

Charity Registration No. 1129396

Company Registration No. 06875037 (England and Wales)

MUSTARD SEED RELIEF MISSION

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

MUSTARD SEED RELIEF MISSION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Smart S McWall C Walker
Secretary	L Smart
Charity number	1129396
Company number	06875037
Registered office	213 Kings Drive Eastbourne East Sussex BN21 2UJ
Independent examiner	Price & Company 30-32 Gildredge Road Eastbourne East Sussex BN21 4SH
Solicitors	Lawson Lewis Blakers 11 Hyde Gardens Eastbourne East Sussex BN21 4PP

MUSTARD SEED RELIEF MISSION

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MUSTARD SEED RELIEF MISSION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report and financial statements for the year ended 30 September 2020.

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 trust'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

Mustard Seed Relief Mission is an international, non-governmental and non-political Charity.

The objects clause defines the charity's objects' as being:

- a) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind in such parts of the World as the Trustees from time to time may think fit;
- b) to advance the Christian faith in accordance with the Statement of Beliefs appearing in the schedule hereto in such parts of the world as the trustees of the Charity may from time to time think fit and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity.

Public benefit

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

Achievements and performance

The Trustees are very happy to report the charity is continuing to grow and making a real difference to children's lives.

The main focus for 2020 has been to develop the charity and look ahead to the future. I am proud to report that the ever so popular Love in a Box project is continuing to bring such joy to everyone who is involved. This project is a great way to end our busy year. To see the warehouse filled to the brim with Christmas gifts is a wonderful sight. I know that the children who receive these boxes get very excited from about October thinking about what they will get for Christmas. I also know how much they all appreciate the efforts of everyone who works so hard to keep the magic alive.

On a personal note from the Trustees we continue to learn about the human spirit while running this amazing charity. We have been touched that even in a year with Covid, when hardship is knocking on our doors our kind, caring and compassionate supporters continue to think of the children and do every thing they can to help with fund raising to help make children's lives better. This is such an inspiration to me.

The charity continues to help people closer to home with our knitting project, which allows people to be involved and contribute through knitting blankets, hats, scarves and mittens for the children. When we visit the children you can see how much they all appreciate these knitted items.

MUSTARD SEED RELIEF MISSION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The charity also continues to work with the Youth Offending Team by offering support to these young people they can learn and understand that working within a charity environment can help people less fortunate has a big impact on their outlook in life which can only be considered positive.

On our travels this year spreading the word about how Mustard Seed helps the disadvantaged, again I have come across such kind, giving and compassionate people with the biggest hearts – I am truly thankful and very blessed to be part of it.

So what do we hope to do in 2021– It is my intension to continue to push Mustard Seed forward and with careful planning, strong support and good fun raising the charity will continue to help as many children and families as possible.

God bless you all

Financial review

There was a deficit on the general fund activities of 18,924 for the year, compared to a surplus of £36,242 in the previous year, this is due to a reduction in donations received in the year.

Reserve policy

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a suitable level to maintain operations in the event of a significant fall in funding. A level of three months operating expenditure has been set as a target. Operating expenditure includes costs such as fundraising, support costs (staff, travel and property overheads) and governance and it is the trustees estimate that 3 months of these costs total £12,500. At the year end the charity held reserves on the General Fund of £33,796.

Risk policy

The trustees has assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The trust is a company limited by guarantee and established on 9 April 2009. The assets of the unincorporated trust Mustard Seed Relief Mission were transferred across on 1 October 2009.

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:

L Smart

S McWall

C Walker

Trustees are appointed by a majority vote of the existing trustees. Suitable training is provided.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

MUSTARD SEED RELIEF MISSION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The charity is principally UK based with its headquarters in Eastbourne.

The charity is managed on a day to day basis by its trustees and support staff, most of which are voluntary.

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



L Smart

Trustee

Dated: 16 April 2021

MUSTARD SEED RELIEF MISSION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSTARD SEED RELIEF MISSION

I report to the trustees on my examination of the financial statements of Mustard Seed Relief Mission (the trust) for the year ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the trust (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the trust's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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 trust as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Nathan Coker FCCA
30-32 Gildredge Road
Eastbourne
East Sussex
BN21 4SH

Dated: 16 April 2021

MUSTARD SEED RELIEF MISSION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
Income from:			
Donations and legacies	3	77,058	134,928
Investments	4	61	95
Total income		77,119	135,023
Expenditure on:			
Raising funds	5	2,257	1,722
Charitable activities	6	93,786	97,059
Total resources expended		96,043	98,781
Net (expenditure)/income for the year/ Net movement in funds		(18,924)	36,242
Fund balances at 1 October 2019		52,720	16,478
Fund balances at 30 September 2020		33,796	52,720

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

All income and expenditure derive from continuing activities.

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

MUSTARD SEED RELIEF MISSION

BALANCE SHEET AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		706		8,360
Current assets					
Debtors	11	3,029		616	
Cash at bank and in hand		32,761		47,510	
		<u>35,790</u>		<u>48,126</u>	
Creditors: amounts falling due within one year	12	(2,700)		(3,766)	
Net current assets			33,090		44,360
Total assets less current liabilities			<u>33,796</u>		<u>52,720</u>
Income funds					
Unrestricted funds			33,796		52,720
			<u>33,796</u>		<u>52,720</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 30 September 2020.

The trustees 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 16 April 2021

L Smart
Trustee



Company Registration No. 06875037

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

Mustard Seed Relief Mission is a private company limited by guarantee incorporated in England and Wales. The registered office is 213 Kings Drive, Eastbourne, East Sussex, BN21 2UJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust'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)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

The trust 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 trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 trust 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 unless the funds have been designated for other purposes.

The charity operates one general fund that can be used in accordance with the charitable objects at the discretion of the trustees.

Distribution of Love in a Box has always been recognised as a major work of the charity and is thus part of the general fund.

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies (Continued)

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust 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 trust 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.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

Expenditure is recognised in the period in which it is incurred and allocated to the particular cost centre to which it relates.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures, fittings and equipment	4 years on a straight line basis
Computers	3 years on a straight line basis
Motor vehicles	5 years on a straight line basis

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 net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the trust 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).

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies (Continued)

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 trust 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 trust's balance sheet when the trust 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

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.10 Taxation

In the opinion of the trustees, the income of the charity is not subject to Income or Corporation Tax.

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies (Continued)

1.11 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 trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities are denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in the net outgoing resources.

1.13 Gifts in kind

Blankets, clothing and other gifts received and given to overseas projects are not included in the financial statements. The trustees consider that it would be both impossible and impractical to measure the fair value of the many gifts that are donated to the charity throughout the year.

2 Critical accounting estimates and judgements

In the application of the trust'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.

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Donations and legacies

	Unrestricted funds	Total
	2020	2019
	£	£
Donations and gifts	63,308	132,928
Grants	13,750	2,000
	<u>77,058</u>	<u>134,928</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	<u>61</u>	<u>95</u>

5 Raising funds

	Unrestricted funds	Total
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Fundraising & advertising costs	2,257	1,722
	<u>2,257</u>	<u>1,722</u>

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Charitable activities

	2020 £	2019 £
Knitting project costs	-	352
Rent of storage space	3,942	5,317
Love in a box costs	4,022	3,677
Transport, travel and overseas support	25,749	28,621
	<u>33,713</u>	<u>37,967</u>
Share of support costs (see note 7)	57,673	56,322
Share of governance costs (see note 7)	2,400	2,770
	<u>93,786</u>	<u>97,059</u>
Analysis by fund		
Unrestricted funds	<u>93,786</u>	<u>97,059</u>

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	29,981	-	29,981	29,622	-	29,622
Depreciation	5,945	-	5,945	2,181	-	2,181
Business insurance	-	-	-	252	-	252
Printing, stationery and promotion	13,315	-	13,315	15,660	-	15,660
Computer expenses	1,021	-	1,021	512	-	512
Repairs and other storage costs	1,576	-	1,576	2,011	-	2,011
Telephone	974	-	974	776	-	776
Rent	4,500	-	4,500	3,600	-	3,600
Cleaning and rubbish removal	18	-	18	855	-	855
Refreshment and volunteer costs	323	-	323	853	-	853
Bank charges	20	-	20	-	-	-
Accountancy	-	2,400	2,400	-	2,770	2,770
	<u>57,673</u>	<u>2,400</u>	<u>60,073</u>	<u>56,322</u>	<u>2,770</u>	<u>59,092</u>
Analysed between						
Charitable activities	<u>57,673</u>	<u>2,400</u>	<u>60,073</u>	<u>56,322</u>	<u>2,770</u>	<u>59,092</u>

Governance costs includes payments to the independent examiners of £750 (2019- £750) for independent exam fees.

8 Trustees

Lisa Smart, Trustee was paid £4,500 (2019: £3,600) for use of home and premises as office/storage during the year.

The Trustees had meeting expenses of £Nil (2019: £292) paid by the charity.

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	2	2

Employment costs

	2020 £	2019 £
Wages and salaries	29,981	29,622

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

10 Tangible fixed assets

	Fixtures, fittings and equipment £	Computers £	Motor vehicles £	Total £
Cost				
At 1 October 2019	5,564	541	14,500	20,605
Additions	-	791	-	791
Disposals	-	-	(10,000)	(10,000)
At 30 September 2020	5,564	1,332	4,500	11,396
Depreciation and impairment				
At 1 October 2019	5,564	181	6,500	12,245
Depreciation charged in the year	-	445	-	445
Eliminated in respect of disposals	-	-	(2,000)	(2,000)
At 30 September 2020	5,564	626	4,500	10,690
Carrying amount				
At 30 September 2020	-	706	-	706
At 30 September 2019	-	360	8,000	8,360

MUSTARD SEED RELIEF MISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	3,029	616
	<u> </u>	<u> </u>

12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	-	1,066
Accruals and deferred income	2,700	2,700
	<u> </u>	<u> </u>
	2,700	3,766
	<u> </u>	<u> </u>

13 Retirement benefit schemes

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund.

14 Related party transactions

During the year Mustard Seed Relief Mission paid Riverbank Removals Ltd (director L Smart) £10,020 (2019 - £9,360) for distribution of Love in a Box shoeboxes and rubbish removal.

£2,500 is owed to the charity by a charity connected by a common Trustee in Lisa Smart.