

CHARITY REGISTRATION NUMBER 1119791
COMPANY REGISTRATION NUMBER 5999100

C3 TRUST UK
GROUP ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

C3 TRUST UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Davies P Bengier C W Davies O Olarinde M Muthiah J Hemmingfield	(Appointed 19 August 2021) (Appointed 19 August 2021)
Secretary	A E Ibbotson	
Charity number	1119791	
Company number	5999100	
Principal address	The Megacentre Bernard Road Sheffield South Yorkshire S2 5BQ	
Registered office	The Megacentre Bernard Road Sheffield South Yorkshire S2 5BQ	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
Bankers	Barclays Bank plc City Office Sheffield S1 1NG	
Solicitors	Geldards Number One Pride Place Pride Park Derby DE24 8QR	

C3 TRUST UK

CONTENTS

	Page
Trustees' report	1 – 8
Statement of trustees' responsibilities	9
Independent auditors' report	10 – 13
Consolidated statement of financial activities	14 – 15
Statement of financial activities	16 – 17
Consolidated balance sheet	18
Balance sheet	19
Statement of cash flows	20
Notes to the accounts	21 – 43

C3 TRUST UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and consolidated accounts for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 "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. In this year all churches have continued to operate under the terms of the scheme of delegation and work within the wider structure of the Executive Board reporting to the Board of Trustees through the Chief Executive.

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

In the past year we have continued to see the steady recovery of churches following the COVID-19 pandemic and the charity's own internal challenges which took place in 2020. There has been a firm and concerted focus across our churches towards a better future. This has been universally embraced by all churches although the experiences of each church has been very unique to their own location, situation, church membership and leadership.

Being strongly networked across other churches which are part of the C3 Global network of churches, we have been able to see how our journey has reflected that of other churches. In many ways, we believe that the events of 2020 placed our churches at an advantage in addressing some of the underlying aspects of church strategy, culture and design which have affected other churches across the western world in the past two years.

C3 TRUST UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

As part of our response to the events of 2020 the charity compiled an action plan to address key areas of leadership culture. This action plan created in 2021 has continued to feature not only in cultural change and leadership development but in the policy infrastructure which underpins cultural formation. The longer-term strategy of moving from autonomy to church independence remains a key part of the focus moving forward. To this end, the trustees commissioned an external consultant to provide objective feedback and to help us establish a road map of independence. Trustees throughout this time, have remained in favour of the overall strategy, but have also been keen to discharge their fiduciary duties effectively, as trustees, to ensure that this change process is navigated step by step, at each stage managing and minimising the risks associated with change.

As part of the response to the need to further strengthen the board of trustees and continue to focus on strength of governance, two additional trustees were recruited to the board of trustees in 2021, both of which now play a valuable and active role in the work of the charity.

At local church level the charity currently houses the five remaining churches mentioned below with C3 YRKS having Lead Pastors for both Leeds and York congregations. The work of the local churches is led by each of the Lead Pastors for each church. Each church then has its own local leadership which acts primarily to ensure that the local vision of the church is advanced, whilst recognising the connection and interdependence that remains across all of the churches which form part of C3 Trust UK.

Across all churches our current estimate is that we remain at approximately 2,100 members as at 31 March 2022. By the end of November 2022 this has risen slightly to approximately 2,450 showing a slight upturn or trend in membership overall. Not unlike the previous year, these figures have been difficult to qualify given the gradual and punctuated movement away from exclusively online church back to 'in-person' church services.

Church Membership (as per database)

Church Name	31/03/22	30/11/22	Average attendance in person
C3 Hope (Sheffield)	1600	1900	291
C3 YRKS (Leeds & York)	190	230	82
C3 Liverpool	130	100	55
C3 Newcastle	120	150	75
C3 Sunderland	49	65	20
TOTALS	2089	2445	523

C3 Hope, being by far the largest church numerically, has seen the most significant growth, although a census in 2023 will help to quantify the church membership more accurately. Current Sunday church attendance in Sheffield is approximately 500 people (including children and young people) as of December 2022.

Across all our churches there are more than 300 volunteers involved in serving and leading.

The journey for all our churches remains one of rebuilding both from the effects of COVID-19 and the internal challenges of 2020. All churches and their Lead Pastors have focused on rebuilding a strong and renewed sense of trust, a new culture and vision for the future, assembling and growing new teams, engaging new church members, enabling a greater level of transparency, managing financial risk, and creating a fresh momentum. At the same time, churches are establishing their respective pathways to independence as separate legal entities.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The progress against all of these areas and others has been on the whole positive although not without challenges, many of which remain factors which trustees remain actively involved in helping to support and bring solutions to.

In addition, buildings or premises have represented a significant challenge for churches. For some it has been the absence of premises which has stifled recovery. For others, having a building, to which they are committed under a lease agreement, has presented significant challenge. Still for others, buildings represent both opportunity and risk at the same time.

Churches and church leaders have much to celebrate in the reformation and regathering of their congregations post-pandemic. The continued commitment to serving communities has been encouraging to see, with the churches continuing where they can to undertake outreach and social action projects commensurate with their capacity to undertake these activities. C3 Hope and C3 YRKS have operated substantial social action projects whilst other churches have run regular or seasonal projects provide much needed support to local families and continue to develop local partnerships to support local action.

The relaunch and resurgence of small groups across the churches, as a foundational component of discipleship, has again been a sign of progress in rebuilding of church. One of the fundamental shifts in emphasis has been the renewed focus on one of the key tenets of the Christian faith, that of not only being disciples but making disciples. A concerted effort to strengthen and grow small groups has been foundational in the formation of church family and community, pastoral care and discipleship.

The movement towards a new culture, and hence new way of workings, has been a significant achievement. Not only is there a clear commitment to creating healthy church culture, but a deeper understanding of, and commitment to, the good practice that comprises organisational effectiveness. There is a clearer recognition that good strategy, planning, communication, management and learning and development are all integral and essential elements which underpin the vision and values of the local church. This has led to stronger teams, greater empathy, more informed decision- making, more robust dialogue, moderation of pace and greater clarity around priorities and focus.

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

The Sheffield based Hope Centre, is a 54,000 ft² 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 and a development plan is currently being revised to capitalise on this opportunity to fundraise for the charity using the physical asset.

We will continue to focus on the building housing 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 1300 members, provides affordable food for local people in need. This partnership creates social value amongst areas that experience acute deprivation and disadvantage.

C3 TRUST UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Funds previously raised for the Waverley project in Sheffield have now been successfully repurposed as part of a Special Scheme which was approved by the Charity Commission in 2022. This means that remaining funds can be used to invest into the Hope Centre in Sheffield and committed in full after the 07 April 2023. This capital work will be considerable and ongoing but has started with essential repairs to the roof and some repairs to brickwork. Initial work has been part funded by external funders such as Garfield Weston Foundation, Bernard Sunley Foundation and All Churches Trust (now Benefact Trust). A fundraising strategy is currently being developed to leverage additional external funding, with remaining funds being deployed to cover the extensive works required to maintain and, in some areas, redevelop the building.

During this financial year, C3 Newcastle 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 continue to represent a significant ongoing cost and overhead to these local churches. 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. Support is being provided to the church in lieu of consideration and qualification of the charity's options moving forward.

Annual Giving

From April 2021, most churches have continued to supplement regular giving with an additional annual one-off offering in the form of a 'Vision Builders' or 'Heart for the House' appeal. 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. The funds raised from these campaigns are unrestricted but designated to operational running costs for the most part and at present forms part of the income required to cover the operating costs of the respective church.

For each annual campaign the giving consists of one-off donations, standing orders and financial pledges which are redeemed during the months following the initial commitment.

Staffing

As of December 2022, gross monthly pay on salaries for C3 Trust UK was £39,438 for 25 people working on either a full time or part time basis.

Salary bands brought into effect in 2020-21 financial year are continuing to provide a framework and guidance for recruitment and selection and salary reviews and trustees continue to give sensitive consideration to making every effort to manage pressure on real time salaries arising from the cost of living crisis. Trustees have made a number of improvements to staff terms and conditions including additional leave and sickness entitlement.

Subsidiary and other controlled companies

The achievements and performance of the church's subsidiaries and other controlled companies for the year ended 31 March 2022 were as follows:

- Hope Centre Limited through its trading activities suffered a loss of £8,587 (2021: £24,966). Closing shareholders' funds were in deficit at £614,175 (2021: £605,588). Hope Centre 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 made a deficit of £8,117 (2021: £913) this year. Closing funds were £8,045 (2021: £16,162) of which £17,107 (2021: £19,208) were restricted and £(9,062) (2021: £(3,046)) were unrestricted. Hope Community Foundation is a charitable company registered in England and Wales. C3 Trust UK is 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.

C3 TRUST UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 day management of the church, for which the budget leader for each department is responsible.

The Statement of Financial Activities shows a net decrease in funds of £127,562 (2021: £110,457 increase). The church has general unrestricted reserves of £695,863 excluding the revaluation reserve, compared with £774,135 the previous year. The trustees have identified that the reserves are at a low level, representing more than 81% (including the revaluation reserve) of annual net resources expended (2021: 73%). This percentage is slightly higher than the previous year. The freely available unrestricted reserves were £89,897.

The Consolidated Statement of Financial Activities shows a net decrease in funds of £128,966 (2021: decrease in funds of £1,728,706). The group has general unrestricted reserves of £1,362,359 excluding the revaluation reserve, compared with £1,431,407 the previous year. The trustees have identified that the reserves are at a low level, representing more than 58% (including the revaluation reserve) of annual net resources expended (2021: 31%). The freely available unrestricted reserves were £82,134.

The financial results for the subsidiary entities are shown in note 26 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. This level of reserves has been maintained throughout the year.

As of December 2022, C3 Trust UK has £84,418 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. As previously mentioned, and having worked alongside the Charity Commission, the Trustees continue to progress with the re-evaluation and redistribution of this fund.

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 and cultural change. 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.

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.

C3 TRUST UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Goals and Developments

The goals of C3 Trust UK for the forthcoming 12-18 months are:

1. To continue to work towards legal independence for our churches with C3 Newcastle and C3 Sunderland separating from C3 Trust UK from 01 April 2023
2. To successfully navigate further organisational transition and restructure to ensure that all churches are independent from 01 April 2024 with C3 Trust UK focusing on the work of C3 Hope only.
3. To continue to support local churches in the meantime to build health and strength in support of their local vision and goals.
4. To continue to see an acceleration in the growth and recovery of local churches and in their respective social action projects and initiatives.

The goals represent clear intentionality both around continuing to further the core objectives of the charity, whilst at the same time transitioning churches from managed autonomy through legal independence.

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	
P Benger	
C W Davies	
O Olarinde	
J Greenow	(Resigned 7 May 2021)
A E Ibbotson	(Resigned 27 January 2022)
M Muthiah	(Appointed 19 August 2021)
J Hemmingfield	(Appointed 19 August 2021)

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 01 April 2021
- Hope City Frankfurt and Hope City Darmstadt – became independent in Germany 01 April 2021, now no longer involved with any UK oversight.
- C3 Hope City Accra – became independent in Ghana 01 April 2021
- C3 Reflect – located in London (released to form its own independent charity July 2021 – Charity Number 1194463)

C3 TRUST UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 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.

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

Hope Centre 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 (The Hope Centre) 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.

Hope Community Foundation has continued to deliver much needed services to the local community in Sheffield including through its community nursery, Little Ark Nursery & Pre-School and through a growing number of community projects which have continued to gain momentum in the last year. 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. Community projects such as Polka Dots Play Group and Jigsaw Café have helped the charity to build its support for young families and the elderly respectively. The donation-based Foundation Café, provides a vital and vibrant connection point from which the social value created through each project can be compounded for beneficiaries. Hope Community Foundation has continued to extend its scope and reach and now has over 80 regular volunteers supporting and enabling the work of the charity.

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.

C3 TRUST UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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: 22 March 2023

C3 TRUST UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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 OF C3 TRUST UK

Opinion

We have audited the financial statements of C3 Trust UK (the 'charitable company') for the year ended 31 March 2022 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 2022 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.

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**

22 March 2023

**Chartered Accountants
Statutory Auditor**

C3 TRUST UK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
<u>Income from:</u>							
Donations and gifts	3	1,114,704	139,467	1,254,171	1,323,936	285,950	1,609,886
Charitable activities	4	338,430	-	338,430	481,188	-	481,188
Other trading activities	5	51,680	-	51,680	25,810	-	25,810
Investments	6	818	-	818	2,374	-	2,374
Other income	7	<u>62,866</u>	<u>-</u>	<u>62,866</u>	<u>842</u>	<u>-</u>	<u>842</u>
Total income		<u>1,568,498</u>	<u>139,467</u>	<u>1,707,965</u>	<u>1,834,150</u>	<u>285,950</u>	<u>2,120,100</u>
<u>Expenditure on:</u>							
Raising funds	8	64,325	2,027	66,352	73,016	849	73,865
Charitable activities	9	1,626,167	144,412	1,770,579	1,681,647	229,900	1,911,547
Other	14	-	-	-	-	-	-
Grant paid to City Hearts (UK)		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,846,492</u>	<u>-</u>	<u>1,846,492</u>
Total expenditure		<u>1,690,492</u>	<u>146,439</u>	<u>1,836,931</u>	<u>3,601,155</u>	<u>230,749</u>	<u>3,831,904</u>
Net incoming/(outgoing) resources before associated undertakings and transfers		(121,994)	(6,972)	(128,966)	(1,767,005)	55,201	(1,711,804)
Gross transfers between funds		<u>(60)</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		(122,054)	(6,912)	(128,966)	(1,767,005)	55,201	(1,711,804)
<u>Other recognised gains and losses</u>							
Revaluation of tangible fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>

C3 TRUST UK

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

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Net movement in funds		(122,054)	(6,912)	(128,966)	(1,783,907)	55,201	(1,728,706)
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>
Fund balances at 31 March 2022		<u>1,063,190</u>	<u>477,851</u>	<u>1,541,041</u>	<u>1,185,244</u>	<u>484,763</u>	<u>1,670,007</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 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
<u>Income from:</u>							
Donations and gifts	3	1,076,165	30,000	1,106,165	1,277,845	249,866	1,527,711
Charitable activities	4	76,589	-	76,589	279,868	-	279,868
Other trading activities	5	598	-	598	1,582	-	1,582
Investments	6	818	-	818	2,374	-	2,374
Other income	7	<u>62,866</u>	<u>-</u>	<u>62,866</u>	<u>842</u>	<u>-</u>	<u>842</u>
Total income		<u>1,217,036</u>	<u>30,000</u>	<u>1,247,036</u>	<u>1,562,511</u>	<u>249,866</u>	<u>1,812,377</u>
<u>Expenditure on:</u>							
Raising funds	8	15,221	-	15,221	16,175	849	17,024
Charitable activities	9	1,314,006	34,871	1,348,877	1,428,020	213,024	1,641,044
Other	14	<u>10,500</u>	<u>-</u>	<u>10,500</u>	<u>26,950</u>	<u>-</u>	<u>26,950</u>
Total expenditure		<u>1,339,727</u>	<u>34,871</u>	<u>1,374,598</u>	<u>1,471,145</u>	<u>213,873</u>	<u>1,685,018</u>
Net incoming/(outgoing) resources before associated undertakings and transfers		(122,691)	(4,871)	(127,562)	91,366	35,993	127,359
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		(122,691)	(4,871)	(127,562)	91,366	35,993	127,359
<u>Other recognised gains and losses</u>							
Revaluation of tangible fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>
Net movement in funds		(122,691)	(4,871)	(127,562)	74,464	35,993	110,457

C3 TRUST UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Fund balances at 1 April 2021		<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>
Fund balances at 31 March 2022		<u>1,114,977</u>	<u>460,684</u>	<u>1,575,661</u>	<u>1,237,668</u>	<u>465,555</u>	<u>1,703,223</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 2022**

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	15	1,700,300	1,981,186
Current assets			
Stocks	16	150	150
Debtors	17	53,406	51,539
Cash at bank and in hand		<u>638,341</u>	<u>726,889</u>
		691,897	778,578
Creditors: amounts falling due within one year	18	<u>(131,911)</u>	<u>(308,514)</u>
Net current assets		<u>559,986</u>	<u>470,064</u>
Total assets less current liabilities		2,260,286	2,451,250
Creditors: amounts falling due after one year	19	<u>(719,245)</u>	<u>(781,243)</u>
Net assets		<u>1,541,041</u>	<u>1,670,007</u>
Income funds			
Restricted funds	22	477,851	484,763
<u>Unrestricted funds:</u>			
Retained within the charity		1,362,359	1,431,407
Revaluation reserve		<u>315,106</u>	<u>359,525</u>
		1,677,465	1,790,932
Non-charitable trading funds		<u>(614,275)</u>	<u>(605,688)</u>
		<u>1,541,041</u>	<u>1,670,007</u>

The financial statements were approved by the board of directors and authorised for issue on 22 March 2023 and are signed on its behalf by:

C Davies
Trustee

Company Registration No. 5999100

C3 TRUST UK

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	15	1,698,492	1,979,863
Current assets			
Stocks	16	100	100
Debtors	17	50,356	45,019
Cash at bank and in hand		<u>599,618</u>	<u>685,835</u>
		650,074	730,954
Creditors: amounts falling due within one year	18	<u>(99,493)</u>	<u>(276,351)</u>
Net current assets		<u>550,581</u>	<u>454,603</u>
Total assets less current liabilities		2,249,073	2,434,466
Creditors: amounts falling due in more than one year	19	<u>(673,412)</u>	<u>(731,243)</u>
Net assets		<u>1,575,661</u>	<u>1,703,223</u>
Income funds			
Restricted funds	22	460,684	465,555
<u>Unrestricted funds:</u>			
General unrestricted funds		695,863	774,135
Revaluation reserve		<u>419,114</u>	<u>463,533</u>
		<u>1,114,977</u>	<u>1,237,668</u>
		<u>1,575,661</u>	<u>1,703,223</u>

The financial statements were approved by the board of directors and authorised for issue on 22 March 2023 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 2022

	Notes	Group			
		2022	2021	2022	2021
		£	£	£	£
Cash flow from operating activities					
Cash generated from operations	27		(164,867)		(546,082)
Investing activities					
Purchase of tangible fixed assets		(14,801)		(43,597)	
Proceeds on disposal of tangible fixed assets		147,135		842	
Interest received		<u>818</u>		<u>2,374</u>	
Net cash (used in)/ generated from investing activities			133,152		(40,381)
Financing activities					
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		<u>(56,833)</u>		<u>(27,388)</u>	
Net cash (used in)/generated from financing activities			<u>(56,833)</u>		<u>22,612</u>
Net (decrease)/increase in cash and cash equivalents			(88,548)		(563,851)
Cash and cash equivalents at beginning of year			<u>726,889</u>		<u>1,290,740</u>
Cash and cash equivalents at end of year			<u>638,341</u>		<u>726,889</u>

	Notes	Charity			
		2022	2021	2022	2021
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27		(164,108)		261,322
Investing activities					
Purchase of tangible fixed assets		(13,229)		(43,597)	
Proceeds on disposal of tangible fixed assets		147,135		842	
Interest received		<u>818</u>		<u>2,374</u>	
Net cash (used in)/ generated from investing activities			134,724		(40,381)
Financing activities					
Repayment of bank loans		<u>(56,833)</u>		<u>(27,388)</u>	
Net cash used in financing activities			<u>(56,833)</u>		<u>(27,388)</u>
Net (decrease)/increase in cash and cash equivalents			(86,217)		193,553
Cash and cash equivalents at beginning of year			<u>685,835</u>		<u>492,282</u>
Cash and cash equivalents at end of year			<u>599,618</u>		<u>685,835</u>

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

1 Accounting policies

Company information

C3 Trust UK 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. 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 whilst recognising the issues raised in respect of going concern.

Since the 2021/2022 financial year the charity has been financially impacted by the effects of COVID, its own internal and organisational challenges, which took place in 2020, and by the subsequent agreed and intentional restructure of the charity, effected through the release of City Hearts UK, and the strategy to release churches to become independent legal entities in their own right. These have had the effect of significantly reducing the charity's income and associated assets and reserves. At the same time, significant attention has been given to the stabilisation and recovery of the remaining churches. The Trustees have agreed to release churches and in doing so, to donate the cash reserves and capital equipment which local church donations have funded. This has had a consequential and negative impact on the overall financial strength of the charity, however this is being met with the financial recovery of the remaining churches with C3 Hope in Sheffield being the strongest of these financially, closely followed by C3 YRKS.

At the time of compiling and completing these accounts, the Trustees are confident that despite divesting itself of assets the charity's income and growth trends and recovery provide positive signs that the charity's position is and will continue to improve. Despite the plan to release C3 Newcastle, for example, the C3 Trust UK will retain its tenancy at 85 City Road and thereby retain the asset value of the investment in the refurbishment of these premises. Similarly, the retention of C3 Liverpool as part of C3 Trust UK will also ensure that the significant investment and asset value contained in the refurbishment of the Kempston Street property will be retained. In addition, recent investment in The Hope Centre is likely to either enhance or retain the asset value of the building.

In cash terms the three remaining churches which now form C3 Trust UK, continue to work closely to ensure that tight monitoring, review and controls are in place to invest into, and track church recovery and health, which is and will improve the financial position of the charity over the coming months. Across the group of companies we continue to closely monitor risk and exposure at Executive and Non-Executive levels to ensure that recovery is accelerated and the impact is mitigated through sound financial planning.

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

All these things considered, the Trustees are confident that the charity can continue as a going concern both throughout the next twelve months and the foreseeable future. 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 Hope Centre Limited activities represents amounts receivable for goods and services net of VAT.

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.

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

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% 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.

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.

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

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.

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

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

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.

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 2022

3 Donations and gifts

	Group					
	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Donations and gifts	1,109,159	109,467	1,218,626	1,263,765	285,950	1,549,715
Grants	2,405	30,000	32,405	-	-	-
Coronavirus Job Retention Scheme	<u>3,140</u>	<u>-</u>	<u>3,140</u>	<u>60,171</u>	<u>-</u>	<u>60,171</u>
	<u>1,114,704</u>	<u>139,467</u>	<u>1,254,171</u>	<u>1,323,936</u>	<u>285,950</u>	<u>1,609,886</u>

	Charity					
	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Donations and gifts	1,076,165	-	1,076,165	1,261,465	249,866	1,511,331
Grants	-	30,000	30,000	-	-	-
Coronavirus Job Retention Scheme	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,380</u>	<u>-</u>	<u>16,380</u>
	<u>1,076,165</u>	<u>30,000</u>	<u>1,106,165</u>	<u>1,277,845</u>	<u>249,866</u>	<u>1,527,711</u>

4 Charitable activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Sales within charitable activities	312,294	241,797	2,938	5,902
Charitable rental income, recharges and other income	<u>26,136</u>	<u>239,391</u>	<u>73,651</u>	<u>273,966</u>
	<u>338,430</u>	<u>481,188</u>	<u>76,589</u>	<u>279,868</u>

C3 TRUST UK

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

5 Other trading activities

	Group	
	2022	2021
	£	£
Hope Centre Limited	51,082	24,228
Sales of books and resources	<u>598</u>	<u>1,582</u>
	<u>51,680</u>	<u>25,810</u>

	Charity	
	2022	2021
	£	£
Sales of books and resources	<u>598</u>	<u>1,582</u>

6 Investments

	Group					
	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Interest receivable	<u>818</u>	<u> </u>	<u>818</u>	<u>2,374</u>	<u>-</u>	<u>2,374</u>

	Charity					
	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Interest receivable	<u>818</u>	<u> </u>	<u>818</u>	<u>2,374</u>	<u>-</u>	<u>2,374</u>

7 Other income

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Gain on disposal of tangible fixed assets	-	842	-	842
Sundry income	<u>62,866</u>	<u>-</u>	<u>62,866</u>	<u>-</u>
	<u>62,866</u>	<u>842</u>	<u>62,866</u>	<u>842</u>

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

8 Raising funds

	Group					
	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
<u>Fundraising and publicity</u>						
Staging fundraising events	<u>15,150</u>	<u>-</u>	<u>15,150</u>	<u>15,001</u>	<u>849</u>	<u>15,850</u>
	<u>15,150</u>	<u>-</u>	<u>15,150</u>	<u>15,001</u>	<u>849</u>	<u>15,850</u>
<u>Trading costs</u>						
Other trading activities	<u>49,175</u>	<u>2,027</u>	<u>51,202</u>	<u>58,015</u>	<u>-</u>	<u>58,015</u>
	<u>64,325</u>	<u>2,027</u>	<u>66,352</u>	<u>73,016</u>	<u>849</u>	<u>73,865</u>

Raising funds include payments to the auditors of £1,700 (2021: £1,750) for services not connected to the charity and consolidated group accounts.

	Charity					
	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
<u>Fundraising and publicity</u>						
Staging fundraising events	<u>15,150</u>	<u>-</u>	<u>15,150</u>	<u>15,001</u>	<u>849</u>	<u>15,850</u>
	<u>15,150</u>	<u>-</u>	<u>15,150</u>	<u>15,001</u>	<u>849</u>	<u>15,850</u>
<u>Trading costs</u>						
Other trading activities	<u>71</u>	<u>-</u>	<u>71</u>	<u>1,174</u>	<u>-</u>	<u>1,174</u>
	<u>15,221</u>	<u>-</u>	<u>15,221</u>	<u>16,175</u>	<u>849</u>	<u>17,024</u>

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

9 Charitable activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Staff costs	851,755	971,151	504,885	751,483
Depreciation and impairment	122,620	126,238	121,532	125,396
Church departments and events	34,939	10,944	34,939	10,944
Minister's consultancy fees	-	7,625	-	7,625
Food and drink	-	8,106	-	-
Activities and outings	-	137	-	-
Hospitality and gifts	17,820	19,001	17,820	19,001
Rent, rates, and service charges	135,791	211,316	124,600	211,316
Insurance and utilities	75,195	90,026	72,526	88,468
Repairs and cleaning	150,820	140,293	143,510	135,038
Hire of office equipment	17,047	17,364	10,068	17,364
Subscriptions	34,801	22,885	34,665	22,885
Postage, stationery and adverts	14,452	12,493	7,381	10,075
Telephone and fax	4,957	8,377	2,506	8,377
Motor and travel expenses	8,515	16,271	8,515	16,271
Bad and doubtful debts	(104)	3,964	-	-
Educational activities	-	3,337	-	-
Legal, professional and consultancy fees	120,571	135,556	106,163	125,003
Staff recruitment and training	1,216	1,661	-	-
Catering costs	-	4,401	-	-
General expenses	92,438	77,374	77,313	70,113
Bank interest and charges	17,454	19,003	12,642	17,661
Loss on disposal of tangible fixed assets	<u>25,933</u>	<u>-</u>	<u>25,933</u>	<u>-</u>
	1,726,220	1,907,523	1,304,998	1,637,020
Grant funding of activities (see note 10)	39,879	-	39,879	-
Share of governance costs (see note 11)	<u>4,480</u>	<u>4,024</u>	<u>4,000</u>	<u>4,024</u>
	<u>1,770,579</u>	<u>1,911,547</u>	<u>1,348,877</u>	<u>1,641,044</u>
Analysis by fund				
Unrestricted funds	1,626,167	1,681,647	1,314,006	1,428,020
Restricted funds	<u>144,412</u>	<u>229,900</u>	<u>34,871</u>	<u>213,024</u>
	<u>1,770,579</u>	<u>1,911,547</u>	<u>1,348,877</u>	<u>1,641,044</u>

C3 TRUST UK

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

10 Grants payable

	Group	
	2022	2021
	£	£
Grants to institutions	39,879	-
Grants to individuals	<u>-</u>	<u>-</u>
	<u>39,879</u>	<u>-</u>

A grant of £32,153 was paid to Hope City Accra and £7,726 to Hope City Kuala Lumpur on leaving the C3 Trust UK group.

	Charity	
	2022	2021
	£	£
Grants to institutions	39,879	-
Grants to individuals	<u>-</u>	<u>-</u>
	<u>39,879</u>	<u>-</u>

11 Support costs

	Group and Charity					
	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Audit fees	<u>-</u>	<u>4,480</u>	<u>4,480</u>	<u>-</u>	<u>4,024</u>	<u>4,024</u>
	<u>-</u>	<u>4,480</u>	<u>4,480</u>	<u>-</u>	<u>4,024</u>	<u>4,024</u>
Analysed between Charitable activities	<u>-</u>	<u>4,480</u>	<u>4,480</u>	<u>-</u>	<u>4,024</u>	<u>4,024</u>

Group

Governance costs includes payments to the auditors of £4,480 (2021: £4,024) for audit fees. Charitable activities costs includes payments of £8,800 (2021: £7,280) to the auditors for other services.

Charity

Governance costs includes payments to the auditors of £4,000 (2021: £4,024) for audit fees. Charitable activities costs includes payments of £5,000 (2021: £5,000) to the auditors for other services.

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

12 Trustees

C Davies received emoluments of £19,489 (2021: £31,614) and pension contributions of £2,550 (2021: £1,750) during the year. A company owned and controlled by C Davies and his wife received £26,090 (2021: £11,155) for providing payroll and consultancy services to the charity. They received £28,301 (2021: £13,305) for providing payroll and consultancy services to the group. C Davies and his wife made donations totalling £6,920 (2021: £16,380) to the church with donations being made personally by both of them and also making donations from their business.

A E Ibbotson received emoluments of £20,943 (2021: £21,051) during the year.

None of the other trustees received emoluments or benefits during the year (2021: £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:

	Group		Charity	
	2022	2021	2022	2021
	Number	Number	Number	Number
Trustees of C3 Trust UK	6	6	6	6
Trustees / directors of subsidiaries	3	3	-	-
Employees	<u>53</u>	<u>65</u>	<u>28</u>	<u>33</u>
	<u>62</u>	<u>74</u>	<u>34</u>	<u>39</u>

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

13 Employees (continued)

Employment costs

	Group					
	Raising funds	Charitable activities	2022	Raising funds	Charitable activities	2021
	£	£	£	£	£	£
Wages and salaries	24,030	784,285	808,315	24,249	888,868	913,117
Social security costs	1,608	39,875	41,483	1,355	50,350	51,705
Other pension costs	<u>615</u>	<u>27,595</u>	<u>28,210</u>	<u>558</u>	<u>31,933</u>	<u>32,491</u>
	<u>26,253</u>	<u>851,755</u>	<u>878,008</u>	<u>26,162</u>	<u>971,151</u>	<u>997,313</u>

	Charity	
	2022	2021
	£	£
Wages and salaries	455,111	684,552
Social security costs	28,579	40,135
Other pension costs	<u>21,195</u>	<u>26,796</u>
	<u>504,885</u>	<u>751,483</u>

	Group and Charity	
	2022	2021
The number of employees whose annual remuneration was £60,000 or more were;	<u>-</u>	<u>-</u>

Contributions totalling £nil (2021: £ nil) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

14 Other

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bad debts	<u>-</u>	<u>-</u>	<u>10,500</u>	<u>26,950</u>
	<u>-</u>	<u>-</u>	<u>10,500</u>	<u>26,950</u>

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

15 Tangible fixed assets

	Freehold property	Group Long leasehold property	Fixtures fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2021	140,000	1,975,806	856,725	2,972,531
Additions at cost	-	6,653	8,148	14,801
Disposals	(140,000)	(29,279)	(61,382)	(230,661)
At 31 March 2022	<u>-</u>	<u>1,953,180</u>	<u>803,491</u>	<u>2,756,671</u>
Depreciation and impairment				
At 1 April 2021	-	211,243	780,102	991,345
Charge for the year	-	86,877	35,742	122,619
Eliminated in respect of disposals	-	(2,094)	(55,499)	(57,593)
At 31 March 2022	<u>-</u>	<u>296,026</u>	<u>760,345</u>	<u>1,056,371</u>
Carrying amount				
At 31 March 2022	<u>-</u>	<u>1,657,154</u>	<u>43,146</u>	<u>1,700,300</u>
At 31 March 2021	<u>140,000</u>	<u>1,764,563</u>	<u>76,623</u>	<u>1,981,186</u>

	Freehold property	Charity Long leasehold property	Fixtures fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2021	140,000	1,975,806	796,609	2,912,415
Additions at cost	-	6,653	6,576	13,229
Disposals	(140,000)	(29,279)	(61,382)	(230,661)
At 31 March 2022	<u>-</u>	<u>1,953,180</u>	<u>741,803</u>	<u>2,694,983</u>
Depreciation and impairment				
At 1 April 2021	-	211,243	721,309	932,552
Charge for the year	-	86,877	34,655	121,532
Eliminated in respect of disposals	-	(2,094)	(55,499)	(57,593)
At 31 March 2022	<u>-</u>	<u>296,026</u>	<u>700,465</u>	<u>996,491</u>
Carrying amount				
At 31 March 2022	<u>-</u>	<u>1,657,154</u>	<u>41,338</u>	<u>1,698,492</u>
At 31 March 2021	<u>140,000</u>	<u>1,764,563</u>	<u>75,300</u>	<u>1,978,863</u>

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

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 £24,247 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 2022 would not differ significantly from this valuation.

Group

Some of the charity's leasehold and freehold land and buildings are subject to a mortgage with the balance owed at 31 March 2022 amounting to 55% (2021: 57%) 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 2022 amounting to 55% (2021: 57%) of their net book value as stated in these accounts.

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cost	1,517,030	1,652,496	1,401,120	1,536,586
Accumulated depreciation	<u>654,365</u>	<u>661,062</u>	<u>562,702</u>	<u>576,894</u>
At 31 March 2022	<u>862,665</u>	<u>991,434</u>	<u>838,418</u>	<u>959,692</u>

All other tangible fixed assets are stated at historical cost.

16 Stocks

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Goods for resale	<u>150</u>	<u>150</u>	<u>100</u>	<u>100</u>

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

17 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	10,180	11,363	2,302	5,052
Amounts due from subsidiary undertakings	-	-	16,461	1,688
Other debtors	37,892	30,551	26,259	29,304
Prepayments and accrued income	<u>5,334</u>	<u>9,625</u>	<u>5,334</u>	<u>8,975</u>
	<u>53,406</u>	<u>51,539</u>	<u>50,356</u>	<u>45,019</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	66,993	60,695	54,049	53,051
Trade creditors	16,640	51,232	14,985	43,599
Taxation and social security	-	4,155	587	4,155
Other creditors	32,964	165,283	16,070	153,501
Accruals	15,314	16,911	13,802	11,807
Deferred income	<u>-</u>	<u>10,238</u>	<u>-</u>	<u>10,238</u>
	<u>131,911</u>	<u>308,514</u>	<u>99,493</u>	<u>276,351</u>

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

19 Creditors: amounts falling due after more than one year

	Group	
	2022	2021
	£	£
Mortgage and loan	<u>719,245</u>	<u>781,243</u>
Analysis of mortgage and loan		
Not wholly repayable within five years by instalments	446,859	508,872
Wholly repayable within five years	<u>330,602</u>	<u>325,422</u>
	777,461	834,294
Included in current liabilities	<u>(58,216)</u>	<u>(53,051)</u>
	<u>719,245</u>	<u>781,243</u>
Loan maturity analysis		
Debt due in one year or less	58,216	53,051
In more than one year but not more than two years	63,398	64,048
In more than two years but not more than five years	208,988	208,324
In more than five years	<u>446,859</u>	<u>508,872</u>
	<u>777,461</u>	<u>834,294</u>

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

	Charity	
	2022	2021
	£	£
Mortgage	<u>673,412</u>	<u>731,243</u>
Analysis of loans		
Not wholly repayable within five years by instalments	446,859	508,872
Wholly repayable within five years	<u>280,602</u>	<u>275,422</u>
	727,461	784,294
Included in current liabilities	<u>(54,049)</u>	<u>(53,051)</u>
	<u>673,412</u>	<u>731,243</u>
Loan maturity analysis,		
Debt due in one year or less	54,049	53,051
In more than one year but not more than two years	55,065	54,048
In more than two years but not more than five years	171,488	168,324
In more than five years	<u>446,859</u>	<u>508,872</u>
	<u>727,461</u>	<u>784,294</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 2022**

20 Deferred income

	Group and Charity	
	2022	2021
	£	£
Other deferred income	<u>-</u>	<u>10,238</u>

21 Pension and other post-retirement benefit commitments
Defined contribution

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Contributions payable by the group and charity for the year	<u>28,210</u>	<u>32,491</u>	<u>15,285</u>	<u>17,681</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.

C3 TRUST UK

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

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:

	Group Movement in funds							
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Dream Offering	492,562	249,866	(213,873)	465,555	-	(34,871)	-	430,684
Garfield Weston Foundation	-	-	-	-	30,000	-	-	30,000
Henry Smith Charity	-	16,550	(6,763)	9,787	33,100	(38,957)	-	3,930
Hope Hampers	-	11,905	(10,113)	1,792	2,493	(947)	-	3,338
Neon Schools Programme	-	4,629	-	4,629	37	-	-	4,666
Befriending/ Jigsaw Services	-	3,000	-	3,000	-	(1,681)	-	1,319
Kickstart	-	-	-	-	70,465	(68,415)	-	2,050
Pola Dot Playgroup	-	-	-	-	500	(560)	60	-
Share the Light	-	-	-	-	2,872	(1,008)	-	1,864
	<u>429,562</u>	<u>285,950</u>	<u>(230,749)</u>	<u>484,763</u>	<u>139,467</u>	<u>(146,439)</u>	<u>60</u>	<u>477,851</u>

	Charity Movement in funds							
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Dream Offering	429,562	249,866	(213,873)	465,555	-	(34,871)	-	430,684
Garfield Weston Foundation	-	-	-	-	30,000	-	-	30,000
	<u>429,562</u>	<u>249,866</u>	<u>(213,873)</u>	<u>465,555</u>	<u>30,000</u>	<u>(34,871)</u>	<u>-</u>	<u>460,684</u>

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

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.

During this financial year we received a donation from Garfield Weston Foundation that will contribute towards the cost of essential roof works to the Hope Centre building in Sheffield which is scheduled to be completed by the end of January 2023.

The charity received the second 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 2022 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 has commenced post year end with one person employed for one day a week.

Jigsaw services are now providing two weekly sessions for over 55s. Funds raised for the project in financial year 2020/21 are now being spent.

Kickstart provides work placements for young people. This project has completed post year end.

Polka Dots Playgroup has delivered weekly sessions during term time for over twenty two individuals.

To further meet the needs of the local communities and to strengthen the wider work of our food relief over the winter period we launched a small one-off campaign entitled 'Share the Light' in December 2021.

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

23 Analysis of net assets between funds

	Unrestricted	Restricted	Group	Unrestricted	Restricted	
	funds	funds	Total	funds	funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,700,300	-	1,700,300	1,981,186	-	1,981,186
Current assets/(liabilities)	82,135	477,851	559,986	(14,699)	484,763	470,064
Long term liabilities	(719,245)	-	(719,245)	(781,243)	-	(781,243)
	<u>1,063,190</u>	<u>477,851</u>	<u>1,541,041</u>	<u>1,185,244</u>	<u>484,763</u>	<u>1,670,007</u>

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	2022	funds	funds	2021
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Unrealised gains included above:						
On tangible fixed assets	<u>315,106</u>	<u>-</u>	<u>315,106</u>	<u>359,525</u>	<u>-</u>	<u>359,525</u>
	<u>315,106</u>	<u>-</u>	<u>315,106</u>	<u>359,525</u>	<u>-</u>	<u>359,525</u>
Reconciliation of movements in unrealised gains:						
Unrealised gains at 1 April 2021	359,525	-	359,525	376,427	-	376,427
Revalued element of fixed assets sold during period	(44,419)	-	(44,419)	-	-	-
Revaluation of tangible fixed asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>
Unrealised gains at 31 March 2022	<u>315,106</u>	<u>-</u>	<u>315,106</u>	<u>359,525</u>	<u>-</u>	<u>359,525</u>

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

23 Analysis of net assets between funds (continued)

	Unrestricted	Restricted	Charity Total	Unrestricted	Restricted	Total
	funds	funds		funds	funds	
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,698,492	-	1,698,492	1,979,863	-	1,979,863
Current assets/(liabilities)	89,897	460,684	550,581	(3,952)	458,555	454,603
Long term liabilities	<u>(673,412)</u>	<u>-</u>	<u>(673,412)</u>	<u>(731,243)</u>	<u>-</u>	<u>(731,243)</u>
	<u>1,114,977</u>	<u>460,684</u>	<u>1,575,661</u>	<u>1,244,668</u>	<u>458,555</u>	<u>1,703,223</u>

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds		funds	funds	
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Unrealised gains included above:						
On tangible fixed assets	<u>419,114</u>	<u>-</u>	<u>419,114</u>	<u>463,533</u>	<u>-</u>	<u>463,533</u>
	<u>419,114</u>	<u>-</u>	<u>419,114</u>	<u>463,533</u>	<u>-</u>	<u>463,533</u>

Reconciliation of movements in unrealised gains:

Unrealised gains at 1 April 2021	463,533	-	463,533	480,435	-	480,435
Revalued element of fixed assets sold during period	(44,419)	-	(44,419)	-	-	-
Revaluation of tangible fixed asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,902)</u>	<u>-</u>	<u>(16,902)</u>

Unrealised gains at 31 March 2022	<u>419,114</u>	<u>-</u>	<u>419,114</u>	<u>463,533</u>	<u>-</u>	<u>463,533</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Within one year	106,606	99,999	106,606	97,129
Between two and five years	296,122	330,768	296,122	330,768
In over five years	<u>111,000</u>	<u>161,875</u>	<u>111,000</u>	<u>161,875</u>
	<u>513,728</u>	<u>592,642</u>	<u>513,728</u>	<u>589,772</u>

Capital commitments

The group and charity had no capital commitments at 31 March 2022.

25 Related party transactions

Remuneration of key management personnel

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Aggregate compensation	<u>11,893</u>	<u>58,704</u>	<u>-</u>	<u>43,368</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.

26 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 carries out 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 £8,045 (2021: £16,162). During the year ended 31 March 2022 its total incoming resources were £457,361 (2021: £309,923) and its total resources expended were £465,478 (2021: £310,836) leaving a net decrease in funds of £8,117 (2021: £913).

C3 Trust UK owns 100% of the ordinary share capital of **Hope Centre Limited** (formerly Megacentre Limited), a trading company which generates funds for the church. Hope Centre 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 2022 the net liabilities of Hope Centre were £614,175 (2021: £605,588). Its turnover for the year ended 31 March 2022 was £51,082 (2021: £24,228) and its total resources expended were £59,669 (2021: £49,194) leaving a loss for the year of £8,587 (2021: £24,966).

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

27 Cash generated from operations

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Surplus/(deficit) for the year	(128,966)	(1,711,804)	(127,562)	127,359
Adjustments for:				
Investment income recognised in statement of financial activities	(818)	(2,374)	(818)	(2,374)
Loss/(gain) on disposal of tangible fixed assets	25,933	(842)	25,933	(842)
Depreciation and impairment of tangible fixed assets	122,620	126,238	121,532	125,396
Net cash flow from City Hearts (UK) leaving the group	-	281,096	-	-
Movements in working capital:				
Decrease in stock	-	900	-	900
Decrease/(increase) in debtors	(1,868)	892,985	(5,337)	55,606
(Decrease)/increase in creditors	(181,768)	(75,388)	(167,618)	(54,961)
Increase/(decrease) in deferred income	-	(56,893)	(10,238)	10,238
Cash generated from/(absorbed by) operations	(164,867)	(546,082)	(164,108)	261,322

28 Analysis of changes in net (debt)/funds

	Group		
	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	726,889	(88,548)	638,341
Loans falling due within one year	(60,695)	2,480	(58,215)
Loans falling due after more than one year	(781,243)	61,998	(719,245)
	(115,049)	(24,070)	(139,119)
	Charity		
	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	685,835	(86,217)	599,618
Loans falling due within one year	(53,051)	(998)	(54,049)
Loans falling due after more than one year	(731,243)	57,831	(673,412)
	(98,459)	(29,384)	(127,843)