

The Philadelphia Network Limited

REPORT AND ACCOUNTS

Year ended 31 December 2018

Company Registration Number 6035697

Registered Charity Number 1134973

THE PHILADELPHIA NETWORK LIMITED

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The Philadelphia Network Limited

Trustees' report for the year ended 31 December 2018

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 2018.

These financial statements have been prepared in accordance with the Charity's Constitution, the 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), with FRS 102 and with the requirements of the Companies Act 2006 and the Charities Act 2011.

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.

Within that framework, the primary object of the Charity is to work towards the transformation of the city of Sheffield, by making life better for its people, by inviting people to be followers of Jesus Christ, and by helping those who wish to do so, in partnership with other churches and agencies wherever this would be beneficial.

Main Objectives for the year

Key objectives were:

- ongoing leadership and volunteer development to achieve these aims;
- new local households and communities emerging;
- increased partnership with other churches and city agencies across Sheffield to develop our work with young adults and to vulnerable and marginalised people;
- continuing to explore the redevelopment of the Philadelphia campus, both to assist with our aims and to release resources for mission.

The success of this strategy is measured by:

- the stories of people's changed lives;
- using appropriate measurables in ministry to young adults and vulnerable and marginalised adults;
- counting the number of leaders and volunteers 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.

The Philadelphia Network Limited

Trustees' report for the year ended 31 December 2018

..... continued

Grant Making Policies

The Charity aims to give away up to 10% 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.

Statement of Public Benefit

The Trustees have had due regard to the charity commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Volunteers

The Charity encourages a culture of volunteering in all areas of its work. During the year at least 260 volunteers provided their services to the Charity. No financial value of volunteers' time has been included in the financial statements.

Achievements and Performance

Some of the highlights for 2018 were:

- There have been 14 Baptisms.
- New Forge Youth projects in Parson Cross and Oughtibridge.
- A new Sports session in Arbourthorne.
- Our student ministry continues to thrive with over 55 students regularly involved in the work of the church.
- Form, our young adult internship programme, is now run across 4 locations across the UK in partnership with other churches.
- Identification of potential partners for the redevelopment of the Philadelphia Campus.
- Foodbank servicing a 30% increase in demand.

Financial Review

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

The statement of financial activities on page 9 shows total unrestricted resources of £744,616 (2017: £778,601) and total unrestricted expenditure £675,111 (2017: £873,239). After net transfers of £49,963 (2017: £73,823) from restricted funds, this resulted in an operating surplus of £19,542 (2017: Deficit £57,156).

Reserves Policy

Having regard to the nature of income and expenditure, and the Charity's balance sheet, the Trustees consider that unrestricted reserves need not exceed one month's expenditure.

The Philadelphia Network Limited

Trustees' report for the year ended 31 December 2018

..... continued

Structure, Governance and Management and Governing document

The Charity is a registered charity and a company limited by guarantee and was incorporated on 21 December 2006.

The Charity is a Christian Church with Anglican, Baptist and Free Church roots. It includes two major ministries: Forge Youth (children and young people) and Restore (marginalised and vulnerable adults) and operates from two bases: St Thomas Philadelphia (at Gilpin Street, Sheffield. S6). and the Kings Centre (ay Union Road, Sheffield. S11). These, and Forge Youth and Restore are also operating names of the Charity.

Recruitment of Members

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

Organisational structure

The Board of Trustees is made up of two groups:

- a) Two of the Trustees are drawn from Executive Leadership Team, including the senior leader, and are employed by the Charity. They are not remunerated for their duties as trustees.
The Executive Leadership Team includes the senior leader and other employed and volunteer senior leaders of the Charity. The Executive Leadership Team 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.
- b) The remainder and majority of the Trustees are non-executive and are unpaid.

Each individual appointment is recommended by the existing Trustees and approved by the Members.

Risk Management

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

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.

The Philadelphia Network Limited

Trustees' report for the year ended 31 December 2018

..... continued

Board of Directors/Trustees	Revd. Peter Findley	(Chair and Chief Executive)
	Revd. Giles Holloway	(From 6 November 2018)
	Revd. Andrew Stone	(until 30 April 2018)
	Dr Ade Adebajo	
	Mr Neill Birchenall	(from 29 January 2019)
	Mr Jonathon Burch	(until 6 November 2018)
	Mrs Miriam Cates	(until 11 September 2018)
	Mr Brian Gooch	
	Mrs Rachel Marshall	
	Mr James Wilson	
Company Secretary	Mr Andrew Buckley	
Legal Name	The Philadelphia Network Limited	
Operating Names	Network Church Sheffield	
	St Thomas Philadelphia	
	The Kings Centre	
Website	www.ncsheffield.org	
Company Number	6035697	
Charity Number	1134973	
Registered office and Business Address	6 Gilpin Street	
	Sheffield, S6 3BL	
Auditors	Winter & Co	
	Chartered Certified Accountants	
	Statutory Auditor	
	103 Wilkinson Street	
	Sheffield, S10 2GJ	
Bankers	Yorkshire Bank	
	Fargate	
	Sheffield	
	S1 1LL	

The Philadelphia Network Limited

Trustees' report for the year ended 31 December 2018

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Trustees' responsibilities

The Trustees are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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.

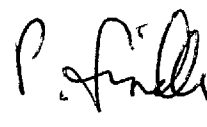
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the applicable Charities (Accounts 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.

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.

Approved by the Trustees on 22 July 2019 and signed on their behalf by:



Revd. Peter Findley
Director

**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 2018 which comprise the Profit and Loss Account, Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of 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).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you, if in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 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.

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

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Peter Colin Winter MA FCCA FCIE (Senior Statutory Auditor)

For and on the behalf of Winter and Co, Statutory Auditor

103 Wilkinson Street

Broomhill

Sheffield

S10 2GJ

22 July 2019

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

THE PHILADELPHIA NETWORK LIMITED

**Statement of Financial Activities
(incorporating the Income & Expenditure Account)
for the year ended 31 December 2018**

		Unrestricted Funds	Designated Funds	Restricted Funds				
	Note	Network Church Sheffield £	Property & Capital £	Sundry £	Tithe £	Building Fund: Philadelphia £	2018 £	2017 £
<u>Income from:</u>								
Donations and legacies	6	551,843	-	306,106	-	45,296	903,245	897,078
Charitable activities	7	80,677	-	-	-	-	80,677	79,174
Investments	8	112,096	-	14,282	-	-	126,378	151,933
Total income		744,616	-	320,388	-	45,296	1,110,300	1,128,185
<u>Expenditure on:</u>								
Charitable activities:								
Grants and Donations	9	416	-	24,456	55,160	-	80,032	81,392
Projects and Training	10	21,627	-	163,876	1,691	-	187,194	155,231
Community Work	11	43,289	-	31,870	-	-	75,159	75,975
Staff	12	436,660	-	83,526	-	-	520,186	549,064
Support costs	13	167,839	79,169	29,486	-	3,964	280,458	319,519
Other	14	5,280	-	-	-	-	5,280	4,160
Total expenditure		675,111	79,169	333,214	56,851	3,964	1,148,309	1,185,341
Net Income/(Expenditure)		69,505	(79,169)	(12,826)	(56,851)	41,332	(38,009)	(57,156)
Transfers between funds	15	(49,963)	49,335	2	49,960	(49,335)	(1)	-
Net movement in Funds		19,542	(29,834)	(12,824)	(6,891)	(8,003)	(38,010)	(57,156)
Total Funds b/fwd		(23,457)	1,888,448	42,197	30,064	89,416	2,026,668	2,083,824
Total Funds at end of year		(3,915)	1,858,614	29,373	23,173	81,413	1,988,658	2,026,668

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

The notes on pages 13 to 35 form an integral part of these financial statements.

THE PHILADELPHIA NETWORK LIMITED

Income and Expenditure Account for the year ended 31 December 2018

		Unrestricted Funds	Restricted Funds	2018	2017
	Notes	£	£	£	£
<u>Income from:</u>					
Donations and legacies	6	551,843	351,402	903,245	897,078
Charitable activities	7	80,677	-	80,677	79,174
Investments	8	112,096	14,282	126,378	151,933
Total Income		<u>744,616</u>	<u>365,684</u>	<u>1,110,300</u>	<u>1,128,185</u>
Grants and donations	9	416	79,616	80,032	81,392
Projects and training	10	21,627	165,567	187,194	155,231
Community work	11	43,289	20,593	63,882	75,975
Staff wages and housing	12	436,660	83,526	520,186	549,064
Support (excluding depreciation)	13	167,839	44,727	212,566	245,140
Other costs	14	5,280	-	5,280	4,160
Total expenditure		<u>675,111</u>	<u>394,029</u>	<u>1,069,140</u>	<u>1,110,962</u>
Net Income/(Expenditure)		<u>69,505</u>	<u>(28,345)</u>	<u>41,160</u>	<u>17,223</u>

This Income and Expenditure Account excludes the Property & Capital Fund.

The notes on pages 13 to 35 form an integral part of these financial statements.

THE PHILADELPHIA NETWORK LIMITED

**Statement of Financial Position
as at 31 December 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	21		1,937,827		2,016,996
Current assets					
Debtors	22	77,681		117,629	
Cash at bank and in hand		189,767		170,729	
		<u>267,448</u>		<u>288,358</u>	
Creditors: amounts falling due within one year	23	(113,244)		(114,478)	
Net current assets			<u>154,204</u>		<u>173,880</u>
Total assets less current liabilities			2,092,031		2,190,876
Creditors: amounts falling due after more than one year	24		(103,373)		(164,208)
Net assets			<u>1,988,658</u>		<u>2,026,668</u>
Funds					
Unrestricted Funds	25		(3,915)		(23,457)
Designated Funds - Property	25		1,858,614		1,888,448
Restricted Funds	26		133,959		161,677
Members' funds			<u>1,988,658</u>		<u>2,026,668</u>

For the year ended 31 December 2018 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 102 SORP (effective January 2015) relating to small companies.

The accounts were approved by the Board of Trustees on 22 July 2019 and signed on its behalf by:

Revd. Peter Findley
Director and Trustee



Registration number 6035697

The notes on pages 13 to 35 form an integral part of these financial statements.

THE PHILADELPHIA NETWORK LIMITED

**Statement of Cash Flows
for the year ended 31 December 2018**

	2018	2017
	£	£
<u>Reconciliation of operating income to net cash inflow (outflow) from operating activities</u>		
Net incoming/(outgoing) resources for the year	(38,009)	(57,156)
Depreciation	79,169	74,379
(Increase) / decrease in Debtors	39,949	(15,690)
Increase / (decrease) in Creditors	(12,734)	(20,039)
Interest Receivable	(627)	(463)
Net cash inflow/(outflow) from operating activities	<u>67,748</u>	<u>(18,969)</u>
<u>STATEMENT OF CASH FLOWS</u>		
Net cash inflow from operating activities	67,748	(18,969)
<u>Returns on investments and servicing of finance</u>		
Interest Received	627	463
<u>Investing Activities</u>		
Purchase of tangible fixed assets	-	(34,030)
Disposal of fixed assets	-	-
Net cash (outflow) inflow before financing	68,375	(52,536)
<u>Financing</u>		
Loan repayments	(49,337)	(48,549)
Cash at bank and in hand at beginning of year	170,729	271,814
At end of year	<u>189,767</u>	<u>170,729</u>
<u>Funds</u>		
Cash at Bank	189,582	170,299
Cash in Hand	185	430
Net Funds at end of Year	<u>189,767</u>	<u>170,729</u>

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

1. Principal Accounting Policies

1.1 Basis of accounting

These financial statements have been prepared on the going concern basis under the historical cost convention, modified to include the the revaluation of freehold and leasehold properties. The accounts are prepared in accordance with:-

- a) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing 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) The Charities Act 2011
- c) The Companies Act 2006
- d) The Church Accounting Regulations 2006

Accounting Policies

1.2 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.

This is predominantly the net book value of the buildings and fixed assets of The Philadelphia Network Limited.
- 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.

1.3 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.

1.4 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.

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

1.5. 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.

1.6. 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.

1.7. Assets

- a) Tangible fixed assets are capitalised if the individual item costs more than £5000 and has an economic life of 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

- d) 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.

1.8. 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.

1.9. 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.

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

2. Forge Youth

From our main accounts, we highlight the work we do for children and young people through 'Forge Youth'.

Forge Youth builds safe, encouraging communities built on relationships where children and young people have a sense of belonging, identity and opportunity. We are committed to making a positive impact in every aspect of children's lives. We empower them to explore who they are in God's image and make positive life choices allowing them to experience life to the full.

Recent Forge Youth developments and highlights include:

- Launching new youth clubs in Parson Cross and Oughtibridge.
- Starting a new children's club and a new sport project in Arbourthorne.
- Supporting 50 at risk young people to thrive in school in partnership with Firth Park Academy
- The continued running SCYL on a Friday evening (a football provision with city wide reach), which has acted as a successful diversionary activity with an average weekly attendance of over 100 young people.
- The continued development of Forge Youth's work in Shiregreen, where we are engaging with over 100 children and young people each week through six different inventions. We are now available to children and young people four days each week.

Forge Youth: Statement of Financial Activities for the year ended 31 December 2018

	Unrestricted Funds	Restricted Funds	2018	2017
	£	£	£	£
<u>Income from:</u>				
Donations and legacies	84	24,463	24,547	24,105
Grants received	-	19,226	19,226	20,915
Charitable activities	50,363	-	50,363	43,147
Other income	1,100	-	1,100	44
Total income	51,547	43,689	95,236	88,211
<u>Expenditure on:</u>				
Grants and donations	186	190	376	1,010
Projects and training	9,490	5,622	15,112	22,887
Community work	9,077	7,754	16,831	23,004
Staff	90,528	24,053	114,581	89,413
Support costs	8,162	9,194	17,356	19,719
Total expenditure	(117,443)	(46,813)	(164,256)	(156,033)
Net Income/(Expenditure)	(65,896)	(3,124)	(69,020)	(67,822)
Transfers between funds	65,896	-	65,896	70,082
Net Movement in Funds	-	(3,124)	(3,124)	(3,270)
Total Funds brought forward	-	3,370	3,370	100
Total Funds at End of Year	-	246	246	3,370

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Notes to the financial statements for the year ended 31 December 2018

Forge Youth continued

Forge Youth: Grants from Institutions

	2018	2017
	£	£
J G Graves Trust	-	1,000
Hollowford Trust	700	600
Middlesex Sports Foundation	-	1,000
National Lottery	3,483	6,582
Police Crime Commissioner	2,640	-
Ronald and Kathleen Pryor Charity	1,000	-
Sheffield Church Burgesses Fund	-	5,000
Sanctuary Housing	5,679	3,274
Sanctuary Group	-	1,959
Sheffield Town Trust	-	1,500
Sheffield City Council	724	-
Mr Willats Charity	5,000	-
	19,226	20,915

Forge Youth: Payroll Costs

	£	£
General Fund	90,528	88,654
Restricted Fund	24,053	759
	114,581	89,413

Forge Youth: Analysis of Payroll

	£	£
Gross pay	103,674	79,629
Employer's NIC	5,470	4,457
Employer's pension contribution	5,437	5,327
	114,581	89,413

Forge Youth Restricted Funds

	Opening Balance	Income	Transfers	Expenditure	Closing Balance
	£	£	£	£	£
Youth Other	3,038	33,868	582	(37,242)	246
Youth Salaries	332	9,820	(582)	(9,570)	-
	3,370	43,688	-	(46,812)	246

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

Forge Youth continued

Forge Youth: Impact

We measure 24 different outcomes including well-being, identity, health, aspiration, school life, family life, opportunity and spiritual growth. In 2018/19, we can evidence that the children we work with (as an overall average) demonstrate a 14% growth in these outcomes. We can evidence a positive variance in every area comparing their life prior to attending our activities or to themselves one year ago. The biggest impact is demonstrated in their confidence and sense of opportunities, both of which show an average improvement of 20%. Where an individual attends three different Forge Youth activities, we can evidence an 18% average positive variance.

Forge Youth: Key Statistics 2018

- Over 50 active young volunteers
- 11 staff (FTE 5) from 4 different churches
- We delivered over 600 youth or children's work sessions
- Working in close partnership with 12 churches, schools and community groups

Forge Youth

"We have been working with Forge Youth for over two years now and have been very impressed by their work and the project in general. The staff and volunteers are passionate about improving young peoples' lives and committed to making this happen. The youth and children's work in Arbourthorne has grown and we are connecting with more children and young people each week as a result of the partnership with Forge Youth. It has also been great for the young people to be able to go on trips and residential, which have given them new opportunities and allowed them to explore or grow in faith."

Pastor - Hope Family Arbourthorne

Forge Youth: Targets

Forge Youth is committed to providing more activities, to engage more children, more often, to make more difference to their lives.

As part of this, in 2019/20 our objectives are to:

- increase the number of children we work with to over 600 each week
- currently Forge Youth offers activities to children three or more times a week, in three of the areas we work in. Our target is to increase this to a fourth area.
- Develop support into two new schools.
- Launch two new areas, one new youth club and one new children's club.
- Achieve an average 15% positive variance in outcomes, compared to the 14% measured in June 2019.

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

2. Restore

From our main accounts we want to highlight our work with the poor and marginalised through 'Restore'.

Restore has two objectives. Firstly, to address poverty in Sheffield and secondly to enable the most disadvantaged and marginalised people in our city to explore faith and grow in real relationship with Jesus. Restore seeks to address poverty by meeting the immediate needs of individuals and families, and through working to address the causes of poverty in their lives using a range of projects.

Developments and highlights in 2018:

Renew: Following the successful launch of 'Renew6' a drop in cafe for those who are experiencing mental and emotional health issues a second project was launched 'Renew11' based in the Nether Edge next to the psychiatric hospital. Both operated throughout the year, offering a space where it is 'ok to not be ok'.

Revive Café joined Restore in December. The project is a soup kitchen offering food and friendship to the homeless, vulnerable and isolated in the city centre. Revive Café currently sees around 50 people each week building a real sense of community with those that access it.

Our social enterprise (working in partnership with the Archer Project) was renamed 'Reboot'. We increased donated stock throughout 2018 and began to turn a small surplus in early 2019.

Foodbank was able to meet a significant increase in demand for support and distributed over 86 tonnes of food from four locations.

<u>Restore: Statement of Financial Activities</u>	Unrestricted Funds	Restricted Funds	2018	2017
	£	£	£	£
<u>Income:</u>				
Donations and legacies	46	201,855	201,901	141,038
Grants	-	9,234	9,234	16,279
Other income	1,892	-	1,892	2,754
Investments: rental income	313	14,282	14,595	36,035
Total Income	2,251	225,371	227,622	196,106
<u>Expenditure: Charitable activities</u>	£	£	£	£
Grants and donations	-	394	394	25
Projects and training	279	158,254	158,533	112,548
Community work	1,335	7,095	8,430	4,903
Staff	14,011	50,186	64,197	64,649
Support costs	3,849	17,420	21,269	32,622
Total Expenditure	19,474	233,349	252,823	214,747
Net Income/(Expenditure)	(17,223)	(7,978)	(25,201)	(18,641)
Transfers between funds	17,223	-	17,223	16,712
Net movement in funds	-	(7,978)	(7,978)	(1,929)
Total funds brought forward	-	34,717	34,717	36,646
Total funds at end of year	-	26,739	26,739	34,717

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

<u>Restore: Grants from Institutions</u>	2018	2017
Institution:	£	£
Acts 435	950	235
Anon	-	250
Barnabus Trust	-	1,500
Cauda Trust	-	200
Cutlers Company Charitable Trust	1,416	1,583
JJ Eyre Trust	1,000	-
Green Pastures	250	-
Groundwork UK	2,000	-
Harry Bottom Charitable Trust	-	2,000
Henderson's Relish	1,000	-
G & P Hillards	1,000	-
Nationwide	-	500
Opengate Trust	-	2,500
Sheffield Evangelical Trust	750	-
Sheffield City Council	350	-
Souter Charitable Trust	-	1,000
The Constantine Trust	500	500
Trussell Trust	5,125	4,311
Wakeham Trust	-	1,500
Whitecourt Charitable Trust	200	200
Total	14,541	16,279

<u>Restore: Grants to Institutions</u>	2018	2017
Institution:	£	£
Besom	394	-
Christians Against Poverty	-	25
Total	394	25

<u>Restore: Payroll Costs</u>	2018	2017
	£	£
General Fund	14,011	56,990
Restricted Fund	50,186	7,659
Total	64,197	64,649

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

Restore continued

<u>Total Payroll Analysis</u>	2018	2017
	£	£
Gross pay	57,661	57,890
Employer's NIC	3,133	3,239
Employer's pension contribution	3,403	3,520
Total payroll costs	64,197	64,649

Restore Restricted Funds

	Balance 2017	Income	Transfers	Expenses	Balance 2018
Restricted Fund	£	£	£	£	£
Restore	34,717	73,789	-	(81,766)	26,740

Restore: Impact

Debt support

The debt centre had its 10th Anniversary in 2018. In that time we have helped hundreds of families take steps towards becoming debt free. This year we saw an increase in demand for debt support and were able to help. We saw 7 people become debt free and 2 individuals make decisions to follow Christ.

Good News Cafe

The Good News Cafe continues to feed 50 homeless and/or vulnerable men and women, including asylum seekers from a city centre location (Archer Cathedral Project). The project works really well alongside the newly acquired Revive Cafe running every other Saturday. The relationships developed with individuals have led to some attending Streetwise and Connect Café thus enabling wider signposting to take place.

Foodbank

We distributed over 86 tonnes of food in 2018 and the Philadelphia Campus and at 3 other locations. This is a huge increase on last year (around 50 tonnes in 2017). Time was spent preparing for the increase in demand created by universal credit and our volunteers have received additional training for this. The foodbank has secured a steady, sufficient and diversified pathway of food donations. We are thankful for the significant support from businesses, organisations and volunteers who donate food, money and time ensuring the work's sustainability. Clothes bank and fuel bank operate during foodbank sessions.

Courses and Drop Ins

We ran 4 courses and drop ins over the year. One of the highlights from this was supporting a person back into work. Our further drop in sessions reached approximately 60 people each week.

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

3. Company limited by guarantee

The charity is a company limited by guarantee and has no share capital. There were 13 members at 31 December 2018. The liability of each member in the event of winding up is limited to £1.

4. Trustees' remuneration and related party transactions

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

Revd. Andrew Stone to provide a minister's house - £4,400 (2017: £13,200)

Revd. Peter Findley to provide a minister's house - £18,000 (2017: £18,000)

The Non-executive Trustees 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 £3,679 (2017: £2,058) were reimbursed to Trustees.

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

	Salary	Pension	House costs
	£	£	£
Revd. Peter Findley	22,318	3,058	21,365
Revd. Giles Holloway	4,667	467	-
Revd. Andrew Stone	13,601	1,726	3,391
Mrs Amanda Gooch	4,868	337	-
Mrs Annwen Stone	5,367	334	1,760

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 (2017 : Nil).

Aggregate donations to the Church from members of the Board of Trustees during the year amounted to £35,491

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

5. Pension Scheme

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 pensions costs charged to the SoFA in the year are contributions payable.

At 31 December 2018, the Church had 26 (2017: 28) active members and 100 (2017: 121) 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 £27,760 (2017: £31,215). Employer's contributions outstanding at the year-end amounted to £3,190, representing December's liability payable in January 2019.

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 on 31 December 2011.

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

The Church's own share of this total scheme deficit is estimated to be £75,600 (2017: £85,300). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed to increase the standard rate of deficiency contributions from churches and other employers involved in the DB Plan from 11% of pensionable income/ minimum pensionable income to be based on a 12% rate from 1 January 2016.

As indicated above, the BPS has informed the Church that its share of the total scheme deficit is estimated to be £75,600 (2017: £85,300) and the accounts include a provision for this amount. The profit and loss charge for the period represents the reduction in the deficit provision and the employer contributions payable. The employer contributions payable for the year under review are £4,493 (2017: £5,094).

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

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

	Unrestricted Funds	Designated Funds	Restricted Funds				
	Network Church Sheffield	Property & Capital	Ministry	Tithe	Building Fund: Philadelphia	2018	2017
	£	£	£	£	£	£	£
6. Donations and legacies							
Committed giving and donations	462,356	-	105,721	-	36,769	604,846	647,023
Other income	5,305	-	-	-	-	5,305	478
Tax claims received	84,182	-	8,362	-	8,527	101,071	105,581
Sundry restricted other income	-	-	7,794	-	-	7,794	11,420
Sundry restricted grants	-	-	28,460	-	-	28,460	37,195
Restore - Food Bank	-	-	155,769	-	-	155,769	95,381
	551,843	-	306,106	-	45,296	903,245	897,078
7. Charitable activities	£	£	£	£	£	£	£
Form	19,401	-	-	-	-	19,401	57,191
Playtime and other takings	17,062	-	-	-	-	17,062	21,983
Youth Work	44,214	-	-	-	-	44,214	-
	80,677	-	-	-	-	80,677	79,174
8. Investments	£	£	£	£	£	£	£
Rent and conference fees	111,469	-	-	-	-	111,469	112,114
Bank interest received	627	-	-	-	-	627	463
Restore - Cuthbert Bank	-	-	14,282	-	-	14,282	39,356
	112,096	-	14,282	-	-	126,378	151,933

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

	Unrestricted	Designated	Restricted Funds					2018	2017
	Funds	Funds							
	Network Church Sheffield	Property & Capital	Ministry	Tithe	Building Fund: Philadelphia				
	£	£	£	£	£		£	£	£
9. Grants and Donations									
Grants and donations payable	416	-	24,456	55,160	-		80,032	81,392	
	416	-	24,456	55,160	-		80,032	81,392	
10. Projects and Training	£	£	£	£	£		£	£	£
Form expenses	-	-	-	-	-		-	3,494	
Restore	(332)	-	150,644	-	-		150,312	111,088	
Youth	12,512	-	4,950	1,691	-		19,153	31,305	
Children (including under 5's)	9,447	-	-	-	-		9,447	-	
Sundry restricted funds	-	-	8,282	-	-		8,282	9,344	
	21,627	-	163,876	1,691	-		187,194	155,231	
11. Community Work	£	£	£	£	£		£	£	£
Staff expenses	12,332	-	-	-	-		12,332	37,127	
Staff training	6,546	-	6,819	-	-		13,365	13,187	
Worship and audio-visual	2,855	-	-	-	-		2,855	2,746	
Community Life	8,919	-	-	-	-		8,919	8,002	
Missional communities including food	12,637	-	4,177	-	-		16,814	14,913	
Travel and transport	-	-	20,874	-	-		20,874	-	
	43,289	-	31,870	-	-		75,159	75,975	
12. Staff	£	£	£	£	£		£	£	£
Wages and salaries	410,144	-	83,526	-	-		493,670	512,549	
Staff housing	26,516	-	-	-	-		26,516	36,515	
	436,660	-	83,526	-	-		520,186	549,064	

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

	Unrestricted Funds	Designated Funds	Restricted Funds				
	Network Church Sheffield	Property & Capital	Ministry	Tithe	Building Fund: Philadelphia	2018	2017
	£	£	£	£	£	£	£
13. Support Costs							
Administration	14,410	-	7,636	-	-	22,046	39,393
Bank charges	1,227	-	12	-	-	1,239	1,970
Hire of equipment	3,790	-	2,526	-	-	6,316	14,964
Legal fees	28,260	-	-	-	-	28,260	38,123
Depreciation	-	79,169	-	-	-	79,169	74,379
Development costs and loan interest	-	-	-	-	3,964	3,964	25,504
Information technology	2,958	-	-	-	-	2,958	1,832
Insurance	13,954	-	-	-	-	13,954	15,377
Conferences	-	-	145	-	-	145	-
Utilities	45,964	-	1,302	-	-	47,266	45,431
Repairs and maintenance	45,313	-	1,783	-	-	47,096	41,959
Ground rent and rates	1,089	-	-	-	-	1,089	2,738
Staff telephones	2,228	-	-	-	-	2,228	2,602
Events/Venue hire	-	-	10,351	-	-	10,351	-
Sundry equipment	8,646	-	5,731	-	-	14,377	15,247
	167,839	79,169	29,486	-	3,964	280,458	319,519
14. Other expenditure	£	£	£	£	£	£	£
Audit fees (note 18)	5,280	-	-	-	-	5,280	4,160
	5,280	-	-	-	-	5,280	4,160
15. Transfers	£	£	£	£	£	£	£
Tithe	(64,960)	-	-	64,960	-	-	-
Loan repayments	-	49,335	-	-	(49,335)	-	-
Tithe Fund Transfers	15,000	-	-	(15,000)	-	-	-
Sundry adjustments	(3)	-	2	-	-	(1)	-
	49,963	49,335	2	49,960	(49,335)	(1)	-

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

16. Income and Expenditure Account for the year ended 31 December 2017

	Note	Unrestricted Funds	Restricted Funds	2017	2016
<u>Income from:</u>		£	£	£	£
Donations and legacies	6	581,347	315,731	897,078	1,045,088
Charitable activities	7	79,174	-	79,174	21,519
Investments	8	118,080	33,853	151,933	137,475
Total Income		778,601	349,584	1,128,185	1,204,082
 <u>Expenditure on:</u>					
Charitable activities:					
Grants and donations	9	77	81,315	81,392	84,422
Projects and training	10	50,074	105,157	155,231	346,080
Community work	11	71,013	4,962	75,975	39,255
Staff	12	540,646	8,418	549,064	552,591
Support costs	13	207,269	37,639	244,908	283,834
Other	14	4,160	-	4,160	5,020
Total expenditure		873,239	237,491	1,110,730	1,311,202
 Net income/(expenditure)		 (94,638)	 112,093	 17,455	 (107,120)

This income and expenditure account provides comparative information relating to the separate classes of funds for the year ended 31 December 2017.

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

17. Employees

Number of employees	2018 Number	2017 Number
The number of employees calculated on the average 'head count' number of staff during the year :	36	35
	<u>36</u>	<u>35</u>
Payroll costs	2018	2017
	£	£
Network Church Sheffield - General fund	410,144	504,131
Tithe fund	-	-
Sundry restricted funds	83,526	8,418
As reported on page 24 note 12	<u>493,670</u>	<u>512,549</u>
Total pay, NI and pension	<u>493,670</u>	<u>512,549</u>
The total pay breaks down as follows		
Gross pay to employees	448,617	455,092
Employer's gross NIC	22,500	24,649
Employer's pension contributions	32,253	35,708
Baptist Pension deficit adjustment	(9,700)	(2,900)
	<u>493,670</u>	<u>512,549</u>
In addition:		
Annual value of staff housing	<u>26,516</u>	<u>36,515</u>

No employee received remuneration of more than £60,000 during the year. (2017: None).

Redundancy payments of £156 were made during the year (2017: £2,150).

Volunteers

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

At least 260 people regularly give more than 1 hour per week.

47 gave between 5 and 15 hours per week.

3 gave more than 15 hours per week.

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

18. Auditors' remuneration

	2018 £	2017 £
Auditors' remuneration - audit of the financial statements	<u>5,280</u>	<u>4,160</u>

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

19. Grants from Institutions

	2018	2017
	£	£
Grants received over £1,000		
Andrew Christian Trust	-	15,500
Barnabus Trust	-	1,500
Cutlers' Company Charitable Trust	1,416	1,584
J J Eyre Trust	1,000	-
Groundwork UK	2,000	-
Harry Bottom Charitable Trust	-	2,000
Henderson's Relish	1,000	-
G & P Hillards	1,000	-
Hollowford Trust	700	1,000
J G Graves Charitable Trust	-	1,000
Middlesex Sports Foundation	-	1,000
National Lottery	3,483	-
Opengate Trust	-	2,500
Police Crime Commissioner	2,640	-
Ronald and Kathleen Pryor Charity	1,000	-
Sanctuary Group	-	1,959
Sanctuary Housing	5,679	3,574
Sheffield Church Burgesses Trust	-	5,000
Sheffield Town Trust	-	1,500
Souter Charitable Trust	-	1,000
The Big Lottery Fund	-	6,582
Trussell Trust	5,125	4,311
Wakeham Trust	-	1,500
Willats Charity	5,000	-

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

20. Donations and Grants to individuals and institutions

		2018	2017
Donee	Nature of charitable activity	£	£
Aryaienezh	Work with Iranian asylum seekers	-	1,635
A and M Burgess	Training and support Church leaders in Peru	24,990	27,277
Baptist Union	Support for Baptists in the UK	1,400	1,400
Basiles	Working with poor or marginalised in Sicily	6,740	8,425
Chad Norris	Goodwill offering taken for visiting speaker	-	2,462
Daniel Brown	Support for mission work in Sheffield	3,000	6,100
Diocese of Sheffield	Support work of Church in Sheffield Diocese	8,040	8,160
Foodbank	Operation of foodbank for local community	150,644	95,381
Fresh Streams	Support for Baptist leadership training	751	1,002
Fusion	Support Sheffield & national student work	1,500	1,500
Gowers	Training for Church leaders	5,040	3,000
House Churches		2,000	-
Kennedy	Support for work with orphans	5,328	3,882
Kairos Connexion	Network and training of Church leaders	6,000	5,625
Message Trust		5,000	-
Nepal - Mosa	Support for Missionary leaders	2,000	-
Tearfund	Support Tearfund Rohingya refugee appeal	2,624	2,624
The Order of Mission	Support for Missionary leaders	2,400	2,496
Yorkshire Baptist Association	Support for Baptists in Yorkshire	2,468	1,002

21. Tangible fixed assets

	Land and buildings freehold £	Long leasehold property £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2018	1,485,000	636,100	328,393	2,449,493
At 31 December 2018	1,485,000	636,100	328,393	2,449,493
Depreciation				
At 1 January 2018	118,800	49,722	263,975	432,497
Charge for the year	29,700	12,722	36,747	79,169
At 31 December 2018	148,500	62,444	300,722	511,666
Net book values				
At 31 December 2018	1,336,500	573,656	27,671	1,937,827
At 31 December 2017	1,366,200	586,378	64,418	2,016,996

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

21. Tangible fixed assets (Continued)

Philadelphia Campus

<u>St. Thomas' Designation</u>	<u>Plot</u>	<u>Deemed Cost at 31/12/17 £</u>	<u>Improvements and Legal Costs £</u>	<u>Disposals £</u>	<u>Deemed Cost at 31/12/18 £</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 Gilpin Lane	4 & 5	320,000	-	-	320,000
<u>Chapel</u>					
Gilpin Street	9A 9B	125,000	-	-	125,000
Freehold Property		<u>1,185,000</u>	<u>-</u>	<u>-</u>	<u>1,185,000</u>
<u>Conference Centre</u>					
Portland Street and Cross Bedford Street	10	636,100	-	-	636,100
Leasehold property		<u>636,100</u>	<u>-</u>	<u>-</u>	<u>636,100</u>
		<u>1,821,100</u>	<u>-</u>	<u>-</u>	<u>1,821,100</u>

Note

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

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

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

The Philadelphia Network Limited

Notes to the financial statements for the year ended 31 December 2018

22. Debtors	2018	2017
	£	£
Invoiced debtors	39,073	25,493
Gift aid tax	19,506	48,065
Sundry debtors	19,102	44,071
	<u>77,681</u>	<u>117,629</u>

23. Creditors: amounts falling due within one year	2018	2017
	£	£
Bank loan - secured (24 (a))	49,800	48,000
Trade creditors	5,591	21,186
Other taxes and social security costs	11,929	10,678
Other creditors	4,283	1,387
Accruals and deferred income	41,641	33,227
	<u>113,244</u>	<u>114,478</u>

24. Creditors: amounts falling due after more than one year	2018	2017
	£	£
Bank loan - Secured (24 a)	27,773	78,908
Baptist Ministers' pension scheme deficit	75,600	85,300
	<u>103,373</u>	<u>164,208</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 1½ years as follows:

	2018	2017
	£	£
Within one year	49,800	48,000
Between 1 and 5 years	27,773	78,908
	<u>77,573</u>	<u>126,908</u>
After 5 years	-	-
	<u>77,573</u>	<u>126,908</u>

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Notes to the financial statements for the year ended 31 December 2018

	2018		2017	
	£	£	£	£
25. <u>Unrestricted Funds</u>				
<u>Unrestricted funds - Network Church Sheffield</u>				
Opening balance of Funds at 1 January 2018				
Network Church Sheffield	(23,457)		2,642	
		(23,457)		2,642
Tithe	(49,963)		(50,835)	
Property fund transfer	-		(34,030)	
Transfers from restricted funds	-		158,688	
Surplus/(deficit) of funds this year	69,505		(94,638)	
		19,542		(20,815)
		(3,915)		(23,457)
 <u>Designated fund - Property and Capital</u>				
Opening balance of Funds at 1 January 2018				
Property and capital fund	1,888,448		1,880,480	
		1,888,448		1,880,480
Transfer - capital loan repayments	49,335		48,549	
Capital fund depreciation	(79,169)		(74,379)	
Transfer to capital fund	-		33,798	
Transfer from capital fund	-		-	
		(29,834)		7,968
		1,858,614		1,888,448
 Unrestricted funds		1,854,699		1,864,991

- (a) The Designated Fund represents the net book value of tangible fixed assets, less the bank loan. 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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Notes to the financial statements for the year ended 31 December 2018

	Note	2018 £	2017 £
26. Restricted Income Funds			
Sundry Restricted	i	29,373	42,197
Philadelphia Building Project	ii	81,413	89,416
Tithe	iii	23,173	30,064
		133,959	161,677

(i) Sundry Restricted Funds		Opening Balance £	Income £	Transfers £	Expenditure £	Closing Balance £
Basiles - Italy	iv	100	1,200	-	(1,200)	100
Form Mission & contingencies	v	-	10,226	-	(9,889)	337
Forge - Firth Park		-	3,248	582	(3,830)	-
Gifts to be forwarded	vi	1,247	11,704	-	(12,951)	-
Iranian & asylum seekers ministries	vii	-	2,795	-	(2,795)	-
King's Centre - Generosity pot	viii	1,432	-	-	(856)	576
King's Centre - gifts to be forwarded	ix	40	2,515	-	(2,555)	-
King's Centre - Youth & children	x	46	553	-	(599)	-
Peru - A & M Burgess	xi	433	12,642	-	(12,950)	125
Philadelphia - Worship	xii	810	9,695	-	(9,256)	1,249
Restore	xiii	34,717	224,433	-	(232,410)	26,740
Youth other	xiv	3,038	30,620	-	(33,412)	246
Youth salaries	xv	334	10,757	(580)	(10,511)	-
Total		42,197	320,388	2	(333,214)	29,373

(ii) Philadelphia Building and Development Project

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

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

	Opening Balance £	Income £	Transfers £	Expenditure £	Closing Balance £
Movement of funds	89,416	45,296	(49,335)	(3,964)	81,413

(iii) 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.

	Opening Balance £	Income £	Transfers £	Expenditure £	Closing Balance £
Movement of funds	30,064	-	49,960	(56,851)	23,173

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Notes to the financial statements for the year ended 31 December 2018

(iv) 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.

(v) 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. Each year, however, 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.

(vi) 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.

(vii) 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.

(viii) King's Centre - Generosity Pot

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

(ix) 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.

(x) 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 Children's Leader.

(xi) 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.

(xii) 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 disbursement of this fund is overseen by the worship team leader.

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Notes to the financial statements for the year ended 31 December 2018

(xiii) 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
- 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 £150,644 and are included in both Income and Expenditure in the Restore restricted fund.

(xiv) Youth - Other

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

(xv) Youth Salaries

Youth salaries were funded by Sheffield Church Burgesses and regular individual gifts in 2018 to support part-time youth outreach workers. Disbursal is overseen by the head of forge youth.

27. Capital commitments

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

	2018 £	2017 £
Contracted for but not provided in the financial statements	-	-

28. Operating lease commitments

At 31 December 2018 the Church had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2018 £	2017 £
Operating leases which expire:		
Within one year	-	-
In the second to fifth years inclusive	-	26,986
In over five years	-	-
	-	26,986

