



**CHARITY COMMISSION
FOR ENGLAND AND WALES**

Mustard Seed Christian Ministries

Annual Report and Accounts for
year ended 31st March 2024



The
Mustard Seed
Charity No. 1048903

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Introduction

Commencing the year 2023/24, the Charity faced some significant challenges. Firstly, our previous long-standing shop manager had retired at the end of December 2022, with no obvious replacement found. Secondly, our Chair of Trustees, David Lewis, stepped down from the board, having generously given five years to the role. Added to this, the retirement of another trustee the previous year and personal challenges faced by another trustee meant the board of trustees was looking thin.

To combat some of our operational management challenges from the end of 2022/23, an additional staff member was taken on in a management capacity for a temporary contract of a few months, which ended up being extended several more months while our shop manager position remained unfilled. While this helped solve many of the operational issues, it did contribute to an unsustainably high staff budget. Additionally, high inflation on food and energy, the need for a replacement oven and repainting works to the exterior of the building, meant our finances were under pressure.

Thankfully, over the year we have managed to overcome a number of challenges, although the financial benefits are only just being felt. Three new trustees joined the board, while I took on the Chair role on an interim basis. The recruitment of a dedicated bookshop manager, working on a part-voluntary basis, has secured the survival of our bookshop. Our bookshop manager's work to promote the bookshop and our general offering through social media and the local churches, as well as building up our stock of second-hand books has helped to maximise footfall to the shop while minimise our costs. His appointment meant that we were able to release our temporary manager, although of course, it was a sadness to say goodbye to a valued member of the team. Thankfully he was still around to campaign for and see us win the Sidmouth Herald's 'Café of the Year'!

Having faced various challenges with our café staffing mix, we are now grateful to have a team that works well together, with our long-standing assistant manager given the position of Café Manager from December 2023. In line with inflation, our menu prices were increased for a second time during the year to maintain a gross profit that makes us commercially viable. We continue to ensure that we to pay all our staff the real Living Wage rather than the statutory minimum. On the back of external refurbishment works, we were able to complete the internal refurbishment of the shop during Christmas week while we were already closed for trading. This revived the look of the café and provides greater separation between the café and our offering of cards and gifts. A new separate bookshop area better displays our stock and means customers are more able to access it.

Significant challenges still persist and the long-term future of the charity remains under review. While we are much better placed to avoid making a loss in 2024/25, careful management of all aspects of the Trust is still necessary to ensure this is achieved. With our trading activities more self-supporting, our hope is that our charitable donations can be used to expand our charitable activities further. Our board of trustees needs increasing to better share the load, particularly given the impending retirement of at least two more of our long-standing trustees. That said, we are thankful to God for the continued existence of the Mustard Seed, along with our dedicated staff, volunteers, trustees and supporters in helping us to serve our community with love.

Ruth Ray
Chair, Mustard Seed Christian Ministries

April 2024

The Key Facts

- The shop manager role has been split into two positions; a Bookshop Manager and Café Manager which have now both been filled. Alongside our café staff team, our budgeted staff hours are now more in line with those we had prior to the pandemic when we were operationally more efficient.
- While we continue to stock a small selection of new Christian books and Bibles, new stock purchases have been reduced, with a shift in focus to reselling the donations of second-hand Christian books; an area in which we are much better positioned to compete against online retailers than the new books market and offer our local community a service they can't otherwise access.
- We have begun the groundwork to shift the Charity's structure to a Charitable Incorporated Organisation. We hope that the majority of this work may be achieved during 2024/25, providing the charity with greater agility and attractiveness to potential trustees.
- We have now completed our refurbishment works to both the exterior and interior of the building, providing separate areas for our sale of cards and gifts, books, and the café itself. We now have a dedicated community noticeboard for the display of local notices that align with our Christian ethos.
- An overhaul of our policies was conducted in 2023/24 to ensure these were up to date and provided necessary coverage for all important areas of the Charity's operation. A Fire Risk Assessment was compiled in line with legal requirements, and a more general Risk Assessment made up-to-date.
- An overhaul of our volunteer processes and procedures was conducted along with an update to our staff handbook. A volunteers' noticeboard and improvement of our management structure have both helped with the improved communication to our volunteers.
- We have increased our presence on social media and updated our website to help promote and extend the reach of our message.
- We continue to partner with other organisations which align with our charitable objects. Namely, Gateway which seeks to alleviate homelessness in Sidmouth and Oasis Café which aims to reduce social isolation and promote mental well-being but also local church organisations that wish to use the café. In March we also welcomed a volunteer from a local church who used the Mustard Seed to offer free Easter craft activities, aiming to share the Easter story with local children.



Summary Legal and Administrative Details

1 Status

Mustard Seed Christian Ministries was constituted by Trust Deed on 2 March 1995, and that Deed was subsequently amended by an Agreement dated 15th May 2014. Mustard Seed Christian Ministries is regarded as a charity and is registered with the Charity Commissioners under reference number 1048903. Mustard Seed Christian Ministries operates from its premises under the name of 'The Mustard Seed Café and Christian Bookshop'.

2 Trustees

Members of the Board of Trustees serving during the year were as follows:

Mrs Ruth Ray	Chair
Mr Kieth Sparks	Treasurer
Mrs Joanna Davis	Secretary
Mr Gareth Stephens	
Mrs Jayne Norton	
Mrs Hannah Boyd	

A note of appointments and resignations can be found on page 10.

3 Registered Office

1 All Saints Road
Sidmouth
Devon
EX10 8ER

4 Professional Advisors

Bankers:	Independent Examiner:	Solicitors acting for CIO:
HSBC	Stephen Maycock BA FCA	Anthony Collins LLP
250-251 High St	16 Windsor Mead	134 Edmund St
Exeter	Sidford	Birmingham
Devon	Sidmouth	B3 2ES
EX4 3PZ	EX10 9SJ	

5. Statement of Trustees' Responsibilities

Charity 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 for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent;
- state whether the policies adopted are in accordance with the appropriate Charity Commission guidelines for Receipts and Payments Accounts, 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 its operations.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act. 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.

Trustees' Annual Report

Period: 1st April 2023 to 31st March 2024

Charity name: Mustard Seed Christian Ministries

Charity registration number: 1048903

Objectives and Activities:

The Purposes of the Charity

To advance the Christian religion by

- Selling Christian books and gifts
- Running a community café

Our Main Activities

We run a Christian bookshop serving the residents of East Devon and visitors to it, selling books, cards and gifts.

We promote and sell Christian books to churches, schools and other organisations.

Our café aims to provide locals and visitors alike with a hospitable welcome, a listening ear and relevant support and signposting as desired as an outworking of our Christian ethos and values.

Public Benefit

We have consulted the Commission's guidance on public benefit and believe that we satisfy it by virtue of the fact that our bookshop and café are open to the public and that we market our services across East Devon. We seek to be inclusive of all regardless of ethnicity, age, gender, faith, sexual orientation, social background or situation, or ability, both in relation to our recruitment of staff and volunteers and in relation to our clientele.

Additional information

Community development, supporting those in need and preventing poverty

We run a café which seeks to build and support community within Sidmouth and beyond.

- We offer a safe and secure place of rest and affordable refreshment for those who need it. We have regular customers who live alone and who come for company and informal help with problems. We try to have experienced listeners available.
- We support five local residents with part-time employment, one of whom is a Ukrainian refugee who is also being supported with her English language by one the trustees.
- We support several volunteers with additional needs.
- We work with other local organisations in supporting homeless and vulnerable people in the Sid Valley and beyond. We have an ongoing informal partnership with one local charity, Gateway, which uses our café as a base several times a week to be available to meet with and support anyone who may need their services. Refreshments for

	<p>Gateway volunteers and clients was previously paid for by a designated fund held by Mustard Seed Christian Ministries but since forming and registering their own charity, this fund has been run down with refreshment now paid for directly by Gateway. Gateway's use of the Mustard Seed is not dependent upon a minimum spend, with both charities operating symbiotically to support one another in our collective aim to support those in need.</p> <ul style="list-style-type: none"> • We were able to support Oasis Café, a small local organisation which promotes mental health and well-being through reducing loneliness and isolation, in running a drop-in event at the shop on Christmas Day. • Supported by the local CofE church, we ran a craft workshop at the end of March to help teach children about the meaning of Easter. We provide cooked meals and hot drinks to homeless people and others coping with poverty, originally through our Street Scene fund and latterly paid direct via Gateway from which, in 23/24 we provided cooked meals and hot drinks to the value of £3,348 (£3,664 in 22/23). <p>We see all the above as appropriate to our primary purpose of advancing the Christian religion, by living out our faith in the way we run the cafe as well as by promoting the message through the bookshop.</p>
Volunteers	<p>Our five excellent staff are ably supported by a team of volunteers who serve the ethos of the bookshop and café very well. Some, as noted above, have a range of additional needs and are cared for and developed both by staff and other volunteers, as well as by a loyal customer base which increasingly recognises the value of what we are doing.</p> <p>We offer a work placement each year to a hard-to-place student from the local secondary school, both for a full week and at other times when requested.</p> <p>We have a staff handbook which contains a full complement of policies relating to their work. New volunteers are inducted by the Manager or one of her able assistants.</p>
Other	<p>Locals and visitors, of whom there are many because of our town's reputation as a holiday destination, often comment on the 'lovely atmosphere' of the shop and, in the case of the visitors, express regret at the loss of similar provision in their own areas.</p>

Achievements and Performance

Main Achievements	<p>In 2023/24 we sold £18,004 (2022/23 £20,009) worth of Christian books, cards and gifts to residents, churches, other organisations and visitors to the town. The development of our second-hand book offering has enabled us to distribute more Christian literature at a lower price to our customers as well as provide a valuable home for many used Christian books that may otherwise be disposed of. Although our financial turnover of books has decreased our profit margin on book sales has improved and with a pivot towards fewer new book sales and more second hand, we anticipate that this will secure the financial future of the bookshop. Although the cost of sales for books increased in 2023/2024 (£11,847 versus £10035) this was largely due to a conservative write-down of stock value of our new books, many of which are now several years old.</p>
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	<p>We are still developing our role as a community café, supporting our volunteers as well as homeless and vulnerable people within the community. We continue to work with other local organisations serving the same constituency. The value of this work is recognised by other organisations within the town and elsewhere which provide us with financial support, as well as by the community itself when the Mustard Seed was named as the local newspaper's 'Café of the Year' as voted for by customers.</p> <p>The Staff Team continue to grow in effectiveness and in their ability to support the strong team of volunteers, some of whom have additional needs. The latter grow in confidence and skills, some progressing from kitchen work to contact with customers. A focus on pricing and customer experience in the café have helped to increase our café sales by £7,723 (£59,126 in 2023/204 versus £51,403 in 2022/2023) with minimal increase in the cost of sales (£16,129 in 2023/2024 versus £15720 in 2022/2023).</p> <p>We are pleased to have moved significantly towards a more sustainable financial situation, with early indicators showing that we should be achieving or much closer to break-even for 2024/25</p>
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Additional information

Achievements against objectives set	While the tide of losses was eventually stemmed during 2023/24 our cash balances have reduced by £9,093 (£58,079 in 2023/24 versus £67,172 in 2022/23). This is not expected to reduce further due to action taken during the year and despite the drop, during 2023/24 we were still able to maintain robust cash balances. We have been able to redecorate the exterior, purchase a replacement oven and refurbish the interior which have helped to contribute to our rising café sales income.
Fundraising	During 2023/24 our 'One In A Thousand' Appeal for regular donations raised £4,205 (2022/23 £5,459) and we are working to maintain and build this figure, under the new banner of 'Friends of the Mustard Seed'. We are also researching grant funding that may be available to support some of the community building and vulnerable volunteer training we are doing.

Financial Review

Receipts and Payments Accounting	<p>The Trust operates on a Receipts and Payments basis but accounts with a full balance sheet covering stocks, debtors and creditors along with fixed assets at valuation, but without accruals and prepayments and the application of depreciation. It does so on a consistent basis with recent years.</p> <p>Assets are renewed and replaced, when needed, in order to support the operation of the Cafe and Bookshop. These payments are shown on page 14 in General Expenses-renewals and maintenance.</p>
Closing Financial Position	<p>In the year ended 31 March 2024 we had net outgoing resources of (10,065 compared with outgoing resources of £12,167 for 2022/23. Cash balances were £58,079 (£67,172 in 2022/3).</p>
Fixed Asset Values	<p>The property is valued at £187,500 as per professional valuation carried out March 2022. Other assets are renewed and replaced and the Trustees review their value annually. It is considered that their value is fair given their continued use, renewal and replacement..</p>
Reserves Policy	<p>The charity has a policy of reserving three months' Operating Expenditure in order to offset potential financial challenges arising. This has meant that, so far, we have been able to weather these uncertain times with some confidence surrounding our future. We remain committed to sustaining a reserves account as a matter of priority.</p>
Amount of Reserves held	<p>Included in our cash and bank balances are £25,000 cash reserves (2022/23: £30,000) approximating to three months operating expenditure. Reserve levels are reviewed by the Trustees regularly as and when a change in circumstances dictates.</p>
Reasons for holding zero reserves	<p>Reserves are held and monitored as noted.</p>
Details of fund materially in deficit	<p>There are no funds in deficit.</p>
Uncertainties Going Forward	<p>Uncertainty remains on a general level around the continued Cost of Living and the current rate of inflation, as well as how Business Rates will be charged each year. Combined with the proposed increase at the end of 2023/24 by almost 10% of our staff hourly wage, our finances will remain under pressure.</p> <p>We anticipate a legal bill of up to £4,000 this financial year towards the cost of transitioning our charitable structure towards that of a CIO, which we hope to cover through charitable donations. This should then help us to recruit the number of trustees that we need as this remains an ongoing challenge.</p> <p>Our staff team are now well-placed to deliver our services, demand for which is anticipated to increase if not remain the same. That said, as a small organisation, we are still vulnerable to the same sort of unforeseen shocks of any similar operation such as staffing issues, another pandemic, maintaining adequate numbers of volunteers and trustees, etc.</p>

Additional information

Principal sources of funds

Our major source of income is our café. Most of our additional income is from the sale of books and gifts and donations. We run an Appeal ('One In A Thousand', now 'Friends of the Mustard Seed') for people to partner with us by regular donation of small sums of money.

Investment policy and objectives

Surplus funds are held on bank deposit in order to be readily available when needed.

Principal Risks facing the charity

We are working hard to minimise costs and maximise income, major elements of which have been monitored and addressed this financial year with focus placed in those areas where we can be more competitive.

We recognise that the charitable donations we receive can help us broaden our charitable reach and therefore the risks facing us in this would be a reduction in donations.



Structure, Governance and Management

Description of charity's trusts	The Trust was constituted as an Unincorporated Association by Trust Deed on 2 nd March 1995 and is regarded as a Charity. The Deed was amended by an Agreement dated 15 th May 2014.
Trustee Selection	New Trustees are appointed by invitation of the existing Trustees. Officers are elected by the Trustees. The Trustees are all volunteers and do not receive any remuneration, payments or benefits.

Additional information

Induction and Training of Trustees	We refer new Trustees to the Charity Commission documentation for new Trustees, and discuss with them the issues arising from these. We try where possible to incorporate reviews of topics covered by the documentation in Trustees' meetings.
Organisational structure	The Charity is overseen by a small group of Trustees from local churches, and managed by five paid Staff. All five are part-time.
Related Parties	We have informal links with the churches of the Sid Valley, and work closely with Gateway, the local organisation supporting the homeless. We also have links with the Sid Valley Food Bank and with Sid Valley HELP, a local networking organisation working particularly to support the lonely and isolated as well as Oasis café which addresses the same.
Other	www.mustard-seed.org.uk 'The Mustard Seed Sidmouth' on facebook Email: mustard.seed@hotmail.co.uk

Reference and Administrative details

Charity name	Mustard Seed Christian Ministries
Other name the charity uses	The Mustard Seed Café and Christian Bookshop
Registered charity number	1048903
Charity's principal address	1 All Saints Road Sidmouth Devon EX10 8ER

Names of the Trustees who manage the Charity

Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
Mrs Hannah Boyd		Appointed 11 July 2023	
Mrs Joanna Davis	Secretary		
Mrs Ruth Ray	Chair (incoming)		
Mrs Jayne Norton		Appointed 5 September 2023	
Mr Kieth Sparks	Treasurer		
Mr Gareth Stephens		Appointed 11 July 2023	
Rev David Lewis	Chair (outgoing)	Resigned a7 July 2023	

Names of trustees for the time being holding title to property belonging to the charity

Name	Dates acted if not for whole year
Joanna Davis	
Ruth Ray	
Kieth Sparks	

Funds held as custodian trustees on behalf of others

There are no funds.

Additional information

Names and addresses of advisers

Type of adviser	Name	Address
Bank	HSBC	251-251 High Street, EXETER Devon EX4 3PZ
Independent Examiner	Stephen Maycock	16 Windsor Mead, Sidford, Sidmouth, EX109SJ

Name of senior staff member

Name	Dates acted if not for whole year
Nick Townsend	Until 17 th October 2023
Michelle Bree	1 st December 2023 and ongoing
Chris Halls	28 th September 2023 and ongoing

Exemptions from disclosure


Reason for non-disclosure of key personnel details

Intra-staff confidentiality

Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Ruth Ray	Kieth Sparks
Position	Chairperson	Treasurer
Date	12/11/2024	12/11/2024



Report of the Independent Examiner

I report to the Trustees on my examination of the accounts of Mustard Seed Christian Ministries for the year ended 31 March 2024, which are set out on pages 14 to 17.

Responsibilities as Trustees of the Charity and Basis of Report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) Of the Act.

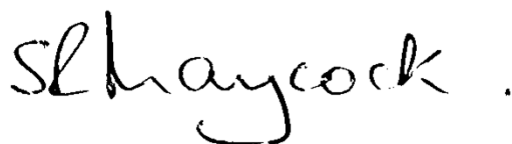
Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Date: 11th November 2024

Name: Stephen Maycock

BA FCA

Address: 16 Windsor Mead, Sidford, Sidmouth, EX109SJ

Receipts & Payments Account

Year ended 31 March 2024

	Notes	2024			2023
		Unrestricted funds	Restricted funds	Total funds	Total funds
		£	£	£	£
Incoming Resources					
Donations		11,451		11,451	9,629
Gift Aid repayments	4	2,066			
Legacies		139		139	-
Book shop sales & Commission		9,693		9,693	9,070
Sales of cards and gifts		9,135		9,135	10,939
Sales of refreshments		59,126		59,126	51,403
Interest received		930		930	287
Total Incoming Resources		92,540		92,540	81,041
Direct Charitable Expenditure					
Cost of sales	5	28,658		28,658	26,439
Expenses	6	73,947		73,947	67,056
Total Resources Expended		102,605		102,605	93,208
Net (Outgoing) /Incoming resources		(10,065)	-	(10,065)	(12,167)
Adjust for non-cash movements:					
Reduction/(increase) in stock value		4,638		4,638	(819)
Reduction/(increase) in debtors		427		427	(427)
(Reduction)/increase in creditors		(4,093)		(4,093)	3,596
Cash transfers between funds	1	1,887	(1,887)	-	-
Opening cash resources at 1 April		65,285	1,887	67,172	73,127
Closing cash resources at 31 March	3	58,079	-	58,079	65,285

	Notes	Unrestricted funds	2024 Restricted funds	Total funds	2023 Total funds
Reconciliation of Funds					
Opening Funds at 1 April		267,218	1,887	269,105	281,272
Net outgoing resources		(10,065)		(10,065)	(12,167)
Transfers between funds		1,887	(1,887)	-	
Closing funds at 31 March		259,040	-	259,040	269,105

Statement of Assets and Liabilities

Year ended 31 March 2024

	Notes	2024			2023
		Unrestricted funds	Restricted funds	Total funds	Total funds
		£	£	£	£
Fixed assets					
Freehold property (at valuation 2022)		187,500		187,500	187,500
Fixtures and fittings (WDV)		9,133		9,133	9,133
Computer equipment (WDV)		145		145	145
		196,778		196,778	196,778
Current assets					
Stocks		6,827		6,827	11,465
Debtors		-		-	427
Bank and cash balances	3	58,079		58,079	67,172
		64,906		64,906	79,064
Less: Current liabilities					
Creditors		2,644		2,644	6,737
Net current assets		62,262		62,262	72,327
Net assets		259,040		259,040	269,105
Restricted Fund (Street Scene)		-		-	1,887
Designated Funds:					
- Renovations & Equipment		2,921		2,921	3,164
- Three months' Operating Expenditure		25,000		25,000	30,000
General Purposes Fund		231,119		231,119	234,054
Total Funds		259,040		259,040	269,105

Signed on behalf of the Trustees:

Chairperson



Treasurer



Date: 13/11/2024

Notes and Accounting Policies

Year ended 31 March 2024

1. Accounting policies

The financial statements have been prepared in accordance with the Charity Commission guidance for Receipts and Payments Accounts.

a) **Income**

All income is recognised on a received basis.

b) **Fund accounting**

The Charity's Unrestricted Funds consists of funds which the Charity may use for its charitable purposes. Designated Funds have been created for management purposes. These are unrestricted.

Our Street Scene arrangement finished during the year. The balance of the restricted fund was released to our General Purpose Fund to further our work in support of homeless clients.

c) **Expenditure**

All expenses are accounted for on a receipts and payments basis with the exception of staff costs and VAT payable which are recorded as incurred.

2. Trustees' remuneration and expenses

No remuneration or expenses were paid by the Charity to any of the Trustees for their services during the year.

3. Bank and cash balances

	2024 £	2023 £
EPOS Till Account	1,569	866
Current account	5,311	2,759
Deposit account	47,678	58,338
Building account	2,921	2,822
Street Scene Account (Restricted)	-	1,887
Petty cash account	600	500
	58,079	67,172

4. Gift Aid

Gift Aid is claimed on gifts in accordance with HMRC guidance.

Notes and Accounting Policies (continued)

Year ended 31 March 2024

	2024			2023
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
5. Cost of Sales				
Book shop purchases	11,847		11,847	10,035
Postage on sales orders	64		64	120
Catering purchases	16,129		16,129	15,720
Credit/Debit card charges	617		617	564
	28,658		28,658	26,439
6. General expenses				
Staff Costs	48,114		48,114	45,053
Rates	1,998		1,998	3,805
Utilities	6,204		6,204	4,133
Premises - renewals & maintenance	9,611		9,611	7,712
Equipment - renewals & maintenance	217		217	703
Cleaning & hygiene costs	995		995	1,077
Disposal of waste	1,116		1,116	908
Telephone & internet charges	603		603	487
IT & Till Costs	812		812	761
Advertising	21		21	-
Stationery	181		181	305
General insurances	1,223		1,223	1,613
Legal & Professional Fees	300		300	-
Bank charges	238		238	238
Sundry	324		324	261
	71,957		71,957	67,056
Purchase of new cooker	1,990		1,990	
	73,947		73,947	67,056

