



# The Mustard Tree

Working in Partnership, Enabling Community



**The Trustees' Annual Report  
for the year ending  
31st December 2020**



The Trustees are pleased to present their Report and Accounts for the year ending 31st December 2020, which also comprises the Directors' Report required by the Companies Act 2006.

## Message from the CEO



In 2020 a year of change, uncertainty and challenge, it is our strong partnerships that have been key to ensuring that we have been able to meet the needs of those who are marginalised or facing disadvantage. I am encouraged and inspired by the way that so many in our communities have shown resilience and offered hope amidst the challenges that the Covid-19

pandemic has presented. We have worked with some amazing statutory and voluntary sector partners and seen people overcome the most difficult of situations.

As this report shows, the dedication and responsiveness of the team has enabled us to support more people than ever before, with over 250 volunteers joining us to deliver this vital support. As we move into 2021 our passion is to continue to empower and support those that struggle with their health or wellbeing. Ensuring they feel connected to their local community and that their voices are heard.

It is by working together that we see the biggest impact. Therefore, I would like to take this opportunity to thank everyone who joined with us to ensure our success during 2020, your contribution makes a difference and we value all of your support.

*Katherine*







## Our Way of Working

The Mustard Tree partners with local communities, charities and statutory organisations to identify unmet needs among the most at risk and marginalised in our society. Working through these partnerships we innovate and develop projects that enable our teams and volunteers to walk alongside people when they need help, encouragement and a friend.

The Mustard Tree provides governance and management structures, as well as strategic start-up and development guidance for growing projects. We also offer a range of practical services in the areas of infrastructure, HR, finance and fundraising. This allows our programmes to focus on delivering high impact projects to some of society's most underrepresented people.

As a charity with a Christian ethos the projects we generate are inspired by our faith. As a result, they are designed to serve all sections of our diverse community without discrimination.

## What We Do:

Through our projects we work to do the following...

- Reduce health and social inequalities.
- Build stronger and more cohesive communities.
- Give a voice to the unheard.

## How We Do It:

We are person centred in our approach to supporting our service users. This means our staff and volunteers always seek to be...

- Someone who will listen.
- Someone who won't judge.
- Someone who believes in the potential of every individual.

## Our Priorities for 2020:

Our projects serve a wide spectrum of the community, but they are linked by a shared set of priorities in 2020 these were:

- Tackling loneliness and social isolation.
- Engaging vulnerable and hard to reach people.
- Improving mental health and wellbeing.
- Supporting positive change for individuals and families.
- Connecting people with existing wider support and opportunities in their community.



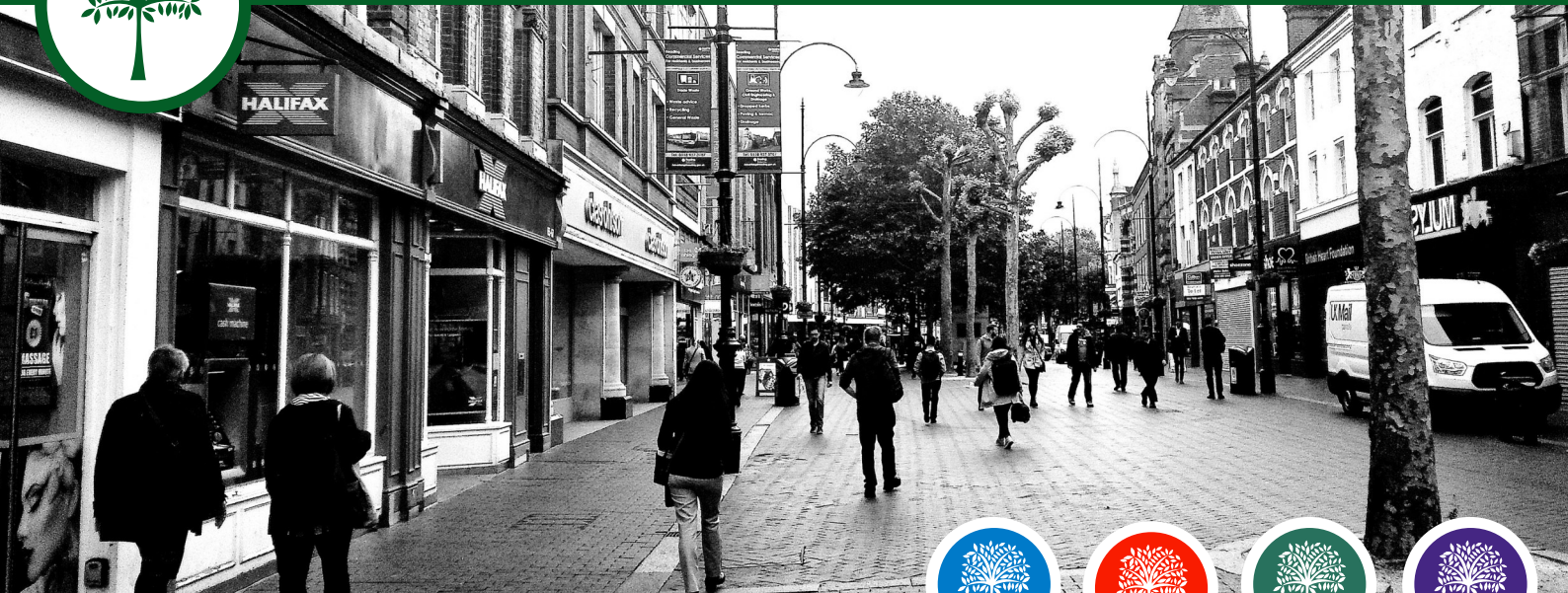


# Our Projects

In 2020, we ran four different projects in our local community.

Together these projects...

supported over 465 people,  
thanks to our 250 incredible volunteers



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## Our Trustees

Michael Penson (Chair)  
Richard Wilson  
Dr John Hawkins OBE  
Patricia Stanley  
Kevin Potter  
Danielle Malone

## Our CEO

Katherine Shepherd



# Engage

*Reducing isolation and loneliness by developing positive relationships and networks in our communities*



In 2020 Engage Befriending rose to meet the challenges posed by the global pandemic. This year, during two periods of national lockdown and ongoing Covid-19 restrictions, Engage Befriending joined with other local voluntary organisations to support Reading Borough Council's "One Reading Community Hub". As well as providing essential support the hub also coordinated a joined up crisis response to the Covid-19 pandemic.

By being responsive and flexible to shift from in-person to telephone befriending, and by expanding the age range of the service to encompass under 55's who were in isolation alone, Engage became a vital part of this response. Our volunteer Befrienders ensured that those worst affected by lockdown received support in the form of regular phone calls.

*"We are so different, and you would think we wouldn't have anything in common but we get on so well"*

A service user speaking about their relationship with their Befriender.







In 2020 Engage received 276 referrals for telephone befriending support. This represents a 107% increase on referrals received in 2019.



In response to the first national lockdown in March 2020. It immediately became clear that demand for the service would rise, as many normally active older people found themselves cut off and isolated from their usual support networks.



In 2020 Engage:

- Supported 303 new people.
- Matched 91 new service users with a befriender.
- Continued to support 70 existing service users.



We welcomed a further 47 volunteers to the team giving, at one point in the year, over 150 dedicated volunteers (an increase of 53%) supporting people at their most vulnerable.

*Geoff is in his 90's and was unable to leave his home during lock-down. He misses the activities he used to do and says that when our volunteer called he had not had a conversation with another adult in weeks. He has become very low and depressed being alone all the time. Regular calls from his telephone befriender have helped give him something else to think about and break up the long days.*

To meet this increased demand, Engage set about recruiting and training new volunteer befrienders, particularly those now on furlough from their jobs and those working from home. This strategy was very successful with more than 100 people enquiring about becoming new volunteers.

A few weeks into lockdown, the Engage team worked with Reading Borough Council to expand the service to offer befriending support to lonely and isolated individuals under the age of 55. The focus was single adult households, and individuals with pre-existing poor mental health. Out of this request, a new Engage programme was born. Engage Wellbeing offered befriending support, via phone or internet, to those at risk of mild to moderate anxiety or depression because of social isolation.

In the summer of 2020, as Covid-19 restrictions were eased, some befrienders resumed face-to-face visits using appropriate safety and social distancing measures. Others continued to offer support via the telephone. As the tier system took effect in the autumn, once again, Engage was quickly able to pivot back to offering support remotely. In the run up to Christmas the Engage team were able to deliver care packages to their service users.

In 2021 we are looking forward to resuming face-to-face befriending visits, supporting people to reconnect with their local community, restarting and expanding our network of partners and seeing the further growth and development of the Engage Wellbeing programme.





# Starting Point

*Providing mentoring and creating opportunities for young people who face disadvantage.*



**Starting Point has continued to enable transformation in the lives of young people who face disadvantage. 2020 was a challenging year, but a year that has provided the opportunity to enhance the quality of our mentoring.**

*In 2020  
Starting Point provided  
mentoring for over  
**110** young people  
with the support of over  
101 volunteer  
mentors.*



## **Covid-19 - Impact and Response**

Covid-19 has had a significant impact on the young people we support. Two national lock downs and regional restrictions had a negative effect on their mental health, confidence, and motivation. As a result, we offered ongoing support for mentors that enabled them to mentor virtually and offer support in social-emotional development.

Despite the ability to adapt as a project, it quickly became clear that the need for face-to-face meetings were crucial -particularly for those who are 'hard to reach', have multiple barriers, and are socially isolated.

Therefore, in line with government guidelines, we put in place risk assessments and safety reviews to ensure meetings could take place in person. As soon as face to face meetings began again, we saw a significant increase in positive engagement from young people.

*Before getting a Mentor  
I had very low confidence,  
but since getting a mentor  
I feel believed in, I've  
gained confidence and  
take better care of myself.*

**Isabelle, Aspire.**





*I didn't want to go to lessons  
but after talking to you I  
changed my mind.*

**Muhammed, Advance.**

## OUR PROGRAMMES

### Aspire:

*Mentoring young people aged 15 to 25 into education, employment, and training.*

Last year we renamed our established 'Traffic Light Mentoring' programme. However, we will still follow the 'Traffic Light journey' which is designed to support young people to not only attain, but sustain and thrive within education, employment, and training.

### Aspire Outcomes:

In 2020 the total number of young people mentored through Aspire Mentoring is 89.

Of those:

- 20 have accessed employment.
- 13 have accessed education and training.
- 16 who came to us at risk of becoming NEET have been supported to sustain their education or employment.
- 12 have accessed work experience.
- 5 have accessed mock interviews.
- 7 accessed a social group.
- 10 accessed our support fund (interview clothes etc.).

Overview of the young people we mentor through Aspire:

31% are from the BAME community.

33% are on benefits.

8% have a criminal record.

36% have learning difficulties/disabilities.

44% have mental health struggles.

49% have low/no qualifications.

22% have ASD.

*In 2020 through  
Aspire mentoring  
**33** young people  
accessed employment or  
education and training*



### Advance:

*Mentoring young people aged 11–19 who are at risk of exclusion from school and/or becoming NEET (Not in Education, Employment or Training) upon leaving education.*

We have built on our successful pilot, 'Transition Mentoring', which partnered with four schools and colleges and following feedback from young people and schools, we launched Advance Mentoring to extend this support to a younger age group. In 2020 we have engaged with an additional two schools and are receiving numerous referrals from children's social services.

### Advance Outcomes:

Since launching this programme in June 2020, we have mentored 29 young people, in partnership with four local schools as well as referrals from children's social services. Of those:

- 7 accessing further education or employment.
- 2 at risk of exclusion/withdrawing from school have remained in existing education.
- 2 have improved attendance at school and lessons.

Overview of the Young People we mentor through Advance:

55% are at risk of becoming NEET.

31% are at risk of exclusion.

31% are not attending school.

17% are not engaging in school.





### Action Media:

*A young person led production company providing meaningful work placements in a creative industry.* We were commissioned to deliver meaningful work experience to those who are NEET or are at risk of becoming NEET. This is done in partnership with a local participatory video organisation – Real Time. The purpose of this programme is to grow and develop work ready skills, build confidence and teamwork, develop communication, and combat social isolation. This involves activities such as video production, logo design and branding, creative writing, art, social media, graphic design, and website building.

Although activity has been restricted due to national and local restrictions, 20 young people aged 15–25 have attended this year. Of those:

- 8 were NEET upon starting, 4 have since accessed education, employment or training.
- 11 are currently in education or alternative provision and have been identified as at risk of being NEET.
- 4 are working towards an Arts Award as part of their work experience (gaining UCAS points).



## OUR MENTORS

In 2020 we have:

79 new mentors currently mentoring or ready to be matched across all our programmes.

We had 101 mentors in total.

## Looking Ahead

### Reading:

Aspire will be launching a new initiative titled 'An insight into...' allowing young people the opportunity to experience variety of skills and industries through different workshops. We already have local artists, photographers, IT specialists and museums signed up to take part. We also expect to see another surge in referrals with current climate of loss of jobs.

Advance will continue mentoring within schools, as well as within the wider community. We are also entering a contract with children's social services to provide mentoring for 30 young people (11-18) at a time.

Action Media is looking to be established as a regular programme continuing to offer a unique and valuable opportunity for young people who face disadvantage. Action Media will run different media projects that focus on giving a voice to the unheard, providing a chance for YP to tell their story.

Aware is a new programme we seek to launch this year, mentoring young people at risk or/involved in ASB, crime and violence. This mentoring will be more activity based and include placing volunteers in A&E to engage young people who are involved in violence and/or risk-taking behaviour.

### Replication:

Over the past two years we have carried out extensive research in surrounding towns and cities to identify areas of need. We have started to build partnerships in those local areas to see where there is an appetite for 1-2-1 mentoring. As a result, we are setting up Starting Point Swindon and Starting Point Milton Keynes with an aim to launch at the end of January.





Identifying,  
supporting and  
empowering  
anyone affected by  
sexual exploitation



2020 brought many positive encouragements as well as some significant challenges. Both the women we support and the project were particularly impacted by Covid-19.

In the first lockdown after an initial period of working to ensure that clients were all provided with suitable accommodation, Rahab had to pause its services. At this stage it was simply not possible to offer either the evening outreaches, or the daytime support and so the Rahab Project Manager had to be furloughed.

As lockdown restrictions eased, the evening chaplaincy outreach service was able to restart and continued during the second half of 2020 with new safety and social distancing measures in place. Our volunteer team has grown, enabling us to go out three times a week. We were also able to offer sexual exploitation awareness training.



Reflecting on 2020, one of our Rahab team wrote the following...

**“2020 has been a busy year full of change! Looking at the outcomes we measure I can see that since the pandemic started, we have supported 39 different women, given out 95 packs of condoms and 267 bars of chocolate! We have also been a listening ear, people who care and give hope – I’m not quite sure how you measure that!”**





Rahab supported 39 people through its 48 evening chaplaincy outreaches in 2020. We had over 170 different contacts with women while out on the streets in West Reading.

We continue to work with local partners to link the clients into daytime support for specific issues such as housing, substance misuse, food/clothing. We have seen increased engagement from service users since restarting the evening outreaches.



In December, thanks to support from Lifespring Church and CIRDIC (Churches in Reading Drop-in Centre), our volunteers were able to deliver Christmas gifts to the woman engaging with our outreach.



Looking ahead to 2021, we continue to hope to relaunch our daytime support services for women who want to engage with the more structured and specialist services on offer in Reading.

One of our team said...

“This week I put a referral through for a woman and her partner. They were evicted suddenly from their home and lost most of their belongings. We were able to get them clothing, shoes, and a warm coat. The couple are being supported to be rehoused and the woman said. ‘I really appreciate the help, and I’m so happy that there is someone out there who I can talk to about my upside-down life.’”





In November 2019, after an extensive review process, the decision was made to close the Lifeline project. At that time, we ceased to take new referrals, but made a commitment to continuing a full course of counselling with those couples and individuals already engaged with the service.

During January and February of 2020 Lifeline supported 12 people to successfully complete their counselling sessions. The service closed at the end of February.

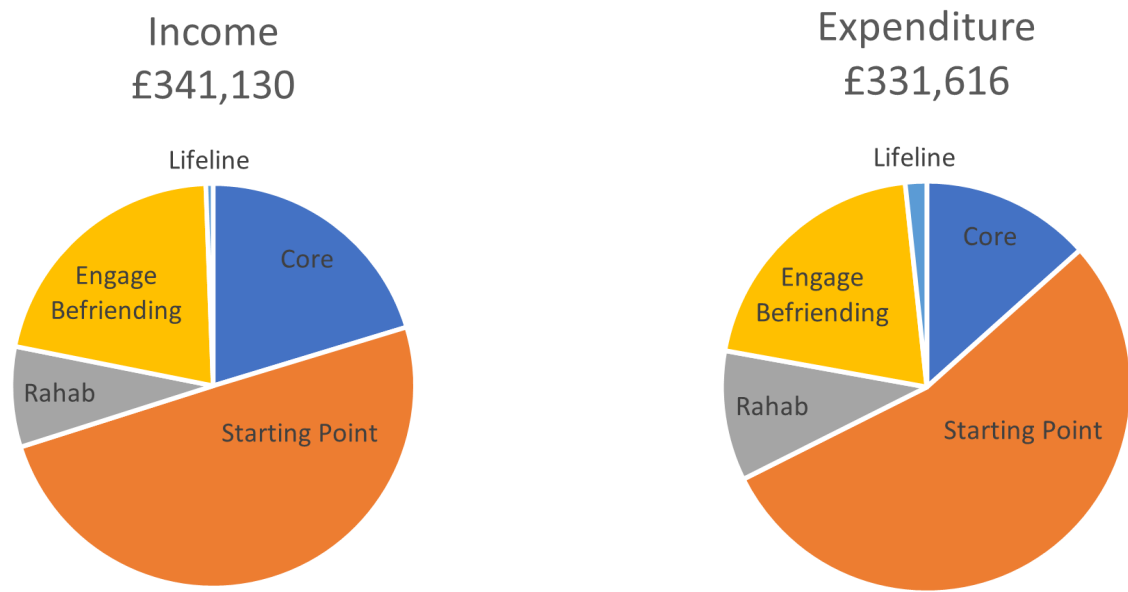
It has been a privilege to provide a safe space for anyone experiencing infertility or baby loss to talk and be listened to. We have been encouraged by the many stories over the years of the positive impact that Lifeline has had for individuals, couples and families at a very difficult time.





# Our Finances

In 2020 we had a total income of £341,130 and a total expenditure of £331,616. The charts below provide a breakdown of this by project.



In 2020 our income exceeded our expenditure by a small margin which is designated within the projects for service provision in 2021. Unrestricted income received to core has been used across the charity to invest in providing support where it is most needed. The trustees continue to review the sources of income for each project to ensure their long-term sustainability.

We would like to thank the churches, individuals and organisations who have supported our work over the last 12 months. Without your partnership and generosity we would not be able to provide the support we offer to marginalised or overlooked communities and individuals across Reading and the surrounding area.

In 2020, we received grants and donations from a number of organisations, including:



- All Churches Trust Ltd

Berkshire Community Foundation

Bishop Radford Trust

Brighter Futures for Children

CAF Bank

Candlefish

Co-op

Greyfriars Church

Joseph Rank Trust

Kiriath Trust

LifeSpring Church
- Longleigh Foundation

National Grid

National Lottery

Reading Borough Council

Reading Family Church

Reading St Laurence Church Charities

The Church Welfare Association

The FSP Foundation (Field Seymour Parkes)

The Sobell Foundation

Transform Reading (was RCN)





# THE MUSTARD TREE FOUNDATION (READING)

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# THE MUSTARD TREE FOUNDATION (READING)

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                             |  |
|-----------------------------|--|
| <b>Trustees</b>             | Mr M Penson (Chair)<br>Mr J Hawkins OBE<br>Mr R Wilson<br>Mr K Potter<br>Ms D Malone   |
| <b>CEO</b>                  | Ms Katherine Shepherd  |
| <b>Charity number</b>       | 1104631  |
| <b>Company number</b>       | 04986086   |
| <b>Principal address</b>    | 90 London Street<br>Reading<br>Berkshire<br>RG1 4SJ  |
| <b>Registered office</b>    | 90 London Street<br>Reading<br>Berkshire<br>RG1 4SJ  |
| <b>Independent examiner</b> | Colin Dadswell FCAACCA DChA<br>Caladine Limited<br>Chantry House<br>22 Upperton Road<br>Eastbourne<br>East Sussex<br>BN21 1BF                            |
| <b>Bankers</b>              | HSBC Bank PLC<br>26 Broad Street<br>Reading<br>RG1 2BU<br><br>CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ |



# THE MUSTARD TREE FOUNDATION (READING)

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees present their report and financial statements for the year ended 31 December 2020.

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 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 for which the Charity is established are:

- The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.
- To be a voice for, and to practically support, those, in local communities, who are disadvantaged by reason of age, bereavement, disability, education, exploitation, ill-health, isolation, poverty, unemployment, or other disadvantage. We do this by demonstrating integrity and expressing compassion to all, irrespective of circumstances, in accordance with the values of our Christian faith.
- To promote charitable purposes for the benefit of the community without distinction of age, disability, gender, sexual orientation, race or of political or religious or other opinions, and in particular by:
  - a) The promotion of improved health and wellbeing and the relief of poverty and distress.
  - b) To provide or assist in the provision of facilities and services that empowers individuals to develop personally, and to build stronger and more cohesive communities.

We continue to work strategically to identify social needs that are not being met by existing provision, and under-represented beneficiaries who face barriers to support. We work with local communities and partner with other charities and organisations to develop effective solutions, creating and supporting projects which address unmet needs. In addition to maintaining our strategic presence on various boards to effect positive change for overlooked communities or individuals. By doing so we seek to:

- Reduce health and social inequalities.
- Build stronger more cohesive communities.
- Give a voice to the unheard.

During 2020, the charity operated 3 projects:

- Engage Befriending: Reducing isolation and loneliness by developing positive relationships and networks in our communities.
- Rahab: Identifying, supporting and empowering anyone affected by sexual exploitation.
- Reading Lifeline: Counselling and support for those affected by infertility or baby loss during pregnancy or soon after birth.
- Starting Point Reading: Providing mentoring and creating opportunities for young people who face disadvantage.

We monitor and regularly evaluate performance, including seeking feedback from our beneficiaries. By reviewing our activities we can ensure that we are best placed to meet the needs of our service users and to grow in our effectiveness in reaching local communities.

Over 2020 our operations have grown in size and scope. We have supported more people and developed additional programmes through our Starting Point and Engage projects to meet identified needs. There have been other changes too, as at the beginning of the year we closed our Lifeline service. We also adapted our service delivery during lockdown providing support over the phone and online.

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

# THE MUSTARD TREE FOUNDATION (READING)

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Fundraising activities during the year

We are very grateful for the donations from our financial supporters. Our services are funded by grants from statutory bodies and charitable trusts, fundraising events and donations from organisations, churches and individuals. The charity does not work with any commercial partners for fundraising.

### Volunteers

We have seen a significant growth in the number of volunteers who are giving their time and skills to meet the needs of the marginalised and overlooked in our communities. Many of our services are provided by dedicated volunteer mentors, counsellors, befrienders and outreach workers. We would like to take this opportunity to offer our thanks to this fantastic team who are making a huge impact.

### Financial review

The Trustees have considered the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the funding gaps between spending on administrative and operational activities and receiving resources through donations, grants and services that provide income.

The Trustees have created a finance committee which the trustees have asked to determine the level of the reserves appropriate for the needs of the charity. They have set a reserves policy of 3 months of budgeted expenditure across designated and un-restricted funds. At the end of 2019 this amount was approximately £133k, which compared to current reserves held across designated and unrestricted funds of £98k. This is a shortfall of £35k, which has arisen due to the growth in activity in the 2021 budget. The trustees are looking to increase the level of reserves held through fundraising and allocation of surpluses to support the growth in the charity's activities and have seen growth in our reserves since the year end.

### Structure, governance and management

The charity is constituted as a company limited by guarantee, registered under the Companies Acts, and its governing document is a Memorandum and Articles of Association under company legislation, dated 5 December 2003.

By operation of law all Trustees are Directors under the Companies Act 2006 and all Directors are Trustees under Charities legislation and have responsibilities, as such, under both company and Charity legislation. The Trustees are all individuals.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Penson (Chair)

Mr J Hawkins OBE

Ms P Stanley

(Resigned 16 September 2020)

Mr R Wilson

Mr K Potter

Ms D Malone

The Mustard Tree Foundation seeks to attract new trustees with relevant skills and experience to ensure a balanced and effective trustee board. We have recruitment and induction procedures in place so that each trustee is clear of the work of the charity, and the expectation of a trustee so that we are well governed and operating with best practise. Trustees are encouraged to attend appropriate external training events that facilitate the undertaking of their role. They are also able to request training through the Chair, and arrangements will be made where appropriate and cost effective for the needs of the charity.



# THE MUSTARD TREE FOUNDATION (READING)

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Statement of trustees' responsibilities

The trustees, who are also the directors of The Mustard Tree Foundation (Reading) 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 trustees' report was approved by the Board of Trustees.



.....  
**Mr M Penson (Chair)**

Trustee  
Dated: 14/7/21

# THE MUSTARD TREE FOUNDATION (READING)

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE MUSTARD TREE FOUNDATION (READING)

I report to the trustees on my examination of the financial statements of The Mustard Tree Foundation (Reading) (the charity) for the year ended 31 December 2020.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



Colin Dadswell FCA ACCA DChA

Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

Dated: 22/07/2021



# THE MUSTARD TREE FOUNDATION (READING)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Notes | Unrestricted<br>funds<br>2020<br>£ | Restricted<br>funds<br>2020<br>£ | Total<br>2020<br>£ | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>2019<br>£ |
|--|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <b><u>Income from:</u></b>   |       |                                    |                                  |                    |                                    |                                  |                    |
| Donations and legacies   | 3     | 152,341                            | 183,618                          | 335,959            | 246,736                            | 37,614                           | 284,350            |
| Charitable activities  | 4     | 5,052                              | -                                | 5,052              | 10,736                             | -                                | 10,736             |
| Investments  | 5     | 119                                | -                                | 119                | 212                                | -                                | 212                |
| <b>Total income</b>  |       | <b>157,512</b>                     | <b>183,618</b>                   | <b>341,130</b>     | <b>257,684</b>                     | <b>37,614</b>                    | <b>295,298</b>     |
| <b><u>Expenditure on:</u></b>                                      |       |                                    |                                  |                    |                                    |                                  |                    |
| Raising funds  | 7     | 3,331                              | -                                | 3,331              | 1,232                              | -                                | 1,232              |
| Charitable activities  | 6     | 141,022                            | 187,263                          | 328,285            | 244,289                            | 44,105                           | 288,394            |
| <b>Total resources<br/>expended</b>                                |       | <b>144,353</b>                     | <b>187,263</b>                   | <b>331,616</b>     | <b>245,521</b>                     | <b>44,105</b>                    | <b>289,626</b>     |
| <b>Net incoming/<br/>(outgoing) resources<br/>before transfers</b> |       | <b>13,159</b>                      | <b>(3,645)</b>                   | <b>9,514</b>       | <b>12,163</b>                      | <b>(6,491)</b>                   | <b>5,672</b>       |
| Gross transfers<br>between funds                                   | 17    | (7,466)                            | 7,466                            | -                  | -                                  | -                                | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b>          |       | <b>5,693</b>                       | <b>3,821</b>                     | <b>9,514</b>       | <b>12,163</b>                      | <b>(6,491)</b>                   | <b>5,672</b>       |
| Fund balances at 1<br>January 2020                                 |       | 91,916                             | (3,821)                          | 88,095             | 79,753                             | 2,670                            | 82,423             |
| <b>Fund balances at 31<br/>December 2020</b>                       |       | <b>97,609</b>                      | <b>-</b>                         | <b>97,609</b>      | <b>91,916</b>                      | <b>(3,821)</b>                   | <b>88,095</b>      |

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 MUSTARD TREE FOUNDATION (READING)

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

|                             | Notes | 2020<br>£      | £      | 2019<br>£      | £       |
|-----------------------------|-------|----------------|--------|----------------|---------|
| <b>Current assets</b>       |       |                |        |                |         |
| Trade and other receivables | 11    | 13,777         |        | 19,630         |         |
| Cash at bank and in hand    |       | 134,611        |        | 141,763        |         |
|                             |       | <u>148,388</u> |        | <u>161,393</u> |         |
| <b>Current liabilities</b>  | 12    | (50,779)       |        | (73,298)       |         |
| Net current assets          |       |                | 97,609 |                | 88,095  |
| <b>Income funds</b>         |       |                |        |                |         |
| Restricted funds            | 17    |                | -      |                | (3,821) |
| Unrestricted funds          |       |                |        |                |         |
| Designated funds:           |       |                |        |                |         |
| Starting Point Reading      |       | 1,024          |        | 10,963         |         |
| Rahab Project               |       | 3,717          |        | (8,970)        |         |
| Engage Befriending          |       | 8,540          |        | 3,800          |         |
|                             |       | <u>13,281</u>  |        | <u>5,793</u>   |         |
| General unrestricted funds  | 18    | 84,328         |        | 86,123         |         |
|                             |       |                | 97,609 |                | 91,916  |
|                             |       |                | 97,609 |                | 88,095  |

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 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements 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 14/1/21.....



Mr M Penson (Chair)  
Trustee

Company Registration No. 04986086



# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

The Mustard Tree Foundation (Reading) is a private company limited by guarantee incorporated in England and Wales. The registered office is 90 London Street, Reading, Berkshire, RG1 4SJ.

#### 1.1 Accounting convention

The financial statements 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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. This includes amounts disclosed as 'designated funds' representing monies allocated to projects run by the charity. These projects are partly funded by specified donations and partly by monies set aside out of unrestricted funds by the trustees for those projects.

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 Income

Income, whether from exchange or non-exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

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.

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

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.

#### 1.5 Expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increase in liabilities and is decreased by the utilisation of any provision within the period and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

#### 1.6 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.

#### 1.7 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**

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

##### **Other financial assets**

Financial assets with fixed or determinable payments and fixed maturity dates that the charity has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.



# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

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

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

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

#### ***Derecognition of financial assets***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### ***Derecognition of financial liabilities***

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

### 1.8 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.

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies (Continued)

#### 1.9 Retirement benefits

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

#### 1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period).

### 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<br>funds | Restricted<br>funds | Total          | Unrestricted<br>funds | Restricted<br>funds | Total          |
|--------------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
|                                | 2020<br>£             | 2020<br>£           | 2020<br>£      | 2019<br>£             | 2019<br>£           | 2019<br>£      |
| Donations and gifts            | 117,237               | 1,978               | 119,215        | 68,185                | -                   | 68,185         |
| Grants - Statutory &<br>Trusts | 35,104                | 181,640             | 216,744        | 178,551               | 37,614              | 216,165        |
|                                | <u>152,341</u>        | <u>183,618</u>      | <u>335,959</u> | <u>246,736</u>        | <u>37,614</u>       | <u>284,350</u> |
| <b>Donations and gifts</b>     |                       |                     |                |                       |                     |                |
| Donations Individuals          | 36,378                | 835                 | 37,213         | 28,519                | -                   | 28,519         |
| Donations Churches             | 26,848                | 750                 | 27,598         | 22,980                | -                   | 22,980         |
| Donations Trusts               | 51,331                | -                   | 51,331         | 12,026                | -                   | 12,026         |
| Gift aid recovered             | 2,680                 | 393                 | 3,073          | 4,660                 | -                   | 4,660          |
|                                | <u>117,237</u>        | <u>1,978</u>        | <u>119,215</u> | <u>68,185</u>         | <u>-</u>            | <u>68,185</u>  |

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **4 Charitable activities**

|                                    | <b>2020</b>  | 2019          |
|------------------------------------|--------------|---------------|
|                                    | <b>£</b>     | <b>£</b>      |
| Sales within charitable activities | 862          | 176           |
| Salary reimbursement               | 4,190        | 8,591         |
| Charitable rental income           | -            | 435           |
| Other income                       | -            | 1,534         |
|                                    | <u>5,052</u> | <u>10,736</u> |

### **5 Investments**

|                     | <b>Unrestricted funds</b> | Unrestricted funds |
|---------------------|---------------------------|--------------------|
|                     | <b>2020</b>               | 2019               |
|                     | <b>£</b>                  | <b>£</b>           |
| Interest receivable | <u>119</u>                | <u>212</u>         |



# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Charitable activities

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Staff costs   | 246,741        | 223,331        |
| Other Staff related costs (incl. travel/subsistence/voluntary & training) | 4,869          | 5,737          |
| Rent and rates  | 25,144         | 7,303          |
| Office refurbishment  | 240            | 14,377         |
| Office equipment  | 5,353          | 8,819          |
| Professional fees including accountancy and IT support                    | 21,563         | 7,553          |
| Other   | 4,392          | 11,240         |
| Postage and stationery  | 995            | 917            |
| Telecommunications  | 2,227          | 2,055          |
| Insurance   | 4,821          | 3,479          |
| Subscriptions   | 1,392          | -              |
| Cleaning  | 3,958          | 1,355          |
| Service charges and management fees                                       | 3,022          | -              |
|   | <u>324,717</u> | <u>286,166</u> |
| Share of governance costs (see note 8)                                    | 3,568          | 2,228          |
|   | <u>328,285</u> | <u>288,394</u> |
| <b>Analysis by fund</b>   |                |                |
| Unrestricted funds  | 141,022        | 244,289        |
| Restricted funds  | 187,263        | 44,105         |
|   | <u>328,285</u> | <u>288,394</u> |

### 7 Raising funds

|                             | Unrestricted<br>funds<br>2020<br>£ | Unrestricted<br>funds<br>2019<br>£ |
|-----------------------------|------------------------------------|------------------------------------|
| Fundraising and publicity   |                                    |                                    |
| Fundraising and PR expenses | 3,331                              | 1,232                              |
|                             | <u>3,331</u>                       | <u>1,232</u>                       |

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Support costs

|   | Support costs<br>£ | Governance costs<br>£ | Total<br>2020<br>£ | Support costs<br>£ | Governance costs<br>£ | Total<br>2019<br>£ |
|---|--------------------|-----------------------|--------------------|--------------------|-----------------------|--------------------|
| Accountancy and independent examination | -                  | 3,568                 | 3,568              | -                  | 2,228                 | 2,228              |
|   | -                  | 3,568                 | 3,568              | -                  | 2,228                 | 2,228              |
| <u>Analysed between</u>                 |                    |                       |                    |                    |                       |                    |
| Charitable activities                   | -                  | 3,568                 | 3,568              | -                  | 2,228                 | 2,228              |

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 10 Employees

The average monthly number of employees during the year was:

|                         | 2020<br>Number | 2019<br>Number |
|-------------------------|----------------|----------------|
|                         | 17             | 18             |
| <b>Employment costs</b> |                |                |
|                         | £              | £              |
| Wages and salaries      | 230,692        | 208,861        |
| Social security costs   | 12,116         | 11,212         |
| Other pension costs     | 3,933          | 3,258          |
|                         | 246,741        | 223,331        |

The majority of staff were part time. The average full-time equivalent was 8.7 (2019: 8).

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Trade and other receivables

|                                      | 2020          | 2019          |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| Amounts falling due within one year: |               |               |
| Trade receivables                    | 293           | 4,300         |
| Other receivables                    | 1,984         | 3,830         |
| Prepayments and accrued income       | 11,500        | 11,500        |
|                                      | <u>13,777</u> | <u>19,630</u> |

### 12 Current liabilities

|                                    | Notes | 2020          | 2019          |
|------------------------------------|-------|---------------|---------------|
|                                    |       | £             | £             |
| Other taxation and social security |       | 4,238         | 3,891         |
| Deferred income                    | 13    | 43,125        | 60,275        |
| Trade payables                     |       | 1,256         | 8,882         |
| Accruals and deferred income       |       | 2,160         | 250           |
|                                    |       | <u>50,779</u> | <u>73,298</u> |

### 13 Deferred income

|                       | 2020   | 2019   |
|-----------------------|--------|--------|
|                       | £      | £      |
| Other deferred income | 43,125 | 60,275 |

The deferrals included in creditors relate to funding specified by the funders as relating to specific periods and represent those parts of unrestricted funds which relate to periods subsequent to the accounting year end and are treated as grants in advance, or, alternatively, where there are conditions which must be fulfilled prior to entitlement or use of the unrestricted funds by the Charity.

Deferred income analysed by project is as follows:

|                    |         |
|--------------------|---------|
| Engage befriending | £27,025 |
| Starting point     | £ 8,600 |
| Core activities    | £ 7,500 |

### 14 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 £3,933 (2019 - £3,258).



# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 15 Analysis of net assets between funds

|                                   | Unrestricted<br>funds<br>2020<br>£ | Restricted<br>funds<br>2020<br>£ | Total<br>2020<br>£   | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>2019<br>£   |
|-----------------------------------|------------------------------------|----------------------------------|----------------------|------------------------------------|----------------------------------|----------------------|
| Fund balances are represented by: |                                    |                                  |                      |                                    |                                  |                      |
| Current assets/<br>(liabilities)  | 97,609                             | -                                | 97,609               | 91,916                             | (3,821)                          | 88,095               |
|                                   | <u>97,609</u>                      | <u>-</u>                         | <u>97,609</u>        | <u>91,916</u>                      | <u>(3,821)</u>                   | <u>88,095</u>        |
|                                   | <u><u>97,609</u></u>               | <u><u>-</u></u>                  | <u><u>97,609</u></u> | <u><u>91,916</u></u>               | <u><u>(3,821)</u></u>            | <u><u>88,095</u></u> |

### 16 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 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:

|                        | Balance at<br>1 January 2019 | Movement in funds |                       |                       | Balance at<br>1 January 2020 | Movement in funds |                       |                       | Transfers | Balance at<br>31 December<br>2020 |
|------------------------|------------------------------|-------------------|-----------------------|-----------------------|------------------------------|-------------------|-----------------------|-----------------------|-----------|-----------------------------------|
|                        |                              | £                 | Incoming<br>resources | Resources<br>expended |                              | £                 | Incoming<br>resources | Resources<br>expended |           |                                   |
| Reading Lifeline       | 2,670                        |                   | 37,614                | (44,105)              | (3,821)                      |                   | 1,978                 | (5,623)               | 7,466     | -                                 |
| Starting Point Reading | -                            |                   | -                     | -                     | -                            |                   | 136,125               | (136,125)             | -         | -                                 |
| Rahab Project          | -                            |                   | -                     | -                     | -                            |                   | 5,250                 | (5,250)               | -         | -                                 |
| Engage Befriending     | -                            |                   | -                     | -                     | -                            |                   | 40,265                | (40,265)              | -         | -                                 |
|                        | 2,670                        |                   | 37,614                | (44,105)              | (3,821)                      |                   | 183,618               | (187,263)             | 7,466     | -                                 |

Projects undertaken by the Charity were partly funded through restricted grants. Restricted funding received as shown above was all expended during the year. The Trustees additionally allocated some general funds towards the projects to cover additional expenses as can be seen in note 18.

#### Reading Lifeline

Counselling and support for anyone affected by infertility, or baby loss during pregnancy or soon after birth. Upon the closure of Reading Lifeline during 2020 the Trustees closed this fund and transferred funds from the unrestricted revenue fund to cover the negative balance remaining on the restricted fund.

#### Engage Befriending

Connecting isolated, older people with their local community through visits from a volunteer befriender.

#### Rahab Project

Offering support and advocacy to those involved in sex working.

#### Starting Point

Providing opportunities and journeying alongside young people aged 11-25. Enabling them to attain, sustain and thrive within education, employment, and training.

# THE MUSTARD TREE FOUNDATION (READING)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 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:

|                        | Balance at<br>1 January 2019 | Movement in funds |                       |                       | Transfers | Balance at<br>1 January 2020 | Movement in funds |                       |                       | Transfers | Balance at<br>31 December<br>2020 |
|------------------------|------------------------------|-------------------|-----------------------|-----------------------|-----------|------------------------------|-------------------|-----------------------|-----------------------|-----------|-----------------------------------|
|                        |                              | £                 | Incoming<br>resources | Resources<br>expended |           |                              | £                 | Incoming<br>resources | Resources<br>expended |           |                                   |
| Starting Point Reading | 5,975                        |                   | 96,972                | (91,984)              | -         | 10,963                       |                   | 33,703                | (43,642)              | -         | 1,024                             |
| Rahab Project          | 1,732                        |                   | 28,111                | (43,313)              | 4,500     | (8,970)                      |                   | 22,154                | (28,648)              | 19,181    | 3,717                             |
| Engage Befriending     | 2,399                        |                   | 49,809                | (48,408)              | -         | 3,800                        |                   | 32,367                | (27,627)              | -         | 8,540                             |
|                        | 10,106                       |                   | 174,892               | (183,705)             | 4,500     | 5,793                        |                   | 88,224                | (99,917)              | 19,181    | 13,281                            |

#### Engage Befriending

Connecting isolated, older people with their local community through visits from a volunteer befriender.

#### Rahab Project

Offering support and advocacy to those involved in sex working. The Trustees allocated £19,181 of funding received as an unrestricted grant to the Rahab Project.

#### Starting Point

Providing opportunities and journeying alongside young people aged 11-25. Enabling them to attain, sustain and thrive within education, employment, and training.

The projects experience temporary fluctuations in their financial position during the year, due to variations in income and expenditure. To allow the projects to operate effectively, the Trustees support the projects by allowing them to spend more than the funds available temporarily, which the Trustees describe as an "overdraft facility", supported by the reserves held in the unrestricted revenue fund.