



The
Mustard Tree
ANNUAL REPORT AND ACCOUNTS
2025





Message from the CEO

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I am delighted to share the impact The Mustard Tree made in our community during 2025. It has been a year of growth and collaboration as we continued to plant hope and cultivate change. Highlights included a 28% increase in young people receiving mentoring, double the number accessing our Creative Opportunities, an 8% growth in our Engage volunteer team, and a 68% increase in Rahab outreach activity.

Throughout the year, we worked closely with the people we support, alongside statutory and voluntary sector partners, to ensure our services reflected the needs and aspirations of our local community. Through these strong partnerships, we expanded wellbeing support for young people, strengthened services for older people to age well in our communities and developed more accessible holistic support for women. We also developed volunteering

opportunities and were encouraged to see people with lived experience using their skills and insight to support others, build resilience, and foster community.

As a Christian charity, we are guided by values of compassion, integrity, and inclusivity, and we are grateful to God for the people, partnerships, and provision that make this work possible. Looking ahead to 2026, I am excited by new connections and opportunities that will reduce isolation and demonstrate the power of support, empowerment, and community in action. I offer my heartfelt thanks to our volunteers, partners, and supporters. Together, we continue to nurture hope and create lasting change.

Katherine Shepherd

2025

in numbers



438

Service
beneficiaries



172

Volunteers



259

People trained



34

Partners



340

Outreach
sessions

Our projects

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

In 2025 we reached over 430 people with our 172 volunteers alongside 34 partners. We also trained over 200 people.

The Mustard Tree Foundation innovate and develop projects, working closely with people at the heart of our diverse community. Our mission is to:

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

Our work supports people to overcome barriers to inclusion and achievement by creating opportunities and reducing isolation. As a charity with a Christian ethos the projects we generate are inspired by our faith. We work to break down barriers, challenge stigma, and bring hope and opportunity to those who are too often overlooked.

ENGAGE BEFRIENDING

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

RAHAB

Offering care and hope, to sex workers and those at risk of sex working in Reading.

STARTING POINT

Providing mentoring and creative 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:



“We enjoy our varied conversations on a variety of topics and an hour and a half passes really quickly.”

Engage client

WHAT WE DO

- One-to-one befriending, either in person or on the telephone. Providing a regular visit to look forward to and bring a smile.
- Some of our Engage Friends struggle to get out and about so our volunteers take them on local outings for a treat.
- We have a connected status, so those who don't want a regular volunteer befriender can get a less frequent call to check all is ok and can access our other services.
- Coffee mornings provide a friendly environment to make new friends and feel part of community. We also invite our friends along to offer advice like the Remap and Citizens Advice energy team. >>



Our regular drop-in



The Christmas party



The Engage team at the Christmas party

- Monthly newsletter highlighting local activities, new hobbies to try and a wordsearch which is particularly popular. It means when someone is unable to get out of the house they can still feel connected to community. It is also lovely to receive in the post rather than bills! [View our latest newsletter here](#)
- Our Christmas Party is now an annual event. Our volunteers provide transport so no one is left out and we have carol singing, quizzes and lots of cake!
- Regular email news sent to volunteers which highlights services locally they can connect their Engage friend to, and opportunities to access training.
- We have partnerships with Age UK Berkshire, Age UK Reading and Communicare, commissioned together by Reading Council to ensure our community ages well. We provide

a range of activities between us including befriending, social clubs, information and advice. We also work with other local charities, health and social care professionals to identify older people who will benefit from our services and ensure they have access to support.

VOLUNTEERING

Our volunteers are absolutely vital to the service we provide and do an amazing job. [Hear two of our volunteers talking about what it's like to be a befriender here](#)

Whether visiting or phoning people, compiling and posting the newsletter or helping at our drop in, everyone makes a big difference. Our volunteers range in age, our oldest being 88.

“The scheme has saved my life. You have good get togethers. It’s all great.”

Engage client

“I have someone to look forward to visiting me.”

Engage client

RA+AB

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

THE YEAR IN NUMBERS

169

OUTREACH
SESSIONS

17

VOLUNTEERS

680

HOURS OF
VOLUNTEERING

40

DAYTIME
OUTREACHES

55

SERVICE USERS

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

Rahab service user.

In 2025 year Rahab celebrated our 20 year anniversary. Over the year our support has included:

- helping one woman move into secure accommodation
- supporting two women whilst they were in hospital with serious health issues. Both appreciate the regular visits from volunteers and the supplies they brought in, one saying she had managed to remain in hospital for as long as she had needed to (previously she had discharged herself too early) feeling a peace that she had never experienced before
- supporting a woman who had experienced serious sexual violence and was very fearful not wanting to talk to anyone. With support from Rahab staff and volunteers she was able to access the help she needed and is now in a safe place.



Over the year we have developed joint working with other agencies. CGL (Change Grow Live, the local agency working to reduce drug and alcohol addiction) and a nurse from the Florey sexual health unit now join us regularly on the streets at night. This has had a significant impact on the wellbeing of the women we meet, as they can access the help they need when they need it.

Over the last year we have begun two daytime multi agency drop ins to bring services to the women during the week staff from drug, health and housing agencies are available to meet with the women and offer help as needed.

We have also developed closer links with Bronzefield prison, attending safer streets meetings with other agencies and prisoners the prison, to offer support to women for when they are released.

SUPPORTERS

Rahab is predominately a team of amazing volunteers and we want to say thank you to all of them who go out to meet the women in all weathers offering befriending and prayer, supporting the women to appointments, offering practical help, and attending drop-ins and providing activities for the women who attend.

We are also very grateful to all those who provide outreach supplies and gifts for the women. Your support is essential and the Christmas gifts bring a smile to the women's faces each year.

“Because you are here and can help me, I can reduce my £100 a day heroin addiction and I won't need to [sex] work so much”

Rahab service user.



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

STARTING POINT IN NUMBERS

220+

YOUNG PEOPLE
SUPPORTED

65

VOLUNTEERS

72

YOUNG PEOPLE
MENTORED

38

YOUNG PEOPLE
SUPPORTED BY
NAVIGATORS

72

YOUNG PEOPLE
ATTENDED THE HUB
DROP-INS

12

CREATIVE
PROJECTS



- Due to regular meeting with mentors, 91% of our young people felt an increase in work ready skills, with 19% beginning volunteering roles locally
- Our Hub drop-in sessions provide the opportunity for young people to build new friendships and helping improve social skills. In 2025 we held nearly 100 sessions, with over 75% of young people attending saying The Hub gives them a reason to leave their house.
- Starting Point creative opportunities gave young people at local secondary schools the opportunity to work in a creative team. In 2025 we were involved in 12 creative projects with local partners such as Reading and Wokingham Borough Councils and the NHS.
- In July 2025, we had to make some changes to the Navigators due to an end in funding – we don't run regular volunteer shifts anymore, however have maintained positive links with the hospital to accept direct referrals to ensure the young people are still offered community support.



Creative Opportunities filming for South Central Ambulance service



Creative Opportunities skills sessions



Playing games and building relationships at The Hub

Joel (18) hadn't been in formal education since age 11. He is full of energy, loves playing games, and has an extensive knowledge of tv and film. The arts is something he is super passionate about, he just didn't know what he could do with those talents.*

Joel was matched with a local mentor, to figure out what he wants to do and how he can access that. Through mentoring, Joel and his mentor worked on establishing an overarching goal, and then broke this down into smaller parts. As Joel had been out of education for so long, he wasn't aware of what was out there for him to do, as well as wasn't confident using technology to be able to access the opportunities.

Joel and his mentor applied for a college course, to study drama. Joel was really excited by this, eager to be around others his own age again, and by getting to act every day, which he loves. As the time grew closer, Joel's anxiety grew about this – he was nervous about having to make and sustain relationships as he hasn't had a consistent one in his life.

Joel and his mentor focused on this through the months leading up to the course, helping him access an employability course to gain some skills around the world of work and connecting with others, as well as a local drama club to get used to meeting new people and being confident acting around them. Joel thrived at this, and his anxiety reduced.

Joel has now been at college for a whole term, and is excelling. He exercises his newfound social skills by signing up for additional activities around the college, using any opportunity to make new connections. Reflecting on mentoring, Joel reported that he has felt a growth in his skills and wellbeing, particularly relating to his education and new friendships. Joel stated 'Meeting with [my mentor] has been great, he's just one of those people that care'

*Name changed to protect young person's identity.

“All the things I’m doing or thinking about I wouldn’t have considered without mentoring”

Young person

“everybody is welcome here, being here you make memories, makes you want to come again and again to have fun with everyone”

Young person at The Hub

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

Berkshire Community Foundation

Better Care Fund

Bishop Radford Trust

Charles Hayward Foundation

Coop Community Fund

David Lister Charitable Trust

Deloitte

Earley Charity

Englefield Charitable Trust

Festival Republic

Garfield Weston

Gerald Palmer Eling Trust

Greyfriars Church

Haines Hill Charitable Trust

Hillsong Church

Kiriath Trust

Leigh Trust

Lifespring Church

Maurice and Hilda Laing Charitable Trust

Mountain Healthcare

National Lottery Reaching Communities

National Lottery Awards for All

NHS B.O.B. ICB

Norcot Mission Church

Osborne Clarke

Oxford Health NHS Foundation Trust

Pat Newman Memorial Trust

Reading Borough Council

Rotary Club of Reading

Shanly Foundation

Society of the Holy Child Jesus

Souter Charitable Trust

Southall Trust

St James Place

St Laurence Relief in Need Trust

St Mary's Church Purley

Thames Valley Violence Prevention Partnership

The Pargiter Trust

University of Reading

Wokingham Borough Council

THE MUSTARD TREE FOUNDATION (READING)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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Trustees

Mr M Penson (Chair)

Dr J Hawkins OBE

Mr K Potter

Ms A Awuku

Mr D Gibbons

Mrs I Challis

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 2025

The trustees present their annual report and financial statements for the year ended 31 December 2025.

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 to identify social needs that are not being met by existing provision, and underrepresented beneficiaries who face barriers to support. We partner with local communities, other charities, and organisations to create and develop high impact projects. Removing barriers to engagement and providing opportunities. We have also maintained 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 10 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.

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. They provide befriending, mentoring, outreach, admin and prayer support. Our work would not be possible without them and we want to take this opportunity to recognise and thank them for all they do.

Financial review

The charity received income amounting to £297,852 (2024: £306,002) and incurred expenditure of £270,265 (2024: £335,196) leading to a surplus in the year of £27,587 (2024: deficit of £29,194). Unrestricted reserves at the balance sheet date amounted to £181,434 (2024: £149,653). There were restricted funds amounting to £4,781 (2024: £8,975) held at the balance sheet date.

During the year there have been changes to some of our activities. The hospital navigators programme grant ended resulting in the closure of the programme in July. In November we started a new contract delivering support in schools and our expenditure is forecast to increase slightly during 2026.

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. They have also considered any additional obligations such as contracts. At the end of 2025 this amount was approximately £142k, which compared to current reserves held across designated and unrestricted funds of £181k. The trustees have reviewed these and are satisfied with our current level of reserves. 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 A Awuku
- Mr D Gibbons
- Mrs I Challis

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 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

Date: 30 April 2026



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 2025.

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.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 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. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

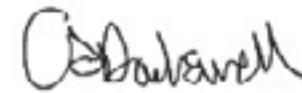
Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. 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 Companies Act 2006.
- 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 Companies Act 2006 other than any requirement that the financial statements 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 financial statements 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 FCCA DChA
Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex BN21 1BF
Date: 30 April 2026

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

		Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies	3	70,947	215,410	286,357	104,086	199,089	303,175
Charitable activities	4	8,325	-	8,325	-	-	-
Investments	5	3,170	-	3,170	2,827	-	2,827
Total income		<u>82,442</u>	<u>215,410</u>	<u>297,852</u>	<u>106,913</u>	<u>199,089</u>	<u>306,002</u>
Expenditure on:							
Raising funds	6	11,449	-	11,449	13,988	-	13,988
Charitable activities	7	39,212	219,604	258,816	131,094	190,114	321,208
Total expenditure		<u>50,661</u>	<u>219,604</u>	<u>270,265</u>	<u>145,082</u>	<u>190,114</u>	<u>335,196</u>
Net income/(expenditure) and movement in funds		31,781	(4,194)	27,587	(38,169)	8,975	(29,194)
Reconciliation of funds:							
Fund balances at 1 January 2025		<u>149,653</u>	<u>8,975</u>	<u>158,628</u>	<u>187,822</u>	<u>-</u>	<u>187,822</u>
Fund balances at 31 December 2025		<u>181,434</u>	<u>4,781</u>	<u>186,215</u>	<u>149,653</u>	<u>8,975</u>	<u>158,628</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 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Property, plant and equipment	13		1,782		2,835
Current assets					
Trade and other receivables	14	18,864		2,341	
Cash at bank and in hand		<u>234,100</u>		<u>221,923</u>	
		252,964		224,264	
Current liabilities	15	<u>(68,531)</u>		<u>(68,471)</u>	
Net current assets			<u>184,433</u>		<u>155,793</u>
Total assets less current liabilities			<u>186,215</u>		<u>158,628</u>
The funds of the charity					
Restricted income funds	18		4,781		8,975
Unrestricted funds	19		<u>181,434</u>		<u>149,653</u>
			<u>186,215</u>		<u>158,628</u>

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 2025.


**STATEMENT OF
FINANCIAL POSITION**
continued

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 30 April 2026

A handwritten signature in black ink, appearing to read 'M Penson', followed by a long horizontal line.

Mr M Penson (Chair)
Trustee

Company registration number 04986086 (England and Wales)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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, RG1 1NT.

1.1 Basis of preparation

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.

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% reducing balance
Computers 25% straight line

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

1.7 Impairment of non-current assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

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

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

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.

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.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	70,387	-	70,387	89,237	-	89,237
Grants - Statutory and Trusts	560	215,410	215,970	14,849	199,089	213,938
	<u>70,947</u>	<u>215,410</u>	<u>286,357</u>	<u>104,086</u>	<u>199,089</u>	<u>303,175</u>
Donations and gifts						
Donations Individuals	41,545	-	41,545	49,069	-	49,069
Donations Churches	16,207	-	16,207	17,317	-	17,317
Donations Trusts	1,250	-	1,250	21,550	-	21,550
Gift aid recovered	-	-	-	1,301	-	1,301
Donations Business	<u>11,385</u>	<u>-</u>	<u>11,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>70,387</u>	<u>-</u>	<u>70,387</u>	<u>89,237</u>	<u>-</u>	<u>89,237</u>

4 Income from charitable activities

Charitable activities

Income from charitable activities

Unrestricted funds 2025 £	Unrestricted funds 2024 £
8,325	-

5 Income from investments

Interest receivable

Unrestricted funds 2025 £	Unrestricted funds 2024 £
3,170	2,827

6 Expenditure on raising funds

Fundraising and publicity

Fundraising costs

Staff costs

Unrestricted funds 2024 £	Unrestricted funds 2024 £
11,449	2,908
-	11,080
11,449	13,988

7 Expenditure on charitable activities

Direct costs

	Charitable activities 2025 £	Charitable activities 2024 £
Staff costs	191,532	243,301
Depreciation and impairment	1,053	2,434
Staff costs incl travel, subsistence, voluntary, training	4,450	3,746
Property	26,046	27,161
Professional fees	13,155	16,160
Other expenditure	5,749	4,236
Postage and stationery	2,378	3,385
Telecommunications	2,243	4,051
Insurance	3,241	3,745
Subscriptions	4,017	6,816
Cleaning	1,894	3,577
Sub-contractors	610	66

256,368 318,678

Share of support and governance costs (see note 8)

Governance	<u>2,448</u>	<u>2,530</u>
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258,816 321,208

Analysis by fund

Unrestricted funds	39,212	131,094
Restricted funds	<u>219,604</u>	<u>190,114</u>
	<u>258,816</u>	<u>321,208</u>

8 Support costs allocated to activities

	2025 £	2024 £
Governance costs	2,448	2,530
Analysed between: Charitable activities	2,448	2,530
Governance costs comprise:	2025 £	2024 £
Independent examination fees	808	830
Accountancy	1,640	1,700
	2,448	2,530

9 Net movement in funds

	2024 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	808	830
Depreciation of owned property, plant and equipment	1,053	2,434

10 Trustees

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

There were £200 donations received from Trustees in the year (2024: £132).

11 Employees

The average monthly number of employees during the year was:

Employment costs

Wages and salaries

Social security costs

Other pension costs

2025 Number	2024 Number
10	12
2025 £	2024 £
179,564	237,316
8,674	12,904
3,294	4,161
<u>191,532</u>	<u>254,381</u>

The majority of staff were part time. The average full-time equivalent was 5.87 (2024: 6.29).

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

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Property, plant and equipment

Cost

At 1 January 2025

At 31 December 2025

Depreciation and impairment

At 1 January 2025

Depreciation charged in the year

At 31 December 2025

Carrying amount

At 31 December 2025

At 31 December 2024

Fixtures and fittings £	Computers £	Total £
3,789	7,819	11,608
3,789	7,819	11,608
1,636	7,137	8,773
538	515	1,053
2,174	7,652	9,826
1,615	167	1,782
2,153	682	2,835

14 Trade and other receivables

Amounts falling due within one year:

Trade receivables

Other receivables

Prepayments and accrued income

2025 £	2024 £
18,271	900
-	404
593	1,037
18,864	2,341

15 Current liabilities

	Notes	2025 £	2024 £
Other taxation and social security		4,534	59
Deferred income	16	55,833	63,647
Trade payables		289	1,606
Accruals		7,875	3,159
		<u>68,531</u>	<u>68,471</u>

16 Deferred income

	2025 £	2024 £
Other deferred income	<u>55,833</u>	<u>63,647</u>

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	<u>55,833</u>	<u>63,647</u>
Movements in the year:		
Deferred income at 1 January 2025	63,647	50,391
Released from previous periods	(63,647)	(50,391)
Resources deferred in the year	<u>55,833</u>	<u>63,647</u>
Deferred income at 31 December 2025	<u>55,833</u>	<u>63,647</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	£15,250
Starting point	£26,416
Engage	£14,167

17 Retirement benefit schemes

Defined contribution schemes

Charge to profit or loss in respect of defined contribution schemes

2025 £	2024 £
3,294	4,161

18 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 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2025 £
Starting Point	-	136,550	(145,525)	8,975	-
Rahab Project	-	13,751	(13,751)	-	-
Engage Befriending	-	65,109	(60,328)	-	4,781
Creative Opportunities	8,975	-	-	(8,975)	-
	<u>8,975</u>	<u>215,410</u>	<u>(219,604)</u>	<u>-</u>	<u>4,781</u>
	At 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2024 £
Previous year:					
Starting Point	-	110,636	(110,636)	-	-
Rahab Project	-	7,689	(7,689)	-	-
Engage Befriending	-	64,303	(64,303)	-	-
Creative Opportunities	-	15,961	(6,986)	-	8,975
Central Services	-	500	(500)	-	-
	<u>-</u>	<u>199,089</u>	<u>(190,114)</u>	<u>-</u>	<u>8,975</u>

Note 18 (continued)

Projects undertaken by the Charity were partly funded through restricted grants. Restricted funding received as shown above was all expended during the year. The Trustees additionally allocated some general funds towards the projects to cover additional expenses as can be seen in note 19.

Starting Point

Providing mentoring and creating opportunities for young people aged 11-25. Enabling them to overcome barriers to achievement and attain, sustain and thrive within education, employment, and training

Rahab Project

Offering care and hope to those at risk of, or sex working, in Reading. Supporting them with challenges such as homelessness, poverty, addiction, violence and poor health.

Engage Befriending

Reducing the isolation and loneliness experienced by older people by developing positive relationships and networks in the community.

Creative Opportunities

A range of creative opportunities for young people including: Starting Point Studio; Alternative Provision; Young Voices. As the funding for Creative Opportunities is available for activities accounted for under the banner of Starting Point, these funds have now been combined into one fund.

Continued overleaf >>



20 Analysis of net assets between funds

At 31 December 2025:

Property, plant and equipment

Current assets/(liabilities)

Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
1,782	-	1,782
179,652	4,781	184,433
181,434	4,781	186,215

At 31 December 2024:

Property, plant and equipment

Current assets/(liabilities)

Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
2,835	-	2,835
146,818	8,975	155,793
149,653	8,975	158,628

21 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:

Within one year

Between two and five years

2025 £	2024 £
16,000	16,000
28,625	44,625
44,625	60,625

22 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).