

**The Philadelphia Network Limited**  
**(A company limited by guarantee)**

**REPORT AND ACCOUNTS**

**Year ended 31 December 2015**

**Company Registration Number 6035697**

**Registered Charity Number 1134973**

**The Philadelphia Network Limited**  
**Company limited by guarantee**

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**The Philadelphia Network Limited**  
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**Directors' report**  
**for the year ended 31 December 2015**

The Trustees, who are also directors for the purposes of company law, are pleased to present their Annual Report, together with the audited financial statements for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in notes 1 and 2 to the accounts and comply with the Charity's constitution, the Charities Act 2011, 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 published 16 July 2014.

**Objectives and Activities**

**Objectives**

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.

**Main Objectives for the year**

Key objectives were:

- Ongoing leadership development
- Increased partnership with other churches and city agencies
- Continued development with the poor and marginalised

**Medium to long term Strategies for achieving stated objectives**

The key element of the Charity's medium to long term strategy is listening to God and seeking his guidance to enable the training and equipping of lay leaders to spread the Christian gospel. These leaders also train further leaders who in turn will train others.

The success of this strategy is measured by:

- the stories of people's changed lives;
- counting the flow of new people who are adherents of the church and those who move on to other churches and ministries;
- counting the number of church leaders who are trained and with whom the church works;
- the variety of ministries that are maintained and the numbers of volunteers who support those ministries.

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**Directors' report**  
**for the year ended 31 December 2015**

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**Statement of Public Benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity'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 had regard to it in their administration of the Charity. The Charity provides the following activities for the benefit of the general public:

- Public services of worship (including prayer meetings)
- Public celebrations of the Christian Festivals
- Religious teaching to enlighten the public about the Christian Faith whether by lecture, production of literature, religious broadcasts, evangelistic events or Christian conferences
- Mutual support and networking with other Christian churches and their communities
- Leadership training courses and internships
- Aid (whether in the form of goods or services)
- Funds for the relief of sickness, hardship or distress
- Counselling and support
- Guided activities for students, youths, children and vulnerable people in general.

The Trustees confirm that they have complied with their duties under section 17 of the 2011 Charities Act with regard to public benefit.

Identifying and responding to beneficiaries' needs

The Charity leadership team has regular interaction with church members and participants in church activities through community and group leaders. From the feedback the style of group meetings, events and larger gatherings evolves to meet the needs of those who attend. Effort is made to respond to individuals who need particular help through praying with them and linking them up with people who can provide ongoing fellowship and support.

The Charity gives money from time to time to support projects that help the disadvantaged in Sheffield and the wider world. It has a policy of supporting those projects where it has developed a relationship with key leaders. It encourages small teams and individuals to visit the projects to help them and get insight into their needs and progress.

**Grant Making Policies**

Grants are made to beneficiaries 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 Trustees have referred to the guidance on public benefit issued by the Charity Commission when reviewing the Charity's objectives and grant making policies.

**Volunteers**

The Charity encourages a culture of volunteering in all areas of its work. During the year at least 290 volunteers provided their services to the Charity. No financial value of volunteers' time has been included in the financial statements.

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**Directors' report**  
**for the year ended 31 December 2015**

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**Achievements and Performance**

Some of the highlights for 2015 were:

- There have been 11 Baptisms and 1 dedication at Philadelphia and 4 Baptisms at KC.
- Our total average weekly attendance at services across all sites was 435 people.
- We ran two leaders' weekend training events as well as termly leaders' development training evenings.
- Our student ministry continues to grow with over 40 students regularly involved.
- In August and September, we carried out significant repairs and improvements to the conference centre roof and facilities.

**'Restore' Ministries**

A range of 15 ministries have taken place on a weekly, monthly or quarterly basis as we aim to restore hope and release potential.

- Up to 30 people have been discipled in a variety of places and settings each week including Connect Cafe, BibleWise and a midweek discipleship group called 'Plugged In'.
- Our CAP centre continues to offer capacity and support for up to 48 new clients each year across Sheffield.
- 3705 people were fed through the work of the Sheffield S6 Foodbank with 54 tonnes of food being donated from 131 regular food donors and the general public (equivalent to 675 large shopping trolleys full). Over 50 volunteers were involved on a regular basis at the three foodbank sites (St Thomas' Crookes, Jesus Centre, St John's Owlerton) and a Citizen's Advice worker is now available on site every Friday morning. In addition, referrals come from 133 different agencies across Sheffield. The S6 foodbank is now one of the chosen 2016 charities by Sheffield University.
- Our 'Connect Cafe' on Thursday mornings has grown significantly with between 15-25 people attending most weeks from Foodbank and CAP ministries plus more great volunteers have joined to serve.
- The Safe2Be Women's Group has continued to meet on most Mondays offering support and discipleship for up to 5 vulnerable women from Restore.
- We've worked in collaboration with more churches and housing agencies resulting in 6 people who we have helped to house through Cuthbert House.
- The Good News Cafe (based out of the Cathedral Archer Project) has provided a cooked breakfast most Saturdays on average to 50 clients and now has volunteers serving from a range of churches in Sheffield.

**'Forge' Ministries**

We are currently working with approximately 475 different young people across 8 different areas across Sheffield including 2 schools. This represents over 15 different sessions or interventions. In the last year we have:

- Run a successful Glory Revolution Event with over 800 young people attending.
- Delivered a city wide football league free football league for around 200 young people.
- Four separate residential trips took place in 2015.
- Over 100 young people made decisions for Christ
- We estimate over 1000 hours of face to face youth work took place.

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**Directors' report**  
**for the year ended 31 December 2015**

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**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 occasional grant making bodies.

The financial health of the Charity is reflected by the state of its unrestricted liquid funds. Unrestricted income came to £946,228. Expenditure £871,656 and net transfers to the Tithe fund from other restricted funds £44,880 gave a surplus of £29,692. The operating capital £131,763 at the year end was equal to about 8 weeks' expenditure.

However, the restricted funds are also important and enable the wider ministry of the Charity. These include partial funding from external bodies for our Restore and Forge ministries, and our donations to other charities and causes. Further details of all funds are to be found in the Statement of Financial Activities on page 10 of this report and in the notes on the following pages.

**Reserves Policy**

The Board of Trustees has reviewed the reserves. 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 one month's expenditure should be maintained.

The designated fund in the accounts represents the net book value of tangible fixed assets. This fund will be reduced over the useful economic life of the tangible fixed assets in line with depreciation.

**Structure, Governance and Management**

**Governing document**

The Philadelphia Network Limited ("the Charity" or "the Church", where appropriate) is both a registered charity and a company limited by guarantee having no share capital; it is governed by its charitable objects and Memorandum and Articles of Association and is non-profit distributing.

The Charity 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.

**Recruitment of Members**

Membership of the Charity is at the absolute discretion of the Trustees. The current members of the Charity were proposed through a ballot of key leaders at St Thomas' Church, Philadelphia and the King's Centre and approved by the Trustees.

**Induction and Training of Trustees**

New trustees undergo orientation to brief them on their roles and responsibilities, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making process and the recent financial performance of the charity.

**The Philadelphia Network Limited**  
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**Directors' report**  
**for the year ended 31 December 2015**

..... continued

**Organisational Structure**

The Board of Trustees is made up of two groups:

**a) The Executive Leadership Team**

This consists of the employed and paid senior leaders of the Charity. Each individual appointment is recommended by the existing Trustees and approved by the Members. Their employment terms and conditions come within the normal contractual arrangements applicable to all staff.

**b) The Wardens**

These are unpaid. They are nominated by the Executive Leadership Team and are voted in by the Members at a General Meeting.

The Executive Leadership make day-to-day decisions in the running of the Charity within the guidelines and budgets approved by the Board. They are accountable to the Board.

**Operational Structure**

The Charity is a Christian Church with Anglican, Baptist and Free Church expression. It operates from two bases:

St Thomas' Church, Philadelphia (at Gilpin Street, Sheffield, S6)

The King's Centre Christian Church (at Union Road, Sheffield, S11)

These are also local operating names of the Charity.

**Risk Management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems are in place to mitigate exposure to major risks. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Charity. External risks include loss of funding. The effects of this have been minimised by the procedures in place, which have resulted in funding being secured from a variety of sources. The Charity continues to seek to diversify its funding sources, however, between 70% and 90% of its funding is expected to come from the voluntary regular gifts of church members. The strength of this giving is regularly monitored.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the Charity. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

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**Directors' report**  
**for the year ended 31 December 2015**

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**Reference and Administrative Information**

Board of Directors/Trustees	Revd. Peter Findley	Chair and Chief Executive
	Dr Christine Bates	
	Revd. Nicholas Allan	(until 12 April 2015)
	Dr Ade Adebajo	
	Revd. Toby Bassford	(until 5 May 2015)
	Mr Jonathon Burch	
	Mr David Chapman	
	Mrs Jane Fardon	
	Revd. Andrew Stone	
Company Secretary	Mr Eric Middleton	(until 7 September 2015)
	Mr Andrew Buckley	(from 8 September 2015)
Legal Name	The Philadelphia Network Limited	
Operating Names	Network Church Sheffield St Thomas' Church, Philadelphia The King's Centre Christian Church	
Website	<a href="http://www.ncsheffield.org">www.ncsheffield.org</a>	
Company number	6035697	
Charity Number	1134973	
Registered office and Business Address	6 Gilpin Street Sheffield, S6 3BL	
Auditors	Winter & Co Chartered Certified Accountants and Registered Auditors Kingfisher Studios, 90 Rockingham Street 90 Rockingham Street Sheffield, S1 4EB	
Bankers	Yorkshire Bank 221 Whitham Road Sheffield, S10 2SP	



**The Philadelphia Network Limited**  
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**Directors' report**  
**for the year ended 31 December 2015**

..... continued

**Trustees' responsibilities**

The Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements which give a true and fair view of the state of affairs of the Church and of incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- i. select suitable accounting policies and apply them consistently;
- ii. observe the methods and principles in the applicable Charities SORP;
- iii. make judgements and estimates that are reasonable and prudent;
- iv. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- v. 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provision of the constitution. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and any other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

**Disclosure of information to auditors**

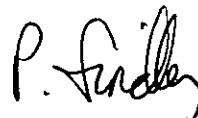
In accordance with company law, as the company's Directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the auditors of the Charity are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors of the Charity are aware of that information.

**Auditors**

Winter & Co were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 23 August 2016 and signed by:



**Revd. Peter Findley**  
**Director and Trustee**

**Independent auditor's report to the members of  
The Philadelphia Network Limited**

We have audited the financial statements of The Philadelphia Network Limited ("the Charity") for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

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 2015, 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.

**Independent auditor's report to the members of  
The Philadelphia Network Limited**

.....continued

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



**Winter & Co  
Chartered Certified Accountants  
and Statutory Auditor**

**Kingfisher Studios  
90 Rockingham Street  
Sheffield  
S1 4EB**

**23 August 2016**

Winter & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Statement of Financial Activities (Incorporating the Income & Expenditure Account) for the year ended 31 December 2015**

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

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**The Philadelphia Network Limited**  
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**Statement of Financial Position**  
**as at 31 December 2015**

		2015		2014	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	21		2,101,102		2,036,590
<b>Current assets</b>					
Debtors	22	95,364		86,751	
Cash at bank and in hand		355,834		689,919	
		<u>451,198</u>		<u>776,670</u>	
<b>Creditors: amounts falling due within one year</b>	23	<u>(109,027)</u>		<u>(116,026)</u>	
<b>Net current assets</b>			<u>342,171</u>		<u>660,644</u>
<b>Total assets less current liabilities</b>			2,443,273		2,697,234
<b>Creditors: amounts falling due after more than one year</b>	24		<u>(164,129)</u>		<u>(322,269)</u>
<b>Net assets</b>			<u>2,279,144</u>		<u>2,374,965</u>
<b>Funds</b>					
Unrestricted Funds	25		131,762		102,071
Designated Funds	25		1,877,093		1,641,997
Restricted Funds	26		<u>270,289</u>		<u>630,897</u>
<b>Members' funds</b>			<u>2,279,144</u>		<u>2,374,965</u>

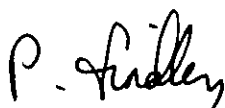
For the year ended 31 December 2015 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The trustees have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors have elected for these financial statements to be audited under the Charities Act 2011 rather than the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015) relating to small companies.

The accounts were approved by the Board of Trustees on 23 August 2016 and signed on its behalf by

Rev. Peter Findley  
Director and Trustee



Registration number 6035697

The notes on pages 13 to 40 form an integral part of these financial statements.

**The Philadelphia Network Limited**  
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**Statement of Cash Flows**  
**for the year ended 31 December 2015**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b><u>Reconciliation of operating income to net cash inflow (outflow) from operating activities</u></b>		
Net incoming/(outgoing) resources for the year	(95,820)	403,239
Depreciation	68,715	54,086
(Increase) / decrease in Debtors	(8,613)	21,836
Increase / (decrease) in Creditors	5,446	(11,991)
Interest Receivable	(1,690)	(1,059)
Net cash inflow/(outflow) from operating activities	<u><b>(31,962)</b></u>	<u><b>466,111</b></u>
 <b><u>STATEMENT OF CASH FLOWS</u></b>		
Net cash inflow from operating activities	(31,962)	466,111
 <b><u>Returns on investments and servicing of finance</u></b>		
Interest Received	1,690	1,059
<b><u>Investing Activities</u></b>		
Purchase of tangible fixed assets	(133,228)	(9,608)
Disposal of fixed assets	-	2,966
	<u>(163,500)</u>	<u>460,528</u>
 <b><u>Financing</u></b>		
Loan repayments	(170,585)	(74,826)
Cash at bank and in hand at beginning of year	689,919	304,217
At end of year	<u><b>355,834</b></u>	<u><b>689,919</b></u>
 <b><u>Funds</u></b>		
Cash at Bank	355,476	689,369
Cash in Hand	358	550
Net Funds at end of Year	<u><b>355,834</b></u>	<u><b>689,919</b></u>

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

**1. Principal Accounting Policies**

**1.1. Basis of accounting**

These financial statements have been prepared on the going concern basis under historical cost convention. The accounts are prepared in accordance with:-

- a) 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 2015) - Charities SORP (FRS 102)
- b) Financial Reporting Standard 102 (Effective January 2015)
- c) The Charities Act 2011
- d) The Companies Act 2006
- e) The Church Accounting Regulations 2006

**1.2. Reconciliation with previous Generally Accepted Accounting Practice**

These are the first financial statements that comply with FRS 102. The Charity transitioned to FRS 102 on 1 January 2014. In preparing the financial statements, the Trustees have considered whether in applying policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition the Trustees elected to measure properties at deemed cost less depreciation. The carrying value of the properties has been adjusted accordingly. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

**Reconciliation of Equity**

	At 1 Jan '14	At 31 Dec '14
Capital and reserves (as previously stated)	2,806,726	2,416,265
Adjustment to deemed cost	-	-
Depreciation on deemed cost	-	(41,300)
Capital and reserves (as restated)	<u>2,806,726</u>	<u>2,374,965</u>

**Reconciliation of Equity**

	At 31 Dec '14
Surplus for the year (as previously stated)	73,429
Depreciation on deemed cost	(41,300)
Surplus for the year (as restated)	<u>32,129</u>

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**Notes to the financial statements**  
**for the year ended 31 December 2015**

..... continued

**2. Accounting Policies**

**2.1. Form of Financial Statements**

Balances are split between unrestricted and restricted funds held by the Charity.

- a) Unrestricted funds represent the funds that are not subject to any restrictions regarding their use and are available for application of general purposes of the Charity.
- b) Designated funds reflect funds set aside out of unrestricted funds for a particular purpose by the Board of The Philadelphia Network Limited, over whose use and purpose the Board has discretion.
- c) Restricted funds represent the funds that are subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measure.

**2.2. Incoming Resources**

- a) Incoming Resources are recognised and included in the Statement of Financial Activities when the Charity becomes entitled to the resources; the trustees are virtually certain that they will receive the resources; and the monetary value can be measured with sufficient reliability.
- b) Where incoming resources have related expenditure (as with fundraising), the incoming resources and related expenditure are reported gross in the Statement of Financial Activities.
- c) The accounts reflect no amounts in respect of time provided by volunteer members of the Church.
- d) Bank interest is recognised when it is credited to the account.
- e) Rental income is accounted for on a receivable basis over the rental period.

**2.3. Grants Received**

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.

**2.4. Expenditure & Liabilities**

- a) Expenditure is accounted for on an accruals basis.
- b) Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
- c) Governance costs include the costs of preparation and examination of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.



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**Notes to the financial statements**  
**for the year ended 31 December 2015**

..... continued

**2. Accounting Policies (continued)**

**2.5. Pension Costs**

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.

**2.6. Assets**

- a) Tangible fixed assets are capitalised if the individual item costs more than £500 and can be used for more than one year.
- b) Realised gains on tangible assets used for pastoral purposes are treated as income resources. Unrealised gains on tangible assets used for pastoral purposes are included as other recognised gains.
- c) Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land	Nil
Freehold and leasehold buildings	2% straight line
Fixtures, fittings and equipment	25% straight line

**2.7. 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.

**2.8. Lease Payments**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

**3. Company limited by guarantee**

The charity is a company limited by guarantee and has no share capital. There were 19 members at 31 December 2015. The liability of each member in the event of winding up is limited to £1.

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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**4. Trustee Remuneration & Related party transactions**

The Church has written agreements to pay annual rent to four trustees. Details of these trustees and rents paid during the year are as follows:

Revd. Nicholas and Mrs Marjorie Allan to provide a minister's house for Nicholas Allan - £4,420 (2014 - £9,600)

Revd. Andrew and Mrs Annwen Stone to provide a minister's house for Andrew Stone - £12,300 (2014 - £9,600)

Mr John and Mrs Elizabeth Lovell to provide a joint minister's house for their part-time pastoral roles £Nil (2014 - £2,400)

Revd. Toby and Mrs Deborah Bassford to provide a minister's house for Toby Bassford - £Nil (2014 - £7,200)

Revd. Peter and Mrs Anne Findley to provide a minister's house for Peter Findley - £18,000 (2014 - £6,000)

The Wardens have approved these written agreements. The Charities Act 2011 specifically allows the Church to make payments of this nature.

Travel and other expenses amounting to £3,317 were reimbursed to Trustees.

During the year under review, four Trustees and two Trustees' wives were paid for their services as employees. These payments are in accordance with the provisions in the Church's Memorandum of Association dated 21 December 2006. Details of amounts paid are set out below.

	<b>Salary</b>	<b>Pension</b>	<b>House</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Revd. Peter Findley	25,928	3,278	19,875
Revd. Nicholas Allan	6,774	821	5,184
Revd. Toby Bassford	9,503	967	-
Revd. Andrew Stone	13,638	5,079	14,512
Mrs Marjorie Allan	3,519	246	-
Mrs Annwen Stone	9,127	916	-

Apart from 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 (2014 : Nil).

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

..... continued

**5. Pension cost note**

**Church of England Pension Builder Scheme**

The Philadelphia Network Limited (PB 2014) participates in the Pension Builder Scheme section of The Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. The Pension Builder Classic merged into the Pension Builder 2014 scheme on 1 May 2014.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit contributions at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at Normal Pension Age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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At 31 December 2015, The Philadelphia Network Limited had 35 active members and 112 deferred members in the merged Pension Builder Classic and Pension Builder 2014 scheme.

The Philadelphia Network Limited contributes 7% of basic salary (which includes 1% for death in service cover of 4 times salary) and the employees are required to contribute a minimum contribution of 2%. The employer's contributions for the year totalled £41,165 (31 December 2014 - £40,738) and there were no contributions outstanding at the year end.

**5. Pension cost note (continued)**

**Baptist Minister's Pension Fund**

Baptist Ministers and Baptist Student Ministers were eligible up to December 2011 to be members of the Baptist Ministers' Pension Fund which is a Final Salary Scheme. The assets of the Fund are held by the Baptist Ministers' Pension Trust. The Church is a participating employer.

From January 2012 Baptist Ministers and Baptist Student Ministers are eligible for membership of the Baptist Pension Scheme ("the Scheme") which is a Defined Contributions Scheme. The assets of the Scheme are held by Legal & General. The Church has one current member of this scheme.

The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Ministers are eligible to join the Scheme, which is not contracted out of the State Second Pension.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited.

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, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

..... continued

**5. Pension cost note (continued)**

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2013 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £162 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £84 million (equivalent to a past service funding level of 66%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it has been 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 12% from 1 January 2016. The contributions will be based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.

The key financial assumptions underlying the valuation are as follows:

RPI price inflation assumption	3.60%
CPI price inflation assumption	2.85%
Minimum Pensionable Income increases (CPI plus 1.0% pa)	3.85%
Assumed investment returns	
- Pre-retirement	5.10%
- Post-retirement	3.95%
Deferred pension increases	
- Pre April 2009	3.60%
- Post April 2009	2.50%
Pension increases	
- Main Scheme pension Pre April 2006	3.40%
- Main Scheme pension Post April 2006	2.30%

As there is a number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church is £5,079 (2014 - £9,691).

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2016.

**The Philadelphia Network Limited**  
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Notes to the financial statements  
for the year ended 31 December 2015

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	Unrestricted Funds	Designated Funds	Restricted					2014
	Network Church Sheffield £	Property & Capital £	City Base £	Sundry £	Tithe £	Building Fund: Philadelphia £	2015 £	2014 £
<b>6. Donations and legacies</b>								
Committed Giving	687,891	-	28,659	250	-	44,712	761,512	826,243
Open Plate and Offerings	12,575	-	-	-	-	-	12,575	29,802
Tax Claims Received	118,733	-	-	-	-	10,600	129,333	178,515
Donations and Gifts	8,049	-	6,902	26,169	-	10,159	51,279	326,385
Online Giving	5,545	-	-	-	-	-	5,545	9,486
Dove Trust - Doubtful debt	-	-	-	-	-	-	-	2,150
Internship Income	-	-	-	-	-	-	-	450
Basiles	-	-	-	2,175	-	-	2,175	1,425
Children	1,338	-	-	1,078	-	-	2,416	1,245
Christmas Offerings	-	-	-	1,322	-	-	1,322	5,237
Building Fund Gift Day	-	-	-	43	-	-	43	39,031
Gifts to be forwarded	-	-	-	31,725	-	-	31,725	19,647
Harvest Offering	-	-	-	-	-	-	-	4,850
Iranian Ministries	-	-	-	163	-	-	163	3,515
Baby Basics & Little Miracles	1,175	-	-	7,422	-	-	8,597	11,267
City Base	-	-	-	10,664	-	-	10,664	19,628
Peru	-	-	-	19,433	-	-	19,433	28,725
Balance C/fwd	835,306	-	35,561	100,444	-	65,471	1,036,782	1,507,601

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

..... continued

	Unrestricted Funds	Designated Funds	Restricted				2014
	Network Church Sheffield	Property & Capital	City Base	Sundry	Tithe	Building Fund: Philadelphia	2015
	£	£	£	£	£	£	£
<b>6. Donations and legacies (cont.)</b>							
Balance B/fwd	835,306	-	35,561	100,444	-	65,471	1,036,782
Prison Ministry	-	-	-	15,663	-	-	15,663
Reflex	-	-	-	59,391	-	-	59,391
Restore	215	-	-	21,002	-	-	21,217
Restore - Food Bank	2,798	-	-	107,608	-	-	110,406
Travel Support	-	-	-	-	-	-	-
Form	-	-	-	11,868	-	-	11,868
Young Adults	-	-	-	10,831	-	-	10,831
Other Youth	4,365	-	-	6,643	-	-	11,008
Youth Salaries Support	-	-	-	49,489	-	-	49,489
City Base salaries support	-	-	-	-	-	-	-
	842,684	-	35,561	382,939	-	65,471	1,326,655
							1,714,683

**The Philadelphia Network Limited**  
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Notes to the financial statements  
for the year ended 31 December 2015

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	Unrestricted Funds	Designated Funds	Restricted				
	Network Church Sheffield	Property & Capital	City Base	Sundry	Tithe	Building Fund: Philadelphia	2014
	£	£	£	£	£	£	£
<b>7. Charitable activities</b>							
Form	17,592	-	-	-	-	-	26,279
Playtime and other takings	1,148	-	-	-	-	5,767	16
Children	128	-	-	2,735	-	-	2,737
Training Materials & Courses	-	-	-	-	-	-	-
CKN Contributions	-	-	-	25,743	-	-	36,003
Wedding Fees	954	-	-	-	-	-	991
Restore - Cuthbert Bank	-	-	-	28,825	-	-	31,299
School of Inner Healing	-	-	-	595	-	-	425
	<b>19,822</b>	<b>-</b>	<b>-</b>	<b>57,898</b>	<b>-</b>	<b>5,767</b>	<b>97,750</b>
<b>8. Investments</b>							
Rent and Conference Fees	82,466	-	-	5,309	-	-	82,195
Bank Interest Received	1,256	-	-	-	100	334	834
	<b>83,722</b>	<b>-</b>	<b>-</b>	<b>5,309</b>	<b>100</b>	<b>334</b>	<b>83,029</b>
<b>9. Grants and Donations</b>							
Grants and Donations payable	£	£	£	£	£	£	£
	-	-	-	40,652	63,324	-	103,976
	-	-	-	<b>40,652</b>	<b>63,324</b>	-	<b>103,976</b>
							<b>93,678</b>



**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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	Unrestricted Funds		Designated Funds		Restricted Funds				
	Network		Property		Building				
	Church Sheffield	& Capital	City Base	Sundry	Tithe	Fund: Philadelphia	2015	2014	
	£	£	£	£	£	£	£	£	
10. Ministry and Training									
Form Expenses	9,964	-	-	13,920	-	-	23,884	21,123	
Forge Network	505	-	-	52	-	-	557	264	
Reflex	-	-	-	18,681	-	-	18,681	2,068	
Restore	16,437	-	-	123,317	-	-	139,754	128,860	
Youth	24,479	-	-	8,271	-	-	32,750	25,643	
Students	2,378	-	-	76	-	-	2,454	3,924	
Children (including under 5's)	4,972	-	-	197	-	-	5,169	4,785	
Dwell	-	-	-	6,328	-	-	6,328	11,496	
Young Adults	1,034	-	-	-	-	-	1,034	1,781	
Learning Communities and Taster Days	-	-	-	-	-	-	-	3,380	
Sundry Restricted Funds	300	-	-	90,953	-	-	91,253	38,950	
	60,069	-	-	261,795	-	-	321,864	242,274	
11. Networks									
Europe & USA Network	£ 500	£ -	£ -	£ -	£ -	£ -	£ 500	£ -	
	500	-	-	-	-	-	500	-	

The Philadelphia Network Limited  
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Notes to the financial statements  
for the year ended 31 December 2015

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	Unrestricted Funds	Designated Funds	Restricted Funds					
	Network Church Sheffield	Property & Capital	City Base	Sundry	Tithe	Building Fund: Philadelphia	2015	2014
	£	£	£	£	£	£	£	£
12. Community								
Staff expenses	5,282	-	-	937	-	-	6,219	8,216
Staff training	8,167	-	-	-	-	-	8,167	9,701
Training Resources	71	-	-	-	-	-	71	403
Services & Gatherings	3,553	-	-	-	-	-	3,553	10,037
Worship & Audio-Visual	3,469	-	-	-	-	-	3,469	3,576
Weddings & Funerals	39	-	-	-	-	-	39	746
Community Life	6,797	-	-	-	-	-	6,797	7,544
Missional Communities	908	-	-	(633)	-	-	275	6,254
Churchwide Ministry	6,819	-	-	-	-	-	6,819	4,584
Iranian Ministries	5,865	-	-	604	-	-	6,469	8,027
	<b>40,970</b>	-	-	<b>908</b>	-	-	<b>41,878</b>	<b>59,088</b>
13. Staff								
Wages and salaries	£ 529,407	£ -	£ -	£ 113,894	£ 28,066	£ -	£ 671,367	£ 692,612
Staff Housing	48,247	-	-	-	-	-	48,247	53,068
	<b>577,654</b>	-	-	<b>113,894</b>	<b>28,066</b>	-	<b>719,614</b>	<b>745,680</b>

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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	Unrestricted Funds		Designated Funds		Restricted Funds				
	Network Church Sheffield £	Property & Capital £	City Base £	Sundry £	Tithe £	Building Fund: Philadelphia £	2015 £	2014 £	
14. Support Costs									
Administration	19,657	-	-	1,071	-	-	20,728	20,066	
Bank charges	2,049	-	-	7	-	-	2,056	1,914	
Communication	-	-	-	-	-	-	-	270	
Legal & Consulting fees	7,416	-	-	49,766	-	-	57,182	16,586	
Depreciation	-	68,715	-	-	-	-	68,715	54,086	
Capitalisation of fixed assets	-	(102,163)	-	-	-	-	(102,163)	(9,608)	
Loss on disposal of fixtures	-	-	-	-	-	-	-	2,966	
Philadelphia development & loan interest	-	-	-	-	-	141,345	141,345	32,440	
City Base refurbishment	-	-	-	10,775	-	-	10,775	10,417	
IT	37,901	-	-	-	-	-	37,901	48,000	
Insurance	12,609	-	-	-	-	-	12,609	10,505	
Conferences	504	-	-	5,049	-	-	5,553	5,727	
Utilities	60,651	-	-	-	-	-	60,651	54,264	
Repairs and maintenance	34,046	-	-	-	-	-	34,046	52,413	
Ground rent and rates	1,808	-	-	-	-	-	1,808	1,780	
Staff telephones	3,124	-	-	-	-	-	3,124	6,173	
Pastoral	-	-	-	-	-	-	-	-	
Van	1,075	-	-	-	-	-	1,075	1,865	
Balance C/fwd	180,840	(33,448)	-	66,668	-	141,345	355,405	309,864	

The Philadelphia Network Limited  
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Notes to the financial statements  
for the year ended 31 December 2015

..... continued

	Unrestricted Funds	Designated Funds	Restricted Funds					
	Network Church Sheffield	Property & Capital	City Base	Sundry	Tithe	Building Fund: Philadelphia	2015	2014
	£	£	£	£	£	£	£	£
<b>14. Support Costs (cont.)</b>								
Balance B/fwd	180,840	(33,448)	-	66,668	-	141,345	355,405	309,864
Events/Weekends away	-	-	-	1,755	-	-	1,755	3,929
Leaders training & Retreats	5,743	-	-	-	-	-	5,743	10,602
Venue	-	-	-	-	-	-	-	22,047
Contingencies & Sundries	1,517	-	38,812	-	-	-	40,329	1,461
	<b>188,100</b>	<b>(33,448)</b>	<b>38,812</b>	<b>68,423</b>	<b>-</b>	<b>141,345</b>	<b>403,232</b>	<b>347,903</b>
<b>15. Other expenditure</b>								
Audit fees (note 18)	4,363	-	-	-	-	-	4,363	3,600
	<b>4,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,363</b>	<b>3,600</b>
<b>16. Transfers</b>								
Tithe	£ (82,808)	£ -	£ -	£ -	£ 82,808	£ -	£ -	£ -
Building fund transfers	25,044	-	-	-	-	(25,044)	-	-
Philadelphia loan repayments	-	170,585	-	-	-	(170,585)	-	-
Sundry restricted funds	43,947	-	-	(36,908)	(7,039)	-	-	-
Property fund transfers	(31,063)	31,063	-	-	-	-	-	-
	<b>44,880</b>	<b>201,648</b>	<b>-</b>	<b>(36,908)</b>	<b>75,769</b>	<b>(195,629)</b>	<b>-</b>	<b>-</b>

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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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**17. Employees**

**Number of employees**

Average number of employees calculated  
on a full-time equivalent basis during the year :

<b>2015</b>	<b>2014</b>
<b>Number</b>	<b>Number</b>
28	34
<u>28</u>	<u>34</u>

**Payroll costs**

Network Church Sheffield - General Fund  
Tithe Fund  
Sundry Restricted Funds  
City Base

<b>2015</b>	<b>2014</b>
<b>£</b>	<b>£</b>
529,407	548,646
28,066	4,345
113,894	105,325
-	34,296

**As reported on page 24 note 13**

Further payroll payments

671,367	692,612
	29,706

Total pay, NI and pension

<u><b>671,367</b></u>	<u><b>722,318</b></u>
-----------------------	-----------------------

**The total pay breaks down as follows**

Gross pay to employees  
Employer's gross national insurance  
Employer's pension contributions

611,635	638,877
15,724	36,784
44,008	46,657
<u><b>671,367</b></u>	<u><b>722,318</b></u>

**In addition:**

Annual value of staff housing

<u>48,247</u>	<u>44,262</u>
---------------	---------------

No employee received remuneration of more than £60,000 during the year. (2014: None).

Redundancy payments of £48,021 (2014 - £Nil) were made during the year.

The Charity encourages a culture of volunteering in all areas of its work.

At least 230 people regularly give more than 1 hour per week.

40 gave between 5 and 15 hours per week.

20 gave more than 15 hours per week.

No financial value of volunteers' time has been included in the financial statements.

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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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**18. Auditors' remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	<u>4,363</u>	<u>3,600</u>

**19. Grants from Institutions**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Individual grants over £5,000		
ASDA Foundation	9,979	-
Awards for All Big Lottery	-	7,921
BirchenallHowden Ltd	14,200	23,141
Elam Ministries	12,632	-
Golden Stable Charitable Trust	-	5,000
Qubix International	10,500	10,000
The RRAF Charitable Trust	-	8,236
Reflex	59,391	-
St Thomas Crookes	5,000	5,000
Seedbed Christian Community Trust	5,110	5,000
Sheffield Church Burgesses Trust	13,500	64,000
Southampton Row	74,965	-
Trussel Trust	16,125	6,601

**20. Grants to Institutions**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Individual grants over £1,000		
Anglican Church Planting Initiative	-	8,333
Baptist Home Mission	5,142	5,142
BMS World Mission	3,858	3,858
Christians Against Poverty	5,000	5,000
Church Pastoral Aid Society	2,400	2,400
Diocese of Sheffield	10,000	10,000
Fresh Streams	1,002	1,002
Fusion	1,500	3,000
Open Hands Project (Sheffield)	-	3,250
RwandaChild	-	4,404
Snowdrop project	-	2,077
St Thomas Crookes (for Eden Project)	5,000	5,000
The Order of Mission	5,000	5,000

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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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<b>21. Tangible fixed assets</b>	<b>Land and buildings freehold £</b>	<b>Short leasehold property £</b>	<b>Long leasehold property £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2015	1,485,000	-	580,000	192,676	2,257,676
Additions	-	56,100	-	77,127	133,227
At 31 December 2015	1,485,000	56,100	580,000	269,803	2,390,903
<b>Depreciation</b>					
At 1 January 2015	29,700	-	11,600	179,786	221,086
Charge for the year	29,700	-	12,700	26,315	68,715
At 31 December 2015	59,400	-	24,300	206,101	289,801
<b>Net book values</b>					
At 31 December 2015	1,425,600	56,100	555,700	63,702	2,101,102
At 31 December 2014	1,455,300	-	568,400	12,890	2,036,590

**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

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b(ii) Philadelphia Campus				Improvements and Legal		
<u>St. Thomas' Designation</u>	<u>Plot</u>	<u>Cost at 31/12/14</u>	<u>Costs</u>	<u>Disposals</u>	<u>Cost at 31/12/15</u>	
		£	£	£	£	
Location:						
<u>Administration Block</u>						
Gilpin Street/Gilpin Lane/	2					
Cross Bedford Street	7	200,000		-	-	200,000
<u>Piazza, Warehouse and Prayer Room</u>						
Gilpin Lane/Cross Bedford Street/	1 & 3					
Portland Street	6A & 6B	215,000		-	-	215,000
<u>Garage and Car Park</u>						
Gilpin Street/Cross Gilpin Street	11	150,000		-	-	150,000
<u>Playtime Centre</u>						
58 Cross Bedford Street	5	175,000		-	-	175,000
<u>Teaching Hall</u>						
Cross Bedford Street and	4 & 5	320,000		-	-	320,000
Gilpin Lane						
<u>Chapel</u>						
Gilpin Street	9A	125,000		-	-	125,000
	9B					
<b>Freehold Property</b>		1,185,000		-	-	1,185,000
<u>Conference Centre</u>						
Portland Street and Cross Bedford Street	10	580,000	56,100	-		636,100
<b>Leasehold property</b>		580,000	56,100	-		636,100
		<u>1,765,000</u>	<u>56,100</u>	<u>-</u>		<u>1,821,100</u>

**Note**

The 'deemed cost' under FRS 102 at 31 December 2014 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.

b(iii) The freehold and long leasehold properties at the Philadelphia Campus, Sheffield are included in the accounts at a deemed cost of £1,765,000 at 31 December 2014.

b(iv) 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.



**The Philadelphia Network Limited**  
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**Notes to the financial statements**  
**for the year ended 31 December 2015**

..... continued

<b>22. Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Invoiced debtors	12,214	21,790
Gift Aid Tax	67,861	50,594
Sundry debtors	15,289	14,367
	<u>95,364</u>	<u>86,751</u>

<b>23. Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loan - secured (24 a)	59,880	72,325
Trade creditors	21,336	18,174
Other taxes and social security costs	13,711	22,214
Other creditors	7,719	373
Accruals and deferred income	6,381	2,940
	<u>109,027</u>	<u>116,026</u>

<b>24. Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loan - Secured (24 a)	<u>164,129</u>	<u>322,269</u>

- a) The loan is with Clydesdale Bank PLC and is repayable in monthly instalments over a period of 12 years from August 2008. Interest is charged at a rate of 1.95% per annum over the Bank's base rate. The loan is secured by way of a debenture, giving the bank a fixed and floating charge over all the assets of the Charity, whether acquired before or after the date of the debenture .

The loan outstanding is repayable by instalments over 3½ years as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Within one year	59,880	72,325
Between 1 and 5 years	164,129	289,300
	<u>224,009</u>	<u>361,625</u>
After 5 years	-	32,969
	<u>224,009</u>	<u>394,594</u>

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	<b>2015</b>		<b>2014</b>	
	£	£	£	£
<b>25. <u>Unrestricted Funds</u></b>				
<u>Unrestricted funds - Network Church Sheffield</u>				
Opening balance of Funds at 1 January 2015				
Network Church Sheffield	102,070		105,182	
		102,070		105,182
Transfer City Base to restricted	-		(11,965)	
Tithe	(75,769)		(102,278)	
	1		4	
Transfers from restricted funds	30,889		-	
Surplus/(Deficit) of funds this year	74,572		111,128	
		29,693		3,111
		131,763		102,071
 <u>Designated fund - Property and Capital</u>				
Opening balance of Funds at 1 January 2015				
Property and Capital Fund	1,641,997		2,449,614	
		1,641,997		2,449,614
Transfer - Capital loan repayments	170,585		74,827	
Capital fund depreciation	(68,716)		(54,086)	
Transfer to capital fund	133,227		9,608	
Transfer from capital fund	-		2,966	
Property revaluation	-		(835,000)	
		235,096		807,617
		1,877,093		1,641,997
 <b>Unrestricted funds</b>		<b>2,008,856</b>		<b>1,744,068</b>

- (a) In accordance with SORP 2005, paragraph 111, the designated fund represents the net book value of tangible fixed assets. This fund will be reduced over the useful economic life of the tangible fixed assets in line with depreciation.
- (b) The transfer to the Capital Fund relates to the net movement of fixtures and vehicles acquired out of general funds.

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26. Restricted Income Funds	Note	2015 (£)	2014 (£)
Sundry Restricted	i	140,378	216,810
Philadelphia Building Project	ii	91,075	356,477
St Philip's Church	iii	-	3,251
Tithe	iv	38,836	54,357
		<b>270,289</b>	<b>630,895</b>

(i) Sundry Restricted Funds		Opening Balance £	Income £	Transfers £	Expenditure £	Closing Balance £
Basiles - Italy	v	(75)	2,175	-	(2,200)	(100)
Children / Playtime	vi	1,893	3,812	(790)	(4,915)	-
Christmas Offerings	vii	5,153	1,322	-	(5,173)	1,302
Conferences	viii	472	5,309	(481)	(5,301)	-
Covenant & Kingdom Network	ix	19,221	25,743	8,000	(52,507)	457
Dwell - Eddie Foulkes	x	7,251	9,610	-	(14,204)	2,657
Forge Network	xi	1,560	-	(1,464)	(96)	-
Form Missions & Contingencies	xii	789	11,868	-	(13,919)	(1,262)
Gifts to be forwarded	xiii	238	31,404	-	(31,330)	312
Iranian & Asylum Seekers Ministries	xiv	3,307	163	(2,867)	(603)	-
King's Centre - Baby Basics	xv	22,518	7,422	-	(14,296)	15,644
King's Centre - Building	xvi	1,202	43	(1,244)	0	-
King's Centre - Generosity Pot	xvii	1,277	-	-	155	1,432
King's Centre - Gifts to be forwarded	xviii	2,096	320	-	(275)	2,141
King's Centre - Legacy	xix	44,546	-	1,244	-	45,790
King's Centre - Youth & Children	xx	282	-	112	(394)	-
Men's Work	xxi	1,127	-	(987)	(120)	20
Mission Travel	xxii	10,676	-	-	(10,676)	-
Pastoral Care	xxiii	194	-	(194)	-	-
Peru - A & M Burgess	xxiv	1,755	19,433	-	(20,539)	649
Reflex	xxv	(716)	59,391	-	(49,404)	9,271
Restore	xxvi	37,665	157,435	1,372	(141,853)	54,619
School of Inner Healing	xxvii	1,505	595	(1,794)	(306)	-
St Philip's - Chinese Mission	xxviii	500	100	-	(600)	-
St Philip's - Development Salaries	xxix	5,947	-	-	(5,947)	-
St Philip's - Donations to be forwarded	xxx	-	26,169	-	26,169	-
St Philip's - Generosity Pot	xxxi	480	4,051	-	(4,531)	-
St Philip's - Ireland	xxxii	-	1,074	(1,074)	-	-
St Philip's - Parson Cross	xxxiii	1,169	-	-	(1,169)	-
St Philip's - Prison Ministry	xxxiv	9,151	15,663	-	(24,814)	-
St Philip's - Refurbishment	xxxv	8,222	2,553	-	(10,775)	-
St Philip's - Romania Mission	xxxvi	(1,757)	50	-	1,707	-
St Philip's - YBA	xxxvii	-	1,750	-	(1,750)	-
YBA Grant	xxxviii	-	1,336	(1,336)	-	-
Young Adults	xxxix	1,323	1,221	68	(2,185)	427
Youth Other	xxxx	8,200	8,271	(1,560)	(7,892)	7,019
Youth Salaries	xxxxi	19,639	47,864	(33,914)	(33,589)	-
Total		<b>216,810</b>	<b>446,147</b>	<b>(36,909)</b>	<b>(485,670)</b>	<b>140,378</b>

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**Restricted Funds Explanatory Notes**

Further details of these funds may be obtained from the Finance Manager of the Church.

**(ii) Philadelphia Building and Development Project**

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

- a) The development of the Philadelphia campus and King's Centre campus.
- b) The servicing of the mortgage on the Philadelphia campus.

	<b>Opening Balance</b>	<b>Income</b>	<b>Transfers</b>	<b>Expenditure</b>	<b>Closing Balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Movement of funds	<u>356,477</u>	<u>71,572</u>	<u>(195,629)</u>	<u>(141,345)</u>	<u>91,075</u>

**(iii) St Philip's Church**

St Philip's Church (formerly City Base) was in the process of becoming a separate charity at the end of 2014. It received its charity registration number 1161810 in May 2015. At the end of 2014 St Philip's did not have its own bank account, hence all its funds were included in the accounts of The Philadelphia Network Limited.

	<b>Opening Balance</b>	<b>Income</b>	<b>Transfers</b>	<b>Expenditure</b>	<b>Closing Balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Movement of funds	<u>3,251</u>	<u>35,561</u>	<u>-</u>	<u>(38,812)</u>	<u>-</u>

**(iv) Tithe**

The Church is committed to setting aside one tenth of its Unrestricted Fund gift and generated income in a Tithe Fund. Money is given from the fund to individuals and missional organisations with charitable objectives compatible with those of the Church.

	<b>Opening Balance</b>	<b>Income</b>	<b>Transfers</b>	<b>Expenditure</b>	<b>Closing Balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Movement of funds	<u>54,357</u>	<u>100</u>	<u>75,769</u>	<u>(91,390)</u>	<u>38,836</u>

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(v) **Basiles - Italy**

Marco and Cinzia Basile are Italian nationals and are missionaries working in Sicily. The Church supports them with regular gifts from its Tithe Fund. This restricted fund is separate and is for receiving individual gifts which are then passed on to them as additional support.

(vi) **Children / Playtime**

This fund supports various children's and family projects. Disbursals from the fund are supervised by the Playtime Team leader.

(vii) **Christmas offerings**

Each year the Church collects offerings over the Christmas period for special causes. In 2015 the money was collected for Open Hands for its work of housing and supporting destitute asylum seekers and for Tearfund to assist victims of the conflict in Syria.

(viii) **Conferences**

The Church runs occasional teaching conferences which attract attendance fees and gifts. Surpluses from such conferences may be retained in this fund to finance future conferences which may run at a deficit.

(ix) **Covenant & Kingdom Network**

The Covenant & Kingdom Network (renamed Kairos Connexion in 2015) is a network of churches whose leaders gather together every few months to learn and share, to be more effective in the mission of their churches. Each church is asked to contribute a set amount to this fund each year to cover costs. The budgeting and disbursement of this fund is supervised by the treasurer of the Covenant & Kingdom Network with the consent of the Head of Operations.

(x) **Dwell Project**

The Church receives gifts through this fund for the work of the Dwell Project. The project aims to prevent domestic violence against women - including honour related violence, through education, awareness and partnership at the front line of Christian-Muslim relationships. More details can be found on the website <http://dwelldomesticviolence.com>.

(xi) **Forge Network**

The Church seeks to promote mission and networks of Christian young adults, youth and children across Sheffield. This fund supports this work and its disbursement is supervised by the Youth leader.

(xii) **Form Mission & Contingencies**

Form seeks to train and disciple young adults to take up positions of leadership in missional churches and the workplace. Most of the program is funded through the Church budget. However, each year the formees go on mission trips which have to be financed separately through this fund. The fund is also used for various Form contingency needs. The fund is supervised by the Form leader.

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**(xiii) Gifts to be forwarded**

Donors sometimes send gifts through the Church to be forwarded anonymously to beneficiaries. The Church also receives gifts for designated missions or charities. These are all received under the heading "Gifts to be forwarded". They are forwarded according to the donors' wishes along with any tax recovered (where appropriate) under Gift Aid.

**(xiv) Iranian & Asylum Seekers Ministries**

The Church supports outreach among Iranian communities in the United Kingdom through this fund. This fund is also used to support groups and individuals from other minority communities. The disbursement of the fund is supervised by designated Church leaders.

**(xv) King's Centre - Baby Basics & Little Miracles**

This fund was set up to help some of the most vulnerable and needy families in Sheffield with basic supplies. A second fund, initially supported by an offering from New Wine, was started up in 2012 to fund Baby Basic projects in other parts of the United Kingdom. Projects are funded by individual gifts and contributions. The funds disbursement is supervised by the leader of Baby Basics.

**(xvi) King's Centre - Building Fund**

This fund is for major renovations, repairs and refurbishments at the King's Centre site. The main project in 2014 was the repair of a collapsed portion of the roof.

**(xvii) King's Centre - Generosity Pot**

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

**(xviii) 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. These are all received under the heading "Gifts to be forwarded". They are forwarded according to the donors' wishes along with any tax recovered (where appropriate) under Gift Aid.

**(xix) King's Centre - Legacy**

A legacy was received in two parts in 2012 and 2013 with the stipulation that it should be spent only on the needs of the King's Centre. Its disbursement is at the direction of the King's Centre base leader and wardens.

**(xx) King's Centre - Youth & Children**

Money for Youth & Children's projects are processed through this fund. Its disbursement is supervised by the King's Centre Youth and Children's Leader.

**(xxi) Men's Work**

This is a fund set up by an individual gift to support ministry among men.

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**(xxii) Mission Travel**

Individual gifts are received into this fund to support people who go on approved mission trips. The disbursement of this fund follows the wishes of the donors and is supervised by designated Church leaders.

**(xxiii) Pastoral Care**

This is a fund set up from individual gifts to help needy people. Disbursements are agreed by the Church executive leaders.

**(xxiv) 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 forwarded to the Burgesses soon after they are received.

**(xxv) Reflex**

This fund is named Reflex after the name of its main donor. Nationally Reflex is part of the charity YFC and exists to empower children, young people and young adults to break the cycle of offending and re-offending. This fund helps the Church in its work in the same ministry.

**(xxvi) Restore**

"Restore" is the name given to the Church ministry amongst vulnerable people. Funds have been set up for different aspects of this work. The funds are:

- Vulnerable People - for general projects among vulnerable people
- Besom - for enabling home improvements and supply of new furniture for destitute people
- Christians Against Poverty - provision of debt support.
- Cuthbert House - a project to house people who are getting their lives back in order, funded by their rents and housing benefits
- Food Bank - part of a nationwide project to provide food to needy families. Money received includes individual gifts and supermarkets. The Food Bank also received and distributed food and toiletries in individual gifts. These gifts in kind are valued at £78,025 and are included in both Income and Expenditure in the Restore restricted fund
- Light of Hope - to support work amongst prostitutes

**(xxvii) School of Inner Healing**

This is a training project funded by the fees of participants. Disbursement of the fund is supervised by the project leader.

**(xxviii) St Philip's - Chinese Mission**

This fund has been started to support work amongst the Chinese people in Sheffield. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxix) St Philip's - Development Salaries**

Via this fund Sheffield Church Burgesses are funding the pay of two part-time workers who are developing the resources of St Philip's. St Philip's has now established as a separate charity and all funds have been transferred to it.

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**(xxx) St Philip's - Donations to be forwarded**

Donors at St Philip's congregation sometimes send gifts through the Church to be forwarded anonymously to beneficiaries. The Church also receives gifts for designated missions or charities. Such gifts are forwarded according to the donors' wishes along with any tax recovered (where appropriate) under Gift Aid.

**(xxxi) St Philip's - Generosity**

St Philip's invites its members to make offerings for various charitable projects. This fund is used to hold such offerings until they are forwarded to the charities. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxii) St Philip's - Ireland**

St Philip's sent a team to Ireland in 2015. Contributions and costs of the trip are being processed through this fund. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxiii) St Philip's - Parson Cross**

St Philip's has an outreach project in the Parson Cross area of the city. Members' contributions to this fund provide resources for that project. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxiv) St Philip's - Prison Ministry**

This fund supports the pay and expenses of one employee who visits local prisons. It is funded by the Church Burgesses and individual gifts. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxv) St Philip's - Refurbishment**

St Philip's moved to 21-23 North Church Street at the end of 2013. People were invited to give into this fund towards the refurbishment of the premises. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxvi) St Philip's - Romania Mission**

St Philip's sent a team to Romania in 2014. Contributions and costs of the trip are being processed through this fund. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxvii) St Philip's - YBA**

This fund receives a monthly grant from the Yorkshire Baptist Association for the support of a student at St Barnabas Theological College. This money is passed on to him via the payroll. St Philip's has now established as a separate charity and all funds have been transferred to it.

**(xxxviii) YBA Grant**

Funding was granted from the Yorkshire Baptists to assist with Ministerial Training for one of the leaders of the Iranian congregation.



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**(xxxix) Young Adults**

This fund supports Young Adult projects and workers and is funded by individual gifts.

**(xxxx) Youth Other**

Youth - Other is funded by Grants and individual donations. Primarily to support the work of Forge Sports and events for teenagers.

**(xxxxi) Youth Other**

Youth salaries were funded by Sheffield Church Burgesses and regular individual gifts in 2015 to support part-time youth outreach workers.

**27. Analysis of Net Assets between Funds**

	<b>General Funds</b>	<b>Designate Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible Fixed Assets	-	2,101,102	-	2,101,102
Current Assets	180,909	-	270,289	451,198
Current Liabilities	(49,147)	(59,880)		(109,027)
Debt due within one year	-	(164,129)	-	(164,129)
<b>Net assets at 31 December 2015</b>	<b>131,762</b>	<b>1,877,093</b>	<b>270,289</b>	<b>2,279,144</b>

**28. Capital commitments**

Details of capital commitments at the accounting date are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Contracted for but not provided in the financial statements	-	-

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**29. Operating lease commitments**

At 31 December 2015 the Church had annual commitments under non-cancellable operating leases as follows:

	<b>Land and Buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within one year	-	-
In the second to fifth years inclusive	26,986	26,986
In over five years	-	-
	<u><b>26,986</b></u>	<u><b>26,986</b></u>

**30. Contingent liabilities**

**Baptist Ministers' Pension Fund**

The Church has been informed that The Baptist Minister's Pension Fund (see note 5) is in deficit and that all employers participating in the Scheme have a shared liability to cover the deficit. Actuarial valuations show the total deficit to be £84 million to be shared between about 1,100 churches. In order to reduce the deficit each participating employer was required to pay an additional 11% of Pensionable Income in 2014-15 rising to 12% in 2016 and subsequent years. The Church's share of the deficit has not yet been quantified, however if the Church were to withdraw completely from the Scheme it would be calculated and would be payable immediately.

Consequent upon the departure of the Ministers from the Church, the Church would have a cessation event under Section 75 of the Pensions Act 1995. This would make the Church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Fund. It is not possible to quantify this debt without an actuarial calculation. In order, to avoid the cost of such a calculation and because the church may not be able to continue its charitable activities following payment of the employer debt which arise upon a cessation event, the Pension Fund Trustee (after consulting the Pensions Regulator) will not pursue the employer debt, but will instead permit the Church to pay ongoing deficiency contributions outlined in note 5. However, the Pension Trustee has the right to quantify and seek payment of the debt at any time at its discretion.