,787	14,434	-	14,434
	Utilities and telephone	53,692	-	53,692	65,338	-	65,338
	Repairs, maintenance and equipment	57,066	-	57,066	55,558	-	55,558
	Ground rent and rates	2,137	-	2,137	6,172	-	6,172
	Legal and professional	-	6,600	6,600	-	3,300	3,300
		<u>196,955</u>	<u>6,600</u>	<u>203,555</u>	<u>203,825</u>	<u>3,300</u>	<u>207,125</u>

Governance costs includes payments to the auditors of £6,600 for audit fees and accounts preparation (2019- £3,300 - Independent Examination).

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Trustees

The Church had a written agreement to pay annual rent to a Trustee who retired during the year. Details of the rent paid during the year are as follows:

Revd. Peter Findley to provide a minister's house - £10,500 (2019: £18,000)

The Non-executive Trustees approved this written agreement. The Charities Act 2011 specifically allows the Church to make payments of this nature.

Travel and other expenses amounting to £6,009 (2019: £3,312) were reimbursed to 5 Trustees (2019 - 1).

During the year under review, four Trustees and a Trustee's partner were paid for their services as employees. These payments are in accordance with the provisions in the Church's Memorandum of Association dated 21 December 2006. Details are as follows:

	Salary £	Pension £	House costs £
Revd Peter Findley	13,041	1,776	12,810
Revd Giles Holloway	34,981	3,579	-
Mrs Amanda Gooch	4,762	329	-
Revd Mike Rutter	21,625	1,514	-
Samuel Evans	26,440	1,851	-

Neill Birchenall is the Managing Director of a company which provides IT software support to the Charity. The value of this software support amounted to £16,021 (2019 - £16,348). The Charity owed £872 (2019 - £1,686) to this company at the year end. Neill Birchenall is also a Trustee and Director of the Sheffield Diocesan Board of Finance which received a support grant of £5,850 (2019 - £8,040) from the Charity during the year. Apart from these transactions and the amounts received under written agreements, no Trustee or other person related to the Trustees had any personal interest in any contract or transaction entered into by the Charity during the year (2019 : Nil).

Aggregate donations to the Church from members of the Board of Trustees during the year amounted to £41,032 (2019: £37,553)

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	32	35
	<u> </u>	<u> </u>
Employment costs	2020	2019
	£	£
Wages and salaries	448,592	465,258
Social security costs	24,565	26,777
Other pension costs	36,400	13,969
	<u>509,557</u>	<u>506,004</u>

Included in the above were redundancy costs of £7,500 (2019 - £Nil).

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

(Continued)

In addition:

Annual value of staff housing

23,902

21,915

No employee received remuneration of more than £60,000 during the year (2019 - None).

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Transfers

	Network Church Sheffield	Property & Capital	Sundry Philadelphia	Building Fund: Philadelphia	Total	Network Church Sheffield	Property & Capital	Sundry Philadelphia	Building Fund: Philadelphia	Total
	2020 £	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £	2019 £
Building fund	-	-	-	-	-	-	1,639	-	(1,639)	-
Loan repayments	-	27,056	-	(27,056)	-	-	50,517	-	(50,517)	-
Sundry restricted	10,209	-	(10,209)	-	-	(328)	-	328	-	-
Rounding adjustments	-	-	-	-	-	(3)	-	1	1	-
	<u>10,209</u>	<u>27,056</u>	<u>(10,209)</u>	<u>(27,056)</u>	<u>-</u>	<u>(331)</u>	<u>52,156</u>	<u>329</u>	<u>(52,155)</u>	<u>-</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Freehold buildings £	Leasehold buildings £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	1,485,000	636,100	290,161	2,411,261
Disposals	-	-	(9,451)	(9,451)
At 31 December 2020	1,485,000	636,100	280,710	2,401,810
Depreciation and impairment				
At 1 January 2020	178,200	75,166	275,093	528,459
Depreciation charged in the year	29,700	12,722	10,819	53,241
Eliminated in respect of disposals	-	-	(9,451)	(9,451)
At 31 December 2020	207,900	87,888	276,461	572,249
Carrying amount				
At 31 December 2020	1,277,100	548,212	4,249	1,829,561
At 31 December 2019	1,306,800	560,934	15,068	1,882,802

The freehold and leasehold properties at the Philadelphia Campus, Sheffield are included in the accounts at a deemed cost of £1,821,100 and are being depreciated at 2% pa on a straight line basis.

The 'deemed cost' under FRS 102 is allocated between the various properties on the basis of the area that each property relates to the total area. Accordingly, the allocated cost for each property is an estimated figure and should not be taken as representing each property's actual cost.

The freehold land and buildings formerly known as the King's Centre Christian Church were legally transferred to the Philadelphia Network Limited on 9 January 2009 and are included in the accounts at a deemed cost of £300,000. Depreciation is charged on this property at 2% pa on a straight line basis.

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	7,646	12,478
Youth activities in advance	27,343	25,230
Gift aid and other debtors	34,107	25,888
Prepayments and accrued income	4,189	8,920
	<u>73,285</u>	<u>72,516</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Loans and overdrafts

	2020 £	2019 £
Bank loans	-	27,056
Payable within one year	-	27,056

The loan which was repaid in the year was with Clydesdale Bank plc. Interest was charged at a rate of 1.95% per annum over the bank's base rate. The loan was secured by way of a debenture, giving the bank a fixed and floating charge over all the assets of the Charity, whether acquired before or after the date of the debenture.

15 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	14	-	27,056
Other taxation and social security		6,454	7,097
Deferred income	16	11,036	12,737
Trade creditors		11,783	11,704
Other creditors		57,700	2,142
Accruals		21,365	24,626
		108,338	85,362

16 Deferred income

	2020 £	2019 £
Other deferred income	11,036	12,737

Represents donations and income received for events that are to take place in the following year.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Retirement benefit schemes

Church of England Pension Builder Scheme

The Philadelphia Network Limited (PB 2014) participates in the Pension Builder 2014 Scheme section of The Church Workers Pension Fund (CWPF) for lay staff.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. The pension costs charged to the SoFA in the year are contributions payable.

At 31 December 2020, the Church had 20 (2019: 22) active members and 100 (2019: 125) deferred members in the Pension Builder 2014 scheme.

The employer contributes 7% of basic salary and the employees contribute a minimum of 2%. The employer's contributions for the year totalled £29,475 (2019: £28,102). Employer's contributions outstanding at the year end amounted to £5,397 (2019: £3,522), representing December's liability payable in January 2021.

Baptist Minister's Pension Fund

Baptist Ministers were eligible up to December 2011 to be members of the Baptist Ministers' Pension Fund which is a final salary scheme. From January 2012 Baptist ministers are eligible for membership of the Baptist Pension Scheme ("the Scheme") which is a defined contributions scheme. The Church has one current member of this scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% and employers pay 6% respectively of members' pensionable income into individual pension accounts. In addition, the employer pays a further 4% of pensionable income to cover death and income protection benefits for scheme members.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of final minimum pensionable income for each year of pensionable service. The Scheme, previously known as the Baptist Ministers' Pension Fund was closed to future accrual of defined benefits at 31 December 2011.

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified actuary. The market value of the DB Plan assets at the valuation date was £219 million compared to a target level of assets valuation of £312 million needed to pay benefits resulting in a deficit of £93 million (equivalent to a past service funding level of 70%).

The Church's own share of this total scheme deficit is estimated to be £58,600 (2019: £54,400). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed to increase the standard rate of deficiency contributions from churches and other employers involved in the DB Plan from 11% of pensionable income/ minimum pensionable income to be based on a 12% rate from 1 January 2016.

As indicated above, the BPS has informed the Church that its share of the total scheme deficit is estimated to be £58,600 (2019: £54,400) and the accounts include a provision for this amount. The profit and loss charge for the period represents the increase in the deficit provision and the employer contributions payable. The employer contributions payable for the year under review are £2,724 (2019: £7,105).

If the Church were to withdraw completely from the Scheme, its liability would be calculated and would be payable, although there would be a two year period of grace.

Defined benefit schemes

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2020 £	2019 £
Present value of defined benefit obligations	58,600	54,400
Deficit in scheme	58,600	54,400

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Retirement benefit schemes

(Continued)

Movements in the present value of defined benefit obligations:

	2020 £
Liabilities at 1 January 2020	54,400
Increase in liability	4,200
At 31 December 2020	<u>58,600</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£
Basiles - Italy	100	7,450	(7,450)	-	100	1,200	(1,200)	-	100
Form Mission & contingencies	336	8,283	(7,500)	-	1,119	-	-	-	1,119
Gifts to be forwarded	-	18,934	(17,765)	130	1,299	22,439	(23,002)	-	736
Iranian & asylum seekers ministries	-	3,854	(3,551)	-	303	-	(303)	-	-
King's Centre - Generosity pot	576	-	(200)	-	376	-	-	-	376
King's Centre - Gifts to be forwarded	-	814	(470)	-	344	-	(393)	49	-
Peru - A & M Burgess	126	7,354	(6,612)	-	868	1,618	(1,000)	-	1,486
Philadelphia - Students	-	-	-	-	-	37	(37)	-	-
Philadelphia - Worship	1,249	259	(1,508)	-	-	500	-	-	500
Restore - Foodbank	6,231	54,368	(44,590)	-	16,009	372,923	(106,532)	(6,703)	275,697
Restore - Other	20,508	24,261	(23,300)	164	21,633	67,868	(39,654)	(3,555)	46,292
Youth - Other	246	42,490	(37,578)	35	5,193	29,549	(14,924)	-	19,818
Youth - Salaries	-	11,585	(11,585)	-	-	11,860	(11,860)	-	-
Philadelphia Building Project	81,413	3,574	(1,883)	(52,155)	30,949	-	(3,893)	(27,056)	-
Children/playtime	-	36	(36)	-	-	-	-	-	-
	<u>110,785</u>	<u>183,262</u>	<u>(164,028)</u>	<u>(51,826)</u>	<u>78,193</u>	<u>507,994</u>	<u>(202,798)</u>	<u>(37,265)</u>	<u>346,124</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

(Continued)

1) Philadelphia Building and Development Project

This is funded by regular and one-off gifts. The fund encompasses:

- a) The development and repair of the Philadelphia and King's Centre campus.
- b) The servicing of the mortgage on the Philadelphia campus. Since the repayment of the mortgage and communication with the donors, donations to the building fund are now recorded as general unrestricted income.

2) Basiles - Italy

Marco and Cinzia Basile are Italian nationals and are missionaries working in Sicily. The Charity supports them with regular gifts. This restricted fund is separate and is for receiving gifts from church members which are then passed on.

3) Form Mission & Contingencies

Form seeks to train and disciple young adults to take up positions of leadership in missional contexts. Much of the program is funded through the Charity. However, Form mission trips and events are often financed separately through this fund. The fund is also used for various Form contingency needs.

4) Gifts to be forwarded

Donors sometimes send gifts through the Charity to be forwarded anonymously to beneficiaries. The Charity also receives gifts for designated missions or charities. They are forwarded according to the donors' wishes.

5) Iranian & Asylum Seekers Ministries

The Charity supports outreach among Iranian communities and Asylum Seekers in the United Kingdom through this fund. This fund is also used to support groups and individuals from other minority communities.

6) King's Centre - Generosity Pot

This is funded from individual gifts to be available when cases of personal need arise.

7) King's Centre - Gifts to be forwarded

Donors sometimes send gifts through the King's Centre to be forwarded anonymously to beneficiaries. King's Centre also receives gifts for designated missions or charities. They are forwarded according to the donors' wishes.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

(Continued)

8) Peru - A & M Burgess

Anna and Mark Burgess are working with a church in Peru. Gifts are received into this fund for their work and travel expenses and are then forwarded onto the Burgesses.

9) Philadelphia - Students

This is a restricted fund for work with students by the Charity.

10) Philadelphia - Worship

This is a fund set up after a substantial donation was made for the purchase of Worship equipment at St Thomas Philadelphia.

11) Restore - Foodbank

This fund is for the S6 Foodbank, which provides food and support to individuals and families across Sheffield in need. Money received includes individual donations, gifts from companies, government funds and grants.

12) Restore - Other

Restore project supports vulnerable people across Sheffield. Funds have been set up for different aspects of this work. The funds are:

- Vulnerable People - for general projects among vulnerable people.
- Restore Debt- provision of debt support.

13) Youth - Other

Youth - Other is funded by grants and individual donations. The fund is supporting the work of Forge Youth.

14) Youth Salaries

Youth Salaries is funded principally by regular individual gifts to support part-time youth outreach workers,

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Unrestricted funds - designated Property & Capital

These are unrestricted funds which are material to the Charity's activities and represent the net book value of tangible fixed assets' less the bank loan which was repaid in 2020. This fund will be reduced over the useful economic life of the tangible fixed assets in line with depreciation.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:								
Tangible assets	-	1,829,561	-	1,829,561	-	1,882,802	-	1,882,802
Current assets/(liabilities)	197,529	621	346,124	544,274	56,451	(27,058)	103,805	133,198
Provisions and pensions	(58,600)	-	-	(58,600)	(54,400)	-	-	(54,400)
	<u>138,929</u>	<u>1,830,182</u>	<u>346,124</u>	<u>2,315,235</u>	<u>2,051</u>	<u>1,855,744</u>	<u>103,805</u>	<u>1,961,600</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Tithe Fund

Previously, a Tithe fund was accounted for as a Restricted fund. However, the Trustees now realise this is an unrestricted fund as transfers to this fund were at the behest of the Trustees and not donors. An adjustment has therefore been made in these accounts to correct the comparative figures for 2019. The effect of this has been to reduce the level of Restricted funds by £25,612 and increase Unrestricted funds by the same amount.

22 S6 Foodbank

S6 Foodbank is a project providing food to those in need across Sheffield. During 2020 the foodbank increased the number sites it operates to 7 locations across the city in response to the Covid-19 pandemic and distributed 279 tonnes of food. The extent of food insecurity in Sheffield and consequently demand at S6 Foodbank appeared to broadly increase throughout 2020. However, the project managed to meet this increase in need due to the incredible generosity of donors and partners, which the Charity wish to thank. The medium-term outlook for the project appears to indicate probable increases in the number of sites S6 Foodbank will operate, alongside challenges in food supply and warehousing. Therefore, to ensure uninterrupted provision to beneficiaries the Charity are seeking to hold sufficient funds to meet 4 months of food demand and operational expenditure.

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Income from:						
Donations and legacies	-	350,451	350,451	-	42,376	42,376
Grants received	-	21,536	21,536	-	10,612	10,612
Charitable activities	524	911	1,435	-	1,380	1,380
Other income	404	25	429	-	-	-
Total income	928	372,923	373,851	-	54,368	54,368
Expenditure on:						
Staff costs	404	71,143	71,547	-	33,247	33,247
Charitable activities	-	16,180	16,180	-	7,698	7,698
Support costs	-	18,709	18,709	42	3,645	3,687
Grants paid	-	500	500	-	-	-
Total expenditure	404	106,532	106,936	42	44,590	44,632
Net incoming/(outgoing) resources before transfers	524	266,391	266,915	(42)	9,778	9,736
Gross transfers between funds	(524)	(6,703)	(7,227)	42	-	42
Net movement in funds	-	259,688	259,688	-	9,778	9,778
Fund balances at 1 January 2020	-	16,009	16,009	-	6,231	6,231
Fund balances at 31 December 2020	-	275,697	275,697	-	16,009	16,009

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Cash generated from operations	2020 £	2019 £
Surplus/(deficit) for the year	353,635	(27,058)
Adjustments for:		
Investment income recognised in statement of financial activities	(16,824)	(133,740)
Depreciation and impairment of tangible fixed assets	52,618	55,025
Difference between pension charge and cash contributions	4,200	(21,200)
Movements in working capital:		
(Increase)/decrease in debtors	(769)	5,165
Increase in creditors	51,733	8,696
(Decrease) in deferred income	(1,701)	(13,835)
Cash generated from/(absorbed by) operations	<u>442,892</u>	<u>(126,947)</u>
24 Analysis of changes in net funds		
	At 1 January 2020 £	Cash flows At 31 December 2020 £
Cash at bank and in hand	146,044	433,283
Loans falling due within one year	(27,056)	-
	<u>118,988</u>	<u>460,339</u>
		<u>579,327</u>