

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 2022

THE PHILADELPHIA NETWORK LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Revd. Michael Rutter
Revd. Giles Holloway
Samuel Evans
Dr Ade Adebajo
Timothy Armstrong
Neill Birchenall
Brian Gooch
J MacInnes

(Appointed 15 June 2023)

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 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

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;
- 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 and individuals.

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 2022

Achievements and performance

Some of the key achievements for 2022 were:

- S6 Foodbank continued to grow and develop, by the end of the year it had 11 sites across Sheffield, feeding at peak over 1,400 people a week.
- S6 Foodbank distributed 523 tonnes of food.
- Forge Youth continued to run one to one support to vulnerable children across Sheffield throughout 2022, delivering 1,756 sessions during the year.
- The Charity supported 17 people to become debt free during 2022.
- Around 330 people engaged with Network Church Sheffield services each week.

Funds are raised from the public by regular congregational appeals and occasional fundraising events.

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, received as property income and anticipated from grant making bodies.

The statement of financial activities on pages 7 and 8 shows total unrestricted income of £689,926 (2021: £700,641) and total unrestricted expenditure of £611,079 (2021: £528,116). After net transfers of £118,897 (2021: £12,349) to designated funds and from restricted funds, this resulted in a deficit of £40,550 (2021: Surplus £184,874).

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 2022, the value of such reserves was £283,753 (2021: £323,803).

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

J MacInnes

(Resigned 9 March 2023)

(Appointed 15 June 2023)

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 PHILADELPHIA NETWORK LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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

20 September 2023

THE PHILADELPHIA NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS 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 2022 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 2022 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

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

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

20 September 2023

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 2022

		Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total
	Notes	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Income from:									
Donations and legacies	3	446,828	-	691,679	1,138,507	543,463	-	585,369	1,128,832
Charitable activities	4	104,526	-	3,425	107,951	98,050	-	-	98,050
Other trading activities	5	-	-	312	312	-	-	-	-
Investments	6	138,572	-	-	138,572	59,128	-	-	59,128
Total income		689,926	-	695,416	1,385,342	700,641	-	585,369	1,286,010
Expenditure on:									
Charitable activities	7	611,079	26,682	589,563	1,227,324	528,116	41,972	409,986	980,074
Net incoming resources before transfers		78,847	(26,682)	105,853	158,018	172,525	(41,972)	175,383	305,936

THE PHILADELPHIA NETWORK LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total	Unrestricted funds general	Unrestricted funds designated Property & Capital	Restricted funds	Total
		2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Net incoming resources before transfers		78,847	(26,682)	105,853	158,018	172,525	(41,972)	175,383	305,936
Gross transfers between funds	13	(118,897)	150,025	(31,128)	-	12,349	-	(12,349)	-
Net (expenditure)/income for the year/ Net movement in funds		(40,050)	123,343	74,725	158,018	184,874	(41,972)	163,034	305,936
Fund balances at 1 January 2022		323,803	1,788,210	509,158	2,621,171	138,929	1,830,182	346,124	2,315,235
Fund balances at 31 December 2022		283,753	1,911,553	583,883	2,779,189	323,803	1,788,210	509,158	2,621,171

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 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,926,289	1,802,126
Investments	15	2	2
		<u>1,926,291</u>	<u>1,802,128</u>
Current assets			
Debtors	16	141,045	105,205
Cash at bank and in hand		850,008	874,536
		<u>991,053</u>	<u>979,741</u>
Creditors: amounts falling due within one year	17	(138,155)	(121,998)
		<u>852,898</u>	<u>857,743</u>
Net current assets		852,898	857,743
Total assets less current liabilities		<u>2,779,189</u>	<u>2,659,871</u>
Net assets excluding pension liability		2,779,189	2,659,871
Defined benefit pension liability	19	-	(38,700)
Net assets		<u>2,779,189</u>	<u>2,621,171</u>
Income funds			
Restricted funds	20	583,883	509,158
Unrestricted funds		2,195,306	2,112,013
		<u>2,779,189</u>	<u>2,621,171</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 20 September 2023


Samuel Evans
Trustee

Company Registration No. 06035697

THE PHILADELPHIA NETWORK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	26		10,551		257,556
Investing activities					
Purchase of tangible fixed assets		(173,651)		(21,473)	
Purchase of subsidiaries		-		(2)	
Investment income received		138,572		59,128	
Net cash (used in)/generated from investing activities			(35,079)		37,653
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(24,528)		295,209
Cash and cash equivalents at beginning of year			874,536		579,327
Cash and cash equivalents at end of year			850,008		874,536

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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. 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 2022

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. The Charity has taken advantage under Paragraph 24.13A of the Charity SORP (FRS 102) and chosen not to prepare consolidated accounts including the results of its subsidiary, Philadelphia Commercial Limited, as their inclusion is not material for the purpose of giving a true and fair view.

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 2022

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 2022

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 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	438,888	480,478	919,366	508,392	473,057	981,449
Legacies receivable	-	7,167	7,167	-	-	-
Sundry grants	7,940	204,034	211,974	35,071	112,312	147,383
	<u>446,828</u>	<u>691,679</u>	<u>1,138,507</u>	<u>543,463</u>	<u>585,369</u>	<u>1,128,832</u>
Donations and gifts						
Committed giving and donations	365,371	420,887	786,258	417,839	433,279	851,118
Gift aid receipts	73,517	59,591	133,108	90,553	39,778	130,331
	<u>438,888</u>	<u>480,478</u>	<u>919,366</u>	<u>508,392</u>	<u>473,057</u>	<u>981,449</u>

Included in Sundry grants were amounts totaling £Nil (2021 - £28,411) from the Job retention scheme.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022 £	2021 £
Women's weekend	4,633	-
Playtime and other takings	11,498	4,729
Youth work	80,593	62,743
Restore fund	11,227	30,578
	<u>107,951</u>	<u>98,050</u>
Analysis by fund		
Unrestricted funds - general	104,526	98,050
Restricted funds	3,425	-
	<u>107,951</u>	<u>98,050</u>

5 Other trading activities

	Restricted funds	Total
	2022 £	2021 £
Fundraising events	312	-
	<u>312</u>	<u>-</u>

6 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Rent and conference fees	133,971	58,899
Interest receivable	4,601	229
	<u>138,572</u>	<u>59,128</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Network Church Sheffield 2022 £	Property & Capital 2022 £	Sundry 2022 £	Building Fund: Philadelphia 2022 £	Total 2022 £	Network Church Sheffield 2021 £	Property & Capital 2021 £	Sundry 2021 £	Total 2021 £
Staff costs	280,838	-	181,165	-	462,003	289,879	-	117,363	407,242
Depreciation and impairment	-	44,356	5,132	-	49,488	-	46,291	1,787	48,078
Capitalisation of fixtures	-	(169,151)	(4,500)	-	(173,651)	-	(4,319)	(17,154)	(21,473)
Projects and training	18,009	-	5,779	-	23,788	502	-	8,300	8,802
Staff expenses	10,994	-	16,521	-	27,515	4,416	-	23,527	27,943
Staff training	3,395	-	-	-	3,395	415	-	-	415
Worship and audio-visual	1,256	-	-	-	1,256	3,362	-	-	3,362
Community Life	3,683	-	-	-	3,683	1,749	-	-	1,749
Missional communities including food	-	-	218,327	-	218,327	9,658	-	71,220	80,878
	318,175	(124,795)	422,424	-	615,804	309,981	41,972	205,043	556,996
Grant funding of activities (see note 8)	35,755	-	39,070	-	74,825	18,008	-	158,591	176,599
Share of support costs (see note 9)	245,236	151,477	101,778	26,291	524,782	191,987	-	46,352	238,339
Share of governance costs (see note 9)	11,913	-	-	-	11,913	8,140	-	-	8,140
	611,079	26,682	563,272	26,291	1,227,324	528,116	41,972	409,986	980,074

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

(Continued)

	Network Church Sheffield 2022 £	Property & Capital 2022 £	Sundry 2022 £	Building Fund: Philadelphia 2022 £	Total 2022 £	Network Church Sheffield 2021 £	Property & Capital 2021 £	Sundry 2021 £	Total 2021 £
Analysis by fund									
Unrestricted funds - general	611,079	-	-	-	611,079	528,116	-	-	528,116
Unrestricted funds - designated Property & Capital	-	26,682	-	-	26,682	-	41,972	-	41,972
Restricted funds	-	-	563,272	26,291	589,563	-	-	409,986	409,986
	<u>611,079</u>	<u>26,682</u>	<u>563,272</u>	<u>26,291</u>	<u>1,227,324</u>	<u>528,116</u>	<u>41,972</u>	<u>409,986</u>	<u>980,074</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Grants payable

	Network Church Sheffield 2022 £	Sundry 2022 £	Total 2022 £	Network Church Sheffield 2021 £	Sundry 2021 £	Total 2021 £
A & M Burgess	5,338	33,120	38,458	4,713	153,065	157,778
M & C Basile	6,019	-	6,019	5,037	1,200	6,237
A Kennedy	5,889	1,200	7,089	4,908	-	4,908
Kairos Connexion	3,600	-	3,600	-	-	-
Baptist Union	434	-	434	-	-	-
Diocese of Sheffield	5,850	-	5,850	-	-	-
Together for Sheffield	1,000	-	1,000	-	3,500	3,500
Arise	-	-	-	1,000	-	1,000
Fusion	-	-	-	1,600	-	1,600
Thomas family	-	1,693	1,693	-	-	-
Albania	4,482	-	4,482	-	-	-
Yorks Baptist	2,943	-	2,943	-	-	-
Ukraine	-	1,934	1,934	-	-	-
Sundry small donations	200	1,123	1,323	750	826	1,576
	<u>35,755</u>	<u>39,070</u>	<u>74,825</u>	<u>18,008</u>	<u>158,591</u>	<u>176,599</u>

9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Administration costs	38,878	-	38,878	27,327	27,327
Bank charges	921	-	921	527	527
Hire of equipment	3,580	-	3,580	4,983	4,983
Legal fees	101,033	-	101,033	58,722	58,722
Bad debts	24,589	-	24,589	-	-
IT Costs	10,234	-	10,234	3,733	3,733
Insurance	16,011	-	16,011	15,475	15,475
Utilities and telephone	81,714	-	81,714	64,399	64,399
Repairs, maintenance, property and equipment	237,469	-	237,469	60,007	60,007
Rent and rates	10,353	-	10,353	3,166	3,166
Legal and professional	-	11,913	11,913	-	8,140
	<u>524,782</u>	<u>11,913</u>	<u>536,695</u>	<u>238,339</u>	<u>246,479</u>

Governance costs includes payments to the auditors of £11,913 for audit fees and accounts preparation (2021- £8,140).

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Trustees

Travel and other expenses amounting to £4,023 (2021: £20,589) were reimbursed to 6 Trustees and their spouses (2021 - 6).

During the year under review, three 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 £18,138 (2021 - £11,276). The Charity owed £1,101 (2021 - £614) 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 (2021 - £Nil) 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 (2021 : Nil).

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	25	25
	<u>25</u>	<u>25</u>
Employment costs	2022	2021
	£	£
Wages and salaries	437,101	374,945
Social security costs	31,753	23,032
Other pension costs	(7,396)	8,743
	<u>461,458</u>	<u>406,720</u>
Included in the above were redundancy costs of £Nil (2021 - £4,000).		
In addition:		
Annual value of staff housing	545	522
	<u>545</u>	<u>522</u>

No employee received remuneration of more than £60,000 during the year (2021 - None).

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Transfers

	Network Church Sheffield	Property & Capital	Sundry	Building Fund: Philadelphia	Total	Network Church Sheffield	Property & Capital	Sundry	Building Fund: Philadelphia	Total
	2022 £	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £	2021 £
Freehold purchase	(150,025)	150,025	-	-	-	-	-	-	-	-
Building Fund donations	20,684	-	(20,684)	-	-	-	-	-	-	-
Restore funds	10,444	-	(10,444)	-	-	11,230	-	(11,230)	-	-
Form Missions	-	-	-	-	-	1,119	-	(1,119)	-	-
	<u>(118,897)</u>	<u>150,025</u>	<u>(31,128)</u>	<u>-</u>	<u>-</u>	<u>12,349</u>	<u>-</u>	<u>(12,349)</u>	<u>-</u>	<u>-</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

	Freehold buildings £	Leasehold buildings £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	1,485,000	636,100	301,533	2,422,633
Additions	151,477	-	22,174	173,651
Leasehold transfer	636,100	(636,100)	-	-
At 31 December 2022	2,272,577	-	323,707	2,596,284
Depreciation and impairment				
At 1 January 2022	237,600	100,610	282,297	620,507
Depreciation charged in the year	42,422	-	7,066	49,488
Leasehold transfer	100,610	(100,610)	-	-
At 31 December 2022	380,632	-	289,363	669,995
Carrying amount				
At 31 December 2022	1,891,945	-	34,344	1,926,289
At 31 December 2021	1,247,400	535,490	19,236	1,802,126

The freehold and leasehold properties at the Philadelphia Campus, Sheffield are included in the accounts at a deemed cost of £1,972,577 and are being depreciated at 2% pa on a straight line basis. During the year ended 31 December 2022, the charity purchased the freehold of the leasehold property at a cost of £151,477. 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.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments

		Other investments
Cost or valuation		
At 1 January 2022 & 31 December 2022		2
Carrying amount		
At 31 December 2022		2
At 31 December 2021		2

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	24	2	2

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	36,478	8,153
Youth activities in advance	22,067	5,310
Amounts owed by subsidiary undertakings	600	-
Gift aid and other debtors	76,872	86,529
Prepayments and accrued income	5,028	5,213
	141,045	105,205

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		10,049	8,434
Deferred income	18	54,624	62,061
Trade creditors		26,157	9,645
Other creditors		17,879	15,275
Accruals		29,446	26,583
		138,155	121,998

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Deferred income

	2022 £	2021 £
Other deferred income	54,624	62,061

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	54,624	62,061
Movements in the year:		
Deferred income at 1 January 2022	62,061	11,036
Released from previous periods	(31,915)	(11,036)
Resources deferred in the year	24,478	62,061
Deferred income at 31 December 2022	54,624	62,061

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 2022

19 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 2022, the Church had 17 (2021: 20) active members and 125 (2021: 126) 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 £29,661 (2021: £24,947). Employer's contributions outstanding at the year end amounted to £4,458 (2021: £6,540).

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%).

However, by the end of 2022, the deficit has been cleared and the Church's own share of this total scheme deficit is estimated to be £Nil (2021: £38,700).

The profit and loss charge for the period represents the decrease in the deficit provision and the employer contributions payable until the deficit was cleared. The employer contributions payable for the year under review were £2,187 (2021: £3,695).

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:

	2022 £	2021 £
Present value of defined benefit obligations	-	38,700
Deficit in scheme	-	38,700
Movements in the present value of defined benefit obligations:		
		2022 £
Liabilities at 1 January 2022		38,700
Decrease in liability		(38,700)
At 31 December 2022		-

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 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 2021				Movement in funds 2022			
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers
	£	£	£	£	£	£	£	£
Basiles - Italy	100	1,200	(1,200)	-	100	1,200	(1,200)	-
Form Mission & contingencies	1,119	-	-	(1,119)	-	20,687	(3)	(20,684)
Gifts to be forwarded	736	161,668	(155,229)	-	7,175	37,651	(41,099)	-
King's Centre - Generosity pot	376	-	-	-	376	-	-	-
King's Centre - Building	-	2,106	(1,560)	-	546	98	(644)	-
Peru - A & M Burgess	1,486	495	(2,162)	-	(181)	450	-	-
Philadelphia - Students	-	-	-	-	-	66	(66)	-
Philadelphia - Worship	500	-	(500)	-	-	-	-	-
Restore	321,989	367,384	(218,400)	(11,230)	459,743	605,753	(488,428)	(26,408)
Youth - Other	19,818	8,631	(17,050)	-	11,399	16,881	(19,201)	-
Youth - Salaries	-	13,885	(13,885)	-	-	12,630	(12,630)	-
Philadelphia - Building Project	-	30,000	-	-	30,000	-	(26,292)	-
Forge and Restore	-	-	-	-	-	-	-	15,964
	<u>346,124</u>	<u>585,369</u>	<u>(409,986)</u>	<u>(12,349)</u>	<u>509,158</u>	<u>695,416</u>	<u>(589,563)</u>	<u>(31,128)</u>
								<u>583,883</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 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) King's Centre - Generosity Pot

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

6) 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.

7) 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.

8) Philadelphia - Students

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

9) Philadelphia - Worship

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

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Restricted funds

(Continued)

10) 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.

11) Youth - Other

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

12) Youth Salaries

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

13) Forge and Restore

This fund was set up to ring fence funds for a new charity that is to take over the Forge and Restore work.

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Unrestricted funds - designated Property & Capital

These are unrestricted funds which are material to the Charity's activities and represent a combination of the net book value of unrestricted tangible fixed assets less a property insurance premium. 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 2022

22 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:								
Tangible assets	-	1,926,289	-	1,926,289	-	1,802,126	-	1,802,126
Investments	2	-	-	2	2	-	-	2
Current assets/(liabilities)	283,751	(14,736)	583,883	852,898	362,501	(13,916)	509,158	857,743
Provisions and pensions	-	-	-	-	(38,700)	-	-	(38,700)
	<u>283,753</u>	<u>1,911,553</u>	<u>583,883</u>	<u>2,779,189</u>	<u>323,803</u>	<u>1,788,210</u>	<u>509,158</u>	<u>2,621,171</u>

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23 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:

	2022	2021
	£	£
Between two and five years	-	60,375
	=====	=====

The total lease payments recognised as an expenses totalled £8,625 (2021 - £1,197).

24 Subsidiaries

Details of the Charity's subsidiaries at 31 December 2022 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	Property development	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

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

25 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 and distributed 523 tonnes of food. The extent of food insecurity in Sheffield and consequently demand at S6 Foodbank continued to increase throughout 2022. 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		Total Restricted funds		Total
	2022	2021	2022	2021	2022	2021	2022	2021	
	£	£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	2,400	312,281	314,681	-	-	285,637	285,637		
Grants received	7,187	137,663	144,850	-	-	33,675	33,675		
Charitable activities	-	3,271	3,271	29,228	-	-	29,228		
Other income	60	154	214	2,318	-	-	2,318		
Total income	9,647	453,369	463,016	31,546	319,312	350,858			
Expenditure on:									
Staff costs	6,223	151,643	157,866	3,633	43,698	47,331			
Charitable activities	-	167,035	167,035	8,736	32,000	40,736			
Support costs	110	116,993	117,103	2,317	38,524	40,841			
Grants paid	-	-	-	-	-	-			
Total expenditure	6,333	435,671	442,004	14,686	114,222	128,908			
Net incoming resources before transfers	3,314	17,698	21,012	16,860	205,090	221,950			
Gross transfers between funds	-	(4,494)	(4,494)	-	(40,672)	(40,672)			
Net movement in funds	3,314	13,204	16,518	16,860	164,418	181,278			
Fund balances at 1 January 2022	16,860	440,115	456,975	-	275,697	275,697			
Fund balances at 31 December 2022	20,174	453,319	473,493	16,860	440,115	456,975			

THE PHILADELPHIA NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26	Cash generated from operations	2022 £	2021 £
	Surplus for the year	158,018	305,936
	Adjustments for:		
	Investment income recognised in statement of financial activities	(138,572)	(59,128)
	Depreciation and impairment of tangible fixed assets	49,488	48,908
	Difference between pension charge and cash contributions	(38,700)	(19,900)
	Movements in working capital:		
	(Increase) in debtors	(35,840)	(31,920)
	Increase/(decrease) in creditors	23,594	(37,365)
	(Decrease)/increase in deferred income	(7,437)	51,025
	Cash generated from operations	<u>10,551</u>	<u>257,556</u>
27	Analysis of changes in net funds		
	The Charity had no debt during the year.		