



The Mustard Tree

ANNUAL REPORT AND ACCOUNTS

2023

*‘Planting hope,
cultivating change’*



Message from the CEO

CONTENTS

Our way of working	3
Our projects	5
Engage	7
Rahab	10
Starting Point	13
Finances	17

The Mustard Tree is part of the diverse communities we serve, and we are passionate about local people supporting local people. Inflation and cost-of-living pressures placed additional burdens on our communities in 2023. However, our team responded by drawing on their own experience and compassion for others and giving their time and energy to provide befriending, mentoring, and outreach, while creating opportunities, reducing isolation and supporting people to overcome challenges.

In 2023 we moved from London Street to a new home right in the heart of the town. We have made full use of the newly built Greyfriars Centre to operate our drop in and hubs which has proved very popular with our service beneficiaries.

We consolidated some of our activities and developed new initiatives, ensuring a focus on priority areas in Reading. Some of the highlights have been: a brand new over 18's hub; developing exciting opportunities through

our Starting Point Studio (you can see some of the films co-produced by young people on our website) training volunteers living in care homes to provide befriending to others in their residential settings. Our Rahab team handing out presents at Christmas.

As we move into 2024 we remain dedicated to providing long term relational support enabling people to make small changes that lead to a big difference. None of our activities would be possible without our amazing team of staff and volunteers. Also, the statutory and voluntary partnerships, local businesses, trusts and foundations, and community groups with whom we work so closely. It is by working together that we can see the most impact. Thank you to everyone who has ensured our ongoing success in 2023.

Katherine Shepherd



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, and 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.



2023
in numbers



409

Service
beneficiaries



271

Volunteers



201

People trained



38

Partners



15

Projects

Our projects

Our projects are driven by local people through the networks and partnerships we have built over the last 20 years.

In 2023 we supported 409 people with our 271 volunteers working alongside 38 partners. We also trained over 200 people.

The Mustard Tree delivers high impact projects to some of Reading's most underrepresented people. Our teams of volunteers provide befriending, mentoring, and outreach. Creating opportunities, reducing isolation, and supporting people to overcome barriers and to thrive.

ENGAGE BEFRIENDING

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.



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

THE YEAR IN NUMBERS:

112

SERVICE USERS

58

VOLUNTEERS

3,432

HOURS OF
VOLUNTEERING

14

SOCIAL ACTIVITIES
HELD

120

MONTHLY NEWSLETTER
RECIPIENTS

10

PARTNERS

- In 2023, we expanded our work with care homes, creating opportunities to recruit people living in the care/residential settings to be trained as befrienders and visit those living close by.
- Located in Reading, a diverse town, we trained new volunteers who have multi-language skills who can befriend those who face isolation due to language barriers.
- Our monthly drop-in coffee morning has grown, providing more people opportunity to meet and find friends.
- Our monthly newsletter continues to share information about the different services and activities in Reading designed to encourage people to take part in community activities.



N's story – “I took the chance and went for it”

We included details of a new friendship group in one of our newsletters; it was near to where N lived.

She told us that she took a deep breath, booked the Readibus to get her then and went. She enjoyed it so much that she is now attends regularly and encouraged her neighbour to come too.

“She’s a lifeline. I would have cracked up by now without her, with everything that is going on. I would have sunk back into depression. I don’t feel so lonely.”

Engage client

W's story

We recently matched one lady as she was unable to get out due to her health deteriorating, and was feeling lonely.

She said her volunteer is “very kind and visits regularly. It’s very nice to have somebody to talk to as I’m a people person.”

“I think befriending is an excellent scheme and I would rate it highly”

Engage volunteer

RA+AB

Rahab is a chaplaincy outreach caring for on-street sex workers in Reading.

THE YEAR IN NUMBERS

147

OUTREACH
SESSIONS

17

VOLUNTEERS

507

HOURS OF
VOLUNTEERING

49

SERVICE USERS

708

CONTACT MOMENTS

3,504

CONDOMS

- We had over 120 more conversations that the previous year.
- Our daytime outreach supported women attend court, provided access to housing support and essential household goods and enabled women to access healthcare.
- We provided sexual exploitation/awareness training.
- We made condoms readily available for the women to prevent HIV and STI transmission
- We gave out Christmas parcels to all the women we met over the festive period.



- D and S were hospitalised due to taking contaminated drugs. Different members of the Rahab team visited them, supplying them with toiletries and checking to see how they were. When they were discharged from hospital, the team continue to provide support in checking on their health and providing food parcels.

- J came out of prison and broke the rules of her licence meaning that she was recalled back. She was hoping it would lead to rehabilitation opportunities, but she was not in prison long enough to take part. We are praying that a rehab place will be made available to her soon.

- B has been homeless for a while and has not wanted to engage with organisations as she didn't trust them. The team encouraged her to think about moving on from the streets and supported her to access help. She is now in her new home.

***“You’re brilliant, because
you are on our side”***

Rahab service user.

***“You’re always there
when I need you”***

Rahab service user.



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

STARTING POINT IN NUMBERS

250+

YOUNG PEOPLE
SUPPORTED

114

VOLUNTEERS

67

YOUNG PEOPLE
MENTORED

61

YOUNG PEOPLE
SUPPORTED THROUGH
A+E NAVIGATORS

121

SCHOOL PUPILS
SUPPORTED

8

YOUNG PERSON LED
CREATIVE PROJECTS



- By providing a consistent role model, 71% of our young people engaged in mentoring saw an increase in their confidence.
- Navigators continued to provide young people in crisis a listening ear and a moment of connection. In 2023 we have increased our A&E shifts to 3, started visiting young people on the wards, and took on a part time Community Navigator to provide ongoing support in the community.
- Our School Navigator programme came to an end in the summer term of 2023. We have continued to support those young people referred on to us through 1:1 mentoring, and have been able to provide a safe social space through the Hub.
- Our Hub drop-in sessions provide the opportunity for young people to build new friendships and helping improve social skills. In September 2023 we launched the Hub for young people aged 18-25.
- Starting Point creative opportunities gave young people at local secondary schools the opportunity to work in a creative team. In 2023 we were involved in 8 creative projects with local partners such as Reading Borough Council and Thames Valley Police.



Lewis self-referred after completing counselling sessions locally. It was his goal towards the end of counselling to feel confident enough to refer himself for mentoring. When he referred himself, Lewis was struggling with motivation and getting back into a routine as depression and anxiety caused him to stop working and going to the gym. Lewis's goals were to have a good morning routine and get back in the gym while searching for employment.*

Lewis was matched to a local volunteer mentor at Starting Point who shared his interest in business and entrepreneurship, and together they applied for multiple skills and confidence-building courses, which Lewis then completed himself.

In February, Lewis successfully applied for a job as a gardener and has been working full-time since. Reflecting on his mentoring journey so far, Lewis expressed he felt more confident with work-ready skills, feels he has a healthier lifestyle, improved emotional wellbeing, more friends and connections, and greater confidence and aspirations.

“I met two people last night at A&E when I was feeling in a dark place and for the first time, I felt a tiny bit hopeful that I could have someone to talk to and who might understand a bit of what I’m going through”

Young person in A&E

Hallie was beginning her A Levels when she was met in A&E by a volunteer on shift; she was in a moment of crisis, following self-harm. She was feeling overwhelmed due to several life changes and feeling isolated. Hallie was keen to be matched with a volunteer mentor so she would have someone to talk to and support her in navigating these issues.

Hallie grew in confidence, working with her mentor on managing her anxieties on a daily basis. She strengthened her friendships, making new friends and repairing old ones. Hallie started working part time alongside her education. She began driving lessons, passed her test and was able to get a car which increased her independence.

She has reported increased confidence, reduced anxiety and she no longer self-harms. She said she knows she has a good support system around her, and a balance of what she wants in her life. She has just completed her A-levels and is now at University.

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 our services to our local communities.

Abbey Baptist Church
Archer Trust
Berkshire Community Foundation (Pargiter Trust)
Brighter Futures for Children
Church Welfare Association
Deloitte
Edward Gostling Foundation
Gerald Palmer Eling Trust
Greyfriars Church
John Sykes foundation
Kiriath Trust
Lifespring Church
Maurice And Hilda Laing
Norcot Mission Church
Pat Newman Memorial Trust
Reading Borough Council
Reading Family Church
St James's Place Charitable Foundation
St Laurence Relief in Need Trust
St Mary's Purley
Symondson Foundation
Thames Valley Violence Prevention Partnership
The Blagrove Trust
The National Lottery Community Fund
The Olly Stephens Fund
The Oracle
The Rank Foundation
Trinity Church (Earley)
Tudor Trust

THE MUSTARD TREE FOUNDATION (READING)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

Trustees' report	13–15
Independent examiner's report	16
Statement of financial activities	17
Statement of financial position	18–19
Notes to the financial statements	20–31

Trustees

Mr M Penson (Chair)
Dr J Hawkins OBE
Mr K Potter
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

4 Sackville Street, Reading, Berkshire RG1 1NT

Registered office

4 Sackville Street, Reading, Berkshire RG1 1NT

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 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023. 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.

Public Benefit

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

Achievements and performance

The first section of the report has set out the achievements and impact of the charity over the year. Our projects are driven by local people and enhanced by our networks and partnerships.

We have a number of active commissioning partnerships involving multiple charities and statutory agencies and a working model that enables us to engage with 'the hardest to reach'. Our strong reputation demonstrates that we deliver high impact services, collaborate effectively, and use our resources well.

Fundraising performance

Fundraising activities during the year

We are very grateful for the donations from our financial supporters (see pg 24 for details of our funders). 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.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) continued

Volunteers

Many of our activities are carried out by our team of volunteers who live within the communities we serve and are often experts by lived experience. We want to take this opportunity to recognise the impact that our befrienders, mentors, navigators, admin and prayer supporters and outreach workers have and to say thank you to them for all they do.

Financial review

The charity received income amounting to £489,828 (2022: £544,776) and incurred expenditure of £434,330 (2022: £503,313) leading to a surplus in the year of £55,498 (2022: surplus of £41,463). Unrestricted reserves at the balance sheet date amounted to £187,822 (2022: £132,324), of which £85,860 (2022: £59,466) had been designated by the Trustees for specific projects. There were no restricted funds held at the balance sheet date.

We have reviewed and consolidated activities. We drew our mentoring in Swindon and Milton Keynes to a close, working with our local partners to ensure ongoing support for young people in those areas. We have moved offices from London Street to Sackville Street which will provide a significant saving in rent and utilities and access to excellent facilities to operate activities from. We also streamlined the management of our projects and where employees have left, we have taken the decision not to replace them with an identical recruited position. Our different project teams are working closer and sharing resources more than before. We have strong budgetary controls in place.

Reserves policy

The Trustees have considered the level of reserves (that is those funds that are freely available) that the charity ought to have. The Trustees have set a reserves policy of at least 3 months of budgeted expenditure to bridge any funding gaps between spending on administrative and operational activities and resources received. At the end of 2023 this amount was approximately £110k. They have also

considered any additional obligations such as contracts. The trustees have reviewed the current reserves held across designated and unrestricted funds and are satisfied with our current level of £187k. 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 (Resigned 23 November 23)

Ms A Awuku

Mr D Gibbons

Rev. Leonard Onugha (Resigned 2 June 2023)

Ms I Clifford (Appointed 16 February 2023)

Recruitment and appointment of trustees

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 practice.

Induction and training of trustees

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) continued

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.

Statement of trustees' responsibilities

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

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

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

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

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

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



Mr M Penson (Chair)

Trustee

Dated: 4 July 2024

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 2023.

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: 4 July 2024



STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	178,807	306,354	485,161	136,821	398,042	534,863
Charitable activities	4	850	-	850	9,252	-	9,252
Investments	5	3,817	-	3,817	661	-	661
Total income		<u>183,474</u>	<u>306,354</u>	<u>489,828</u>	<u>146,734</u>	<u>398,042</u>	<u>544,776</u>
Expenditure on:							
Raising funds	6	23,845	-	23,845	22,319	-	22,319
Charitable activities	7	104,131	306,354	410,485	82,952	398,042	480,994
Total expenditure		<u>127,976</u>	<u>306,354</u>	<u>434,330</u>	<u>105,271</u>	<u>398,042</u>	<u>503,313</u>
Net income and movement in funds		55,498	-	55,498	41,463	-	41,463
Reconciliation of funds:							
Fund balances at 1 January 2023		<u>132,324</u>	-	<u>132,324</u>	<u>90,861</u>	-	<u>90,861</u>
Fund balances at 31 December 2023		<u>187,822</u>	-	<u>187,822</u>	<u>132,324</u>	-	<u>132,324</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

STATEMENT OF FINANCIAL POSITION

as at 31 december 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Property, plant and equipment	12		4,313		6,155
Current assets					
Trade and other receivables	13	9,684		5,750	
Cash at bank and in hand		<u>232,924</u>		<u>316,738</u>	
		242,608		322,488	
Current liabilities	14	<u>(59,099)</u>		<u>(196,319)</u>	
Net current assets			<u>183,509</u>		<u>126,169</u>
Total assets less current liabilities			<u>187,822</u>		<u>132,324</u>
Net assets excluding pension liability			<u>187,822</u>		<u>132,324</u>
Net assets			<u><u>187,822</u></u>		<u><u>132,324</u></u>
The funds of the charity					
Unrestricted funds			<u>187,822</u>		<u>132,324</u>
			<u><u>187,822</u></u>		<u><u>132,324</u></u>



STATEMENT OF FINANCIAL POSITION continued

As at 31 December 2023

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 2023.

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 4 July 2024



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 4 Sackville Street, Reading, Berkshire, RG1 1NT.

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 or grantors 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 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	146,107	-	146,107	101,269	-	101,269
Grants – Statutory & Trusts	32,700	306,354	339,054	35,552	398,042	433,594
	<u>178,807</u>	<u>306,354</u>	<u>485,161</u>	<u>136,821</u>	<u>398,042</u>	<u>534,863</u>

Donations and gifts

Donations Individuals	25,469	-	25,469	25,438	-	25,438
Donations Churches	20,181	-	20,181	31,451	-	31,451
Donations Trusts	98,394	-	98,394	42,339	-	42,339
Gift aid recovered	<u>2,063</u>	<u>-</u>	<u>2,063</u>	<u>2,041</u>	<u>-</u>	<u>2,041</u>
	<u>146,107</u>	<u>-</u>	<u>146,107</u>	<u>101,269</u>	<u>-</u>	<u>101,269</u>

4 Income from Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Charitable activities		
Sale of goods	850	8,174
Salary reimbursement	<u>-</u>	<u>1,078</u>
	<u>850</u>	<u>9,252</u>

5 Income from Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>3,817</u>	<u>661</u>

6 Expenditure on Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Staff costs	<u>23,845</u>	<u>22,319</u>

NOTES TO THE FINANCIAL STATEMENTS continued

7 Expenditure on Charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Direct costs		
Staff costs	306,838	358,213
Depreciation and impairment	2,513	2,062
Other staff related costs (incl. travel/subsistence/voluntary & training)	6,160	10,589
Rent and rates	36,251	39,763
Office refurbishment	2,841	5,438
Office equipment	-	2,641
Professional fees including accountancy and IT support	18,099	16,738
Other	6,041	6,514
Postage and stationery	3,173	2,570
Telecommunications	4,108	5,015
Insurance	4,365	5,620
Subscriptions	6,679	4,456
Cleaning	5,034	4,167
Sub-contractors	1,884	13,700
Advertising and PR costs	4,189	3,671
Overclaimed input VAT	-	(3,116)
	<u>408,175</u>	<u>478,041</u>
Share of governance costs (see note 8)		
Governance	<u>2,310</u>	<u>2,953</u>
	<u>410,485</u>	<u>480,994</u>
Analysis by fund		
Unrestricted funds	104,131	82,952
Restricted funds	<u>306,354</u>	<u>398,042</u>
	<u>410,485</u>	<u>480,994</u>

NOTES TO THE FINANCIAL STATEMENTS continued

8 Support costs allocated to activities

	2023 £	2022 £
Governance costs	2,310	2,953
<u>Analysed between:</u>		
Charitable activities	2,310	2,953
	2022 £	2022 £
Governance costs comprise:		
Accountancy and independent examination	2,310	2,953
	2,310	2,953

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 £132 (2022; £145).

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	16	18
	2023 £	2022 £
Employment costs		
Wages and salaries	305,979	350,990
Social security costs	18,874	23,624
Other pension costs	5,830	5,918
	330,683	380,532

The majority of staff were part time. The average full-time equivalent was 12 (2022: 12).

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 taxation on its activities because all its income is applied for charitable purposes.

12 Property, plant and equipment

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	2,834	7,147	9,981
Additions	-	672	672
At 31 December 2023	2,834	7,819	10,653
Depreciation and impairment			
At 1 January 2023	599	3,228	3,827
Depreciation charged in the year	559	1,954	2,513
At 31 December 2023	1,158	5,182	6,340
Carrying amount			
At 31 December 2023	1,676	2,637	4,313
At 31 December 2022	2,235	3,920	6,155

13 Trade and other receivables

	2023 £	2022 £
Amounts falling due within one year:		
Trade receivables	3,111	-
Other receivables	823	-
Prepayments and accrued income	5,750	5,750
	9,684	5,750

NOTES TO THE FINANCIAL STATEMENTS continued

14 Current liabilities

	Notes	2023 £	2022 £
Other taxation and social security		4,747	6,320
Deferred income	15	50,391	177,349
Trade payables		1,151	361
Accruals and deferred income		2,810	12,289
		<u>59,099</u>	<u>196,319</u>

15 Deferred income

	2023 £	2022 £
Other deferred income	<u>50,391</u>	<u>177,349</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>50,391</u>	<u>177,349</u>
Movements in the year:		
Deferred income at 1 January 2023	177,349	92,893
Released from previous periods	(177,349)	(92,893)
Resources deferred in the year	<u>50,391</u>	<u>177,349</u>
Deferred income at 31 December 2023	<u>50,391</u>	<u>177,349</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:

Rahab	£5,000
Starting point	£34,891
Engage	£10,500

NOTES TO THE FINANCIAL STATEMENTS continued

16 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,830	5,918

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.

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
Starting Point Reading	–	265,921	(265,921)	–
Rahab Project	–	433	(433)	–
Engage Befriending	–	40,000	(40,000)	–
	–	306,354	(306,354)	–
Previous year:				
	At 1 January 2022 £	Incoming resources £	Resources expended £	At 31 December 2022 £
Starting Point Reading	–	328,219	(328,219)	–
Rahab Project	–	6,000	(6,000)	–
Engage Befriending	–	63,823	(63,823)	–
	–	398,042	(398,042)	–

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.

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 mentoring and opportunities for young people aged 11–25.

NOTES TO THE FINANCIAL STATEMENTS continued

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2023 £
Starting Point Reading	52,644	107,679	(37,420)	(43,400)	79,503
Rahab Project	5,486	18,325	(17,454)	-	6,357
Engage Befriending	1,336	28,117	(44,720)	15,267	-
General funds	<u>72,858</u>	<u>29,353</u>	<u>(28,382)</u>	<u>28,133</u>	<u>101,962</u>
	<u>132,324</u>	<u>183,474</u>	<u>(127,976)</u>	<u>-</u>	<u>187,822</u>
Previous year:	At 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2022 £
Starting Point Reading	6,953	61,675	(15,983)	-	52,645
Rahab Project	5,545	19,550	(19,609)	-	5,486
Engage Befriending	7,629	17,198	(23,492)	-	1,335
General funds	<u>70,734</u>	<u>48,311</u>	<u>(46,187)</u>	<u>-</u>	<u>72,858</u>
	<u>90,861</u>	<u>146,734</u>	<u>(105,271)</u>	<u>-</u>	<u>132,324</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 mentoring and opportunities for young people aged 11–25.

NOTES TO THE FINANCIAL STATEMENTS continued

18 Unrestricted 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.

19 Operating lease commitments

Lessee

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:

	2023 £	2022 £
Within one year	16,000	23,422
Between two and five years	60,625	–
	<u>76,625</u>	<u>23,422</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2022 – none).