

**Charity registration number 1134973**

**Company registration number 06035697 (England and Wales)**

**THE PHILADELPHIA NETWORK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# THE PHILADELPHIA NETWORK LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Revd. Michael Rutter Revd. Giles Holloway Samuel Evans Dr Ade Adebajo Timothy Armstrong Neill Birchenall Brian Gooch Rachel Marshall
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<b>Charity number</b>	1134973
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<b>Company number</b>	06035697
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<b>Registered office</b>	6 Gilpin Street Sheffield S6 3BL
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<b>Auditor</b>	Wells Richardson Cannon House Rutland Road Sheffield South Yorkshire S3 8DP
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<b>Bankers</b>	Virgin Money Fargate Sheffield S1 1LL
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# THE PHILADELPHIA NETWORK LIMITED

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# THE PHILADELPHIA NETWORK LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees present their annual report and financial statements for the year ended 31 December 2021.

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, particularly through schools work.

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 2021

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### Achievements and performance

Some of the key achievements for 2021 were:

- S6 Foodbank continued to grow and develop, by the end of the year it had 11 sites across Sheffield, feeding at peak over 1,670 people a week.
- S6 Foodbank distributed 443 tonnes of food.
- Forge Youth continued to run one to one support to vulnerable children across Sheffield throughout 2021, delivering 1,288 sessions during the year.
- The Charity supported 17 people to become debt free during 2021.
- 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 £700,641 (2020: £731,728) and total unrestricted expenditure of £528,116 (2020: £630,671). After net transfers of £12,349 (2020: £10,209) from restricted funds, this resulted in a surplus of £184,874 (2020: £111,266).

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 2021, the value of such reserves was £328,803 (2020: £138,929).

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  
Revd. Giles Holloway  
Samuel Evans  
Dr Ade Adebajo  
Timothy Armstrong  
Neill Birchenall  
Brian Gooch  
Rachel Marshall

Membership of the company is at the discretion of the Trustees. The current members of the company are drawn from the congregation of 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 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.

# THE PHILADELPHIA NETWORK LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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The pay and remuneration of the charity's key management personnel is determined by the trustees based upon the employees' experience and pay structures operating generally in the charity sector.

### 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;
  
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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

In accordance with the company's articles, a resolution proposing that Wells Richardson be reappointed as auditor of the company 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.

### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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



Samuel Evans  
Trustee

8 September 2022

# THE PHILADELPHIA NETWORK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE PHILADELPHIA NETWORK LIMITED

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#### Opinion

We have audited the financial statements of The Philadelphia Network Limited (the 'Charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 MEMBERS OF THE PHILADELPHIA NETWORK LIMITED

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#### **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.

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 MEMBERS OF THE PHILADELPHIA NETWORK LIMITED**

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#### **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 auditor's 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

8 September 2022

**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 2021

		Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total
	Notes	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
<b><u>Income from:</u></b>									
Donations and legacies	3	543,463	-	585,369	1,128,832	599,702	-	507,712	1,107,414
Charitable activities	4	98,050	-	-	98,050	68,909	-	282	69,191
Investments	5	59,128	-	-	59,128	63,117	-	-	63,117
<b>Total income</b>		<b>700,641</b>	<b>-</b>	<b>585,369</b>	<b>1,286,010</b>	<b>731,728</b>	<b>-</b>	<b>507,994</b>	<b>1,239,722</b>
<b><u>Expenditure on:</u></b>									
Charitable activities	6	528,116	41,972	409,986	980,074	630,671	52,618	202,798	886,087
<b>Net incoming resources before transfers</b>		<b>172,525</b>	<b>(41,972)</b>	<b>175,383</b>	<b>305,936</b>	<b>101,057</b>	<b>(52,618)</b>	<b>305,196</b>	<b>353,635</b>

# THE PHILADELPHIA NETWORK LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total
		2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
Net incoming resources before transfers		172,525	(41,972)	175,383	305,936	101,057	(52,618)	305,196	353,635
Gross transfers between funds	11	12,349	-	(12,349)	-	10,209	27,056	(37,265)	-
Net income for the year/ Net movement in funds		184,874	(41,972)	163,034	305,936	111,266	(25,562)	267,931	353,635
Fund balances at 1 January 2021		138,929	1,830,182	346,124	2,315,235	27,663	1,855,744	78,193	1,961,600
Fund balances at 31 December 2021		323,803	1,788,210	509,158	2,621,171	138,929	1,830,182	346,124	2,315,235

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 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12	1,802,126		1,829,561	
Investments	13	2		-	
		<u>1,802,128</u>		<u>1,829,561</u>	
<b>Current assets</b>					
Debtors	14	105,205		73,285	
Cash at bank and in hand		874,536		579,327	
		<u>979,741</u>		<u>652,612</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(121,998)</u>		<u>(108,338)</u>	
Net current assets		857,743		544,274	
<b>Total assets less current liabilities</b>		<u>2,659,871</u>		<u>2,373,835</u>	
<b>Net assets excluding pension liability</b>		2,659,871		2,373,835	
<b>Defined benefit pension liability</b>	17	<u>(38,700)</u>		<u>(58,600)</u>	
<b>Net assets</b>		<u>2,621,171</u>		<u>2,315,235</u>	
<b>Income funds</b>					
Restricted funds	18	509,158		346,124	
Unrestricted funds		2,112,013		1,969,111	
		<u>2,621,171</u>		<u>2,315,235</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 8 September 2022



Samuel Evans  
Trustee

Company Registration No. 06035697

# THE PHILADELPHIA NETWORK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		257,556		396,599
<b>Investing activities</b>					
Purchase of tangible fixed assets		(21,473)		-	
Proceeds on disposal of tangible fixed assets		-		623	
Purchase of subsidiaries		(2)		-	
Investment income received		59,128		63,117	
<b>Net cash generated from Investing activities</b>			37,653		63,740
<b>Financing activities</b>					
Repayment of bank loans		-		(27,056)	
<b>Net cash used in financing activities</b>			-		(27,056)
<b>Net increase in cash and cash equivalents</b>			295,209		433,283
Cash and cash equivalents at beginning of year			579,327		146,044
<b>Cash and cash equivalents at end of year</b>			874,536		579,327

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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 2021

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### 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 the statement of financial activities.

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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 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).

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.

#### 1.12 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 2021

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### 1 Accounting policies

(Continued)

#### 1.13 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.

### 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 2021

### 3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	508,392	473,057	981,449	530,646	425,126	955,772
Sundry grants	35,071	112,312	147,383	69,056	82,586	151,642
	<u>543,463</u>	<u>585,369</u>	<u>1,128,832</u>	<u>599,702</u>	<u>507,712</u>	<u>1,107,414</u>
<b>Donations and gifts</b>						
Committed giving and donations	417,839	433,279	851,118	453,298	328,965	782,263
Other income	-	-	-	366	821	1,187
Gift aid receipts	90,553	39,778	130,331	76,936	31,679	108,615
Legacy income	-	-	-	-	63,636	63,636
Restore - Food Bank	-	-	-	46	25	71
	<u>508,392</u>	<u>473,057</u>	<u>981,449</u>	<u>530,646</u>	<u>425,126</u>	<u>955,772</u>

Included in Sundry grants were amounts totaling £Nil (2020 - £3,584) from Sheffield City Council and £28,411 (2020 - £67,833) from the Job retention scheme.

### 4 Charitable activities

	2021 £	2020 £
Form	-	707
Playtime and other takings	4,729	1,626
Youth work	62,743	66,858
Restore fund	30,578	-
	<u>98,050</u>	<u>69,191</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	98,050	68,909
Restricted funds	-	282

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rent and conference fees	58,899	62,717
Interest receivable	229	400
	<u>59,128</u>	<u>63,117</u>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

	Network Church Sheffield 2021 £	Property & Capital 2021 £	Sundry 2021 £	Total 2021 £	Network Church Sheffield 2020 £	Property & Capital 2020 £	Sundry 2020 £	Building Fund: Philadelphia 2020 £	Total 2020 £
Staff costs	289,879	-	117,363	407,242	408,000	-	115,549	-	523,549
Depreciation and impairment	-	46,291	1,787	48,078	-	52,618	-	-	52,618
Capitalisation of fixtures	-	(4,319)	(17,154)	(21,473)	-	-	-	-	-
Projects and training	502	-	8,300	8,802	6,834	-	3,608	-	10,442
Staff expenses	4,416	-	23,527	27,943	1,910	-	2,422	-	4,332
Staff training	415	-	-	415	5,966	-	1,675	-	7,641
Worship and audio-visual	3,362	-	-	3,362	2,407	-	-	-	2,407
Community Life	2,000	-	-	2,000	1,533	-	54	-	1,587
Missional communities including food	9,658	-	70,969	80,627	2,405	-	23,965	-	26,370
	<u>310,232</u>	<u>41,972</u>	<u>204,792</u>	<u>556,996</u>	<u>429,055</u>	<u>52,618</u>	<u>147,273</u>	<u>-</u>	<u>628,946</u>
Grant funding of activities (see note 7)	18,008	-	158,591	176,599	27,494	-	26,092	-	53,586
Share of support costs (see note 8)	191,987	-	46,352	238,339	167,522	-	25,540	3,893	196,955
Share of governance costs (see note 8)	8,140	-	-	8,140	6,600	-	-	-	6,600
	<u>528,367</u>	<u>41,972</u>	<u>409,735</u>	<u>980,074</u>	<u>630,671</u>	<u>52,618</u>	<u>198,905</u>	<u>3,893</u>	<u>886,087</u>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

(Continued)

	Network Church Sheffield 2021 £	Property & Capital 2021 £	Sundry 2021 £	Total 2021 £	Network Church Sheffield 2020 £	Property & Capital 2020 £	Sundry 2020 £	Building Fund: Philadelphia 2020 £	Total 2020 £
<b>Analysis by fund</b>									
Unrestricted funds - general	528,116	-	-	528,116	630,671	-	-	-	630,671
Unrestricted funds - designated Property & Capital	-	41,972	-	41,972	-	52,618	-	-	52,618
Restricted funds	251	-	409,735	409,986	-	-	198,905	3,893	202,798
	<u>528,367</u>	<u>41,972</u>	<u>409,735</u>	<u>980,074</u>	<u>630,671</u>	<u>52,618</u>	<u>198,905</u>	<u>3893</u>	<u>886,087</u>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7	Grants payable	Network Church Sheffield 2021 £	Sundry 2021 £	Total 2021 £	Network Church Sheffield 2020 £	Sundry 2020 £	Total 2020 £
	A & M Burgess	4,713	153,065	157,778	4,713	22,850	27,563
	M & C Basile	5,037	1,200	6,237	5,037	1,200	6,237
	A Kennedy	4,908	-	4,908	6,578	195	6,773
	Kairos Connexion	-	-	-	1,800	-	1,800
	Baptist Union	-	-	-	3,065	-	3,065
	Diocese of Sheffield	-	-	-	5,850	-	5,850
	Bastian Suputra	-	3,500	3,500	-	-	-
	Arise	1,000	-	1,000	-	-	-
	Fusion	1,600	-	1,600	-	-	-
	Sundry small donations	750	826	1,576	451	1,847	2,298
		<u>18,008</u>	<u>158,591</u>	<u>176,599</u>	<u>27,494</u>	<u>26,092</u>	<u>53,586</u>

8	Support costs	Support costs £	Governance costs £	2021 Support costs £	Governance costs £	2020 £
	Administration costs	27,327	-	27,327	-	27,361
	Bank charges	527	-	527	-	418
	Hire of equipment	4,983	-	4,983	-	2,727
	Legal fees	58,722	-	58,722	-	36,466
	Development costs and loan interest	-	-	-	207	207
	IT Costs	3,733	-	3,733	-	2,094
	Insurance	15,475	-	15,475	-	14,787
	Utilities and telephone	64,399	-	64,399	-	53,692
	Repairs, maintenance and equipment	60,007	-	60,007	-	57,066
	Ground rent and rates	3,166	-	3,166	-	2,137
	Legal and professional	-	8,140	8,140	-	6,600
		<u>238,339</u>	<u>8,140</u>	<u>246,479</u>	<u>6,600</u>	<u>203,555</u>

Governance costs includes payments to the auditors of £8,140 for audit fees and accounts preparation (2020-£6,600).

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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 - £Nil (2020: £10,500)

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 £20,589 (2020: £6,009) were reimbursed to 6 Trustees and Secretary (2020 - 5).

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. No trustee received any remuneration for their services as trustees. Details are as follows:

	Salary £	Pension £	House costs £
Revd Giles Holloway	36,900	3,690	-
Mrs Amanda Gooch	5,144	357	-
Revd Mike Rutter	38,057	2,664	-
Samuel Evans	41,546	2,908	-

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 £11,276 (2020 - £16,021). The Charity owed £614 (2020 - £872) 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 £Nil (2020 - £5,850) 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 (2020 : Nil).

Aggregate donations to the Church from members of the Board of Trustees during the year amounted to £43,432 (2020: £41,032)

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	25	32
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	£	£
Wages and salaries	374,945	448,592
Social security costs	23,032	24,565
Other pension costs	8,743	36,400
	<u>          </u>	<u>          </u>
	406,720	509,557
	<u>          </u>	<u>          </u>
Included in the above were redundancy costs of £4,000 (2020 - £7,500).		
<b>In addition:</b>		
Annual value of staff housing	522	23,902
	<u>          </u>	<u>          </u>

No employee received remuneration of more than £60,000 during the year (2020 - None).



# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Transfers

	Network Church Sheffield	Property & Capital	Sundry	Building Fund: Philadelphia	Total	Network Church Sheffield	Property & Capital	Sundry	Building Fund: Philadelphia	Total
	2021 £	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £	2020 £
Loan repayments	-	-	-	-	-	-	27,056	-	(27,056)	-
Restore funds	11,230	-	(11,230)	-	-	10,209	-	(10,209)	-	-
Form Missions	1,119	-	(1,119)	-	-	-	-	-	-	-
	<u>12,349</u>	<u>-</u>	<u>(12,349)</u>	<u>-</u>	<u>-</u>	<u>10,209</u>	<u>27,056</u>	<u>(10,209)</u>	<u>(27,056)</u>	<u>-</u>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Tangible fixed assets

	Freehold buildings £	Leasehold buildings £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2021	1,485,000	636,100	280,710	2,401,810
Additions	-	-	21,473	21,473
Disposals	-	-	(650)	(650)
At 31 December 2021	1,485,000	636,100	301,533	2,422,633
<b>Depreciation and Impairment</b>				
At 1 January 2021	207,900	87,888	276,461	572,249
Depreciation charged in the year	29,700	12,722	6,486	48,908
Eliminated in respect of disposals	-	-	(650)	(650)
At 31 December 2021	237,600	100,610	282,297	620,507
<b>Carrying amount</b>				
At 31 December 2021	1,247,400	535,490	19,236	1,802,126
At 31 December 2020	1,277,100	548,212	4,249	1,829,561

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 Fixed asset investments

	Other investments
<b>Cost or valuation</b>	
At 1 January 2021	-
Additions	2
At 31 December 2021	2
<b>Carrying amount</b>	
At 31 December 2021	2
At 31 December 2020	-

The charity acquired the entire share capital of its subsidiary, Philadelphia Commercial Limited on the 13 August 2021. This company remained dormant throughout the period.

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Fixed asset investments

(Continued)

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	22	2	-

### 14 Debtors

		2021 £	2020 £
Amounts falling due within one year:			
Trade debtors		8,153	7,646
Youth activities in advance		5,310	27,343
Gift aid and other debtors		86,529	34,107
Prepayments and accrued income		5,213	4,189
		<u>105,205</u>	<u>73,285</u>

### 15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		8,434	6,454
Deferred income	16	62,061	11,036
Trade creditors		9,645	11,783
Other creditors		15,275	57,700
Accruals		26,583	21,365
		<u>121,998</u>	<u>108,338</u>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Deferred income

	2021 £	2020 £
Other deferred income	62,061	11,036
Deferred income is included in the financial statements as follows:		
	2021 £	2020 £
Deferred income is included within:		
Current liabilities	62,061	11,036
Movements in the year:		
Deferred income at 1 January 2021	11,036	12,737
Released from previous periods	(11,036)	(1,701)
Resources deferred in the year	62,061	-
Deferred income at 31 December 2021	62,061	11,036

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 2021

#### 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 2021, the Church had 20 (2020: 20) active members and 126 (2020: 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 £24,947 (2020: £29,475). Employer's contributions outstanding at the year end amounted to £6,540 (2020: £5,397).

##### **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 £38,700 (2020: £58,600). 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 £38,700 (2020: £58,600) 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 £3,695 (2020: £2,724).

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:

	2021 £	2020 £
Present value of defined benefit obligations	38,700	58,600
Deficit in scheme	38,700	58,600

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 17 Retirement benefit schemes

(Continued)

Movements in the present value of defined benefit obligations:

	2021 £
Liabilities at 1 January 2021	58,600
Decrease in liability	(19,900)
At 31 December 2021	<u>38,700</u>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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 2020				Movement in funds 2021				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Basiles - Italy	100	1,200	(1,200)	-	100	1,200	(1,200)	-	100
Form Mission & contingencies	1,119	-	-	-	1,119	-	-	(1,119)	-
Gifts to be forwarded	1,299	22,439	(23,002)	-	736	161,668	(155,229)	-	7,175
Iranian & asylum seekers ministries	303	-	(303)	-	-	-	-	-	-
King's Centre - Generosity pot	376	-	-	-	376	-	-	-	376
King's Centre - Gifts to be forwarded	344	-	(393)	49	-	-	-	-	-
King's Centre - Building	-	-	-	-	-	2,106	(1,560)	-	546
Peru - A & M Burgess	868	1,618	(1,000)	-	1,486	495	(2,162)	-	(181)
Philadelphia - Students	-	37	(37)	-	-	-	-	-	-
Philadelphia - Worship	-	500	-	-	500	-	(500)	-	-
Restore - Foodbank	16,009	372,923	(106,532)	(6,703)	275,697	319,312	(114,222)	(40,672)	440,115
Restore - Other	21,633	67,868	(39,654)	(3,555)	46,292	48,072	(104,178)	29,442	19,628
Youth - Other	5,193	29,549	(14,924)	-	19,818	8,631	(17,050)	-	11,399
Youth - Salaries	-	11,860	(11,860)	-	-	13,885	(13,885)	-	-
Philadelphia - Building Project	30,949	-	(3,893)	(27,056)	-	30,000	-	-	30,000
	78,193	507,994	(202,798)	(37,265)	346,124	585,369	(409,986)	(12,349)	509,158

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 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 2021

### 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 2021***

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### **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 2021

### 20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	-	1,802,126	-	1,802,126	-	1,829,561	-	1,829,561
Investments	2	-	-	2	-	-	-	-
Current assets/(liabilities)	362,501	(13,916)	509,158	857,743	197,529	621	346,124	544,274
Provisions and pensions	(38,700)	-	-	(38,700)	(58,600)	-	-	(58,600)
	<u>323,803</u>	<u>1,788,210</u>	<u>509,158</u>	<u>2,621,171</u>	<u>138,929</u>	<u>1,830,182</u>	<u>346,124</u>	<u>2,315,235</u>

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Between two and five years	60,375	-

The total lease payments recognised as an expenses totalled £1,197 (2020 - £Nil).

### 22 Subsidiaries

Details of the Charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Philadelphia Commercial Limited-Company no. 5656300	United Kingdom	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Philadelphia Commercial Limited-Company no. 5656300	-	2

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 23 S6 Foodbank

S6 Foodbank is a project providing food to those in need across Sheffield. During 2021 the foodbank increased the number of sites it operates to 11 locations across the city in response to the Covid-19 pandemic and distributed 443 tonnes of food. The extent of food insecurity in Sheffield and consequently demand at S6 Foodbank continued to increase throughout 2021. 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 indicates demand on services will continue to grow in light of the 'cost of living crisis', there are also challenges in terms of the cost and supply of food which has further raised the project's operating costs. 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
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	-	285,637	285,637	-	350,451	350,451
Grants received	-	33,675	33,675	-	21,536	21,536
Charitable activities	29,228	-	29,228	524	911	1,435
Other income	2,318	-	2,318	404	25	429
<b>Total income</b>	<b>31,546</b>	<b>319,312</b>	<b>350,858</b>	<b>928</b>	<b>372,923</b>	<b>373,851</b>
<b>Expenditure on:</b>						
Staff costs	3,633	43,698	47,331	404	71,143	71,547
Charitable activities	8,736	32,000	40,736	-	16,180	16,180
Support costs	2,317	38,524	40,841	-	18,709	18,709
Grants paid	-	-	-	-	500	500
<b>Total expenditure</b>	<b>14,686</b>	<b>114,222</b>	<b>128,908</b>	<b>404</b>	<b>106,532</b>	<b>106,936</b>
<b>Net Incoming resources before transfers</b>	<b>16,860</b>	<b>205,090</b>	<b>221,950</b>	<b>524</b>	<b>266,391</b>	<b>266,915</b>
Gross transfers between funds	-	(40,672)	(40,672)	(524)	(6,703)	(7,227)
<b>Net movement in funds</b>	<b>16,860</b>	<b>164,418</b>	<b>181,278</b>	<b>-</b>	<b>259,688</b>	<b>259,688</b>
Fund balances at 1 January 2021	-	275,697	275,697	-	16,009	16,009
<b>Fund balances at 31 December 2021</b>	<b>16,860</b>	<b>440,115</b>	<b>456,975</b>	<b>-</b>	<b>275,697</b>	<b>275,697</b>

# THE PHILADELPHIA NETWORK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

24 Cash generated from operations	2021 £	2020 £
Surplus for the year	305,936	353,635
Adjustments for:		
Investment income recognised in statement of financial activities	(59,128)	(63,117)
Depreciation and impairment of tangible fixed assets	48,908	52,618
Difference between pension charge and cash contributions	(19,900)	4,200
Movements in working capital:		
(Increase) in debtors	(31,920)	(769)
(Decrease)/increase in creditors	(37,365)	51,733
Increase/(decrease) in deferred income	51,025	(1,701)
<b>Cash generated from operations</b>	<b>257,556</b>	<b>396,599</b>
<b>25 Analysis of changes in net funds</b>		
The Charity had no debt during the year.		