



The Mustard Tree

ANNUAL REPORT AND ACCOUNTS

2021

OUR TRUSTEES

Mick Penson (Chair of Trustees)

Danni Malone

Dr John Hawkins OBE

Kevin Potter

Leonard Onugha

Alison Awuku

David Gibbons

Richard Wilson (resigned, Dec 2021)

Message from the CEO



2021 was a significant year for The Mustard Tree. The effect of the pandemic has been to increase the challenges and inequalities that many people in the communities within which we work face.

However, our model has enabled us to adapt and further enable local people to support their local communities. Creating new opportunities, not only in the Reading area, but through delivering our Starting Point project in both Milton Keynes and Swindon.

We have been preparing for future change so we can continue to meet the needs of our service users, by ensuring that the foundation stones are in place for further consolidation and growth.

This has included strengthening our core services, welcoming new Trustees, and developing our values and strategy as a team. We have also introduced new senior roles to guide our projects, create new programmes,

develop our future business plans and nurture our partnerships.

None of this would have been possible without the dedication and responsiveness of our staff and volunteers who are willing to step out and walk alongside people as they seek to make positive change. Or the statutory and voluntary sector partners, local businesses and community groups whom we continue to create close and lasting relationships with.

It is by working together that we continue to make this impact. I would like to thank everyone who joined with us to ensure our success during 2021. Your contribution makes a difference to those who are marginalised or disadvantaged, and we greatly value all of your support.

A handwritten signature in black ink, reading 'Katherine'.

Katherine Shepherd

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What our partners say

Mustard Tree Foundation has been at the forefront of supporting many marginalised people of all ages and backgrounds across the Reading area (and beyond) for many years now. Their focus on reaching those who often do not have a voice ensures that people are always valued and treated with dignity, based on the core Christian values which underpin and motivate the charity’s work. This DNA is applied effectively across all elements of their work particularly through their three current projects focusing on social isolation and loneliness, supporting sex workers and mentoring young people. The professional approach of Mustard Tree Foundation also ensures that, where possible, partnerships are developed and duplication of effort is avoided. The lives of many thousand individuals have been impacted over the years and will – I am sure – continue to impact lives for many more years.

Jeremy Sharpe, National Director of Linking Lives





Our way of working

Our Vision:

We are passionate that every individual has the opportunity to thrive.

Our mission is to:

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

Our approach is to:

- Work in partnership to identify and address unmet needs in our communities.
- Facilitate local communities to support local people.
- Ensure that every individual is listened to, valued and empowered to make positive change.

Our ethos:

As a charity with a Christian ethos the projects we generate are inspired by our faith. Therefore, they are designed to serve all sections of our diverse communities.

How we do it:

Our values are embedded in all that we undertake. Our team are dedicated to providing our services with integrity, compassion, innovation, professionalism, and inclusivity.

We place people at the heart of our services by listening, not judging, and by believing in their potential.

Our projects

Our priorities for 2021 were to:

- Reduce loneliness and social isolation.
- Engage vulnerable and hard to reach people.
- Improve mental health and wellbeing.
- Support positive change for individuals and families.
- Connect people with existing wider support and opportunities within their communities.

In 2021, our three projects Engage, Rahab and Starting Point focused on these priorities and have continued to thrive.

We supported **350** people, with our **257** volunteers offering nearly **14,000** hours of support. This was made possible through the support of our funders, generously donating or providing grants to £495,171 therefore, enabling our projects to meet these needs.

Our projects offer long term, consistent support, to people from age 11 years to 101 years old.

ENGAGE

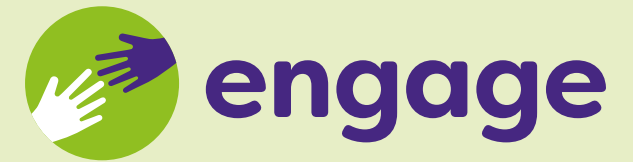
Reducing isolation and loneliness by developing positive relationships and networks in our communities.

RAHAB

Identifying and supporting sex workers to break free from the cycles of abuse, poverty and addiction.

STARTING POINT

Providing mentoring and creating opportunities for young people aged 11–25 who face disadvantage.



Engage

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

ENGAGE IN NUMBERS:

We supported 103 people with our team of 92 volunteers providing 5,356 hours of support.

103

SERVICE USERS

92

VOLUNTEERS

5,356

HOURS OF SUPPORT

Engage Befriending

Engage Befriending develops positive relationships and builds networks within communities. We do this by connecting a local volunteer with an isolated or lonely person and supporting the person to connect with opportunities for further social engagement.

In 2021 as the world emerged from lockdown, we were able to offer most of our service users the opportunity to resume face-to-face visits. However, some were still nervous and wanted to remain with a telephone befriending service, so we decided that we would continue to offer a variety of visits either in person, via telephone or zoom. By the end of the year, we were able to host social events for both our volunteers and service users including a Christmas tea and cake afternoon.

The number of service users has fluctuated throughout the year, we have adapted our service provision to match the unprecedented and much needed support for those caught in the crisis of the pandemic – the impact of which is ongoing and we enjoyed a consistent level of satisfaction ratings from our service users.



We regularly ask our service users for feedback, below are some of the comments we have received:

“We know each other very well. I can’t think of anything to improve this service.”

“It gives me something to look forward to and gives me something to think about and of rather than myself.”

“It keeps me up to date with the outside world as I’m in a prison in the home. N has helped me sort out some photographs.”

“I look forward to seeing T. We play chess together, he beat me last time.”

The Mustard Tree are often instrumental in bringing partnerships together to support a need in the community. For example, we are commissioned as part of the Reading Borough Council Narrowing the Gap initiative, to facilitate peer support and reduce social isolation. Engage Befriending partner with Age UK (Reading), Age UK (Berkshire), Get Berkshire Active and the Globe mission in delivering and developing partnership services over the past three years.

Our annual reviews with our service users have consistently reflected that over 96% feel less isolated and lonely and have improved wellbeing as a result of our support.

In June we restructured the project team to introduce the role of Project Director. One of the key objectives was to lay the foundation for the programme over the next three years through a new business plan which was recently approved by our Board of Trustees.

A huge thank you to all of our volunteers who through the simple act of friendship have continued to make a tangible difference to the lives of those we support. Through a simple chat and cup of tea, through to playing board games, helping sort photos or finishing a puzzle, the impact on health and wellbeing is significant.





Engage Wellbeing

Our Wellbeing programme was set up as a response to the mental health and wellbeing challenges presented due to Covid in 2020. Increased isolation particularly affected the Clinically Extremely Vulnerable (CEV), single parents and younger adults living alone for whom there was a gap in provision.

Working with the One Reading Hub and using the Mustard Tree resources and experience through the Engage Befriending team we developed the Engage Wellbeing programme for 25 to 54 year olds. Journeying alongside people we identify the individuals needs and develop a plan with them to meet these needs which includes providing regular contact and access to wider support networks.

As life returned to normal, the number of service users decreased as some felt that they were now able to manage without our support. However, as the year progressed it became apparent that

there is still a need for this service (both short term and long term) for the foreseeable future as new referrals were made to us.

The Engage Wellbeing programme offers relational, tailored and holistic support for people who are socially isolated and facing health and social inequalities due to their personal circumstances. Many had pre-existing conditions or were facing disadvantage before Covid, and have been disproportionately affected by lockdown.

In 2021 we continued to support individuals who are facing barriers in connecting with their local community. Some are suffering with anxiety and depression due to the impact and ongoing challenges that the pandemic has created. We also supported carers, and individuals who have chronic health conditions. Some need our support for just a short time, and others need someone to journey with them for longer.

Our volunteers listen, encourage and signpost the individual which leads to improved wellbeing, increased resilience and ultimately greater independence as service users grow in confidence to reconnect with their local community. Some of the people we have supported include:

A man whose lifeline was his elderly mother. He is unable to work and suffered from anxiety and depression when his mother passed away just before lockdown. The impact of lockdown and his overwhelming grief created a downward spiral where he had no hope. Now he has a telephone befriender who is in regular contact with him, and he finds it helpful to be able to talk about his worries. He is starting to go out more and his befriender is planning to start meeting face to face at a cafe to help build this confidence, they are also encouraging him to develop new hobbies and interests.

A nurse who came to work in Reading, starting a new job in lockdown and was terribly isolated. She needed a befriender for a short-time to help her build resilience and self-esteem. Now she is undertaking further training and enjoying her job.

A young man who has Asperger's Syndrome is isolated. His befriender is supporting him to engage with a couple of opportunities available to him in Reading which is giving him the confidence and independence to attend alone in the future.

Engage Wellbeing is a programme that will continue to adapt and flex as the needs of the service users and those caring for them emerge.

Again, a huge thank you to our volunteers. They open up the world for those who feel isolated and alone.





RA++AB

Rahab

The Rahab team identify and support sex workers in Reading to break free from the cycles of abuse, poverty and addiction.

2021 saw a significant step change for the Rahab project providing more outreach opportunities than in the last few years.

RAHAB IN NUMBERS

127 night time outreach opportunities,
supporting 34 women with 381 hours of support.

34


PEOPLE

12

VOLUNTEERS

381

HOURS OF SUPPORT



The Rahab project has well-established and positive working relationships with local partners including Thames Valley Police, Probation, local courts, Reading Borough Council and other charities. We are part of Reading's multi agency Sex Worker Action Group (SWAG) where we work together to consider the needs of each woman and offer targeted support.

Having built relationships with the women over a number of years we are often contacted by others to help support engagement with the criminal justice system. We understand that Rahab can play an important role in providing consistent, long-term support for each woman whatever stage they are at, which can also reduce likelihood of both offending and reoffending among our service users.

In 2021 the night-time outreach programme increased to three or four times a week as more people stepped up to volunteer. We hope that by

the end of 2022, this will increase to five nights a week adding further opportunities to engage with the sex workers.

There is no such thing as a typical night-time outreach. Our volunteers set up near to where the sex workers are and provide hot and cold drinks, chocolate, condoms, toiletries and sometimes warm clothes.

We support them to keep safe by passing on information and being a reliable and trusted presence on the streets.

At Christmas we were able to give presents to them all. For some, it would have been the only presents they received. We are so very grateful for all the donations we received.

The night-time outreach is so important as, without it, we can't gain the trust of the people we support. This trust enables us to provide further support during the day through referrals to help with benefits, housing, drug/alcohol support and other appointments. This work is being done by the team at The Mustard Tree until we have raised the funds for a day-time Outreach Worker who we hope to recruit in 2022.

One of our volunteers recently said:

'One of the women said that if they ask for something, we will always try and help and deliver on what was promised. They are always so grateful. The little we give makes such a difference to their lives. I am reminded of the mustard seed that God can use the little to make a big impact.'





Here is a little about the women we support
(their names have been changed to protect their identity)

Holly has been sex working since her release from prison a number of years ago. She had not used drugs for a long time, but following a vicious attack, she began using heroin again. Rahab have supported Holly for many years and she has appreciated this consistency. Knowing someone is there for her, and can help her to access clothes or appointments.

There is no 'quick fix' as we walk alongside these women. Their lives are often chaotic which means that appointments are missed or they do not want to engage with the services there to help them. Another women's story illustrates this (again her name has been changed to protect her identity):

Jane is an on-street sex worker who has been known to the Rahab Outreach Team for some time. She was recently given a prison sentence which resulted in the loss of her housing. She engaged with health services and the Probation Service while in custody and was released on licence to engage with the Probation in the community upon her release. She was told she would be issued with a Probation appointment on release, and assisted into secure housing in order to minimise the likelihood of her reoffending while on licence and being recalled to prison.

However, the appointment that had been scheduled before release did not take place and she was not provided with housing. Her poor mental health and inability to manage appointments meant she did not present at the probation office. Instead, she began sofa-surfing with old friends who were involved in criminal activities and was drawn straight back into the chaotic lifestyle she had prior to her prison sentence.

So it was that she disengaged completely from statutory support services and failed to comply with the conditions of her licence. She was recalled to prison.

Jane is now out of prison and we see her regularly. We hope to continue to engage with her so she trusts us to help her by accompanying her to her appointments as we support her in breaking the cycles of abuse, poverty and addiction.

Helen had been sex working for several years. In early 2021, she asked for prayer and was prayed for by the team on the night and in the months following. Helen no longer sex works and is living in a hostel working hard to create a new life for herself. Members of the Rahab team see her often to make sure she is OK; she is eager to support others through Rahab in anyway she can while building a new life for herself.



Starting Point

Providing mentoring and creating opportunities for young people aged 11–25 who face disadvantage.

STARTING POINT IN NUMBERS

213 total Young People

153 Volunteers Mentors

2 new programmes – A&E Navigators and Starting Point Aware

2 new locations – Swindon and Milton Keynes

213

YOUNG PEOPLE

153

VOLUNTEERS

2

NEW PROGRAMMES

2

NEW LOCATIONS



Starting Point Aspire

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

Our mentors journey alongside their mentees helping them overcome many of the barriers that our young people face as they look to access job and educational or training opportunities. It's been a year of rebuilding young people's confidence, self-worth and motivation, impacted by many lockdowns and being isolated from friends and family. With 63% of young people struggling with their mental health alongside a lack of confidence and low motivation, we have focused on equipping our mentors to provide ongoing social-emotional support.

In 2021 Starting Point Aspire mentored a total of 104 young people through 42 volunteer mentors.

39% Accessed Employment
20% Accessed Education or Training
48% Accessed Additional Opportunities (work experience, young person support fund, community groups, volunteering, mock interviews)

Starting Point Advance

*Mentoring young people aged 11–19
to thrive in education and their community*

For young people, challenges within school and with their wellbeing became ever more apparent throughout 2021. There are many young people of secondary school age who need support, but who often miss thresholds with other services or remain on long waiting lists. This is reflected in our referrals this year, with over 65% coming from children's services (Brighter Futures for Children) and an increasing number of queries from schools and CAMHS. By supporting these young people, we are addressing an unmet need and working towards eliminating the risk of them requiring any higher levels of intervention in the future.

In 2021 Starting Point Advance mentored a total of 35 young people through 32 volunteer mentors.

Of those at risk of exclusion 100% were prevented from being excluded
Of those at risk of becoming NEET 100% transitioned into further education or employment
43% accessed volunteering opportunities or work experience

Starting Point Aware

*Mentoring young people aged 11–25,
away from a lifestyle of crime, violence,
and risk-taking behaviour*

We launched in April 2021 with the aim of offering support for some of the young people with the highest need who face significant challenges. This has been a response to the increasing number of referrals for young people involved in violence and crime, alongside the wider increase in violent incidents in the Reading area. We do this through intentionally matching young people to mentors with lived experience or experience of supporting young people involved in crime and violence. It has been a year of setting foundations and partnership building to ensure we are reaching young people who are most in need of ongoing support.

Since April 2021 Starting Point Aware mentored a total of 8 young people through 4 volunteer mentors with lived experience.

57% were involved in risk taking behaviour, including substance misuse

71% were involved in or at risk of crime/violence

30% have experience of the care system

Starting Point Navigators

*Supporting young people aged 11–25
who are admitted to A&E, journeying with them
to access support within the wider community*

The programme launched in June 2021 and has seen considerable growth since then recruiting over 24 volunteer Navigators and supporting 28 young people. Our volunteer Navigators base themselves within the Royal Berkshire Hospital at the weekend and Tuesdays, to support young people involved in violence or risk-taking behaviour (including substance misuse). This creates a relational journey from a moment of crisis to them accessing support and thriving within the wider community.

Since June 2021 Starting Point Navigators have supported a total of 28 young people through 24 volunteer navigators.

90% reported that they struggled with their mental health

58% were admitted due to drug and alcohol misuse
42% accessed additional support within the wider community

100% said they now felt more optimistic about the future





Action Media

A young person led media initiative providing meaningful work experience in the creative industry

Action Media is a partnership between Starting Point and Real Time (an educational charity specialising in participatory video and digital media). This innovative programme provides young people the opportunity to work on real world creative media projects including video productions, website building, graphic design work etc. supported by experienced media professionals and mentors.

In 2021 Action Media supported a total of 32 young people aged between 15 and 25.

Of those at risk of becoming NEET 100% remained in education

Of those who were NEET 40% have already accessed employment

90% said they felt they gained the skills they need for the workplace

Starting Point Swindon and Milton Keynes

This year we launched Starting Point in Milton Keynes and Swindon through successful internship programmes which equipped a local co-ordinator to set up and outwork our Aspire Programme (Providing mentoring and creating opportunities for young people). This was born out of extensive research identifying areas of need and lack of similar provision within an 80 mile radius of Reading.

In 2021 Starting Point Milton Keynes mentored a total of 20 young people. This was possible through 21 volunteer mentors.

100% have low or no qualifications

67% reported mental health struggles

46% have already accessed education, employment, or training

In 2021 Starting Point Swindon mentored a total of 18 young people through 17 volunteer mentors.

43% have already accessed education, employment, or training

30% have a diagnosis of ASD

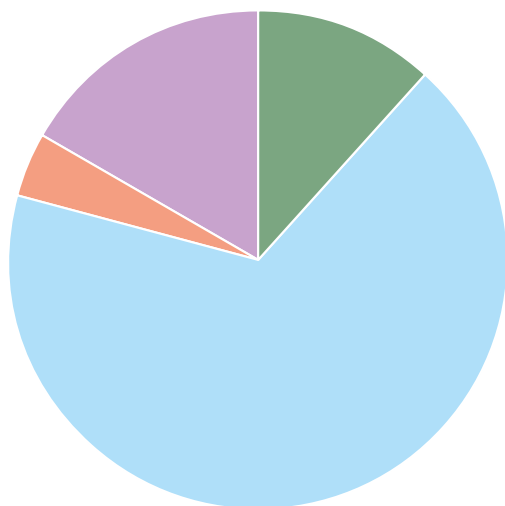
18% have experience of the care system

Our Finances

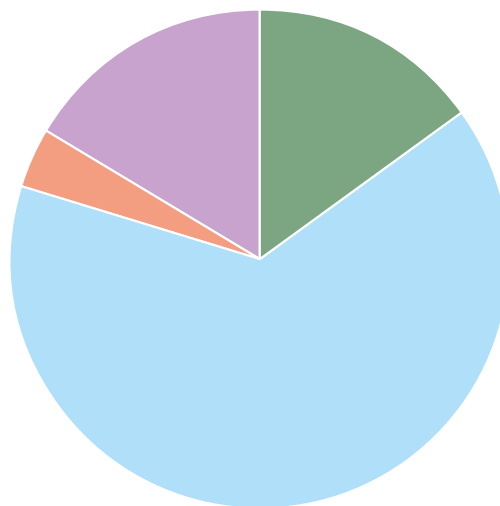
In 2021, we had a total income of £495,168 and a total expenditure of £501,916. The charts below provide a breakdown of this by projects.

Project	Income	Expenditure
MTF Central	£58,303	£71,899
Starting Point	£334,582	£328,652
Rahab	£20,751	£18,922
Engage	£81,532	£82,443
Total	£495,168	£501,916

In 2021 our expenditure exceeded our income by a small margin. Unrestricted income received into MTF Central has been used across the charity to invest in providing support where it is most needed. The Trustees continue to review the income and expenditure for each project to ensure their long-term sustainability.



INCOME



EXPENDITURE

Our donors

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 have been able to provide the support to those who are marginalised or overlooked within the communities we serve.

Anglo American
BBC Children in Need
Berkshire Community Foundation
Blagrave Trust
Brighter Futures for Children
Campbell Park Parish Council
Department for Work & Pensions
Gateway Church Swindon
Greyfriars Church
Groundwork London
Kiriath Trust
Leach Fourteenth Trust
LifeSpring Church
Longleigh Foundation
Love Your Neighbour
MK Community Foundation
National Grid
Reading Borough Council
Reading Family Church
Reading St Laurence Church Charities
Sage Foundation
Souter Charitable Trust
St James's Palace Charitable Foundation
St Marys, Purley
St Sebastians Church
Thames Valley Police
The Rank Foundation
Trinity Earley
Tudor Trust
Wiltshire Community Foundation

THE MUSTARD TREE FOUNDATION (READING)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2021

Charity registration number 1104631
Company registration number 04986086
(England and Wales)

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Trustees

Mr M Penson (Chair)
Mr J Hawkins OBE
Mr K Potter
Ms D Malone
Rev Leonard Onugha (Appointed 27 April 2021)
Ms Alison Awuku (Appointed 16 August 2021)
Mr David Gibbons (Appointed 21 October 2021)

CEO Ms Katherine Shepherd

Charity number 1104631

Company number 04986086

Principal address

90 London Street, Reading, Berkshire RG1 4SJ

Registered office

90 London Street, Reading, Berkshire RG1 4SJ

Independent examiner

Colin Dadswell FCA ACCA DChA
Caladine Limited, Chantry House, 22 Upperton Road,
Eastbourne, East Sussex BN21 1BF

Bankers

HSBC Bank PLC, 26 Broad Street, Reading RG1 2BU

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill,
West Malling, Kent ME19 4JQ

INDEPENDENT EXAMINER'S REPORT

For the year ended 31 December 2021

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 2021.

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 13 July 2022

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 December 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's 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, as well as 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.

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

Fundraising activities during the year

We are very grateful for the donations from our financial supporters. Our services are funded by 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

Many of our services are provided by dedicated volunteer mentors, 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 charity received income amounting to £495,168 and incurred expenditure of £501,916 leading to a deficit in the year of £6,748 (2020: surplus of £9,514). All reserves at the balance sheet date were unrestricted and amounted to £90,861, of which £20,127 had been designated by the Trustees for specific projects.

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 resources received e.g. through donations, grants and services that provide income.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) continued

The Trustees have set a reserves policy of 3 months of budgeted expenditure. At the end of 2021 this amount was approximately £154k, which compared to current reserves held across designated and unrestricted funds of £91k. This is a shortfall of £63k (2020: Shortfall of £35K), which has arisen due to the growth in activity in the 2022 budget. The trustees are looking to increase the level of reserves held through fundraising and allocation of surpluses to support the budgeted growth in the charity's activities.

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	
Mr R Wilson	(Resigned 31 December 2021)
Mr K Potter	
Ms D Malone	
Rev Leonard Onugha	(Appointed 27 April 2021)
Ms Alison Awuku	(Appointed 16 August 2021)
Mr David Gibbons	(Appointed 21 October 2021)

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 trustees' report was approved by the Board of Trustees.



Mr M Penson (Chair)
Trustee
Dated 13 July 2022



STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	3	111,973	378,576	490,549	152,341	183,618	335,959
Charitable activities	4	4,596	-	4,596	5,052	-	5,052
Investments	5	23	-	23	119	-	119
Total income		<u>116,592</u>	<u>378,576</u>	<u>495,168</u>	<u>157,512</u>	<u>183,618</u>	<u>341,130</u>
Expenditure on:							
Raising funds	7	<u>3,283</u>	<u>-</u>	<u>3,283</u>	<u>3,331</u>	<u>-</u>	<u>3,331</u>
Charitable activities	6	<u>120,057</u>	<u>378,576</u>	<u>498,633</u>	<u>141,022</u>	<u>187,263</u>	<u>328,285</u>
Total expenditure		<u>123,340</u>	<u>378,576</u>	<u>501,916</u>	<u>144,353</u>	<u>187,263</u>	<u>331,616</u>
Gross transfers between funds	16	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,466)</u>	<u>7,466</u>	<u>-</u>
Net (expenditure)/income for the year/ Net movement in funds		<u>(6,748)</u>	<u>-</u>	<u>(6,748)</u>	<u>5,693</u>	<u>3,821</u>	<u>9,514</u>
Fund balances at 1 January 2021		<u>97,609</u>	<u>-</u>	<u>97,609</u>	<u>91,916</u>	<u>(3,821)</u>	<u>88,095</u>
Fund balances at 31 December 2021		<u><u>90,861</u></u>	<u><u>-</u></u>	<u><u>90,861</u></u>	<u><u>97,609</u></u>	<u><u>-</u></u>	<u><u>97,609</u></u>

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

All income and expenditure derive from continuing activities.

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Property, plant and equipment	11		5,292		–
Current assets					
Trade and other receivables	12	30,484		13,777	
Cash at bank and in hand		<u>190,425</u>		<u>134,611</u>	
		220,909		148,388	
Current liabilities	13	<u>(135,340)</u>		<u>(50,779)</u>	
Net current assets			85,569		97,609
Total assets less current liabilities			<u>90,861</u>		<u>97,609</u>
Income funds					
Unrestricted funds					
Designated funds:					
Starting Point Reading		6,953		1,024	
Rahab Project		5,545		3,717	
Engage Befriending		<u>7,629</u>		<u>8,540</u>	
	17	20,127		13,281	
General unrestricted funds		<u>70,734</u>		<u>84,328</u>	
			90,861		97,609
			<u>90,861</u>		<u>97,609</u>

STATEMENT OF FINANCIAL POSITION continued

As at 31 December 2021

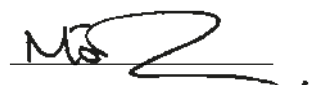
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

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 13 July 2022



Mr M Penson (Chair)

Trustee

Company Registration No. 04986086

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Charity 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.

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.



NOTES TO THE FINANCIAL STATEMENTS continued

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 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures and fittings	25% straight line
Computers	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of non-current assets

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

estimated in order to determine the extent of the impairment loss (if any).

1.8 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.

1.9 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.

NOTES TO THE FINANCIAL STATEMENTS continued

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.

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.

1.10 Employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS continued

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

1.11 Retirement benefits

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

1.12 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 in the period are included in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

3 Donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	111,753	–	111,753	117,237	1,978	119,215
Grants – Statutory & Trusts	<u>220</u>	<u>378,576</u>	<u>378,796</u>	<u>35,104</u>	<u>181,640</u>	<u>216,744</u>
	<u>111,973</u>	<u>378,576</u>	<u>490,549</u>	<u>152,341</u>	<u>183,618</u>	<u>335,959</u>
Donations and gifts						
Donations Individuals	23,425	–	23,425	36,378	835	37,213
Donations Churches	22,782	–	22,782	26,848	750	27,598
Donations Trusts	63,528	–	63,528	51,331	–	51,331
Gift aid recovered	<u>2,018</u>	<u>–</u>	<u>2,018</u>	<u>2,680</u>	<u>393</u>	<u>3,073</u>
	<u>111,753</u>	<u>–</u>	<u>111,753</u>	<u>117,237</u>	<u>1,978</u>	<u>119,215</u>

4 Charitable activities

	2021 £	2020 £
Sales within charitable activities	1,485	862
Salary reimbursement	<u>3,111</u>	<u>4,190</u>
	<u>4,596</u>	<u>5,052</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>23</u>	<u>119</u>

NOTES TO THE FINANCIAL STATEMENTS continued

6 Charitable activities

	2021 £	2020 £
Staff costs	351,658	246,741
Depreciation and impairment	1,764	–
Other staff related costs (incl. travel/subsistence/voluntary & training)	11,788	4,869
Rent and rates	28,171	25,144
Office refurbishment	65	240
Office equipment	8,659	5,353
Professional fees including accountancy and IT support	26,748	21,563
Other	6,387	4,392
Postage and stationery	1,588	995
Telecommunications	5,275	2,227
Insurance	5,610	4,821
Subscriptions	6,848	1,392
Cleaning	3,777	3,958
Service charges and management fees	–	3,022
Overclaimed VAT	35,435	–
	<u>493,773</u>	<u>324,717</u>
Share of governance costs (see note 8)	<u>4,860</u>	<u>3,568</u>
	<u><u>498,633</u></u>	<u><u>328,285</u></u>
Analysis by fund		
Unrestricted funds	120,057	141,022
Restricted funds	<u>378,576</u>	<u>187,263</u>
	<u><u>498,633</u></u>	<u><u>328,285</u></u>

NOTES TO THE FINANCIAL STATEMENTS continued

7 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fundraising and publicity		
Fundraising and PR expenses	3,283	3,331

8 Support costs

	Support costs £	Governance costs 2021 £	Total 2021 £	Support costs £	Governance costs £	Total 2020 £
Legal and professional	–	1,620	1,620	–	–	–
Accountancy and independent examination	–	3,240	3,240	–	3,568	3,568
	–	4,860	4,860	–	3,568	3,568
<u>Analysed between</u>						
Charitable activities	–	4,860	4,860	–	3,568	3,568

9 Trustees

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

Aggregate donations from Trustees for the year were £164 (2020; £nil).

10 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
20	17

NOTES TO THE FINANCIAL STATEMENTS continued

10 Employees (Continued)

	2021 £	2020 £
Employment costs		
Wages and salaries	325,515	230,692
Social security costs	21,126	12,116
Other pension costs	5,017	3,933
	<u>351,658</u>	<u>246,741</u>

The majority of staff were part time. The average full-time equivalent was 11.8 (2020: 8.7).

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

11 Property, plant and equipment

	Fixtures and fittings £	Computers £	Total £
Cost			
Additions	<u>1,295</u>	<u>5,761</u>	<u>7,056</u>
At 31 December 2021	<u>1,295</u>	<u>5,761</u>	<u>7,056</u>
Depreciation and impairment			
Depreciation charged in the year	<u>324</u>	<u>1,440</u>	<u>1,764</u>
At 31 December 2021	<u>324</u>	<u>1,440</u>	<u>1,764</u>
Carrying amount			
At 31 December 2021	<u>971</u>	<u>4,321</u>	<u>5,292</u>

12 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	5,500	293
Other receivables	12,334	1,984
Prepayments and accrued income	<u>12,650</u>	<u>11,500</u>
	<u>30,484</u>	<u>13,777</u>

NOTES TO THE FINANCIAL STATEMENTS continued

13 Current liabilities

	Notes	2021 £	2020 £
Other taxation and social security		8,134	4,238
Deferred income	14	92,893	43,125
Trade payables		2,029	1,256
Accruals		32,284	2,160
		<u>135,340</u>	<u>50,779</u>

14 Deferred income

	2021 £	2020 £
Other deferred income	<u>92,893</u>	<u>43,125</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Deferred income is included within:		
Current liabilities	<u>92,893</u>	<u>43,125</u>
Movements in the year:		
Deferred income at 1 January 2021	43,125	60,275
Released from previous periods	(139,575)	(140,875)
Resources deferred in the year	<u>189,343</u>	<u>123,725</u>
Deferred income at 31 December 2021	<u>92,893</u>	<u>43,125</u>

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 £22,000
Starting point £70,893

NOTES TO THE FINANCIAL STATEMENTS continued

15 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 £5,017 (2020 – £3,933).

16 Restricted funds

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

	MOVEMENT IN FUNDS					MOVEMENT IN FUNDS			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources £	Resources expended £	Balance at 31 December 2021	
	£	£	£		£			£	
Reading Lifeline	(3,821)	1,978	(5,623)	7,466	–	–	–	–	
Starting Point Reading	–	136,125	(136,125)	–	–	300,834	(300,834)	–	
Rahab Project	–	5,250	(5,250)	–	–	5,000	(5,000)	–	
Engage Befriending	–	40,265	(40,265)	–	–	72,742	(72,742)	–	
	<u>(3,821)</u>	<u>183,618</u>	<u>(187,263)</u>	<u>7,466</u>	<u>–</u>	<u>378,576</u>	<u>(378,576)</u>	<u>–</u>	

NOTES TO THE FINANCIAL STATEMENTS continued

16 Restricted funds continued

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 17.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

17 Designated funds

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

	MOVEMENT IN FUNDS					MOVEMENT IN FUNDS			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources £	Resources expended £	Balance at 31 December 2021	
	£	£	£		£			£	
Starting Point Reading	10,963	33,703	(43,642)	–	1,024	33,748	(27,819)	6,953	
Rahab Project	(8,970)	22,154	(28,648)	19,181	3,717	15,751	(13,923)	5,545	
Engage Befriending	3,800	32,367	(27,627)	–	8,540	8,790	(9,701)	7,629	
	<u>5,793</u>	<u>88,224</u>	<u>(99,917)</u>	<u>19,181</u>	<u>13,281</u>	<u>58,289</u>	<u>(51,443)</u>	<u>20,127</u>	

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.

NOTES TO THE FINANCIAL STATEMENTS continued

17 Designated funds continued

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.

18 Operating lease commitments

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

	2021 £	2020 £
Within one year	27,600	27,600
Between two and five years	27,600	55,200
	<u>55,200</u>	<u>82,800</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).