

COMPANY REGISTRATION NUMBER: 06528767
CHARITY REGISTRATION NUMBER: 1127110

Mustard Seed (SW)
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2022

PAUL & MAUNDRELL LIMITED

Chartered Accountants
The Athenaeum
Kimberley Place
Falmouth
Cornwall
TR11 3QL

Mustard Seed (SW)

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

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Mustard Seed (SW)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Mustard Seed (SW)
Charity registration number	1127110
Company registration number	06528767
Principal office and registered office	14 Wendron Street Helston Cornwall TR13 8PS

The trustees

Mrs M Burnett
Mr E Bell
Mr A Hill
Ms E James
Mr D Terry
Mrs J Colverson

Accountants

Paul & Maundrell Limited
Chartered Accountants
The Athenaeum
Kimberley Place
Falmouth
Cornwall
TR11 3QL

Mustard Seed (SW)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee as defined by the companies' act 2006, incorporated on 10th March 2008 and registered as a charity 9th December 2008. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up through insolvency members are required to contribute an amount not exceeding £1.

Organisational Structure

Mustard Seed (SW) has a Board of Trustees/Directors currently consisting of six members with voting rights who meet approximately four times a year. The Development Manager, although not a trustee/director, is present at these meetings reporting back to the Board, taking to them recommendations for the advancement of the charity, and then bringing the Board's decisions back to the staff and volunteers for implementation. The practical day to day running decisions are delegated to the Development Manager (assisted by the Administration team working with him) within the framework decided by the Board. It is his responsibility to ensure the development of the team and delivery of the charities objectives. Members of the board frequently call in and are in any case constantly available to give advice and, where necessary, give direction on any matter that may arise.

Recruitment and Appointment of the Board of Trustees/Directors

The directors of the company are also the charity trustees for the purposes of charity law and under the company's articles are known as the Board of Trustees/Directors.

Under the requirements of the Memorandum and Articles of Association at each annual general meeting one third of the members of the Board shall retire by rotation being able to present themselves for re-election. All members of the Board give their time voluntarily and receive no benefits from the charity for their services as a director.

Trustee Induction and Training

Trustees are selected for their skill set and therefore what they bring into and can offer the organisation is the primary concern. They are encouraged to spend time on the 'shop floor' both during the initial part of their appointment to absorb the ethos and method of operation of the charity and subsequently in order to stay personally informed of developments at grass roots level.

Related Parties

Mustard Seed (SW) is an independent charity and not affiliated to any other organisation. It works with other bodies (statutory and voluntary) to provide services to those needing them. This includes local Christian Churches, local authority Adult Care & Support, local schools/colleges, St Petroc's homeless charity, The Lizard C.H.I.L.D. Trust, CAP, Citizens Advice and 'We are with you'.

Further to this Mustard Seed (SW) operates and manages a foodbank as one of the charities projects by working in partnership with the Trussell Trust.

Mustard Seed (SW)

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Objectives and activities

Purposes and Aims

The aims of the charity are best expressed by way of our mission statement:--

"Mustard Seed exists to enhance physical and spiritual well-being and achieves this by demonstrating the love of God through positive community action".

This statement encompasses everything that we stand for, both the physical and spiritual. The holistic well-being of all with whom we come into contact, by demonstrating the love of God in a practical and positive way to our community, especially those who are most vulnerable. This may be through supporting an individual with learning disabilities, serving a cup of tea, supporting local businesses by buying local produce.

This is currently principally achieved through the different projects run by the Charity such as the Helston & The Lizard foodbank or our work and life skills training which Mustard Seed is engaged in with adults with learning disabilities, supporting them to achieve a greater measure of independent living, encompassing home, life and workplace skills. In addition Mustard Seed continues to provide work placement experience for students from local schools and colleges, including those training for a career in social care. We aim to do whatever it takes to show the love of God in everything we do.

Objectives for the next year

To build on the existing work of Mustard Seed by consolidating, developing and enhancing our strengths whilst proactively dealing with challenges. Key points are:

1. Continuing to develop our training programme to be specific to the work which the charity is involved in, so that our most valuable asset - that being our staff and volunteers, feel empowered to undertake their roles.
 2. Continual assessment and development of the life skills training programme which enables those we support to learn valuable life enhancing skills in a safe and nurturing environment, this being predominantly based on regular review and reassessment of each individual's needs.
 3. To review of all relevant policies and procedures, to ensure they are accessible and communicated to all who need to know.
 4. To provide a hygienic, safe, inviting and value for money experience to all who use our facilities
 5. To actively show the love of Christ to our community by developing and getting involved in, social enterprise initiatives.
 6. To ensure our foodbank is relevant and meeting the need of those who require it.
 7. To show our local community that what we have to offer is more than a community space offering a foodbank, but that through various community projects using food as a medium, Mustard Seed endeavours to show the Love of Jesus in various practical ways and to operate in an ethically sound and healthy way promoting the use of local suppliers wherever we can, cooking all our products from scratch and encouraging those we support to learn the skills to help themselves and those around them while aiming to help those we support to work towards gaining meaningful paid employment if at all possible.
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Mustard Seed (SW)

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Strategies for Achieving Objectives

1. To develop our paid staff and volunteers, ensuring training is accessible, consistent, regular and documented, through the on-going development of a specific training programme tailored to individual's needs.
2. Ensure that all relevant documentation for our accreditation as a placement provider, policies and procedures in regard to health and safety and food hygiene and all day to day book-keeping and accounting are up to date and filed correctly.
3. To offer a good service with excellent support structures, fostering an environment of trust and acceptance which in turn encourages all those we come into contact with to gain greater self-confidence, whilst growing as individuals towards reaching their individual potential, and encouraging those we support to also help others with whom they also come into contact with.
4. As a Community space we cater for a wide and diverse spectrum of local individuals, promoting acceptance of individuals with a learning disability, individuals who have mental health issues and those experiencing homelessness. We provide a staff room, where those we support, along with the supervising staff and volunteers, can take their breaks together as we feel this helps to build strong working relationships and fosters an inclusive environment, while ensuring the community space is not overrun with people who are not customers during trading hours.
5. We want to ensure the split of those we support and paid/volunteer staff is uniform and consistent, so that Mustard Seed can provide an excellent level of support and training for those we support in a workplace environment to further develop the individual's skills, confidence and sense of self-worth.
6. We encourage the team at Mustard Seed (both those we support and those supporting) to get involved in other community based local initiatives.
7. We desire to increase the number of places available for those we support, diversifying our scope to provide support appropriate to the person, helping each individual that we support to further integrate in our local community and further afield. Usually this would be a very hands on and physically practical interaction with those we support, but due to the ever changing way in which our world is interacting with each other, we have learnt through the Pandemic, to utilise new technology such as as online platforms to engage on a regular basis. This and other ways of working has provided valuable respite and support albeit from a distance to the families and carers of those we endeavour to help.

Staffing

We have a fantastic team of paid staff and volunteers led by the Development Manager which has steadily grown over the past twelve years, all of whom have brought so much to Mustard Seed in terms of skills and quality of character, and we would struggle to undertake all that the charity does without our team of staff and very dedicated volunteers. We are extremely blessed to have such an amazing and capable group of highly motivated and competent individuals. They fulfil roles throughout the range of activities, supporting those who are our service users. This includes the Coffee Lounge, foodbank and community space to give some examples of the work they do, and all parts of the life skills training programme. All these activities provide opportunities for those we support to work and receive training moving them forward to more independent living.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Achievements and performance

There have been a number of significant achievements and developments over the year to end of March 2022

The Open Door

The Community café had to close on the 16th March 2020 and has remained closed throughout the current fiscal year to the general public resulting in a financial loss of sales during the fiscal year. However, our foodbank project has used the café space to hold and distribute food to those in need throughout this time. During the year we have taken down the word 'cafe' and now relate to the space as just 'The Open Door'.

Youth Work

No youth work has been undertaken during this fiscal year

The Sandwich Round

Along with the Open Door Café, the sandwich round has been on hold during the fiscal year.

Coffee Lounge

Due to the lack of outlet for the items which our life skills training team and students are making we wanted to explore another way to safely engage with our community. Towards the end of 2021 we started an outreach 'Coffee Lounge' using space provided to us by the Light and Life Church based at Water-ma-Trout Industrial estate in our town. Offering a large space where social distancing was easy to accomplish and helping to provide a simple yet good quality range of light refreshments this has grown and become a safe haven for many individuals who would like to get out, but in a safe way. The intention is to keep running this for the next few months and review with the Light and Life Church to see if this is in keeping with their mission as well as ours

Helston & Lizard food bank

The Helston and the Lizard Foodbank has continued to meet the need in the local area and we have seen the number of those using the service during the year at 1165 people fed (approximately 10485 meals). The foodbank continues to be extremely well supported by local churches and Christian organisations, and many local people. Mustard Seed continues to reach out to the wider community and provide a safe haven for people who are vulnerable and in need, as individuals call into the Open Door to collect their food boxes. During the past year the need to continue and provide a delivery system for such a widespread rural area. This was put into place during the previous year for individuals who cannot or are not willing to use public transport during this testing time for us all. This has meant an increase in expenditure and use of the vehicle that is at our disposal. The Open Door historically has been the collection point for the foodbank recipients and while this enables a centre to which people can come to for help, much of what we have been able to offer has had to be offered in a Covid safe way.

Mustard Seed Training

Throughout the year much of what we have focused on is continuing to help prevent social exclusion

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Year ended 31 March 2022

and loneliness due to the Covid 19 pandemic.

This has meant that we embraced online platforms to meet and provide activities and training every week day, during the early part of the year, meeting again physically during August and there onwards. The training kitchen on the first floor of the Open Door premises has also provided a conducive environment for those we have managed to support 1-1 when restrictions lessened at times to prepare a light meal or cooked breakfast for those who were in for the day.

Each 'student' has a work folder which they work through at their own pace. Each student is shown how to complete a task by working alongside a member of our team and then assessed using an observation checklist as and when they feel ready.

Allotments

Unfortunately, due to part of the allotment wall being unsafe and likely to collapse (this was noticed by The National Trust during an inspection during 2019) the allotment has not been used during the past year. We are in talks with the National Trust as to the future of the allotment, but are not paying the small lease at present.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Financial review

Risk management

This is a faith-based charity serving the community and will be celebrating 30 years during 2022. This financial year the independently examined accounts show a loss for the year of £2,705. We have been so grateful for the support and financial giving from local individuals and some organisations making grants available, each have made such a massive difference to the Charity and enable us to continue to help those who are vulnerable in our local community through the various projects.

Approximately £54.9k of Mustard Seed's income is generated from Adult Social Day Care. The wide portfolio of activities and personal development opportunities for those we support with both private clients and also provided to Cornwall Adult Care & Support enable this work to progress.

The staff costs remain in being the largest expenditure of the charity. The freehold of 14 Wendron Street is owned by the Charity and there are no borrowings.

Mustard Seed voted in at the last AGM a further Director to oversee the financial side of the charity and currently the Development Manager and Administrator deal with the management accounts, presenting regular reviews and updates to the Trustees / Director's meetings. The use of internet banking means that we are not reliant on monthly paper statements but can check the actual position at the bank on a daily basis. This means that in the eventuality of any irregularities occurring they would become apparent sooner rather than later facilitating prompt action. It allows any of the Director's immediate access to view the bank accounts should they wish.

With a dedicated team of Directors, employees and volunteers, the Charity is well placed to continue improving its wide range of services and to explore new offerings to the general public. There were no payments made to Trustee's during the year.

Financial position

Restricted funds.

As of 31st March 2022 Mustard Seed liquid funds stood at £145.4k of this there were various allocated funds totalling £31.8k and restricted funds of £35.6k thereby leaving £78.0k of unrestricted funds. The principle restricted funds relate to the Foodbank.

Allocated funds.

There is a vehicle renewal fund which as of 31st March 2022 stood at £19.3k, £1.2k is held for a Youth Café Project and £3.3k is held in reserve to pay a possible future debt. There is also one month's salary (£8k) held on reserve.

Public benefit

Mustard Seed has and will continue to serve our local community in providing support and valuable training in life skills to the vulnerable of our community. We have seen ongoing success with those we support, individuals growing in self-confidence and motivation, helping to empower individuals to make informed choices and reach their full potential. Mustard Seed provides a safe environment for anyone to access what the Charity offers, during this difficult time the Charity may not of been able to offer a physical place to meet throughout the entire year, but has continued to offer virtual contact, assistance

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Year ended 31 March 2022

where needed for those in need, telephone conversations and small gatherings and 1-1 meet ups when it has been safe to do so for those we are here to look after.

Mustard Seed has continued to develop the Helston and The Lizard foodbank working with the Trussell Trust and while we have no desire to see the need to access this provision grow, Mustard Seed will continue to help and meet this need for the foreseeable future or until the need begins to subside. Growth is usually a good indication and healthy, and although we are glad to be seeing the foodbank expanding in one hand, we would be even happier and aim to see the need for people to access such a service diminish and eventually stop altogether. All of the above projects and services that Mustard Seed provide are a benefit to the public, providing services to those who need it wherever we can, that are ethical, of a high standard and always with the emphasis of showing the love of God in a practical way.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 25/01/23 and signed on behalf of the board of trustees by:

Mr E Bell
Trustee



Mrs J Colverson
Trustee



Mustard Seed (SW)

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Chartered Accountants Report to the Board of Trustees on the Preparation of the Unaudited Statutory Financial Statements of Mustard Seed (SW)

Year ended 31 March 2022

As described on the statement of financial position, the trustees of the charity are responsible for the preparation of the financial statements for the year ended 31 March 2022, which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes.

You consider that the charity is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.

PAUL & MAUNDRELL LIMITED
Chartered Accountants

The Athenaeum
Kimberley Place
Falmouth
Cornwall
TR11 3QL

Mustard Seed (SW)

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	28,493	4,872	33,365	88,676
Charitable activities	6	70,873	18,887	89,760	95,745
Investment income	7	443	—	443	203
Total income		<u>99,809</u>	<u>23,759</u>	<u>123,568</u>	<u>184,624</u>
Expenditure					
Expenditure on charitable activities	8,9	<u>103,401</u>	<u>22,872</u>	<u>126,273</u>	<u>110,616</u>
Total expenditure		<u>103,401</u>	<u>22,872</u>	<u>126,273</u>	<u>110,616</u>
Net (expenditure)/income and net movement in funds		<u>(3,592)</u>	<u>887</u>	<u>(2,705)</u>	<u>74,008</u>
Reconciliation of funds					
Total funds brought forward		<u>180,907</u>	<u>34,763</u>	<u>215,670</u>	<u>141,662</u>
Total funds carried forward		<u>177,315</u>	<u>35,650</u>	<u>212,965</u>	<u>215,670</u>

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

The notes on pages 12 to 22 form part of these financial statements.

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Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	62,464	67,859
Current assets			
Stocks	16	150	—
Debtors	17	11,426	5,957
Cash at bank and in hand		145,450	148,518
		<u>157,026</u>	<u>154,475</u>
Creditors: amounts falling due within one year	18	<u>6,525</u>	<u>6,664</u>
Net current assets		<u>150,501</u>	<u>147,811</u>
Total assets less current liabilities		<u>212,965</u>	<u>215,670</u>
Net assets		<u>212,965</u>	<u>215,670</u>
Funds of the charity			
Restricted funds		35,650	34,763
Unrestricted funds		<u>177,315</u>	<u>180,907</u>
Total charity funds	21	<u>212,965</u>	<u>215,670</u>

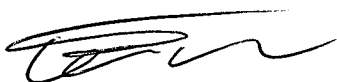
For the year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 17 December 2021, and are signed on behalf of the board by:



Mr E Bell
Trustee



Mrs J Colverson
Trustee

The notes on pages 12 to 22 form part of these financial statements.

Mustard Seed (SW)

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Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 14 Wendron Street, Helston, Cornwall, TR13 8PS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria for being a small entity and has thus taken advantage of the disclosure exemption from preparing a cash flow statement.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Mustard Seed (SW)

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs - Straight line over 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	Straight line over 20 years
Short leasehold property	-	Straight line over life of the lease
Plant and machinery	-	20% straight line
Fixtures and fittings	-	25% straight line
Motor vehicles	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Mustard Seed (SW)

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Government grants *(continued)*

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Mustard Seed (SW)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Mustard Seed (SW) is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission. Every member of the charity undertakes to contribute such amount as may be required (not exceeding £1.00) to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	18,514	—	18,514
Gift aid giving	50	4,872	4,922
Grants			
Government grant income	9,929	—	9,929
	<u>28,493</u>	<u>4,872</u>	<u>33,365</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	32,185	15,744	47,929
Gift aid giving	4,412	2,950	7,362
Grants			
Government grant income	33,385	—	33,385
	<u>69,982</u>	<u>18,694</u>	<u>88,676</u>

Mustard Seed (SW)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Open door Cafe sales	6,863	—	6,863
General rent	6,740	—	6,740
Social services	54,881	—	54,881
Food bank	7	18,887	18,894
Other income from charitable activities	2,382	—	2,382
	<u>70,873</u>	<u>18,887</u>	<u>89,760</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Open door Cafe sales	204	—	204
General rent	16,930	—	16,930
Social services	35,681	—	35,681
Food bank	16,077	26,656	42,733
Other income from charitable activities	197	—	197
	<u>69,089</u>	<u>26,656</u>	<u>95,745</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest	<u>443</u>	<u>443</u>	<u>203</u>	<u>203</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Direct charitable activities	99,339	22,872	122,211
Support costs	4,062	—	4,062
	<u>103,401</u>	<u>22,872</u>	<u>126,273</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Direct charitable activities	86,890	20,078	106,968
Support costs	3,648	—	3,648
	<u>90,538</u>	<u>20,078</u>	<u>110,616</u>

Mustard Seed (SW)

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Direct charitable activities	122,211	–	122,211	106,968
Governance costs	–	4,062	4,062	3,648
	<u>122,211</u>	<u>4,062</u>	<u>126,273</u>	<u>110,616</u>

10. Analysis of support costs

	Analysis of support costs activity 1	Total 2022	Total 2021
	£	£	£
Governance costs	<u>4,062</u>	<u>4,062</u>	<u>3,648</u>

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>6,810</u>	<u>6,502</u>

12. Staff costs

The average head count of employees during the year was 8 (2021: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of staff	<u>8</u>	<u>10</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

- no remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Mustard Seed (SW)

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

14. Intangible assets

	Development costs £
Cost	
At 1 April 2021 and 31 March 2022	380
Amortisation	
At 1 April 2021 and 31 March 2022	380
Carrying amount	
At 31 March 2022	—
At 31 March 2021	—

15. Tangible fixed assets

	Freehold property £	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 Apr 2021	104,438	922	36,144	6,468	2,500	150,472
Additions	—	—	—	1,415	—	1,415
At 31 Mar 2022	104,438	922	36,144	7,883	2,500	151,887
Depreciation						
At 1 Apr 2021	39,746	416	35,620	4,331	2,500	82,613
Charge for the year	5,221	46	176	1,367	—	6,810
At 31 Mar 2022	44,967	462	35,796	5,698	2,500	89,423
Carrying amount						
At 31 Mar 2022	59,471	460	348	2,185	—	62,464
At 31 Mar 2021	64,692	506	524	2,137	—	67,859

16. Stocks

	2022 £	2021 £
Finished goods and goods for resale	150	—

Mustard Seed (SW)

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Debtors

	2022	2021
	£	£
Trade debtors	5,048	261
Prepayments and accrued income	6,378	5,696
	<u>11,426</u>	<u>5,957</u>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,556	3,083
Accruals and deferred income	2,104	2,069
Social security and other taxes	1,865	1,512
	<u>6,525</u>	<u>6,664</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,150 (2021: £1,054).

20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>9,929</u>	<u>33,385</u>

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>180,907</u>	<u>99,809</u>	<u>(103,401)</u>	<u>177,315</u>

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>132,171</u>	<u>139,274</u>	<u>(90,538)</u>	<u>180,907</u>

Mustard Seed (SW)

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

21. Analysis of charitable funds (continued)

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted funds	34,763	23,759	(22,872)	35,650

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted funds	9,491	45,350	(20,078)	34,763

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	62,464	–	62,464
Current assets	121,375	35,650	157,025
Creditors less than 1 year	(6,524)	–	(6,524)
Net assets	177,315	35,650	212,965

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	67,859	–	67,859
Current assets	119,711	34,763	154,474
Creditors less than 1 year	(6,663)	–	(6,663)
Net assets	180,907	34,763	215,670

23. Covid-19 pandemic

During the year the charity was affected by the Covid-19 pandemic and took advantage of the government grant schemes.