



The Mustard Tree

ANNUAL REPORT AND ACCOUNTS

2022



Message from the CEO

At the heart of all we do at The Mustard Tree is our passion that everyone should have the opportunity to thrive. The crisis in the cost of living coupled with the continuing impact of the pandemic resulted in more people needing our support and our activity in 2022 reflects this.

We have reviewed our activity to ensure we are providing the opportunities and support that our service users want and need. For example, at the end of the year, the Engage team focused our long-term support on those who are living alone and are isolated, but we are also providing short term support and signposting. Like many in the charity and community sector we experienced a reduction in formal volunteering, so the team developed a drop-in morning, regular newsletter and peer befriending to provide more touch-points for our service beneficiaries.

Over the next year we will be consolidating some of our activities and have made some operational decisions to ensure we are focusing our services on priority areas where we can make the most significant impact. For example, we are working with our partners in Milton Keynes and Swindon to explore what options there are to move to an ongoing local ownership of the mentoring there. We believe in the power of locally led projects. This decision will enable us to focus on our activities in Reading and the surrounding area and we are excited to have been a catalyst for support for young people living in these communities.

We strengthened our core team by recruiting a Finance Director, who has led us in making changes to our systems which has significantly streamlined our processes. With limited resources and a challenging economic environment, we need to ensure that we continue to make the biggest impact we can. So we have also developed our networks with new delivery partnerships to ensure that we are offering the holistic support that will best enable people to thrive.

None of our activities would be possible without our amazing team of staff and volunteers who, drawing on their experience and compassion for others, step out and support others in making positive changes. We also remain grateful to the statutory and voluntary partners, local businesses, and community groups who we work closely with. It is by working together that we make the biggest impact.

Thank you to everyone who joined us to ensure our success in 2022. Your contribution has made a significant difference to our service beneficiaries lives and to our local communities. We greatly value all of your support.

Katherine Shepherd

The parable of the mustard seed.

Jesus said: “The kingdom of heaven is like a mustard seed, which a man took and planted in his field.

Though it is the smallest of all seeds, yet when it grows, it is the largest of garden plants and becomes a tree, so that the birds come and perch in its branches.”

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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.

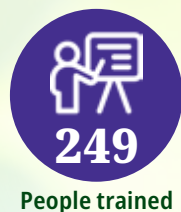
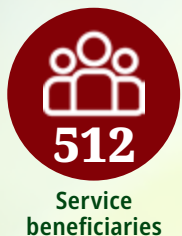
How we do it:

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

2022
in numbers



Our priorities continue to:

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

These priorities are at the heart of the focus of our three projects which aim to help our service users thrive no matter what age, barriers they face in life or their past experiences. We are passionate that every individual has the opportunity to thrive.

In 2022, we supported 512 people with our 265 volunteers working with 40 partners. We hosted 113 events and trained 249 people.

In the year, we received £544,776 in income, most of it from our partnerships and funders. With their generosity and trust in us to deliver, our projects were able to meet the needs of those we support.

Our projects and programmes offer long term, consistent support to people aged from 11 years to 101 years.

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.

The Mustard Tree

*– developing partnerships,
co-producing programmes*

With 20 years of experience, working with a wide range of individuals and organisations across the town, The Mustard Tree team are called upon to use this knowledge to identify unmet needs and to be a voice for those who are unheard.

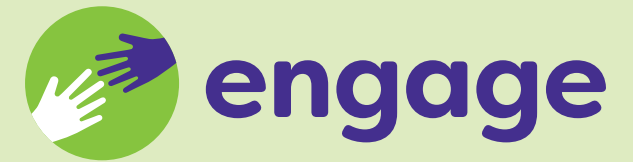
While this work may not result in a Mustard Tree project, we often advise on a way forward or may suggest a route to co-produce a programme by bringing the experience of our service users and continuing to build on our partnerships. It is this relational approach that is at the centre of our success and achievements in 2022; simply, we know that we have a greater impact working in partnership than alone and this is evidenced in all of our current projects.

We ensure the voice of our service beneficiaries is heard in the networks, steering groups and senior leadership boards we are active on. We are active on a number of strategy groups and committees across multiple statutory organisations including through Reading Borough Council and the BOB VCSE Health Alliance, recently contributing to the Berkshire West Health and Wellbeing Strategy. Our CEO is a member of the leadership team for Transform Reading, a member of VIN (Voluntary Intelligence Network) and the Voluntary Community Sector (VCS) leaders network for Reading.

We provide training for individuals and organisations to support their work in the community, including safeguarding training for local organisations.

Through this work, we are bringing those together who have the key experience, strengths, skills and resources to make the maximum impact within our communities.





Engage

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

THE YEAR IN NUMBERS:

111

SERVICE USERS

80

VOLUNTEERS

3,848

HOURS OF VOLUNTEERING

120

MONTHLY
NEWSLETTER
RECIPIENTS



2022 was a year of consolidation and we undertook a strategic review to ensure we understood what was needed to maximise opportunities for our service beneficiaries.



The pandemic is still having a significant impact on both service users and those who are willing to volunteer. We struggled to recruit new volunteers and are aware of more people who need befriending, so we created additional touch-points to relieve loneliness by introducing a regular coffee morning drop-in, producing monthly newsletters for both our Engage Befriending and Engage Wellbeing service beneficiaries, developing peer befriending, and we were delighted to host two social events in the year – our 10th anniversary party and the Christmas Cake tea-party.



Our Engage Befriending programme celebrated 10 years of supporting people to thrive. The project was created by the churches in Reading working with Reading Borough Council identifying an unmet need for older people who were isolated and alone. We would like to thank everyone who has supported Engage Befriending over the past 10 years for their involvement and encouragement.

Making friendships:

At one of our monthly coffee mornings, two women were commenting that they found weekends the hardest time and wished that more clubs would meet then. Within about 30 minutes, they had arranged to meet up for lunch on the following Saturday and are now firm friends. One of them has decided that she no longer needs a visit from her volunteer befriender as she has made new friends and will continue to come to the coffee morning.

Just down the road from each other:

One of the Engage team went to visit a gentleman who had recently lost his wife and wanted a befriender. During their chat it became apparent that he would be a great befriender himself and he became a volunteer. The team member was able to match him to a man just 500 yards away on the same road who is house-bound and they have been meeting up ever since and both value their time together.

Working in partnership:

One of the Starting Point team, referred a mother of one of their young people to us. She has health and wellbeing challenges of her own and we were able to link up so that when the young person was meeting with their mentor, our Engage Wellbeing team leader met the mum for a coffee and chat. They talked about everything from the challenges of being a single mum, family history, the struggles and challenges that the young person faced to the news and a little bit of healthy gossip too! The Mum told us that the support given enabled her to release and vent her frustrations about her situation in a safe place knowing that she would be heard without judgement and would be supported.



A person is shown from the chest up, holding a large, glowing red heart with a white outline. The heart is the central focus, and the person's hands are visible at the bottom, holding it. The background is dark, making the heart stand out.

RA++AB

Rahab

The Rahab team of volunteers provide a Chaplaincy outreach three or four nights a week. The purpose of this outreach is to make contact with and build relationships with on-street sex-workers so they know they can ask us for support. The team does not judge, we listen, support and offer the help we can either directly or through our network of partners.

THE YEAR IN NUMBERS

150

OUTREACH
SESSIONS

582

CONTACTS

45

SERVICE USERS

16

VOLUNTEERS

517

VOLUNTEER HOURS

2520

CONDOMS GIVEN OUT

1398

CHOCOLATE BARS
SHARED

The number of Chaplaincy outreach opportunities increased by 15% on last year to 150 which, in turn, meant that we made more contacts with the women (a contact is defined as having a chat).

In May and June, we experienced a significant increase in the number of women sex-working. We encountered women who we had not seen for a few years, and made contacts with a number of women who were new to us. We believe this was due to the significant increase in the cost of living as the women were sharing with us their concerns about it.

Building partnerships

The Outreach team from the Florey clinic (Royal Berkshire Hospital's Sexual Healthcare Clinic) join us once a month to provide the women with testing kits and advice. This partnership is going well and we are eager to develop it throughout the year.

Our work outside of the Chaplaincy evenings includes referrals to other organisations such as The Cow Shed and CCA for clothing and household items, to Communicare for financial and benefits advice on their situation CGL (addiction support) and Launchpad (Housing).

A chaotic life:

The women often live chaotic lives and can be in danger. Earlier in the year, Rahab formed part of a group of specialist organisations who came together to support one of the women to leave Reading as her life was at risk.

Poor mental and physical health:

Poor mental and physical health linked to drug and alcohol addiction is another challenge faced by the women, sadly, one of whom died this year aged just 37. We encourage the women to seek help and arrange to take them to appointments.

Struggling to find a way out:

One of the women was asked why she began sex-working and she simply answered 'When I became addicted to heroin.' The needs of the women are complex and linked to past trauma, substance abuse and exploitation.

Restoring hope:

We aim to give hope and belief to the women - one woman told a volunteer that we always do what we say that we will do and no matter how small a task it is for us, it means so much more to them.

We give thanks for the amazing team of volunteers who are out in all weathers to help come alongside the women.





Starting Point

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

STARTING POINT IN NUMBERS

356

YOUNG PEOPLE

162

VOLUNTEERS

25

PARTNERSHIPS

6

YOUNG PERSON LED
CREATIVE PROJECTS



Starting Point continues to reach young people who are often hardest to reach and considered difficult to engage, offering them a starting point for a brighter and more hopeful future.

We are passionate about enabling young people who face disadvantage to make lasting change in their lives. We believe this is possible by building long term relationships, journeying alongside young people, creating meaningful opportunities and equipping the local community.

In 2022 we continued to mentor local young people, through local volunteers, supported by the local community. We believe this approach ensures that young people build meaningful and consistent relationships which creates a platform for long term change.

Last year presented many challenges for young people including the effects of the cost-of-living crisis, an increase in mental health struggles, and a lack of support services and opportunities available. Listening to young people and adapting our support to meet their needs and aspirations has been essential both in 1:1 support and in creating additional opportunities. We have intentionally sought to develop our approach in co-production, creating safe spaces and empowering young people in decision making. Throughout the year we have worked closely with partners such as local authorities, the police, schools, and the NHS as we seek to ensure that young people have the relational and long-term support in place to see positive outcomes in their lives and the wider community.

Starting Point Mentoring

Mentoring young people aged 11–25 who face disadvantage.

We have supported 105 young people through 89 volunteer mentors, with a tailor-made journey to equip each of them to see lasting positive change.

A&E Navigators

Providing a relational journey from a young person's moment of crisis towards thriving within the local community.

Our 21 volunteer Navigators supported 60 young people throughout the year in A&E; providing them with a listening ear and moment of connection, and access to support in the wider community.

School Navigators

Providing a relational journey from a young person's place of education towards thriving within the local community.

In the Autumn term of 2022 our two Schools and Community Mentors reached 22 young people across 4 schools who were disengaging with their education.

Action Media

A Young Person led media initiative providing meaningful work experience in the creative industry.

In 2022 Action Media provided 69 young people with the opportunity to work on real world creative media projects in conjunction with experienced media professionals and mentors.

The Hub

The Hub, our under 18s drop-in social group, started in July 2022.

100% of the young people who attended in 2022 said it helps them feel more confident in interacting with other young people.





Case study

When Mia (17) first came to Starting Point she did not enjoy college, which caused her to be socially isolated as she struggled to attend regularly. Mia had anxiety around talking to new people, as well as with the uncertainty of what each day at college would bring. Mia set mentoring goals to increase her attendance at college, build on her relationships, and improve her confidence when talking with new people and within herself.*

At the beginning of her mentoring journey, Mia was considerably shy and found it difficult to have confidence when speaking to her mentor. To grow their mentoring relationship and built trust, Mia and her mentor focused on meeting regularly and local to Mia's house. Over time, Mia grew in confidence and found it easy to share things with her mentor - one time asking her mentor to talk with her to her Mum about her mental health. This led to her completing a counselling referral, something she hadn't been keen on in the past.

*Name changed to protect the young person's identity

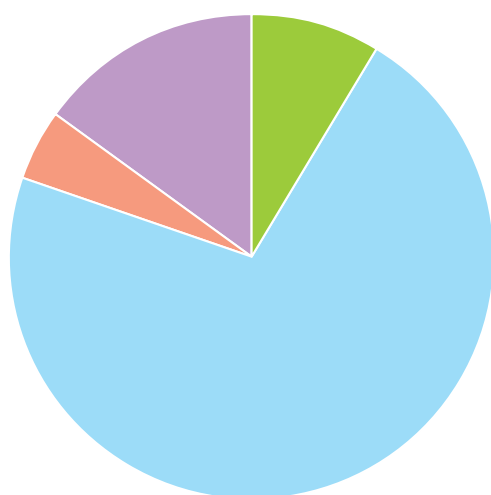
Approaching the summer before the new academic year, Mia and her mentor researched courses she could study as Mia was optimistic at the potential of choosing what she studies, which was not the case the year prior, as she was unsure of her interests and asked mum to choose a course for her. Mia chose which course she would like to study, and looked at the course in depth in her mentoring sessions to prepare herself for what was expected in the upcoming year.

Mia has now attended college every day this academic year, and has made friends on the course that she is meeting up with socially outside of college. Mia now enjoys what she studies, and is glad that she chose mentoring as she never thought that she would enjoy education, or have the confidence to make new friends, both of which she has achieved.

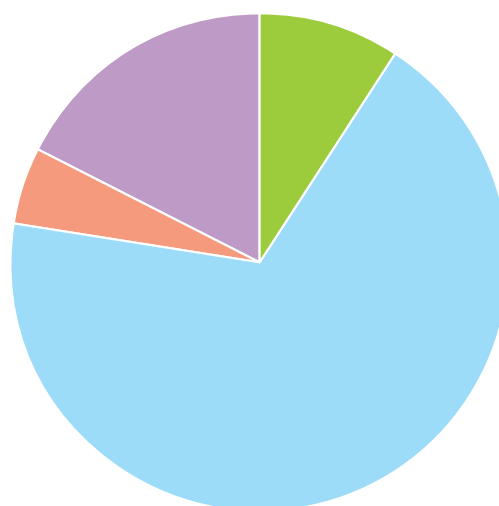
Our Finances

In 2022 we had a total income of £544,776 and a total expenditure of £503,313. The income exceeded our expenditure by £41,463. We had sought to build our reserves to support the increase in our operations and we achieved our target. The Trustees will continue to monitor the level of reserves to support the charities activities.

Project	Income	Expenditure
MTF Central	£48,311	£46,187
Starting Point	£389,894	£344,202
Rahab	£25,550	£25,609
Engage	£81,021	£87,315
Total	£544,776	£503,313



INCOME



EXPENDITURE

Our funders

We would like to thank the trusts, 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.

Activate Learning
Anglo American
Arnold Clark Community Fund
Artsmark
BBC Children in Need
Benefact Trust
Berkshire Community Foundation
Blagrave Trust
Brighter Futures for Children
Campbell Park Parish Council
Candlefish
Caversham Good Neighbours
Central & North West London NHS
Deloitte LLP
Englefield Charitable Trust
ESFA
Garfield Weston Foundation
Gateway Church Swindon
Greyfriars Church
Groundwork London
Hammerson plc
Kiriath Trust
LifeSpring Church

Longleigh Foundation
Lord Barnby's Foundation
McCarthy Stone Foundation
MK Community Foundation
National Business Response Network
National Lottery
New Life Church MK
NHS Berkshire West CCG
NHS Royal Berkshire Foundation Trust
Osborne Clarke
Pattern Church
Quartet Community Foundation
Reading Borough Council
Reading Family Aid
Reading Family Church
Reading FC Community Trust
Reading Place of Culture
Reading St Laurence Church Charities
Reading Voluntary Action
Real Time

Reccobiz
Rotary Club of Reading
Sage Foundation
Sage UK
Souter Charitable Trust
St James's Place Charitable Foundation
St Marys, Purley
Swindon Borough Council
Thames Valley Police
Thames Valley Violence Reduction Unit
The Museum of English Rural Life
The Oracle
The Prince's Responsible Business Network
Trinity Earley
Tudor Trust
Wiltshire Community Foundation
Wiltshire OPCC
Youth Futures Foundation

THE MUSTARD TREE FOUNDATION (READING)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2022

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

Trustees' report	20–21
Independent examiner's report	22
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Statement of financial position	24–25
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Trustees

Mr M Penson (Chair)
Dr J Hawkins OBE
Mr K Potter
Ms D Malone
Ms A Awuku
Mr D Gibbons
Ms I Clifford (Appointed 16 February 2023)

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

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

For the year ended 31 December 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 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 £544,776 and incurred expenditure of £503,313 leading to a surplus in the year of £41,463 (2021: deficit of £6,748). Unrestricted reserves at the balance sheet date amounted to £132,324, of which £59,466 had been designated by the Trustees for specific projects. There were no restricted funds held at the balance sheet date.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) continued

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.

The Trustees have set a reserves policy of 3 months of budgeted expenditure. At the end of 2022 this amount was approximately £130k, which compared to current reserves held across designated and unrestricted funds of £132k. There is no longer a shortfall in the required level of reserves (2021: Shortfall of £22K) as the 3 month target has been achieved. The trustees will continue to monitor the level of reserves to support 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)	
Dr J Hawkins OBE	
Mr K Potter	
Ms D Malone	
Rev L Onugha	(Deceased 2 June 2023)
Ms A Awuku	
Mr D Gibbons	
Ms I Clifford	(Appointed 16 February 2023)

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: 27 July 2023

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 2022.

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: 28 July 2023



STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	136,821	398,042	534,863	111,973	378,576	490,549
Charitable activities	4	9,252	-	9,252	4,596	-	4,596
Investments	5	661	-	661	23	-	23
Total income		<u>146,734</u>	<u>398,042</u>	<u>544,776</u>	<u>116,592</u>	<u>378,576</u>	<u>495,168</u>
Expenditure on:							
Raising funds	6	<u>22,319</u>	<u>-</u>	<u>22,319</u>	<u>14,289</u>	<u>-</u>	<u>14,289</u>
Charitable activities	7	<u>82,952</u>	<u>398,042</u>	<u>480,994</u>	<u>109,051</u>	<u>378,576</u>	<u>487,627</u>
Total expenditure		<u>105,271</u>	<u>398,042</u>	<u>503,313</u>	<u>123,340</u>	<u>378,576</u>	<u>501,916</u>
Net income (expenditure) for the year/ Net movement in funds		41,463	-	41,463	(6,748)	-	(6,748)
Fund balances at 1 January 2022		<u>90,861</u>	<u>-</u>	<u>90,861</u>	<u>97,609</u>	<u>-</u>	<u>97,609</u>
Fund balances at 31 December 2022		<u><u>132,324</u></u>	<u><u>-</u></u>	<u><u>132,324</u></u>	<u><u>90,861</u></u>	<u><u>-</u></u>	<u><u>90,861</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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Property, plant and equipment	12		6,155		5,292
Current assets					
Trade and other receivables	13	5,750		30,484	
Cash at bank and in hand		<u>316,738</u>		<u>190,425</u>	
		322,488		220,909	
Current liabilities	14	<u>(196,319)</u>		<u>(135,340)</u>	
Net current assets			<u>126,169</u>		<u>85,569</u>
Total assets less current liabilities			<u>132,324</u>		<u>90,861</u>
Income funds					
Unrestricted funds					
Designated funds:					
Starting Point Reading		52,645		6,953	
Rahab Project		5,486		5,545	
Engage Befriending		<u>1,335</u>		<u>7,629</u>	
	17	59,466		20,127	
General unrestricted funds		<u>72,858</u>		<u>70,734</u>	
			<u>132,324</u>		<u>90,861</u>
			<u>132,324</u>		<u>90,861</u>

STATEMENT OF FINANCIAL POSITION continued

As at 31 December 2022

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 2022.

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 27 July 2023



Mr M Penson (Chair)

Trustee

Company Registration No. 04986086

NOTES TO THE FINANCIAL STATEMENTS

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.

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

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

1.4 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.

NOTES TO THE FINANCIAL STATEMENTS continued

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 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.

Items of PPE with a cost over £500 are capitalized and 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.



NOTES TO THE FINANCIAL STATEMENTS continued

1 Accounting policies (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

1 Accounting policies (Continued)

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.

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 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Donations and gifts	101,269	-	101,269	111,753
Grants – Statutory & Trusts	<u>35,552</u>	<u>398,042</u>	<u>433,594</u>	<u>378,796</u>
	<u><u>136,821</u></u>	<u><u>398,042</u></u>	<u><u>534,863</u></u>	<u><u>490,549</u></u>
Donations and gifts				
Donations Individuals	25,438	-	25,438	23,425
Donations Churches	31,451	-	31,451	22,782
Donations Trusts	42,339	-	42,339	63,528
Gift aid recovered	<u>2,041</u>	<u>-</u>	<u>2,041</u>	<u>2,018</u>
	<u><u>101,269</u></u>	<u><u>-</u></u>	<u><u>101,269</u></u>	<u><u>111,753</u></u>

For the year end 31 December 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	111,753	-	111,753
Grants – Statutory & Trusts	<u>220</u>	<u>378,576</u>	<u>378,796</u>
	<u><u>111,973</u></u>	<u><u>378,576</u></u>	<u><u>490,549</u></u>
Donations and gifts			
Donations Individuals	23,425	-	23,425
Donations Churches	22,782	-	22,782
Donations Trusts	63,528	-	63,528
Gift aid recovered	<u>2,018</u>	<u>-</u>	<u>2,018</u>
	<u><u>111,753</u></u>	<u><u>-</u></u>	<u><u>111,753</u></u>

NOTES TO THE FINANCIAL STATEMENTS continued

4 Charitable activities

	2022 £	2021 £
Sales within charitable activities	8,174	1,485
Salary reimbursement	1,078	3,111
	<u>9,252</u>	<u>4,596</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	661	23
	<u>661</u>	<u>23</u>

6 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fundraising and publicity		
Staff costs	22,319	14,289
	<u>22,319</u>	<u>14,289</u>

NOTES TO THE FINANCIAL STATEMENTS continued

7 Charitable activities

	2022 £	2021 £
Staff costs	358,213	337,369
Depreciation and impairment	2,062	1,764
Other staff related costs (incl. travel/subsistence/voluntary & training)	10,589	11,788
Rent and rates	39,763	28,171
Office refurbishment	5,438	65
Office equipment	2,641	8,659
Professional fees including accountancy and IT support	16,738	26,748
Other	6,514	6,387
Postage and stationery	2,570	1,588
Telecommunications	5,015	5,275
Insurance	5,620	5,610
Subscriptions	4,456	6,848
Cleaning	4,167	3,777
Sub-contractors	13,700	–
Advertising and PR costs	3,671	3,283
Overclaimed VAT	(3,116)	35,435
	<u>478,041</u>	<u>482,767</u>
Share of governance costs (see note 8)	<u>2,953</u>	<u>4,860</u>
	<u><u>480,994</u></u>	<u><u>487,627</u></u>
Analysis by fund		
Unrestricted funds	82,952	109,051
Restricted funds	<u>398,042</u>	<u>378,576</u>
	<u><u>480,994</u></u>	<u><u>487,627</u></u>

NOTES TO THE FINANCIAL STATEMENTS continued

8 Support costs

	Support costs £	Governance costs £	Total 2022 £	Total 2021 £
Legal and professional	-	-	-	1,620
Accountancy and independent examination	-	2,953	2,953	3,240
	-	2,953	2,953	4,860
<u>Analysed between</u>				
Charitable activities	-	2,953	2,953	4,860

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 £145 (2021; £164).

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	18	20
Employment costs	2022 £	2021 £
Wages and salaries	350,990	325,515
Social security costs	23,624	21,126
Other pension costs	5,918	5,017
	380,532	351,658

The majority of staff were part time. The average full-time equivalent was 12 (2021: 11.8).

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

NOTES TO THE FINANCIAL STATEMENTS continued

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Property, plant and equipment

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2022	1,295	5,761	7,056
Additions	<u>1,539</u>	<u>1,386</u>	<u>2,925</u>
At 31 December 2022	<u>2,834</u>	<u>7,147</u>	<u>9,981</u>
Depreciation and impairment			
At 1 January 2022	<u>324</u>	<u>1,440</u>	<u>1,764</u>
Depreciation charged in the year	<u>275</u>	<u>1,787</u>	<u>2,062</u>
At 31 December 2022	<u>599</u>	<u>3,227</u>	<u>3,826</u>
Carrying amount			
At 31 December 2022	<u>2,235</u>	<u>3,920</u>	<u>6,155</u>
At 31 December 2021	<u>971</u>	<u>4,321</u>	<u>5,292</u>

13 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	–	5,500
Other receivables	–	12,334
Prepayments and accrued income	<u>5,750</u>	<u>12,650</u>
	<u>5,750</u>	<u>30,484</u>

NOTES TO THE FINANCIAL STATEMENTS continued

14 Current liabilities

	Notes	2022 £	2021 £
Other taxation and social security		6,320	8,134
Deferred income	15	177,349	92,893
Trade payables		361	2,029
Accruals		12,289	32,284
		<u>196,319</u>	<u>135,340</u>

15 Deferred income

	2022 £	2020 £
Other deferred income	<u>177,349</u>	<u>92,893</u>

Deferred income is included in the financial statements as follows:

	2022 £	2020 £
Deferred income is included within:		
Current liabilities	<u>177,349</u>	<u>92,893</u>
Movements in the year:		
Deferred income at 1 January 2022	92,893	43,125
Released from previous periods	(92,893)	(139,575)
Resources deferred in the year	<u>177,349</u>	<u>189,343</u>
Deferred income at 31 December 2022	<u>177,349</u>	<u>92,893</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.



NOTES TO THE FINANCIAL STATEMENTS continued

15 Deferred income (Continued)

Deferred income analysed by project is as follows:

Core	£1,000
Starting point	£176,349

16 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 £5,918 (2021 – £5,017).

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:

	MOVEMENT IN FUNDS			
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£
Starting Point Reading	–	328,219	(328,219)	–
Rahab Project	–	6,000	(6,000)	–
Engage Befriending	–	63,823	(63,823)	–
	<u>–</u>	<u>398,042</u>	<u>(398,042)</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS continued

17 Restricted funds (Continued)

Movements for the year ended 31 December 2021

	MOVEMENT IN FUNDS			
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£
Starting Point Reading	–	300,834	(300,834)	–
Rahab Project	–	5,000	(5,000)	–
Engage Befriending	–	72,742	(72,742)	–
	<u>–</u>	<u>72,742</u>	<u>(72,742)</u>	<u>–</u>
	<u>–</u>	<u>378,576</u>	<u>(378,576)</u>	<u>–</u>

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.

NOTES TO THE FINANCIAL STATEMENTS continued

18 Designated funds

		MOVEMENT IN FUNDS			MOVEMENT IN FUNDS		
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
Starting Point Reading	1,024	33,748	(27,819)	6,953	61,675	(15,983)	52,645
Rahab Project	3,717	15,751	(13,923)	5,545	19,550	(19,609)	5,486
Engage Befriending	8,540	8,790	(9,701)	7,629	17,198	(23,492)	1,335
	<u>13,281</u>	<u>58,289</u>	<u>(51,443)</u>	<u>20,127</u>	<u>98,423</u>	<u>(59,084)</u>	<u>59,466</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. 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.

NOTES TO THE FINANCIAL STATEMENTS continued

19 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:

	2022 £	2021 £
Within one year	23,422	27,600
Between two and five years	–	23,422
	<u>23,422</u>	<u>51,022</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2021 – none).