

CHARITY REGISTRATION NUMBER 1119791  
COMPANY REGISTRATION NUMBER 5999100

**C3 TRUST UK**  
**FORMERLY HOPE CITY CHURCH**  
**GROUP ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

## C3 TRUST UK

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	C Davies P Bengier C W Davies O Olarinde A E Ibbotson (Appointed 10 June 2020) M Muthiah (Appointed 25 November 2021) J Hemmingfield (Appointed 25 November 2021)
<b>Secretary</b>	A E Ibbotson
<b>Charity number</b>	1119791
<b>Company number</b>	5999100
<b>Principal address</b>	The Megacentre Bernard Road Sheffield South Yorkshire S2 5BQ
<b>Registered office</b>	The Megacentre Bernard Road Sheffield South Yorkshire S2 5BQ
<b>Auditors</b>	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF
<b>Bankers</b>	Barclays Bank plc City Office Sheffield S1 1NG
<b>Solicitors</b>	Geldards Number One Pride Place Pride Park Derby DE24 8QR

## **C3 TRUST UK**

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# **C3 TRUST UK**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees present their report and consolidated accounts for the year ended 31 March 2021.

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

#### **Objectives and Activities**

The Articles of Association restrict the objectives of the Church to:

- a) advance the Christian faith in accordance with the Statement in such way and in such parts of the United Kingdom or the world as the directors from time to time may think fit;
- b) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the United Kingdom or the world as the directors from time to time may think fit; and
- c) to advance education in such parts of the United Kingdom or the world as the directors from time to time may think fit.

Under the broad objects of the charity, each church belonging to C3 Trust UK has been granted the autonomy, under a formal and agreed 'Scheme of Delegation', to define a vision for their local church which reflects their aspirations for their location and their church community.

All other charitable activities undertaken by the Church are to further the attainment of the above objectives.

The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

##### **C3 Trust UK Churches**

Not unlike many churches globally, the effects of the COVID-19 pandemic have been significant. In addition to this, the pandemic has significantly disrupted church and organisational life as usual, and even at the time of this report our churches are still working in the long tail of this global phenomenon.

In addition to this, the charity has undergone significant upheaval, review, change and restructuring because of revelations which were brought to light shortly following the murder of George Floyd on 25 May 2020. Allegations of racial discrimination being present in the charity underpinned by evidence of what has been referred to as 'dysfunctional' or 'toxic' leadership culture led to the resignation of the Senior Ministers of the church in June 2020, the practical, financial, and legal separation of the church from City Hearts UK and the commissioning of an internal investigation led by Trustees and moderated by an external adviser and implemented under the guidance and instruction of Charity Commission, the results of which were published in February 2021.

## **C3 TRUST UK**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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These two driving factors, being the pandemic and internal investigation, have had a significant impact on attendance, membership and indeed the paradigm within which the church has operated. During this time, where 'in-person' gatherings were not permitted, it was almost impossible to determine the health of the church based on church attendance as a key measure. Our churches responded quickly to the pandemic by hosting online services and engaging with congregants online by more actively using social media platforms. More recently, for the most part we have returned to 'in-person' services whilst retaining an online presence for those unable to attend in-person. This has resulted in a steady, although not altogether unhindered, return of people to more traditional face-to-face or in-person gatherings.

Based on the data available at the time of this report our data suggests that overall attendance or record of membership as of 31 March 2021 was approximately 2000 people and approximately 1900 people as of November 2021. This excludes the combined membership of former Hope City churches located in Birmingham, Accra, London, Frankfurt, Darmstadt and Kuala Lumpur.

After extensive discussions with Hope City Birmingham Lead Pastors and local members, Trustees agreed to wind down the church in November 2020. At the time of closure, it was estimated that membership sat at 120 people with a similar membership at the time of closure.

After a process of due diligence and consultation, Trustees agreed to release Hope City Accra, Hope City Frankfurt, Hope City Darmstadt, and Hope City Kuala Lumpur from its direct oversight, with all churches becoming independent C3 churches with their own governance in place as of 31 March 2021. At the time of transition, we estimate combined membership to be in the region of 1300 people.

Hope City London (now C3 Reflect) was also released to form its own independent C3 Church from July 2021 under its own charity governance with an estimated membership of 150 people at that time, with 100 attending online services.

In each case, Trustees were satisfied, through its due diligence, that these decisions were made in the best interest of the C3 Trust UK moving forwards, and of the respective churches themselves.

Despite the clear and present challenges facing churches over this period, churches have succeeded in moving forward in a number of key areas.

Many of our churches have sought to maintain or even increase their social action to support their local communities, either directly through the church, through the work of Hope Community Foundation in Sheffield, or working closely with partner charities such as Project Hope in Leeds.

In addition, many have successfully run a number of online (and more recently in person) Alpha courses, which have had an encouraging attendance in seeking to introduce people to the Christian faith.

The past 12 months in particular, has also created an opportunity to re-establish, galvanise, and strengthen local church leadership teams and begin to rethink wider volunteering, bringing greater collaboration, transparency, and accountability. It has also empowered Lead Pastors to begin to allow vision and values for their local church and their community to emerge, and to seek to bring something unique through their own ministry gifting and calling. This, and other positive changes, have helped to begin to build a solid foundation for the furtherance of the mission of the charity in the future.

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**Investigation & Improvements**

Between June 2020 and February 2021, the charity commissioned and undertook an internal investigation to explore the degree to which racism had been or was present, and how this had been impacted by a leadership culture which had been described as 'toxic'. This process was led by Trustees but informed and critiqued by an independent external adviser, previously unknown to the charity.

Following extensive consultation with present and former church members and staff, a report was compiled and published in February 2021 which highlighted a number of themes and recommended actions around each theme. The themes were:

1. Racial Discrimination
2. Leadership Culture
3. Community Culture
4. Accountability & Decision Making
5. Financial Management
6. Governance & Compliance

From the recommendations, a Change & Improvement Plan has been compiled and is currently being implemented at local and Trustee levels. As a result, positive change has been made to adequately resource key areas of need such as Human Resources, Compliance and Financial Management. With this resource in place the charity has made significant headway in strengthening key policy and practice particularly in relation to financial reporting, Governance, Risk, Equality & Diversity, Safeguarding, Whistleblowing, Recruitment & Selection & good practice relating to People Management in general.

Initial and ongoing training of Trustees and Key Leaders has been foundational in responding to the report and guiding cultural change and practice, with all Lead Pastors and many of their Leadership Teams engaging in diversity training and ongoing involvement and training around creating a stronger focus on 'wellbeing' through our Safeguarding policy and processes.

Structural change has included the formation of an Executive Board and the appointment of a Chief Executive Officer to work under the delegated authority of Trustees (detailed in an agreed Scheme of Delegation) and the strengthening of the relational link with C3 Global particularly in Europe, with a clear remit to provide Spiritual Oversight for Lead Pastors; a role which complements the role of Trustees in governing and overseeing the work of the charity.

Development Reviews with Lead Pastors have highlighted their individual commitment to establish and grow healthy, Christ-centred church culture which focuses on wellbeing, openness and transparency, authentic relationships and a strong sense of community as well as ensuring adherence to the central tenets of the Christian faith, including the call to both be disciples and to make disciples as exemplified by Jesus, together with the vital role of prayer.

At local church level, church leaders have made progress around the charity's commitment to Diversity, with generally greater representation, voice and influence being evident from people of colour and different ethnic backgrounds.

However, the past 18 months has been a considerable challenge for churches as congregations responded to the allegations and the subsequent investigation. This was a time of contrition for Leaders, but also of intense pressure in not only trying to manage impact at local level, but personally navigate this season at the same time as reflecting on the practical implementation of change and all this would entail.

## **C3 TRUST UK**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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We recognise that this is very much an ongoing development journey for the charity which is being led both by individual commitment from its Trustees and leadership and by the Change & Improvement plan arising from the charity's report published in February 2021. In this sense, we recognise the need to maintain the momentum around change through the work of Trustees and the Executive Board.

Trustees remain hopeful that the considerable amount of hard work and prayer which has been invested into change will continue to bear fruit across all of our churches.

#### **C3 Trust UK Property**

As of March 2021 and having successfully completed the sale of their property at 89 Beaumont Rd Nth, Sheffield, and the full and final settlement of associated loans, C3 Trust UK own one building to house its work and ministry and that of its affiliated organisations.

The Sheffield Megacentre, recently renamed The Hope Centre, is a 54,000 ft<sup>2</sup> building which is the home of C3 Hope and comprises a large auditorium and overflow facility ('The Forge' with seating capacity for over 150 people) as well as varied and extensive conferencing and training rooms, lettable and dedicated office space, a community hub and café. In the financial year to which these accounts relate, the use of the building for conferencing continued to perform better than expected despite the impact of the pandemic and was used extensively to support the effort to train those involved in combatting the effects of COVID-19.

As part of the process of formal separation, City Hearts UK relocated their Sheffield operation having been located in what was the Megacentre since their formation. As a result of this and other factors including COVID-19, the building is being repurposed through the work of C3 Trust UK's Sheffield Church, C3 Hope, Hope Community Foundation and Megacentre Limited. The building will continue to house a mixture of church, community and commercial activities designed to deliver church health and growth, social value and longer-term financial sustainability for the building and the church.

Despite recent challenges largely brought on by the global pandemic, the building has continued to provide a means to deliver a number of much needed community projects. These have included our partnership with The Message Trust, a Christian Charity based in the Northwest of England whose objects are closely aligned with those of C3 Trust UK. The Foundation Community Grocery with more than 700 members, provides affordable food for local people in need. This partnership creates social value amongst areas that experience acute deprivation and disadvantage.

As a result of a significant organisational restructure and review, Trustees are no longer exploring ideas to purchase land in Sheffield or to build at Waverley and are focusing all efforts on maintaining and developing current facilities to drive forward the local mission of the church. At this point the charity has entered into dialogue with Charity Commission around the repurposing of funds which were raised for the Waverley Appeal. This process has been undertaken under strict advice and guidance from both our legal advisers and Charity Commission. The intention remains to repurpose remaining funds towards a vision to invest in the Hope Centre facility. We hope that this process will conclude successfully at some point in the 2022/23 Financial Year.

C3 Trust UK continues to seek external funding to support the ongoing maintenance and upkeep of the Hope Centre and aims to commence Phase 1 of these works before March 2023 subject to both fundraising success and the successful reallocation of funds raised for Waverley.

## **C3 TRUST UK**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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During this financial year, C3 Newcastle, C3 Sunderland, and C3 Liverpool have continued to service leases on properties which they have adapted to one extent or another to meet the needs of the church. These leases, in the cases of C3 Newcastle and C3 Liverpool have represented a significant ongoing cost to these local churches despite not being fully utilised during the pandemic. In the case of the C3 Liverpool premises on Kempston Street, Liverpool, the loss of the sole tenant in their building has continued to represent a challenge to C3 Liverpool although continued efforts are being made to identify a new tenant for approximately 14,000 ft<sup>2</sup> of the building.

For those churches who have had not needed meeting facilities during periods of national lockdown, they have, until recently met online only, and absorbed the cost savings usually associated with building hire. Over recent months, 'in-person' services have started to increase as COVID-19 restrictions have begun to ease. This is seen very much as a positive step towards re-gathering the church, re-establishing connections, and re-building community, however as with other churches across the world, this is uncharted territory for churches and for church leaders.

#### **Annual Giving**

Unlike previous years, each location undertook just one separate giving campaign in addition to regular giving. Historically, a further offering has consistently and collectively taken place, that went towards the central running costs of the church, as well as other external global Christian missions. As a result of continued transition, together with an enhanced local identity in each location, this central offering no longer takes place.

Previously, all Hope City Church locations included an annual 'Dream Offering' each year which continued in the financial year 2020-2021 and largely went towards building and venue costs for each location, except for the Sheffield location which focused on restricted funds for the Waverley project, vision centres and more recently, specifics within main account sustenance. The Dream Offering that was collected in the Birmingham location between April 2020 – November 2020 was returned to each donor at the end of November 2020 as part of plans to close this location.

From April 2021, most locations have continued with an additional, mostly unrestricted annual offering in the form of a 'Vision Builders' or 'Heart for the House' campaign. This separate offering varies with each church, but continues to mostly cover building and venue costs, local missions, and ministries as well as funding other usual and general local church activities.

For each annual campaign the giving consists of one-off donations, standing orders and financial pledges.

#### **Staffing**

At the beginning of the financial period, Gross Monthly Pay on salaries for C3 Trust UK was £54,813 for 39 people working on either a full time or part time basis. By the end of the financial period in March 2021 this had decreased to £43,149 employing 32 people.

As a result of improved governance and structure during the financial year 2020-2021, salary bands came into effect for all C3 Trust UK staff and this process continues to make significant developments whilst adhering to appropriate HR advice and guidance.



## C3 TRUST UK

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2021

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##### **Subsidiary and other controlled companies**

The achievements and performance of the church's subsidiaries and other controlled companies for the year ended 31 March 2021 were as follows:

- Megacentre Limited through its trading activities suffered a loss of £24,966 (2020: £35,189). Closing shareholders' funds were in deficit at £605,588 (2020: £580,622). Megacentre Limited is a limited company incorporated in England and Wales and C3 Trust UK owns 100% of the share capital. The nature of its business is the provision of conference facilities, running a café and a children's play area.
- Hope Community Foundation, formerly Hope City Foundation, made a deficit of £913 (2020: £50,008) this year. Closing funds were £16,162 (2020: £17,075) of which £19,208 (2020: £nil) were restricted and £ (3,046) (2020: £17,075) were unrestricted. Hope Community Foundation is a charitable company registered in England and Wales. C3 Trust UK are able to appoint and remove the trustees of this charitable company and the nature of its business is the provision of nursery education and care.
- City Hearts (UK) left the C3 Trust UK group on 1 April 2020.

##### **Financial review**

The trustees make strategic decisions based on the financial position of the church by reference to the financial information (i.e. budgets, cash flows) provided to them. They do not however carry out the routine day to management of the church, for which the budget leader for each department is responsible.

The Statement of Financial Activities shows a net increase in funds of £110,457 (2020: £143,756). The church has general unrestricted reserves of £774,135 excluding the revaluation reserve, compared with £682,769 the previous year. The trustees have identified that the reserves are at a low level, representing more than 73% (including the revaluation reserve) of annual net resources expended (2020: 47%). This percentage is much higher than the previous year. The freely available unrestricted reserves were £49,099.

The Consolidated Statement of Financial Activities shows a net decrease in funds of £1,728,706 (2020: increase in funds of £664,637). The net decrease in funds includes £1,846,492 relating to City Hearts (UK) on leaving the group. The group has general unrestricted reserves of £1,431,407 excluding the revaluation reserve, compared with £3,173,346 the previous year. The trustees have identified that the reserves are at a low level, representing more than 31% (including the revaluation reserve) of annual net resources expended (2020: 36%). The freely available unrestricted reserves were £38,352.

The financial results for the subsidiary entities are shown in note 27 to the accounts.

##### **Reserves**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained as a level equivalent to between three and six months expenditure. The trustees consider the reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

As of November 2021, C3 Trust UK has £402,653 held in a treasury account with Kingdom Bank. This is funds collected from the Waverley Dream Offering and has been kept for future restricted use. Working alongside the Charity Commission, the Trustees continue to progress with the re-evaluation and potential redistribution of this fund. As a result of COVID-19 and various other setbacks, this process continues to experience significant delays.

C3 Trust UK policy in general is to also work towards building three months' worth of cash reserves.

**Recent investments**

Given the more recent history and learning which has taken place across the Charity, significant attention and investment has been devoted to health and wellbeing and towards strengthening organisational infrastructure. As well as supporting church leaders and many of their teams through their own journey the Charity has continued to invest in building and strengthening policy and procedure particularly as it related to the safeguarding of staff, volunteers, and the wider congregations. Whilst this is very much a work in progress, policies have been developed to address evident weaknesses in particular employment processes, Equality Diversity & Inclusion and Safeguarding in its wider definition, seeking to elevate the priority and importance of applying people centred policy from the most senior level.

This has been a significant accomplishment, with limited resources and during a period of considerable challenge brought about largely by the COVID-19 pandemic.

Trustees remain committed to investing in change and improvement which will manage risk, promote shared values and healthy culture and provide a sound basis for the future for everyone who has found their home in our churches irrespective of the future structure of the Charity itself.

This is reflected specifically in an intentional and coordinated approach to role-related training and development with learning needs being identified systematically and a programme of training interventions being developed to meet those needs

**Goals and Developments**

Last year the Charity embarked on a journey of substantial change, structurally and organisationally. A fundamental part of this has been the intentional empowerment of local churches under a new operational model where Lead Pastors have both greater autonomy and responsibility for local decision making and strategy making. Lead Pastors and local churches are at very different stages of this journey of development, largely influenced by local transitional factors, church strength and overriding risk but are nevertheless making progress to more locally define future plans. Local churches remain accountable, under our current model of governance, to Trustees in order to ensure that local mission, vision, strategy and values are aligned to the overall objects of the Charity and risk is managed and monitored effectively.

There is a concerted effort to outwork an expansive vision for social action at a local level with C3 Hope and C3 YRKS being more established in this field. Any plans will be commensurate with local community vision and the strength of the local church to underpin and resource social action through people, finance, and premises where appropriate.

However, the significant or primary focus for all churches is to define what has been coined as the 'new normal' coming out of the disruption experienced in the past 18 months. A key focus is on cultural change, leading pastorally, re-gathering people, connections, relationships and a sense of corporate family which have been affected since 2020, and developing the primacy of the role of discipleship within the context of the local church.

There are no plans currently to directly acquire (either by purchase or lease) additional property for the use of the Charity in the short to medium term. However, plans for undertaking essential structural maintenance work to the Hope Centre in Sheffield are underway and expected to commence in the coming months, subject to funding confirmations.

In addition, all churches still face challenges associated with the impact of COVID-19 and Trustees are working closely in collaboration with all our churches to manage risk and ensure safe passage through this season.

## C3 TRUST UK

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2021

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The newly reformed CRS department has been instrumental in working alongside, resourcing and supporting the work of local churches and taking the lead of change and improvements relating to aspects of policy and practice with input of both Trustees and the Executive Board.

Equally, the role of C3 in Europe acting as Spiritual Oversight is well established and welcomed amongst Lead Pastors. The role of C3 as a relational network, providing peer-to-peer pastoral care, support and guidance has been greatly valued and appreciated and will continue to complement the work of Trustees.

The Charity is also currently undertaking a consultation primarily with or through Lead Pastors to explore the most appropriate operating model for the future, to understand the implications and timescales associated with a movement from the current model of autonomy towards one in which churches would be able to operate independently and under their own governance and legal structures. The objective in the next year is to establish the case for change, and to create a road map for transition ensuring that change is managed in line with the fiduciary responsibilities held by Trustees and in view of the future vision, strength and capacity of the local churches.

#### **Structure, Governance and Management**

C3 Trust UK is a company limited by guarantee and a registered charity. The Company was incorporated on 15 November 2006 and commenced activities on 1 April 2007 when it took over the assets, liabilities and running of the Church. C3 Trust UK was formerly Hope City Church until its change of name was approved by Charity Commission on 23 September 2021.

The Trustees, who are also directors for the purpose of company law, and who served during the period are:

C Davies	
D A Gilpin	(Resigned 21 June 2020)
P Benger	
C W Davies	
O Olarinde	
J Greenow	(Resigned 7 May 2021)
A E Ibbotson	(Appointed 10 June 2020)
M Muthiah	(Appointed 25 November 2021)
J Hemmingfield	(Appointed 25 November 2021)

## **C3 TRUST UK**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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C3 Trust UK is a registered charity which governs a group of churches now exclusively in the UK as of April 2021. Each church has been affiliated with C3 Church Global since 2013 and all seek spiritual oversight from C3 whilst being accountable in charity and company terms to the trustees and directors of C3 Trust UK as an independent and autonomous organisation. Each church belonging to C3 Trust UK has its own local identity.

- C3 Hope – located in Sheffield and serving the Sheffield City Region
- C3 YRKS – located in Leeds and York and serving these cities and the surrounding area
- C3 Sunderland – located in Sunderland and serving this city and the surrounding area
- C3 Liverpool – located in Liverpool and serving this city and the surrounding area
- C3 Newcastle – located in Newcastle and serving this city and the surrounding area
- Hope City Kuala Lumpur – became independent in Malaysia 31 March 2021
- Hope City Frankfurt and Hope City Darmstadt – became independent in Germany 31 March 2021
- C3 Hope City Accra – became independent in Ghana 31 March 2021
- C3 Reflect – located in London (released to form its own independent charity July 2021 – Charity Number 1194463)
- Hope City Birmingham – located in Birmingham and wound-down November 2020

C3 Global is a worldwide community of Christian churches that come together as one movement under the direction and leadership of C3 Church Global Directors and their Team.

In accordance with both the charity's governing documents and C3's recommendations, there are at least three Managing Trustees at any one time and Trustees who are not on the charity's payroll should be in the majority. None of the Trustees have any beneficial interest in the company. All the Trustees are also the Members of the company and guarantee to contribute £1 in the event of a dissolution or winding up. Following recent recommendations, when a Trustee vacancy occurs, potential candidates with the relevant experience, skill set, and expertise will be identified and discussed at Board meetings. Once this process has taken place, one of the Trustees will then approach the prospective candidate, with further due diligence taking place before any official appointment is made.

The Trustee's review payments made to employees in similar managerial positions in other churches and similar organisations when considering the levels of pay for key managers. The Trustees also take into consideration the ability of the charitable company to be able to pay such salaries.

C3 Trust UK is a registered charity (number 1119791), and a company limited by guarantee (number 5999100).

Megacentre Limited is a wholly owned trading subsidiary of C3 Trust UK and operates to both generate funds to resource the wider mission of C3 Trust UK and to deliver the non-primary purpose trading of the charity.

Hope Community Foundation, a company limited by guarantee with separate charitable objects and status is also connected with C3 Trust UK. With its primary focus of operation and area of benefit in Sheffield at the time of this report, it operates an Ofsted Registered Early Years Day Nursery on the Sheffield church premises and a number of community projects intended to deliver the social mission of C3 Trust UK and more specifically its church in Sheffield, C3 Hope.

## **C3 TRUST UK**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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Hope Community Foundation has continued to deliver much needed services to the local community in Sheffield throughout the period of the COVID-19, including through its community nursery, recently rebranded as Little Ark Nursery (September 2021) and through a growing number of community projects which since the relaxation of lockdowns have now begun to gain momentum. The addition of a Community Grocery in April 2021, partnering with The Message Trust (Charity Number 1081467) shortly followed by the launch of Hope Hampers Food Bank, partnering with the S6 Foodbank Network in Sheffield have both added significantly to the social impact delivered under the Foundation. In addition, and more recently projects such as Polka Dots Play Group and Jigsaw Café have helped the charity to restart its support for young families and the elderly respectively. The recent launch of the Foundation Café, a 'Pay what you feel' project, aims to provide a connection point from which the social value created through each project can be compounded for beneficiaries.

As a whole, the Trustees have identified and assessed the major risks to which C3 Trust UK is exposed and are satisfied that the mitigation and systems are in place to limit exposure to these risks. This forms part of other improvements made by Trustees to reflect the feedback gained from its internal investigation which was commissioned between June 2020 and February 2021 referred to earlier in this report.

#### **Disclosure of Information to Auditors**

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

On behalf of the Board of Trustees

**C Davies**

Trustee

Dated: 24 January 2022

## **C3 TRUST UK**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees, who are also the directors of C3 Trust UK for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF C3 TRUST UK**

### **Opinion**

We have audited the financial statements of C3 Trust UK (the 'charitable company') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, the parent Statement of Financial Activities, the consolidated Balance Sheet, the parent Balance Sheet, the consolidated Statement of Cash Flows, the parent Statement of Cash Flows and the notes to the accounts, 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).

In our opinion the accounts:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 March 2021 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 properly prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

### **Conclusion relating to going concern**

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

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

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C3 TRUST UK (CONTINUED)**

### **Other information**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C3 TRUST UK (CONTINUED)**

### **Responsibilities of the trustees**

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C3 TRUST UK (CONTINUED)**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### **Use of our report**

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

**Roland Givans (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young**

**24 January 2022**

**Chartered Accountants  
Statutory Auditor**

# C3 TRUST UK

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
<b><u>Income from:</u></b>							
Donations and gifts	3	1,323,936	285,950	1,609,886	1,758,289	550,290	2,308,579
Charitable activities	4	481,188	-	481,188	6,547,316	-	6,547,316
Other trading activities	5	25,810	-	25,810	103,666	-	103,666
Investments	6	2,374	-	2,374	662	3,275	3,937
Other income	7	842	-	842	852	-	852
<b>Total income</b>		<u>1,834,150</u>	<u>285,950</u>	<u>2,120,100</u>	<u>8,410,785</u>	<u>553,565</u>	<u>8,964,350</u>
<b><u>Expenditure on:</u></b>							
Raising funds	8	73,016	849	73,865	139,835	31,391	171,226
Charitable activities	9	1,681,647	229,900	1,911,547	7,488,267	637,920	8,126,187
Other	14	-	-	-	2,300	-	2,300
Grant paid to City Hearts (UK)	10	<u>1,846,492</u>	<u>-</u>	<u>1,846,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditure</b>		<u>3,601,155</u>	<u>230,749</u>	<u>3,831,904</u>	<u>7,630,402</u>	<u>669,311</u>	<u>8,299,713</u>
<b>Net incoming/(outgoing) resources before associated undertakings and transfers</b>		(1,767,005)	55,201	(1,711,804)	780,383	(115,746)	664,637
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,093)</u>	<u>30,093</u>	<u>-</u>
<b>Net incoming/(outgoing) resources</b>		(1,767,005)	55,201	(1,711,804)	750,290	(85,653)	664,637
<b><u>Other recognised gains and losses</u></b>							
Revaluation of tangible fixed assets		<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>

## C3 TRUST UK

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Net movement in funds		(1,783,907)	55,201	(1,728,706)	750,290	(85,653)	664,637
Fund balances at 1 April 2020		<u>2,969,151</u>	<u>429,562</u>	<u>3,398,713</u>	<u>2,218,861</u>	<u>515,215</u>	<u>2,734,076</u>
Fund balances at 31 March 2021		<u>1,185,244</u>	<u>484,763</u>	<u>1,670,007</u>	<u>2,969,151</u>	<u>429,562</u>	<u>3,398,713</u>

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

All income and expenditure derive from continuing activities.

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

# C3 TRUST UK

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
<b><u>Income from:</u></b>							
Donations and gifts	3	1,277,845	249,866	1,527,711	1,719,786	491,515	2,211,301
Charitable activities	4	279,868	-	279,868	351,202	-	351,202
Other trading activities	5	1,582	-	1,582	22,670	-	22,670
Investments	6	2,374	-	2,374	105	3,275	3,380
Other income	7	842	-	842	446	-	446
<b>Total income</b>		<b>1,562,511</b>	<b>249,866</b>	<b>1,812,377</b>	<b>2,094,209</b>	<b>494,790</b>	<b>2,588,999</b>
<b><u>Expenditure on:</u></b>							
Raising funds	8	16,175	849	17,024	14,557	31,391	45,948
Charitable activities	9	1,428,020	213,024	1,641,044	2,012,427	356,018	2,368,445
Other	14	26,950	-	26,950	30,850	-	30,850
<b>Total expenditure</b>		<b>1,471,145</b>	<b>213,873</b>	<b>1,685,018</b>	<b>2,057,834</b>	<b>387,409</b>	<b>2,445,243</b>
<b>Net incoming resources before transfers</b>		<b>91,366</b>	<b>35,993</b>	<b>127,359</b>	<b>36,375</b>	<b>107,381</b>	<b>143,756</b>
Gross transfers between funds		-	-	-	143,794	(143,794)	-
<b>Net incoming/(outgoing) resources</b>		<b>91,366</b>	<b>35,993</b>	<b>127,359</b>	<b>180,169</b>	<b>(36,413)</b>	<b>143,756</b>
<b><u>Other recognised gains and losses</u></b>							
Revaluation of tangible fixed assets		(16,902)	-	(16,902)	-	-	-
<b>Net movement in funds</b>		<b>74,464</b>	<b>35,933</b>	<b>110,457</b>	<b>180,169</b>	<b>(36,413)</b>	<b>143,756</b>

## C3 TRUST UK

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Fund balances at 1 April 2020		<u>1,163,204</u>	<u>429,562</u>	<u>1,592,766</u>	<u>983,035</u>	<u>465,975</u>	<u>1,449,010</u>
<b>Fund balances at 31 March 2021</b>		<u>1,237,668</u>	<u>465,555</u>	<u>1,703,223</u>	<u>1,163,204</u>	<u>429,562</u>	<u>1,592,766</u>

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

All income and expenditure derive from continuing activities.

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

**C3 TRUST UK****CONSOLIDATED BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	1,981,186	2,542,243
<b>Current assets</b>			
Stocks	16	150	1,050
Debtors	17	51,539	944,524
Cash at bank and in hand		<u>726,889</u>	<u>1,290,740</u>
		778,578	2,236,314
<b>Creditors: amounts falling due within one year</b>	18	<u>(308,514)</u>	<u>(450,978)</u>
Net current assets		<u>470,064</u>	<u>1,785,336</u>
<b>Total assets less current liabilities</b>		2,451,250	4,327,579
<b>Creditors: amounts falling due after one year</b>	19	<u>(781,243)</u>	<u>(928,866)</u>
<b>Net assets</b>		<u>1,670,007</u>	<u>3,398,713</u>
<b>Income funds</b>			
Restricted funds	22	484,763	429,562
<u>Unrestricted funds:</u>			
Retained within the charity		1,431,407	3,173,346
Revaluation reserve		<u>359,525</u>	<u>376,427</u>
		1,790,932	3,549,773
Non-charitable trading funds		<u>(605,688)</u>	<u>(580,622)</u>
		<u>1,670,007</u>	<u>3,398,713</u>

The financial statements were approved by the board of directors and authorised for issue on 24 January 2022 and are signed on its behalf by:

C Davies  
Trustee

**Company Registration No. 5999100**

# C3 TRUST UK

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	1,979,863	2,078,564
<b>Current assets</b>			
Stocks	16	100	1,000
Debtors	17	45,019	100,625
Cash at bank and in hand		<u>685,835</u>	<u>492,282</u>
		730,954	593,907
<b>Creditors: amounts falling due within one year</b>	18	( <u>276,351</u> )	( <u>320,348</u> )
Net current assets		<u>454,603</u>	<u>273,559</u>
<b>Total assets less current liabilities</b>		2,434,466	2,352,123
<b>Creditors: amounts falling due in more than one year</b>	19	( <u>731,243</u> )	( <u>759,357</u> )
<b>Net assets</b>		<u>1,703,223</u>	<u>1,592,766</u>
<b>Income funds</b>			
Restricted funds	22	465,555	429,562
<u>Unrestricted funds:</u>			
General unrestricted funds		774,135	682,769
Revaluation reserve		<u>463,533</u>	<u>480,435</u>
		<u>1,237,668</u>	<u>1,163,204</u>
		<u>1,703,223</u>	<u>1,592,766</u>

The financial statements were approved by the board of directors and authorised for issue on 24 January 2022 and are signed on its behalf by:

C Davies  
Trustee

Company Registration No. 5999100



# C3 TRUST UK

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Group			
		2021	2020	2021	2020
		£	£	£	£
<b>Cash flow from operating activities</b>					
Cash generated from operations	28		(546,082)		621,819
<b>Investing activities</b>					
Purchase of tangible fixed assets		(43,597)		(542,792)	
Proceeds on disposal of tangible fixed assets		842		446	
Interest received		<u>2,374</u>		<u>3,937</u>	
<b>Net cash (used in)/ generated from investing activities</b>			(40,381)		(538,409)
<b>Financing activities</b>					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		<u>(27,388)</u>		<u>(58,430)</u>	
<b>Net cash (used in)/generated from financing activities</b>			<u>22,612</u>		<u>(58,430)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(563,851)		24,980
Cash and cash equivalents at beginning of year			<u>1,290,740</u>		<u>1,265,760</u>
<b>Cash and cash equivalents at end of year</b>			<u>726,889</u>		<u>1,290,740</u>

  

	Notes	Charity			
		2021	2020	2021	2020
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28		261,322		369,817
<b>Investing activities</b>					
Purchase of tangible fixed assets		(43,597)		(480,064)	
Proceeds on disposal of tangible fixed assets		842		446	
Interest received		<u>2,374</u>		<u>3,380</u>	
<b>Net cash (used in)/ generated from investing activities</b>			(40,381)		(476,238)
<b>Financing activities</b>					
Repayment of bank loans		<u>(27,388)</u>		<u>(51,556)</u>	
<b>Net cash used in financing activities</b>			<u>(27,388)</u>		<u>(51,556)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			193,553		(157,977)
Cash and cash equivalents at beginning of year			<u>492,282</u>		<u>650,259</u>
<b>Cash and cash equivalents at end of year</b>			<u>685,835</u>		<u>492,282</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**Company information**

C3 Trust UK, formerly Hope City Church, is a private company limited by guarantee incorporated in England and Wales. The registered office is The Megacentre, Bernard Road, Sheffield, S2 5BQ.

**1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the main functional currency of the company. The charity also has Ghanaian Cedi and Malaysian Ringgit as functional currencies. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and leasehold properties. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In making that assessment, the trustees have specifically considered the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

**1.4 Incoming resources**

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable except insofar as they are incapable of financial measurement. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Rental income, income from the sale of resources, investment income and income from charitable activities is included in the year in which it is receivable.

Turnover from Megacentre Limited activities represents amounts receivable for goods and services net of VAT.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.5 Resources expended**

Resources expended are recognised in the year in which they are incurred.

Charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes grants made to projects, costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Costs of generating funds relate to costs incurred by trading subsidiaries.

Grant expenditure is included based on the date that individual projects' expenditure has been incurred, rather than the date that the grants are defrayed to the projects.

Governance costs included those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource, and include irrecoverable VAT.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

**1.6 Tangible fixed assets and depreciation**

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Leasehold buildings	-	2%/ 33% straight line
Fixtures, fittings and equipment	-	20%/ 33.33% straight line
Motor vehicles	-	25% straight line

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

Fixed assets costing less than £500 are not capitalised.

**1.7 Fixed asset investments**

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

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

**1.8 Impairment of fixed assets**

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.8 Impairment of fixed assets (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**1.10 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1.11 Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

**1.12 Basis of consolidation**

The financial statements consolidate the accounts of C3 Trust UK and all of its subsidiary undertakings ('subsidiaries').

**1.13 Cash and cash equivalents**

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

**1.14 Financial instruments**

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

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.14 Financial instruments (continued)**

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

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Basic financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortisation cost, using the effective interest rate method.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1.14 Financial instruments (continued)**

***Derecognition of financial liabilities***

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

**1.15 Employee benefits**

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

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

**2 Critical accounting estimates and judgements**

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

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

**Critical judgements**

**Valuation of land and buildings**

The estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are as follows.

The charity has revalued its land and buildings and depreciated from each revaluation. The trustees will ensure that valuations will be made regularly and will review the values of the land and buildings shown in the accounts each year to make a judgement as to whether any evidence exists that their values are materially different to the values in the financial statements. This may take into account the state of the fabric of the buildings and the conditions in the market for the types of property owned.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**3 Donations and gifts**

	<b>Group</b>					
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	1,263,765	285,950	1,549,715	1,758,289	550,290	2,308,579
Coronavirus Job Retention Scheme	<u>60,171</u>	<u>-</u>	<u>60,171</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,323,936</u>	<u>285,950</u>	<u>1,609,886</u>	<u>1,758,289</u>	<u>550,290</u>	<u>2,308,579</u>

  

	<b>Charity</b>					
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	1,261,465	249,866	1,511,331	1,719,786	491,515	2,211,301
Coronavirus Job Retention Scheme	<u>16,380</u>	<u>-</u>	<u>16,380</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,277,845</u>	<u>249,866</u>	<u>1,527,711</u>	<u>1,719,786</u>	<u>491,515</u>	<u>2,211,301</u>

**4 Charitable activities**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sales within charitable activities	241,797	399,001	5,902	92,027
Services provided under contract	-	6,131,648	-	-
Charitable rental income, recharges and other income	<u>239,391</u>	<u>16,667</u>	<u>273,966</u>	<u>259,175</u>
	<u>481,188</u>	<u>6,547,316</u>	<u>279,868</u>	<u>351,202</u>

# C3 TRUST UK

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

### 5 Other trading activities

	Group	
	2021	2020
	£	£
Megacentre Limited	24,228	80,996
Sales of books and resources	<u>1,582</u>	<u>22,670</u>
	<u>25,810</u>	<u>103,666</u>
	Charity	
	2021	2020
	£	£
Sales of books and resources	<u>1,582</u>	<u>22,670</u>

### 6 Investments

	Group					
	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Interest receivable	<u>2,374</u>	<u>-</u>	<u>2,374</u>	<u>662</u>	<u>3,275</u>	<u>3,937</u>
	Charity					
	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Interest receivable	<u>2,374</u>	<u>-</u>	<u>2,374</u>	<u>105</u>	<u>3,275</u>	<u>3,380</u>

### 7 Other income

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Gain on disposal of tangible fixed assets	842	446	842	446
Sundry income	<u>-</u>	<u>406</u>	<u>-</u>	<u>-</u>
	<u>842</u>	<u>852</u>	<u>842</u>	<u>446</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**8 Raising funds**

	<b>Group</b>					
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Fundraising and publicity</u>						
Seeking donations, grants and legacies	-	-	-	-	2,831	2,831
Staging fundraising events	<u>15,001</u>	<u>849</u>	<u>15,850</u>	-	<u>28,552</u>	<u>28,552</u>
Fundraising and publicity	<u>15,001</u>	<u>849</u>	<u>15,850</u>	-	<u>31,383</u>	<u>31,383</u>
<u>Trading costs</u>						
Other trading activities	<u>58,015</u>	-	<u>58,015</u>	<u>139,835</u>	<u>8</u>	<u>139,843</u>
	<u>73,016</u>	<u>849</u>	<u>73,865</u>	<u>139,835</u>	<u>31,391</u>	<u>171,226</u>

Raising funds include payments to the auditors of £1,750 (2020: £1,750) for services not connected to the charity and consolidated group accounts.

	<b>Charity</b>					
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Fundraising and publicity</u>						
Seeking donations, grants and legacies	-	-	-	-	2,831	2,831
Staging fundraising events	<u>15,001</u>	<u>849</u>	<u>15,850</u>	-	<u>28,552</u>	<u>28,552</u>
Fundraising and publicity	<u>15,001</u>	<u>849</u>	<u>15,850</u>	-	<u>31,383</u>	<u>31,383</u>
<u>Trading costs</u>						
Other trading activities	<u>1,174</u>	-	<u>1,174</u>	<u>14,557</u>	<u>8</u>	<u>14,565</u>
	<u>16,175</u>	<u>849</u>	<u>17,024</u>	<u>14,557</u>	<u>31,391</u>	<u>45,948</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**9 Charitable activities**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	971,151	4,296,938	751,483	896,441
Depreciation and impairment	126,238	142,289	125,396	103,185
Church departments and events	10,944	86,076	10,944	86,076
Minister's consultancy fees	7,625	31,575	7,625	31,575
Food and drink	8,106	61,780	-	-
Activities and outings	137	32,313	-	-
City Hearts allowances	-	850,992	-	-
Hospitality and gifts	19,001	128,307	19,001	128,307
Rent, rates, and service charges	211,316	572,380	211,316	292,855
Insurance and utilities	90,026	194,744	88,468	107,002
Repairs and cleaning	140,293	490,447	135,038	239,815
Hire of office equipment	17,364	52,892	17,364	52,892
Subscriptions	22,885	47,861	22,885	42,346
Postage, stationery and adverts	12,493	70,801	10,075	50,650
Telephone and fax	8,377	80,214	8,377	22,699
Motor and travel expenses	16,271	488,651	16,271	128,160
Bad and doubtful debts	3,964	5,392	-	-
Educational activities	3,337	6,873	-	-
Legal, professional and consultancy fees	135,556	253,882	125,003	88,204
Staff recruitment and training	1,661	47,087	-	-
Catering costs	4,401	11,747	-	-
General expenses	77,374	105,186	70,113	65,283
Bank interest and charges	19,003	38,581	17,661	26,403
AKW costs	-	21,907	-	-
	<b>1,907,523</b>	<b>8,118,915</b>	<b>1,637,020</b>	<b>2,361,893</b>
Grant funding of activities (see note 10)	-	3,872	-	3,152
Share of governance costs (see note 11)	4,024	3,400	4,024	3,400
	<b><u>1,911,547</u></b>	<b><u>8,126,187</u></b>	<b><u>1,641,044</u></b>	<b><u>2,368,445</u></b>
<b>Analysis by fund</b>				
Unrestricted funds	1,681,647	7,488,267	1,428,020	2,012,427
Restricted funds	<u>229,900</u>	<u>637,920</u>	<u>213,024</u>	<u>356,018</u>
	<b><u>1,911,547</u></b>	<b><u>8,126,187</u></b>	<b><u>1,641,044</u></b>	<b><u>2,368,445</u></b>

# C3 TRUST UK

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

### 10 Grants payable

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants to institutions	-	3,772
Grants to individuals	<u>-</u>	<u>100</u>
	<u>-</u>	<u>3,872</u>

A grant of £1,846,492 was paid to City Hearts (UK) on leaving the C3 Trust UK group.

	<b>Charity</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants to institutions	-	3,052
Grants to individuals	<u>-</u>	<u>100</u>
	<u>-</u>	<u>3,152</u>

### 11 Support costs

	<b>Group and Charity</b>					
	<b>Support costs</b>	<b>Governance costs</b>	<b>2021</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Audit fees	<u>-</u>	<u>4,024</u>	<u>4,024</u>	<u>-</u>	<u>3,400</u>	<u>3,400</u>
	<u>-</u>	<u>4,024</u>	<u>4,024</u>	<u>-</u>	<u>3,400</u>	<u>3,400</u>
Analysed between						
Charitable activities	<u>-</u>	<u>4,024</u>	<u>4,024</u>	<u>-</u>	<u>3,400</u>	<u>3,400</u>

#### Group

Governance costs includes payments to the auditors of £4,024 (2020: £3,400) for audit fees. Charitable activities costs includes payments of £7,280 (2020: £14,060) to the auditors for other services.

#### Charity

Governance costs includes payments to the auditors of £4,024 (2020: £3,400) for audit fees. Charitable activities costs includes payments of £5,000 (2020: £5,000) to the auditors for other services.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**12 Trustees**

D A Gilpin received emoluments of £11,213 (2020: £44,854) and pension contributions of £2,793 (2020: £11,174) during the year and invoiced the church for his services through his company Dagarte Limited. The total charges for ministry, advisory and other services paid to Dagarte Limited were £7,625 (2020: £31,575). His wife was also an employee of the church and received £4,160 (2020: £16,640) for work carried out under contracts of employment.

C Davies received emoluments of £31,614 (2020: £43,333) and pension contributions of £1,750 (2020: £1,350) during the year. A company owned and controlled by C Davies and his wife received £11,155 (2020: £1,101) for providing payroll and consultancy services to the charity. They received £13,305 (2020: £6,031) for providing payroll and consultancy services to the group. C Davies and his wife made donations totaling £16,380 (2020: £12,040) to the church with donations being made personally by both of them and also through making donations from their business.

The wife of C W Davies received £nil (2020: £1,043) for speaking at and holding worship sessions.

None of the other trustees received emoluments during the year (2020: £nil).

No other trustees received any other benefits during the year (2020: £nil).

The church's constitution expressly permits trustees to be remunerated provided certain conditions are met.

**13 Employees**

**Number of employees**

The average number of employees during the year was:

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Trustees of C3 Trust UK	6	6	6	6
Trustees / directors of subsidiaries	3	8	-	-
Employees	<u>65</u>	<u>226</u>	<u>33</u>	<u>40</u>
	<u>74</u>	<u>240</u>	<u>39</u>	<u>46</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**13 Employees (continued)**

**Employment costs**

	<b>Group</b>			<b>Group</b>		
	<b>Raising funds</b>	<b>Charitable activities</b>	<b>2021</b>	<b>Raising funds</b>	<b>Charitable activities</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	24,249	888,868	913,117	47,322	3,901,332	3,948,654
Social security costs	1,355	50,350	51,705	2,554	274,110	276,664
Other pension costs	<u>558</u>	<u>31,933</u>	<u>32,491</u>	<u>836</u>	<u>121,496</u>	<u>122,332</u>
	<u>26,162</u>	<u>971,151</u>	<u>997,313</u>	<u>50,712</u>	<u>4,296,938</u>	<u>4,347,650</u>

	<b>Charity</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	684,552	796,088
Social security costs	40,135	55,394
Other pension costs	<u>26,796</u>	<u>44,959</u>
	<u>751,483</u>	<u>896,441</u>

	<b>Group and Charity</b>	
	<b>2021</b>	<b>2020</b>
The number of employees whose annual remuneration was £60,000 or more were;		
£80,001 to £90,000	<u>-</u>	<u>1</u>

Contributions totalling £nil (2020: £11,174) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

**14 Other**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bad debts	<u>-</u>	<u>2,300</u>	<u>26,950</u>	<u>30,850</u>
	<u>-</u>	<u>2,300</u>	<u>26,950</u>	<u>30,850</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15 Tangible fixed assets**

	<b>Group</b>			<b>Total</b>
	<b>Freehold property</b>	<b>Long leasehold property</b>	<b>Fixtures fittings &amp; equipment</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2020	561,251	1,960,760	992,565	3,514,576
Additions at cost	1,873	16,422	25,302	43,597
Disposals	(398,251)	(1,377)	(161,142)	(560,770)
Revaluations	<u>(24,873)</u>	<u>-</u>	<u>-</u>	<u>(24,877)</u>
At 31 March 2021	<u>140,000</u>	<u>1,975,805</u>	<u>856,725</u>	<u>2,972,530</u>
<b>Depreciation and impairment</b>				
At 1 April 2020	26,653	125,859	819,821	972,333
Charge for the year	3,978	85,483	36,777	126,238
Eliminated in respect of disposals	(22,660)	(100)	(76,486)	(99,256)
Revaluations	<u>(7,971)</u>	<u>-</u>	<u>-</u>	<u>(7,971)</u>
At 31 March 2021	<u>-</u>	<u>211,242</u>	<u>780,102</u>	<u>991,344</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>140,000</u>	<u>1,764,563</u>	<u>76,623</u>	<u>1,981,186</u>
At 31 March 2020	<u>534,598</u>	<u>1,834,901</u>	<u>172,744</u>	<u>2,542,243</u>

  

	<b>Charity</b>			<b>Total</b>
	<b>Freehold property</b>	<b>Long leasehold property</b>	<b>Fixtures fittings &amp; equipment</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2020	163,000	1,959,384	771,307	2,893,691
Additions at cost	1,833	16,422	25,302	43,597
Revaluations	<u>(24,873)</u>	<u>-</u>	<u>-</u>	<u>(24,873)</u>
At 31 March 2021	<u>140,000</u>	<u>1,975,806</u>	<u>796,609</u>	<u>2,912,415</u>
<b>Depreciation and impairment</b>				
At 1 April 2020	3,993	125,760	685,374	815,127
Charge for the year	3,978	85,483	35,935	125,396
Revaluations	<u>(7,971)</u>	<u>-</u>	<u>-</u>	<u>(7,971)</u>
At 31 March 2021	<u>-</u>	<u>211,243</u>	<u>721,309</u>	<u>932,552</u>
<b>Carrying amount</b>				
At 31 March 2021	<u>140,000</u>	<u>1,764,563</u>	<u>75,300</u>	<u>1,978,863</u>
At 31 March 2020	<u>159,007</u>	<u>1,833,624</u>	<u>85,933</u>	<u>2,078,564</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15 Tangible fixed assets (continued)**

Some of the church's freehold land and buildings were externally revalued at £1,475,000 at their open market value in December 2017 by Cushman and Wakefield, Chartered Surveyors. Improvements made since 31 March 2007 are included at a cost less accumulated depreciation. Improvements to leasehold premises with a net book value of £29,656 are included within the fixed assets of Hope Community Foundation (a charitable company controlled by C3 Trust UK) which has a sublease on part of the premises. The trustees are of the opinion that the value at 31 March 2020 would not differ significantly from this valuation.

Another of the church's freehold properties was externally revalued at £160,000 at their open market value in February 2019 by Reeds Rains, Estate Agents. The property was sold on 1 April 2021 for £140,000.

**Group**

Some of the charity's leasehold and freehold land and buildings are subject to a mortgage with the balance owed at 31 March 2021 amounting to 57% (2020: 55%) of their net book value as stated in these accounts.

**Charity**

Some of the charity's leasehold and freehold land and buildings are subject to a mortgage with the balance owed at 31 March 2021 amounting to 57% (2020: 57%) of their net book value as stated in these accounts.

**Comparable historical cost for the land and buildings included at valuation:**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	1,652,496	1,652,496	1,536,586	1,536,586
Accumulated depreciation	<u>661,062</u>	<u>628,265</u>	<u>576,894</u>	<u>556,178</u>
At 31 March 2021	<u>991,434</u>	<u>1,024,231</u>	<u>959,692</u>	<u>990,408</u>

All other tangible fixed assets are stated at historical cost.

**16 Stocks**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Goods for resale	<u>150</u>	<u>1,050</u>	<u>100</u>	<u>1,000</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**17 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	11,363	858,690	5,052	20,790
Amounts due from subsidiary undertakings	-	-	1,688	18,688
Other debtors	30,551	61,418	29,304	47,241
Prepayments and accrued income	<u>9,619</u>	<u>24,416</u>	<u>8,975</u>	<u>13,906</u>
	<u>51,539</u>	<u>944,524</u>	<u>45,019</u>	<u>100,625</u>

**18 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	60,695	70,878	53,051	52,325
Trade creditors	51,232	88,930	43,599	56,832
Amounts owed to group undertakings	-	-	-	154,617
Taxation and social security	4,155	63,811	4,155	11,592
Other creditors	165,283	116,670	153,501	27,101
Accruals	16,911	43,558	11,807	17,881
Deferred income	<u>10,238</u>	<u>67,131</u>	<u>10,238</u>	<u>-</u>
	<u>308,514</u>	<u>450,978</u>	<u>276,351</u>	<u>320,348</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**19 Creditors: amounts falling due after more than one year**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Mortgage and loan	<u>781,243</u>	<u>928,866</u>
<b>Analysis of mortgage and loan</b>		
Not wholly repayable within five years by instalments	508,872	677,799
Wholly repayable within five years	<u>325,422</u>	<u>310,380</u>
	834,294	988,179
Included in current liabilities	<u>(53,051)</u>	<u>(59,313)</u>
	<u>781,243</u>	<u>928,866</u>
<b>Loan maturity analysis</b>		
Debt due in one year or less	53,051	59,313
In more than one year but not more than two years	64,048	60,659
In more than two years but not more than five years	208,324	190,408
In more than five years	<u>508,872</u>	<u>677,799</u>
	<u>834,294</u>	<u>988,179</u>

The mortgages are secured by first legal charges over the group's freehold and leasehold land and buildings.

	<b>Charity</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Mortgage	<u>731,243</u>	<u>759,357</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	508,872	539,529
Wholly repayable within five years	<u>275,422</u>	<u>272,153</u>
	784,294	811,682
Included in current liabilities	<u>(53,051)</u>	<u>(52,325)</u>
	<u>731,243</u>	<u>759,357</u>
<b>Loan maturity analysis,</b>		
Debt due in one year or less	53,051	52,325
In more than one year but not more than two years	54,048	53,357
In more than two years but not more than five years	168,324	166,471
In more than five years	<u>508,872</u>	<u>539,529</u>
	<u>784,294</u>	<u>811,682</u>

The mortgage is secured by a first legal charge over the charity's freehold land and buildings.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**20 Deferred income**

	<b>Group and Charity</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other deferred income	<u>10,238</u>	<u>-</u>

**21 Pension and other post-retirement benefit commitments**  
**Defined contribution**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contributions payable by the group and charity for the year	<u>32,491</u>	<u>122,332</u>	<u>17,681</u>	<u>23,153</u>

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**22 Restricted funds**

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

	<b>Group Movement in funds</b>							
	<b>Balance at 1 April 2019 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 March 2021 £</b>
Dream Offering	465,975	494,790	(387,409)	(143,794)	429,562	249,866	(213,873)	465,555
ISP Project	29,240	-	(175,191)	145,951	-	-	-	-
Henry Smith Charity	-	-	-	-	-	16,550	(6,763)	9,787
Hope Hampers	-	-	-	-	-	11,905	(10,113)	1,792
Neon Schools Programme	-	-	-	-	-	4,629	-	4,629
Befriending/ Jigsaw Services	-	-	-	-	-	3,000	-	3,000
Antislavery Knowledge Network	<u>20,000</u>	<u>58,775</u>	<u>(106,711)</u>	<u>27,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>515,215</u>	<u>553,565</u>	<u>(669,311)</u>	<u>30,093</u>	<u>429,562</u>	<u>285,950</u>	<u>(230,749)</u>	<u>484,763</u>

	<b>Charity Movement in funds</b>							
	<b>Balance at 1 April 2019 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 March 2021 £</b>
Dream Offering	<u>465,975</u>	<u>494,790</u>	<u>(387,409)</u>	<u>(143,794)</u>	<u>429,562</u>	<u>249,866</u>	<u>(213,873)</u>	<u>465,555</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**22 Restricted funds (continued)**

The Dream Offering was an offering made with the intention of raising funds to fund the future development of each of the church's locations. Each location has its own forward looking plan and the Dream Offering is therefore appropriated and allocated against the specific requirements of each location. In some instances this will relate to the purchase or refurbishment of premises and in others securing the medium to long term future of the congregation by enabling the hiring of venues.

The Integration Support Programme aims to support male victims of human trafficking to connect with their community and reintegrate into the labour market. The programme seeks to empower, 'up-skill' and inspire each individual to take hold of a pathway to employment and to engage effectively with their local community, moving them towards full independence. The charity provided coaching and guidance and encourage individuals to manage their own lives independently. This was achieved through weekly coaching sessions, befriending activities, classroom work, work placement and training.

The Antislavery Knowledge Network offers the extended effort to address slavery as a core development challenge in sub-Saharan Africa via innovative approaches from the arts and humanities that deliver community-engaged antislavery work. This involves classroom based sessions utilising visual arts and photography and collaborating with local schools engaging with and building upon the existing City Hearts education programme.

The charity received the first drawdown of a three year grant from the Henry Smith Charity. The grant has been awarded to assist with capacity building or projects and to strengthen the role of volunteering in the charity and has funded a Volunteer Coordinator for the whole of the period of the funding.

Various funders contributed to our efforts to tackle the immediate impact of COVID-19 by providing emergency food provision through our Hope Hampers project up to April 2021 to those affected either directly or indirectly.

In order to contribute to a planned project working with young people in schools, funds were raised largely through Aviva Community Fund to the Neon Schools Programme. This project has not yet commenced due to COVID-19 restrictions and the impact in schools but funds are scheduled to be allocated in the financial year 2021/22.

Our work with the elderly went online during the periods of national and local lockdown hence funds raised for our Jigsaw project in financial year 2020/21 have remained unspent. As Jigsaw is now re-launched our plan is to apply this fund to the project over the coming 12 months.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**23 Analysis of net assets between funds**

	Unrestricted	Restricted	Group	Unrestricted	Restricted	
	funds	funds	Total	funds	funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	1,981,186	-	1,981,186	2,542,243	-	2,542,243
Current assets/(liabilities)	(14,699)	484,763	470,064	1,355,774	429,562	1,785,336
Long term liabilities	<u>(781,243)</u>	<u>-</u>	<u>(781,243)</u>	<u>(928,866)</u>	<u>-</u>	<u>(928,866)</u>
	<u>1,185,244</u>	<u>484,763</u>	<u>1,670,007</u>	<u>2,969,151</u>	<u>429,562</u>	<u>3,398,713</u>

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	2021	funds	funds	2020
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Unrealised gains included above:						
On tangible fixed assets	<u>359,525</u>	<u>-</u>	<u>359,525</u>	<u>376,427</u>	<u>-</u>	<u>376,427</u>
	<u>359,525</u>	<u>-</u>	<u>359,525</u>	<u>376,427</u>	<u>-</u>	<u>376,427</u>
Reconciliation of movements in unrealised gains:						
Unrealised gains at 1 April 2020	376,427	-	376,427	376,427	-	376,427
Revaluation of tangible fixed asset	<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrealised gains at 31 March 2021	<u>359,525</u>	<u>-</u>	<u>359,525</u>	<u>376,427</u>	<u>-</u>	<u>376,427</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**23 Analysis of net assets between funds (continued)**

			Charity			
	Unrestricted	Restricted		Unrestricted	Restricted	
	funds	funds	Total	funds	funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	1,979,863	-	1,979,863	2,078,564	-	2,078,564
Current assets/(liabilities)	(3,952)	458,555	454,603	(156,003)	429,562	273,559
Long term liabilities	<u>(731,243)</u>	<u>-</u>	<u>(731,243)</u>	<u>(759,357)</u>	<u>-</u>	<u>(759,357)</u>
	<u>1,244,668</u>	<u>458,555</u>	<u>1,703,223</u>	<u>1,163,204</u>	<u>429,562</u>	<u>1,592,766</u>
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	2021	funds	funds	2020
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Unrealised gains included above:						
On tangible fixed assets	<u>463,533</u>	<u>-</u>	<u>463,533</u>	<u>480,435</u>	<u>-</u>	<u>480,435</u>
	<u>463,533</u>	<u>-</u>	<u>463,533</u>	<u>480,435</u>	<u>-</u>	<u>480,435</u>
Reconciliation of movements in unrealised gains:						
Unrealised gains at 1 April 2020	480,435	-	480,435	480,435	-	480,435
Revaluation of tangible fixed asset	<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrealised gains at 31 March 2021	<u>463,533</u>	<u>-</u>	<u>463,533</u>	<u>480,435</u>	<u>-</u>	<u>480,435</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**24 Operating lease commitments**

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

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	99,999	146,569	97,129	100,340
Between two and five years	330,768	378,499	330,768	375,629
In over five years	<u>161,875</u>	<u>217,375</u>	<u>161,875</u>	<u>217,375</u>
	<u>592,642</u>	<u>742,443</u>	<u>589,772</u>	<u>693,344</u>

**Capital commitments**

The group and charity had no capital commitments at 31 March 2021.

**25 Events after the reporting date**

As referred to in the going concern section of the accounting policies, the trustees are monitoring the situation concerning the coronavirus and any impact it may have on the charity. Given the current uncertainties, any longer term financial effect cannot be estimated.

**26 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel, none of whom were trustees, is as follows.

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Aggregate compensation	<u>58,704</u>	<u>131,902</u>	<u>43,368</u>	<u>45,440</u>

The trustees review payments made to employees in similar managerial positions in other churches and similar organisations when considering the levels of pay for key managers. The trustees also take into consideration the ability of the charitable company to be able to pay such salaries.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**27 Subsidiaries**

These financial statements are separate company financial statements for C3 Trust UK.

The charity has control of 100% of the assets and trade of **Hope Community Foundation**, formerly Hope City Foundation, a charitable company limited by guarantee. The company operates as a children's nursery on church premises utilising assets purchased by the charity and does other community based activities. Hope Community Foundation became a registered charity in March 2004 (charity number 1102542). At the year-end Hope Community Foundation had net assets of £16,162 (2020: £17,075). During the year ended 31 March 2021 its total incoming resources were £309,923 (2020: £307,110) and its total resources expended were £310,836 (2020: £357,118) leaving a net decrease in funds of £913 (2020: £50,008).

C3 Trust UK owns 100% of the ordinary share capital of **Megacentre Limited**, a trading company which generates funds for the church. Megacentre Limited began trading on 1 April 2003, it operates from church premises and its principal activity is the letting of conference facilities and running a children's play area and café. At 31 March 2021 the net liabilities of Megacentre were £605,588 (2020: £580,622). Its turnover for the year ended 31 March 2021 was £24,228 (2020: £80,996) and its total resources expended were £49,194 (2020: £116,185) leaving a loss for the year of £24,966 (2020: £35,189).

**City Hearts (UK)** left the C3 Trust UK group on 1 April 2020.

**28 Cash generated from operations**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Surplus/(deficit) for the year	(1,711,804)	664,637	127,359	143,756
Adjustments for:				
Investment income recognised in statement of financial activities	(2,374)	(3,937)	(2,374)	(3,380)
Gain on disposal of tangible fixed assets	(842)	(446)	(842)	(446)
Depreciation and impairment of tangible fixed assets	126,238	143,019	125,396	103,185
Net cash flow from City Hearts (UK) leaving the group	281,096	-	-	-
Movements in working capital:				
Decrease in stock	900	4,450	900	4,000
Decrease/(increase) in debtors	892,985	(173,376)	55,606	4,520
(Decrease)/increase in creditors	(75,388)	(8,724)	(54,961)	118,182
Increase/(decrease) in deferred income	<u>(56,893)</u>	<u>(3,804)</u>	<u>10,238</u>	<u>-</u>
<b>Cash generated from/(absorbed by) operations</b>	<b><u>(546,082)</u></b>	<b><u>621,819</u></b>	<b><u>261,322</u></b>	<b><u>369,817</u></b>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**29 Analysis of changes in net (debt)/funds**

	<b>At 1 April 2020 £</b>	<b>Group Cash flows £</b>	<b>At 31 March 2021 £</b>
Cash at bank and in hand	1,290,740	(563,851)	726,889
Loans falling due within one year	(70,878)	10,183	(60,695)
Loans falling due after more than one year	<u>(928,866)</u>	<u>147,623</u>	<u>(781,243)</u>
	<u>290,996</u>	<u>(406,045)</u>	<u>(115,049)</u>
	<b>At 1 April 2020 £</b>	<b>Charity Cash flows £</b>	<b>At 31 March 2021 £</b>
Cash at bank and in hand	492,282	193,553	685,835
Loans falling due within one year	(52,325)	(726)	(53,051)
Loans falling due after more than one year	<u>(759,357)</u>	<u>28,114</u>	<u>(731,243)</u>
	<u>(319,400)</u>	<u>220,941</u>	<u>(98,459)</u>