

Charity registration number 1132699

Company registration number 06940221 (England and Wales)

THE C3 CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE C3 CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Steve Campbell Peter Goodliffe Anna Harvey Stephen Ansa-Addo Elspeth Darley Timothy Pilkington Emilton Barzey	(Appointed 28 January 2021) (Appointed 22 July 2021) (Appointed 24 March 2022)
Leadership team	Steve Campbell Angie Campbell Joshua Campbell Katie Campbell Rebekah Campbell Holly Miller Robert Allin John Wilson	
Charity number	1132699	
Company number	06940221	
Registered office	C3 Centre 2 Brooks Road Cambridge Cambridgeshire United Kingdom CB1 3HR	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	

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THE C3 CHURCH

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2021*

The trustees present their annual report and financial statements for the year ended 31 December 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 governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objects of the charity laid down in the Memorandum and Articles of Association are, for the benefit of the public:

- To advance the Christian faith in accordance with the statement of beliefs;
- To relieve sickness and financial hardship and to promote and preserve good health; and
- To advance education

in such ways and in such parts of the United Kingdom or the world as the trustees from time to time may think fit.

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

The core activities undertaken to further the objects of the charity are:

- Conducting meetings across three physical locations as well as online;
- Organising activities and groups that fulfil the mission of C3 Church, to reach and shape a generation with the message and cause of Christ
- Safeguarding procedures associated with children's and youth activities; and
- Working closely with other like-minded organisations.

These activities have been reviewed to ensure they continue to reflect our aims and they have remained unchanged since the last annual report of the trustees.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

THE C3 CHURCH

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Following on from the flexible approach adopted in 2020 it was clear to the Leadership Team that in order to fulfil the mission and vision of The C3 Church ('C3') in an ever changing environment they would need to remain agile and responsive to the needs of the congregations and wider community. Therefore, they continued to focus on delivering excellent online material including, church services and other meetings or content. In addition, when physical gatherings were permitted it was a priority to hold gatherings at all three of the physical locations of which the third location, Colchester, was launched in September 2021. The community and social action work delivered through C3 Impact has and will continue across all locations.

Existing and new initiatives that have taken place both online and physically when permitted include:

- The Alpha Course
- Youth and children programmes
- Prayer Events
- WTC Theology Hub
- Baptisms
- Foodbank distribution point
- Breathe Women's events
- The C3 Academy
- Ascend Men's events
- Marriage and Parenting Courses
- Wellbeing courses
- C3 Impact Hubs
- Sunday Services
- Parent and toddler support groups
- Leadership training events
- Worship events
- Weddings
- Global Leadership Summit
- Young Adult events
- Business and workplace events
- Discipleship courses
- Griefshare Courses

Many of the above activities had to move to online platforms during the pandemic and are now offered wherever feasible as hybrid events as the initiatives continue to give significant benefit to the wider community and church members alike. In particular the activities of C3 Impact through community hubs were significantly enhanced as a response to the needs arising from the covid pandemic and C3 were able to offer much needed support to vulnerable local people and act as a signpost to other support services.

The above activities and initiatives would not be able to take place without the generous giving through tithes, offerings and other donations of the C3 congregation and community. We are also grateful to have received grant funding during 2021 primarily to support the work of C3 Impact from the following: Cambridge Community Foundation; Cambridge City Council; Cambridge City Foodbank; Cole Charitable Trust; The Cop Local Community Fund; Acts 435; Screwfix Foundation; Cinnamon Network and Dorcus Trust.

UK Charities and Connections

As with last year we have continued to develop and strengthen very positive relationships with a number of national charities and groups that are making significant impact on various sectors of society. Whilst many in person courses had to be suspended, other online support provisions were introduced. These include:

- Christians Against Poverty (CAP) - We continued with the Job Club, Release and Money courses.
- Trussell Trust - An umbrella organisation for the many Foodbanks in the UK. As one of the founding organisations of the Cambridge City Foodbank we continue to be involved in particular acting as a distribution centre.
- Hope into Action - We continued to work with Hope into Action having partnered with them on two houses in the city.
- Transforming Lives for Good - We established a partnership with Transforming Lives for Good working into local schools to bring hope and a future to struggling children.
- Acts 435 - We have been able to secure a number of donations to help those with specific needs who did not have the resources themselves.
- Stewardship Services - Stewardship continue to provide us with a mortgage for our building of the C3 Centre in Cambridge and we continue to have a very positive relationship with them. The C3 Centre has been instrumental in assisting us to expand our activities and community outreach.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

- Cinnamon Network - Enabling people and resources to transform their communities and help those in social need. We have consulted with them for advice and partnership.
- Church Networks - We connect with Ground Level, Assemblies of God UK, The European Leaning Community, Global Leadership Network and Mountain Springs Church Colorado.

Additionally, we have sought to keep a global perspective in working with individuals, groups and churches across the world. This has included:

- Support of Joel and Claire Harri in their mission endeavors supporting church planting situation across the globe.
- Watoto although the annual visit of the choir was unable to be hosted.
- Samaritans Purse. Primarily through the Shoe Box appeal which runs each Christmas time.
- Donations to various global aid and relief charities including World Vision and Tearfund.

Volunteer team

To continue our activities, we are dependent on volunteers who freely give of their time and skills to ensure the efficient and smooth operation of all that we engage in.

One trustee is remunerated as senior pastor. All other trustees are volunteers who give considerable input and expertise to enable C3 to carry out its duties to what we consider to be a very high standard.

We are also extremely grateful for the wisdom and input from our International Advisory Board (IAB) of Kate Coleman, Paul Reid and Jeff Lucas.

Future Developments 2022

- Having started a multisite expression of C3 in Colchester alongside Bury St Edmunds, Cambridge and Online we will seek to identify other locations in order to broaden the reach of C3's work.
- Further support and enhance the work of C3 Impact in all locations
- Continue to deliver relevant content for the congregation and wider community through a range of digital platforms.

Financial review

The statement of financial activities is set out on page 9 of these financial statements. A summary of the financial results is set out below:

Income generation

The principal source of income comprises tithes and offerings from members. Unrestricted donations and legacies received in the year totalled £1,687,432 (2020 - £1,616,187). Including this, total unrestricted income for the year was £1,890,567 (2020 - £1,688,322) and total restricted income was £75,537 (2020 - £117,217).

Investment policy

The charity has adopted a policy of investing in low risk investment accounts with CAF Bank, Triodos Bank and Stewardship Services.

Fund raising

The charity relies on voluntary donations from its members for its income.

Changes in fixed assets

Details of fixed asset movements are set out in note 13.

Restricted funds

Details of the restricted funds held in the year are set out in note 22.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately two months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs. Unrestricted funds were reduced during the year in line with expectations as investment projects were completed. The charity held free reserves of £266,224 (2020 - £452,674) at the year-end which equates to close to two and a half months unrestricted expenditure. The trustees will keep the level of reserves required under regular review.

Structure, governance and management

The trustees have considered the key operational, financial, and strategic risks that have a bearing on the charity. Suitable management information is available to the trustees on a regular basis to monitor these risks, and allow any mitigating action to be taken to address them.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Steve Campbell	
Kevin McIntyre	(Resigned 22 July 2021)
Alison Seekings	(Resigned 24 March 2022)
Peter Goodliffe	
Anna Harvey	
Stephen Ansa-Addo	
Elsbeth Darley	(Appointed 28 January 2021)
Timothy Pilkington	(Appointed 22 July 2021)
Emilton Barzey	(Appointed 24 March 2022)

The church activities are led by the leadership team. Trustees are selected by the other members of the trustee board. New trustees are approached from amongst the church membership. They are provided with an induction to explain the operations of the charity and their associated responsibility as trustees. Copies of the Charity Commission guidance are provided. The trustees meet approximately four times a year to review strategy, performance, operating plans, budgets and building matters. Operational decisions are delegated to the leadership team.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

Anna Harvey

Dated: 29 September 2022

Timothy Pilkington

Dated: 29 September 2022

THE C3 CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE C3 CHURCH

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE C3 CHURCH

Opinion

We have audited the financial statements of The C3 Church (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE C3 CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE C3 CHURCH

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE C3 CHURCH

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

30 September 2022

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE C3 CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	1,186,252	501,180	52,540	1,739,972	1,715,116
Charitable activities	4	114,479	78,962	22,997	216,438	79,607
Investments	5	1,076	-	-	1,076	1,894
Other income	6	8,618	-	-	8,618	8,922
Total income		1,310,425	580,142	75,537	1,966,104	1,805,539
<u>Expenditure on:</u>						
Raising funds	7	7,412	-	-	7,412	-
Charitable activities	8	1,363,185	564,170	113,997	2,041,352	1,751,580
Total expenditure		1,370,597	564,170	113,997	2,048,764	1,751,580
Net (outgoing)/incoming resources before transfers		(60,172)	15,972	(38,460)	(82,660)	53,959
Gross transfers between funds		(126,278)	126,278	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(186,450)	142,250	(38,460)	(82,660)	53,959
Fund balances at 1 January 2021		452,674	3,970,981	105,353	4,529,008	4,475,049
Fund balances at 31 December 2021		266,224	4,113,231	66,893	4,446,348	4,529,008

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

All income and expenditure derive from continuing activities.

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

THE C3 CHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	1,211,810	404,377	98,929	1,715,116
Charitable activities	4	61,319	-	18,288	79,607
Investments	5	1,894	-	-	1,894
Other income	6	8,922	-	-	8,922
Total income		1,283,945	404,377	117,217	1,805,539
<u>Expenditure on:</u>					
Charitable activities	8	1,189,103	520,059	42,418	1,751,580
Total expenditure		1,189,103	520,059	42,418	1,751,580
Net (outgoing)/incoming resources before transfers		94,842	(115,682)	74,799	53,959
Net (expenditure)/income for the year/ Net movement in funds		94,842	(115,682)	74,799	53,959
Fund balances at 1 January 2020		357,832	4,086,663	30,554	4,475,049
Fund balances at 31 December 2020		452,674	3,970,981	105,353	4,529,008

THE C3 CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	5,800,494		5,844,178	
Investments	14	100		100	
		<u>5,800,594</u>		<u>5,844,278</u>	
Current assets					
Stocks	16	4,517		-	
Debtors	17	50,086		67,109	
Cash at bank and in hand		467,349		619,680	
		<u>521,952</u>		<u>686,789</u>	
Creditors: amounts falling due within one year	19	(279,534)		(227,364)	
Net current assets			242,418		459,425
Total assets less current liabilities			<u>6,043,012</u>		<u>6,303,703</u>
Creditors: amounts falling due after more than one year	20	(1,596,664)		(1,774,695)	
Net assets			<u><u>4,446,348</u></u>		<u><u>4,529,008</u></u>
Income funds					
Restricted funds	22	66,893		105,353	
Unrestricted funds - designated	23	4,113,231		3,970,981	
Unrestricted funds - general		266,224		452,674	
		<u>4,446,348</u>		<u>4,529,008</u>	

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BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29 September 2022

Anna Harvey
Trustee

Timothy Pilkington
Trustee

Company registration number 06940221

THE C3 CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	28		403,186		433,397
Investing activities					
Purchase of tangible fixed assets		(365,273)		(194,031)	
Proceeds on disposal of tangible fixed assets		-		317	
Investment income received		1,076		1,894	
Net cash used in investing activities			(364,197)		(191,820)
Financing activities					
Repayment of bank loans		(191,320)		(117,599)	
Net cash used in financing activities			(191,320)		(117,599)
Net (decrease)/increase in cash and cash equivalents			(152,331)		123,978
Cash and cash equivalents at beginning of year			619,680		495,702
Cash and cash equivalents at end of year			467,349		619,680

THE C3 CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The C3 Church is a private company limited by guarantee incorporated in England and Wales. The registered office is C3 Centre, 2 Brooks Road, Cambridge, Cambridgeshire, CB1 3HR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE C3 CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line on buildings. No depreciation on land.
Plant and equipment	25% straight line
Motor vehicles	10% or 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 the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/ (expenditure) for the year.

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

1.8 Impairment of fixed assets

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

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

1 Accounting policies

(Continued)

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 the lower of replacement cost and 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 Cash and cash equivalents

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

1.11 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

THE C3 CHURCH

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

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	1,180,519	501,180	52,540	1,734,239	1,674,999
Coronavirus Job Retention Scheme grant	5,733	-	-	5,733	40,117
	<u>1,186,252</u>	<u>501,180</u>	<u>52,540</u>	<u>1,739,972</u>	<u>1,715,116</u>
For the year ended 31 December 2020	<u>1,211,810</u>	<u>404,377</u>	<u>98,929</u>		<u>1,715,116</u>

THE C3 CHURCH

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

4 Charitable activities

	2021 £	2020 £
Equipping events and ministry income	184,022	59,346
Resource sales	32,416	20,261
	<u>216,438</u>	<u>79,607</u>
Analysis by fund		
Unrestricted funds - general	114,479	61,319
Unrestricted funds - designated	78,962	-
Restricted funds	22,997	18,288
	<u>216,438</u>	<u>79,607</u>

5 Investments

	2021 £	2020 £
Interest receivable	1,076	1,894
	<u>1,076</u>	<u>1,894</u>

6 Other income

	2021 £	2020 £
Other income	8,618	8,922
	<u>8,618</u>	<u>8,922</u>

7 Raising funds

	2021 £	2020 £
<u>Fundraising and publicity</u>		
Fundraising agents	7,412	-
	<u>7,412</u>	<u>-</u>

THE C3 CHURCH

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

8 Charitable activities

	2021 £	2020 £
Staff costs	572,959	491,060
Audio and visual	63,337	48,903
Conferences, training and resources	86,967	59,485
Cost of goods sold	1,455	850
Ministry expenses - telephone	1,339	1,433
Ministry expenses - travel	1,091	958
Ministry expenses - other	1,153	3,193
Mission and evangelism	172,387	122,625
Projects expenditure - vision expenses	65,096	8,334
Families, children and youth work expenses	59,328	16,397
	<u>1,025,112</u>	<u>753,238</u>
Grant funding of activities (see note 9)	61,216	54,131
Share of support costs (see note 10)	921,819	932,557
Share of governance costs (see note 10)	33,205	11,654
	<u>2,041,352</u>	<u>1,751,580</u>
Analysis by fund		
Unrestricted funds - general	1,363,185	1,189,103
Unrestricted funds - designated	564,170	520,059
Restricted funds	113,997	42,418
	<u>2,041,352</u>	<u>1,751,580</u>

9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Grants payable in furtherance of the charity's objects	<u>61,216</u>	<u>54,131</u>

THE C3 CHURCH

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

10 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	252,337	-	252,337	307,032
Depreciation	408,957	-	408,957	379,733
Interest payable and bank charges	75,475	-	75,475	84,814
Office expenses	40,461	-	40,461	33,303
Sundry expenses	3,755	-	3,755	2,036
Insurance	20,981	-	20,981	17,409
Light and heat	31,476	-	31,476	27,228
Maintenance	71,309	-	71,309	60,312
Marketing	14,377	-	14,377	13,122
Minibus expenses	2,691	-	2,691	7,568
Audit fees	-	5,675	5,675	5,492
Accountancy	-	2,458	2,458	2,844
Legal and professional	-	25,072	25,072	3,318
	<u>921,819</u>	<u>33,205</u>	<u>955,024</u>	<u>944,211</u>
Analysed between				
Charitable activities	<u>921,819</u>	<u>33,205</u>	<u>955,024</u>	<u>944,211</u>

Governance costs includes payments to the auditors of £5,492 (2020 - £5,323) for audit fees.

11 Trustees and key management personnel remuneration and expenses

Mr S Campbell, a trustee, received £52,500 (2020 - £53,500) in respect of ministry salary during the period and was reimbursed expenses of £2,373 (2020 - £1,851).

Four members of the family of one trustee, Mr S Campbell, were also employed by the charity. Their total remuneration was £146,612 (2020 - £139,960)

The charity considers its key management personnel to be the seven (2020 - eight) members of the leadership team. The total amount of remuneration received by key management personnel (excluding pension) was £254,047 (2020 - £285,110).

THE C3 CHURCH

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

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Senior leaders	2	2
Ministry	19	17
Operations	9	10
Other	2	2
Total	32	31

The full time equivalent number of employees during the year was:

	2021 Number	2020 Number
Senior leaders	2	2
Ministry	14	12
Operations	7	8
Other	1	1
Total	24	23

Employment costs	2021 £	2020 £
Wages and salaries	726,339	704,418
Social security costs	60,120	57,081
Other pension costs	38,837	36,593
	825,296	798,092

There were no employees whose annual remuneration was £60,000 or more.

THE C3 CHURCH

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

13 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2021	6,797,835	898,653	63,777	7,760,265
Additions	139,602	225,671	-	365,273
Disposals	-	(7,286)	(11,278)	(18,564)
At 31 December 2021	6,937,437	1,117,038	52,499	8,106,974
Depreciation and impairment				
At 1 January 2021	1,383,622	503,718	28,747	1,916,087
Depreciation charged in the year	221,254	177,203	10,500	408,957
Eliminated in respect of disposals	-	(7,286)	(11,278)	(18,564)
At 31 December 2021	1,604,876	673,635	27,969	2,306,480
Carrying amount				
At 31 December 2021	5,332,561	443,403	24,530	5,800,494
At 31 December 2020	5,414,213	394,936	35,029	5,844,178

14 Fixed asset investments

		Other investments
Cost or valuation		
At 1 January 2021 & 31 December 2021		100
Carrying amount		
At 31 December 2021		100
At 31 December 2020		100
Other investments comprise:	Notes	2021 £
Investments in subsidiaries	27	100

THE C3 CHURCH

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

15	Financial instruments	2021	2020
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	23,816	38,274
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	1,860,978	1,984,765
		<u> </u>	<u> </u>
16	Stocks	2021	2020
		£	£
	Finished goods and goods for resale	4,517	-
		<u> </u>	<u> </u>
17	Debtors	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	2,319	13,135
	Other debtors	21,497	25,139
	Prepayments and accrued income	26,270	28,835
		<u> </u>	<u> </u>
		50,086	67,109
		<u> </u>	<u> </u>
18	Loans and overdrafts	2021	2020
		£	£
	Bank loans	1,718,993	1,910,313
		<u> </u>	<u> </u>
	Payable within one year	122,329	135,618
	Payable after one year	1,596,664	1,774,695
		<u> </u>	<u> </u>

The long-term loans are secured by fixed charges over the assets of the charity.

THE C3 CHURCH

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

19 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	18	122,329	135,618
Other taxation and social security		15,220	17,294
Trade creditors		114,499	37,818
Other creditors		-	150
Accruals and deferred income		27,486	36,484
		<u>279,534</u>	<u>227,364</u>

20 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	18	<u>1,596,664</u>	<u>1,774,695</u>

21 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £38,837 (2020 - £36,593).

THE C3 CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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:

	Movement in funds			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended ¹	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
C3 Impact asset fund	1,008	-	(346)	662	-	(346)	316
C3 Impact fund	10,002	-	(6,838)	3,164	41,382	(6,828)	37,718
Amey Community fund grant	1,546	-	(75)	1,471	-	(75)	1,396
Cambridge City Council grant	10,927	-	(527)	10,400	-	(527)	9,873
Mission gifts	7,071	16,934	(21,555)	2,450	12,234	(14,684)	-
Love Your Neighbour	-	95,537	(13,077)	82,460	-	(82,460)	-
WBCHub	-	4,746	-	4,746	2,652	(7,398)	-
Wellbeing lead salary	-	-	-	-	15,000	-	15,000
Coop local causes	-	-	-	-	4,269	(1,679)	2,590
	<u>30,554</u>	<u>117,217</u>	<u>(42,418)</u>	<u>105,353</u>	<u>75,537</u>	<u>(113,997)</u>	<u>66,893</u>

The C3 Impact fund represents monies to support community and social action projects.

The Amey Community and Cambridge City Council grants have been expended on community facilities at the C3 centre, but remain restricted due to an ongoing requirement to use the facilities for community purposes for a period of 5 and 11 years respectively.

The mission gifts fund represents donations received for specific missionary beneficiaries overseas.

The Love Your Neighbour fund represents a grant received from Church Revitalisation Trust to respond to the needs of the most vulnerable and marginalised people affected by the COVID-19 crisis.

THE C3 CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Restricted funds

(Continued)

The WBCHub fund represents donations pledged specifically to the operation of our community hub based in Waterbeach, Cambridge in partnership with St John's the Evangelist Church.

The Wellbeing Lead salary represents a donation specifically towards the salary and associated costs of the Wellbeing Lead staff position.

Coop Local Causes represent donations received via Cambridge stores that will be applied to Wellbeing Hub activities in our Cambridge location.

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Vision fund	60,830	404,377	(115,523)	(327,519)	22,165	535,841	(108,270)	(350,000)	99,736
Barnabas fund	37,028	-	(48,275)	38,731	27,484	44,301	(47,891)	-	23,894
Fixed assets: special offerings	11	-	(11)	-	-	-	-	-	-
Fixed assets: property fund	3,599,612	-	(219,725)	112,142	3,492,029	-	(220,652)	342,192	3,613,569
Fixed assets: other assets	389,182	-	(136,525)	176,646	429,303	-	(187,357)	134,086	376,032
	<u>4,086,663</u>	<u>404,377</u>	<u>(520,059)</u>	<u>-</u>	<u>3,970,981</u>	<u>580,142</u>	<u>(564,170)</u>	<u>126,278</u>	<u>4,113,231</u>

The vision designated fund represents monies set aside by the trustees for future projects to enable the charity to better fulfil its objectives.

The Barnabas designated fund represents funds transferred from the vision fund to provide encouragement and hope to causes at the discretion of the charity's leadership team.

THE C3 CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Designated funds

(Continued)

The fixed asset funds represent assets funded from special offerings, the net book value of the property and those other assets not funded from restricted income, less the associated borrowings.

THE C3 CHURCH

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

24 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	-	5,788,909	11,585	5,800,494
Investments	100	-	-	100
Current assets/(liabilities)	266,124	(79,014)	55,308	242,418
Long term liabilities	-	(1,596,664)	-	(1,596,664)
	<u>266,224</u>	<u>4,113,231</u>	<u>66,893</u>	<u>4,446,348</u>

25 Operating lease commitments

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

	2021 £	2020 £
Within one year	15,411	1,645
Between two and five years	90,000	411
	<u>105,411</u>	<u>2,056</u>

The amount shown above includes contributions to a sinking fund required under the terms of the lease.

26 Related party transactions

Other than those transactions disclosed in note 11 of these financial statements, there were no disclosable related party transactions during the year (2020 - none).

27 Subsidiaries

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
C3 IP Ltd	United Kingdom	Dormant	Ordinary	100.00

THE C3 CHURCH

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

28	Cash generated from operations	2021	2020	
		£	£	
	(Deficit)/surplus for the year	(82,660)	53,959	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(1,076)	(1,894)	
	Depreciation and impairment of tangible fixed assets	408,957	379,733	
	Movements in working capital:			
	(Increase) in stocks	(4,517)	-	
	Decrease/(increase) in debtors	17,023	(1,423)	
	Increase in creditors	65,459	3,022	
	Cash generated from operations	403,186	433,397	
29	Analysis of changes in net (debt)/funds			
		At 1 January	Cash flows	At 31 December
		2021		2021
		£	£	£
	Cash at bank and in hand	619,680	(152,331)	467,349
	Loans falling due within one year	(135,618)	13,289	(122,329)
	Loans falling due after more than one year	(1,774,695)	178,031	(1,596,664)
		<u>(1,290,633)</u>	<u>38,989</u>	<u>(1,251,644)</u>