THE MUSTARD TREE

England & Wales · Charity number 1135192

Details

Status	Registered
Legal form	Charitable company
Company number	04386613
Registered	2010-03-25
Register	View on the Charity Commission register

Contact

Address	The Mustard Tree 110 Oldham Road Manchester M4 6AG
Phone	0161 850 2282
Email	information@mustardtree.org.uk
Website	www.mustardtree.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE THE RELIEF OF POVERTY IN PARTICULAR BUT WITHOUT LIMITING THE FOREGOING BY THE PROVISION OF AND ASSISTANCE IN OBTAINING HOUSING, FURNITURE, FOOD, CLOTHING AND OTHER ITEMS FOR PERSONS WHO ARE IN NECESSITOUS CIRCUMSTANCES ON TERMS APPROPRIATE TO THEIR NEEDS AND THE ADVANCEMENT OF EDUCATION, TRAINING OR RETRAINING, PARTICULARLY AMONG UNEMPLOYED AND DISADVANTAGED AND SOCIALLY EXCLUDED PEOPLE ('THE OBJECTS').

Activities: Mustard Tree operates across Greater Manchester, providing food, clothing furniture and training for individuals in need. Our beneficiaries include those experiencing or at risk of homelessness, those recovering from addictions, ex-offenders, refugees, asylum seekers and those with mental health issues. We run various programmes helping people re-find their confidence, motivation and employment.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Bolton
- Bury
- Manchester City
- Oldham
- Rochdale
- Salford City
- Stockport
- Tameside
- Trafford
- Wigan

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,146,702	£2,169,953	£2,171,682	45
2024-03-31	£2,091,074	£2,280,193	£2,194,933	47
2023-03-31	£2,190,423	£2,237,319	£2,384,052	45
2022-03-31	£1,726,357	£1,771,198	£2,430,948	42
2021-03-31	£1,660,427	£1,540,177	£2,475,789	42

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Trustees

Name	Role	Appointed
MARK ISAAC ADLESTONE OBE	Chair	2021-06-16
Adrian Christopher Ellis		2024-11-12
Cllr Rabnawaz Akbar		2024-11-12
Darren Clark CStJ,DL		2023-02-11
Nicola Ruth Wertheim		2021-11-24
Richard Caulfield		2018-11-22

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THE MUSTARD TREE

England & Wales - Charity number 1135192

Accounts

Charity Number: 1135192

Company Number: 04386613 (England & Wales)

THE MUSTARD TREE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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THE MUSTARD TREE

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity number:	1135192
Registered Company number:	04386613
Principal and Registered Office:	110 Oldham Road, Ancoats, Manchester, M4 6AG
Trustees:	M I Adlestone OBE Chair of Trustees J K Kielty (resigned 26 May 2025) R J Caulfield C L Norman(resigned 27 January 2025) N Wertheim D Clark DL R Akbar (appointed 12 November 2024) A Ellis (appointed 12 November 2024) C Lebadou (appointed November 2024, Resigned November 2025)
Chief Executive Officer:	J Walby
Secretary:	J Walby S Stockton (June 2025)
Auditor:	Menzies LLP Chartered Accountant and Statutory Auditor One Express 1 George Leigh Street Manchester M4 5DL
Bankers:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Mulling Kent ME19 4JQ The Co-operative Bank 70/72 Cross Street Manchester M2 4JG
Solicitors:	Glaisyers 1 St James's Square Manchester M2 6DN

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Trustees' Annual Report (Incorporating the Directors' Reports)

The Trustees and management team are pleased to present the annual report together with the consolidated financial statements of the charity for the year ending 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 2019).

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THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Welcome and Overview

We are pleased to present Mustard Tree's annual report and audited accounts for 2024-25.

For 30 years Mustard Tree has created opportunities for people in financial hardship to improve economic wellbeing and find settled homes - combatting poverty, preventing homelessness and empowering people to help themselves.

At the end of this financial year, the Joseph Rowntree Foundation published its annual UK Poverty report, headlining that 'Poverty has increased, close to pre-pandemic levels'. Manchester is cited as one of the local authorities with the highest child poverty rates in England (45%)[1].

Mustard Tree is more relevant now than we have ever been. We now welcome over 10,000 visits to our three hubs each month. We create opportunities to help improve economic wellbeing and find settled homes. We do this through Community Shops, training placements, support services, gifting schemes, vocational training and creative classes – offering a consistent, warm welcome to all. As the charity moves into its 30th year operating in Greater Manchester, our mission remains the same - supporting people in crisis, living in poverty or at risk of homelessness.

We are guided by our values of BELIEF, DIGNITY, OPPORTUNITY, DIVERSITY AND PARTNERSHIP. Our message is clear; we believe that everyone needs a home; that everyone needs opportunity to earn and income; and that everyone needs help at some point in their lives.

In March 2025, the charity has completed Year Two of a Three Year plan and progress on our objectives can be summarised as follows:

Objectives	Year 1 2023-24	Year 2 2024-25
Prevent Homelessness for 3,000 people	1,193	1,772
Help 30,000 people out of poverty	7,805	8,383
Increase self-generated income [2]	Deficit	Surplus
Build a world class organisation	Defined Competencies Staff Handbook Improved policies	Staff Engagement Staff training Better systems
Total People using Mustard Tree incl. shops	10,321	11,531

The pressures of increasing demand and increasing costs were mitigated by securing new contracts for our services including: A New Welcome Hub for Refugees, funded by Manchester City Council; the Elevate partnership in Salford, funded via Salford CVS and by the Albert Gubay Foundation Trust and a new 5-year programme with the National Lottery.

We increased self-generated income through the development and relaunch of our Community Café that delivered over £60,000 in revenue. The development and roll out of new IT systems for Fundraising and Logistics/Retail have proved fruitful in securing more Gift Aid as this process is automated and easier to use with our customers. Both the redevelopment of the Café and new IT systems were funded by the loan we secured with Co-op Bank for capital investment in the last financial year.

In 2024-25, we increased our impact and the number of people we helped, increased our income, better managed our costs and delivered a small surplus to contribute to reserves.

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

THE MUSTARD TREE

FOR THE YEAR ENDED 31 MARCH 2025

Strategic Report

1. **Impact**

In 2024-25, we designed and delivered new services through the New Welcome Hub for people who are refugees and a new partnership in Salford. These new services meant that we have increased the total number of people we have helped from 10,321 people last financial year to 11,531 in this financial year. Other key performance indicators include:

We helped 8,383 individuals out of poverty
We helped 1,772 individuals out of homelessness or prevented homelessness
We helped 49 people into work and provided 35 work placements with corporate partners
We helped 116 people into long-term, settled accommodation
We provided £295,212 worth of gifted items and/or hardship funds to 5,670 people
We supported 4,157 people through Food Club visits and 1,723 people accessed free food

Trends

For the past 8 years, we have been monitoring key tactical measures to understand demand and to build towards delivering the most impactful support we can in addressing poverty and homelessness.

These tactical measures roll up to our more strategic outcomes– such as number of people into work and into long term accommodation. Every piece of data we collect in the charity rolls up into the strategic objectives and the investment made in our systems and reporting allows us to confidently scrutinise, analyse and manage overall performance.

As part of our World-Class objective, we have focussed this year in developing accountability across our managers, team leaders and all staff members so they understand how their actions and work impact front line delivery as well as the sustainability of Mustard Tree. The teams understand and review the measures monthly, and we use the data to help inform decisions and understand likely demand based on trends across previous years.

The table below outlines the trends in some of the key measures over the past 8 years.

INDIVIDUALS SUPPORTED BY:	**18-19**	**19-20**	**20-21**	**21-22**	**22-23**	**23-24**	**24-25**
Freedom Project – skills, work and coaching placement	208	244	40	131	**266**	**380**	**338**
People into new/emergency housing including gifted furniture	736	1279	585	891	**952**	**784**	**1043**
Training (English Language, Customer Service, IT, Job Club)	510	650	238	594	**998**	**961**	**1257**
121 Support - hardship loans, finance & housing	225	403	1030	1956	**2240**	**2244**	**3133**
Families who use the Food Clubs	485	580	3049	3889	**5703**	**5690**	**4437**

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

The focus on the new contracts meant we have less staff available to support people in our Freedom project in 2024. This means we had less trainees through the programme than the previous year (235). We addressed this by applying for support from the National Lottery specifically for Freedom to allow us to recruit and maintain our flagship service for 2025 and onwards. The National Lottery are key strategic partners as they have committed to fund the Freedom project for the next 5 years and we are grateful for this support.

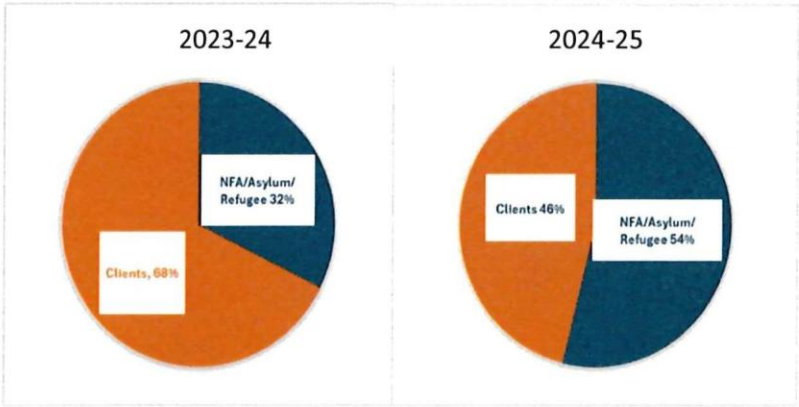
We also had to manage the cost pressure of increasing food costs this year. Food inflation costs have meant that we could no longer afford to maintain the Covid-pandemic levels of support for food. This decision was not made lightly but as well as increasing income, we had to make the strategic decision to reduce costs and invest in areas that deliver the most impact. We analysed that there are 130 different food clubs in Manchester and so restricted the food club in our Manchester Hub to 3 days per week. We maintained the daily offer in our Salford sites. As you can see from the data in the table above, we still supported over 4400 families with food in 2024-25.

2. Key Highlights

a) New Welcome Hub

After a noticeable change in trend in new registrations where we identified more people coming into us who were new refugees, we began working with Manchester City Council to best support people coming out of the asylum system and becoming refugees.

There are complex issues around the real disadvantage of people seeking asylum not being allowed to access English language classes or work whilst seeking asylum.



People have less than 1 month from a 'Right to Remain' decision to leave Home Office accommodation, has led to a sharp increase in street homelessness.

The support we offer includes providing information and advice around how to access housing and employment, with daily group sessions and 121 support.

Last year, 1329 people accessed our New Welcome Hub, and we helped over 100 people into private rented tenancies.

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

b) Number of people helped into housing

Despite navigating a worsening housing crisis, the Mustard Tree team has successfully **helped 345 people into emergency accommodation and/or settled homes.** (229 into emergency housing and 116 into settled homes).

This is partly due to the specific work of the New Welcome Hub as in previous years, we would refer into other charity partners for this sort of help. The scale of the need is so great that all partners are struggling to cope with demand which is why we partnered with the Council. Other examples of people being supported include assisting with accommodation assessments, improving conditions in current tenancies and successfully preventing Section 21 evictions

Securing new tenancies is only the beginning. We are committed to gifting 40% of all our donated stock to people who have previously been homeless and have moved into their new permanent home. Thanks to the work of our retail team, driver mentors - and most crucially - our donors - we have been able to support a further 677 households with gifted furniture - helping to make a house a home.

c) 30 Year Celebration

June marked 30 years of Mustard Tree's work in Greater Manchester.

We celebrated in the only way we knew how - with an all-singing, all-dancing street party, bringing together our community to celebrate with us.



Our CEO Jo Walby fronted the call for collaboration, declaring that 'Without community we will have division - this is what we can achieve when people come together".

Wise words were also illustrated by Mustard Tree's Founder Dave Smith, reciting the original call to action upon which the charity was formed – 'If you see a need, do something about it'.

The generosity of the people of Greater Manchester and beyond has supported the charity over the past 3 decades to help people in poverty and homelessness and the charity remains as relevant today as it was 30 years ago.

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk
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d) Community Café

Our Community Café at Ancoats is a Freedom Project training space for people wanting to become a barista or work in hospitality. Offering breakfast from 9am, lunch, tea, coffee and cakes, it is one of the most affordable places in the city for food and drink. Supporters such as Blendsmiths and The Flat Baker generously donate items in-kind to help maximise funds for the charity.

Our Community Cafe has become both a destination for local residents to reduce isolation, and a successful gateway into employment. We have partnered with Change Please, an award winning social enterprise tackling homelessness through its Bartista Training Programme. Trainees who benefit from the Freedom Project also benefit from Change Please - helping to attain a living wage job, support with housing, therapy, a bank account and onward employment opportunities.



e) Elevate Salford

Elevate Salford | VCSE Learning, Skills and Work Programme

We are part of a unique partnership to develop and link up accessible work and skills support with key charities in Salford, co-ordinated by Salford CVS. The Elevate Salford programme provides a range of services to support, train and prepare people furthest from the labour market, to gain skills, training and employment via the strong charity sector in Salford.

By working with other best-practice partners such as Groundwork GM including their 'Working Wardrobe', Salford Foundation, The Broughton Trust, Salford Loaves and Fishes and Salford CVS, we have created opportunities for hundreds of people to access training, secure work and improve their financial wellbeing.



Tom (right) with Working Wardrobe at Mustard Tree

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

f) Mustard Tree – Raising Awareness

Adhering to our 'Representation of Homelessness in the Media' pledge, we continue to tell stories of hardship to hope, empowering our Freedom Project trainees and clients to express themselves through their accounts of training and volunteering at Mustard Tree.

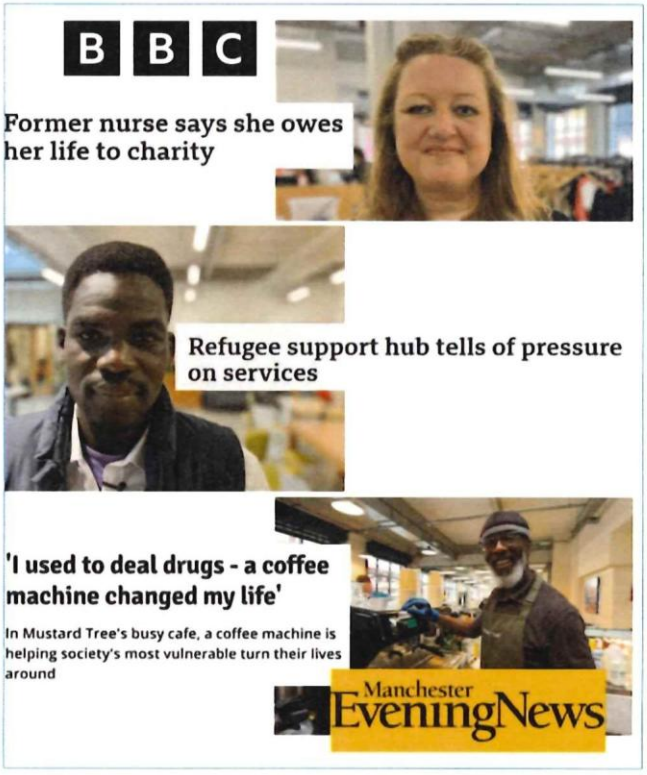
This year, we have been featured in reports across national and local media – showcasing the success stories of the people who access Mustard Tree.

Mustard Tree has also joined the Social Homes for Manchester coalition - a collective movement for housing justice in Manchester. We represent the experiences of the people who need and use our services, promoting the benefits of building more social homes in our communities.

We also continue to co-chair the Homelessness Prevention Action Group - part of the Manchester Homelessness Partnership.

3. Financial Review

In 2024-25, we increased our impact and the number of people we helped, increased our income, better managed our costs and delivered a small surplus to contribute to reserves.



We achieved revenue of £2.137 Million for 2024-2025. This resulted in a small surplus before depreciation of £89,296 which translated to unrestricted reserves of £119,025. This is line with our plan to gradually rebuild reserves in line with our policy.

We achieved these results despite the unique pressures on the charity sector of increasing demand and increasing costs. The decision made by Government to increase National Insurance as well as the increase to the Real Living Wage impacted the growth of the charity due to the future increasing costs of employment.

We conducted a cost reduction plan which meant that we spent over £100,000 less than the previous year through not replacing staff members who left, reducing food costs and renegotiating supplier contracts.

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Key changes delivered in the financial year 2024-2025:

- Small increase in income of 3% based on the previous year
- Withheld recruitment and did not replace one management role
- Reduced expenditure on food from £15,000 per month to £11,000 per month
- Introduction of new systems for retail and fundraising which allowed more automation and efficiency in collecting Gift Aid
- Postponed pay rises until the following year (budget was originally 5%)
- Trust and Grant Income increased with the support of The National Lottery Community Fund, Garfield Weston Foundation and supporters such as the Zochonis Charitable Trust.
- Renegotiated and fixing of energy contracts and food suppliers

Capital Projects

Using the loan we secured the previous financial year, we successfully implemented a new Fundraising system and a new Retail and Logistics system. As well as quick wins such an increase in Gift Aid, this investment has helped to future-proof the charity to support required growth.

Reserves Policy and Results

The land and building owned by the charity is valued at approximately £2million but the challenge remains to build unrestricted reserves. The charity improved on the previous year's results which delivered a small increase to reserves (approximately £45k). This is in line with the objective set last year to rebuild reserves in line with our policy.

Whilst our reserves policy is not static, our reserves target remains at 3 months expenditure to cover the necessity of closedown or unforeseeable delay in received funds from donors (£150-190k).

We increased unrestricted reserves from £74,717 to £119,025 in this financial year and we will add to reserves over the next 12 months. Our objectives outlined in the Rebuilding Reserves plan were achieved as follows:

Securing additional Public Sector Contracts	Yes – 2 x Manchester City Council contracts
Planned restructure of resources	Moved Senior Management to Salford sites, combined Volunteering role into Fundraising and we did not replace 1 x management role
Renegotiating building contracts	Completed Energy contracts and secured small increase from key tenants
Increase Self-Generated income	Increased café income, increased Gift Aid

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

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4. Plans for the Future Period

As we are moving into Year 3 of our 3 year plan, we want to focus on impact and outcome as well as monitor numbers and output. We will focus on maximising our training, Freedom and helping people to increase income. Specifically, we want to increase our work placements, our accredited training, the number of individuals we help to increase income, cash value of increased income and increase wellbeing measures, such as access to GPs.

Cost management and income generation remain critical priorities for the charity. We have physical reserves in our building but our cash reserves are deliberately limited as we continue to invest our resources on the front line to meet demand and as expected by our supporters.

The Trustees completed a Strategic Away Day at the start of 2025 which provided direction, positive challenge and support, focussing on key priorities, cost management and staff wellbeing. Some of the key priorities we will consider, analyse and develop next year include:

PRIORITIES TO ANALYSE	PROGRESS
Use our land asset differently including options to sell	We will consider options for the Compound – a small plot of land we own next to the Ancoats building. Currently we have launched a car park onsite with SIP Car Parks but will evaluate all options including the potential sale of the land to help fund the development of the charity
Identify partners to work with – pan GM – to help cope with demand	In particular, we will consider partnerships with specialist Refugee and Asylum charities who we can work with to better support the increasing numbers of people in these communities who are homeless.
Look at investment other than fundraising – social investment	With the continuing pressure of increasing costs and increasing demand, we will evaluate the potential benefits of other forms of income including social investment
Consider more Public Sector contracts in line with mission & values	We have secured new Public Sector contracts/grants and will consider the impact of moving to adopt Council targets on our ability to meet unmet need and respond independently
Development of our staff team – in particular management and leadership	We are developing a Completed Framework for the charity. We are developing a management training scheme based on the key competencies we researched and identified in 2024-25

'I Love Manchester' has chosen Mustard Tree for a short, four-part documentary – after we were awarded the title of 'Most Loved Charity'. We will continue to share our impact in the media and with policy leaders as will be demonstrated by the partnership with 'I Love Manchester'.

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[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

Charity Mission and Values

5. Our Mission

Our is to Combat Poverty and Prevent Homelessness. Mustard Tree supports people tackling both the causes and consequences of poverty. Mustard Tree creates opportunities for people to improve their economic wellbeing and find settled homes.

- We offer open-door access to our services – we work with anyone in hardship who calls or walks through our doors and offer 121 support and a dignified, warm welcome to all.
- We offer large-scale recycling and reuse of items that people don't need directly to those people who do through our community shops - gifting up to 40% of stock to those most in need safely and appropriately
- We offer an exceptional combination of training, onsite work experiences and psycho-social support through our Freedom Project, groups, and training - building skills, self-belief, and economic wellbeing

6. Our Values

Mustard Tree has developed a set of values that underpins all the work we do. By embedding these values, we define how we work with each other and other people. Our values are:

Belief – in people, working with people where they are, focusing on strengths

Dignity - kindness, respect and compassion underlie how we work

Opportunity – creating opportunities for people to improve their lives

Diversity – embracing the differences and valuing the contribution of all

Partnership – commitment to working in partnership

We hold quarterly Staff Appreciation sessions where we celebrate those staff members who are exceptional in demonstrating our values in their work and we give each other values cards to thank people for their specific excellence throughout the year.

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7. Our Model

The charity has 3 Community Shops in Ancoats, Eccles and Little Hulton offering access to free or low-cost food through the Food Club and pre-loved clothing and household essentials such as furniture, electrical items, and white goods. Our helpdesk and online donation forms provide a route for people to donate unwanted items that we collect in our furniture vans. We are unique in our gifting policy of 40% of stock being given directly to those in need which is monitored through the review of monthly income and gifting targets.

We help people through 121 support, focussing on finances and moving into accommodation. We help people into new tenancies through the provision of furniture and other items, helping people out of homelessness into settled homes. Mustard Tree provides in-house training in Customer Service; English (ESOL) and Digital Confidence and we host other partners who also provide training courses.

We run a unique vocational training programme – 'the Freedom Project' – which provides 1-2-1 Coaching, Onsite work experience through a volunteering placement and accredited training courses. The Freedom trainees undertake training and real-life work experiences to help us to run the charity through:

- Customer services in retail
- Warehouse skills in furniture collection/distribution
- Repair and PAT testing of white goods donated to the charity
- Food hygiene and catering skills in our industrial kitchen, Food Clubs and café
- Cleaning and facilities experience in running of our buildings

Mustard Tree tackles poverty of experience through providing creative activities such as art groups, writing groups and creative showcases. By helping people engage creatively, we help build confidence, recover self-esteem, and unleash new potential.

Improvements in health and wellbeing are provided through increasing access to health services and partnering with health providers on campaigns and hosting services onsite.

In 2024-25, the charity had 45 staff members and 100 volunteers as well as 340 trainees helping to run the organisation.

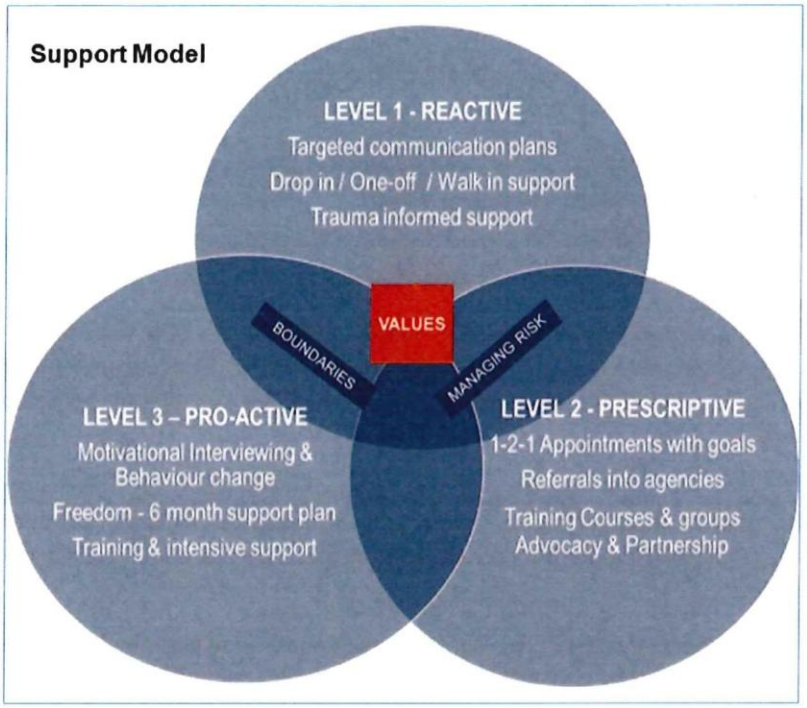
Evidence Base and Experience

Our evidence base shows that many people who require support have complex needs, which change over time, and require responses at multiple points. Services therefore need to offer a multi-component service that incorporates a range of flexible responses.'

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

The 'Walby-Jess' model proposes 3 levels of response for support which aim to deliver appropriate support for all. Each level aims to provide support for where an individual is currently at, with opportunities to refer into a further level of support where appropriate.



No level is more important than the other, any contact is a positive opportunity for further engagement or to build rapport.

We commit to supporting people through whatever they are currently experiencing.

As long as we are clear about our offer of support beyond Level 1, we have to respect that people who choose to only engage at this level are making informed decisions. Maintaining this positive relationship keeps the pathway open for further support.

We have been successful in a partnership bid with the University of Manchester to conduct an evaluation of our service model and theory of change. This is a 3 year project with a PHD student working onsite at Mustard Tree, starting in October 2025. This partnership with a Russell-group university will help us better understand our impact, ensure our model is based on evidence of best practice as well as raise our profile.

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8. Going Concern

With a greater focus on building more predictable income, in 2024-25 we secured the following multi-year income:

- £498,232 National Lottery Community Fund for 5 years
- £200,000 Garfield Weston for 2 years
- £230,000 contract for 2 years with Manchester Council for ESOL and training
- £50,000 donation from Zochonis Charitable Trust

Fundraising remains under the direct responsibility of the CEO with the development of the Fundraising Manager, promoted from within the existing team. The Leadership team has worked together over a number of years and is developing experience and excellence across key roles including Operations, Communications and Finance.

The Trustees completed a Strategic Away Day and provided direction, positive challenge and support, focussing on key priorities, cost management and staff wellbeing. The Trustees remain confident in the resilience of the organisation based on our track record over the past 30 years, our leadership team and the response to ongoing challenges.

We have agreed a modest budget for the new Financial year, with the tools to reduce expenditure in areas such as external contracts and restructuring of resources should these be required. We will explore further opportunities with the Public Sector to support the charity in core service delivery to increase regular income and mitigate the peaks and troughs of fundraising.

We are moving into FY 2025-26, bolstered by the results of 2024-25 and supported by the multi-year funding income secured. These results provide the time required to further develop self-generated income and new funding streams whilst maintaining our focus on combatting poverty and preventing homelessness.

Structure and Governance

The charity is a company limited by guarantee. None of the trustees have any beneficial interest in the charity. All the trustees are members and guarantee to contribute £1 in the event of a winding up.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

- M I Adlestone OBE Chair of Trustees
- J K Kielty
- R J Caulfield
- C L Norman (Resigned January 2025)
- N Wertheim
- D Clark DL
- A Ellis (appointed 12 November 2024)
- R Akbar (appointed 12 November 2024)
- C Labadou (appointed 12 November 2024)

In 2025-26, we will be looking for new Trustees to provide additional support in areas such as Finance. New trustees are elected following an open recruitment process and filled by analysing gaps in the skills, capacity, and experience of existing trustees. New trustees receive an induction onsite within different work streams.

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

Oversight of all activities is managed by the Trustee Board. They approve the budget, capital projects, any changes in strategic direction, and appoint the CEO. The daily functions are managed by a Senior Management Team, led by the CEO, Jo Walby.

Management accounts with key performance indicators are reviewed by the management team monthly and the Trustees evaluate and review these documents every two months. Monthly management meetings also review Incidents and Safeguarding, HR and training and Case Management of Freedom Trainees.

In 2024-25, Mustard Tree dissolved StandFirm CIC, a company limited by guarantee that has been dormant and not traded for a number of years.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code, namely to:

- Settle the terms of payment with suppliers when agreeing the terms of each transaction.
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms
- Pay in accordance with the company's contractual and other legal obligations.

9. Management Of Key Risks

The Organisation risk register is updated on a quarterly basis and audits of Health and Safety systems and processes are also carried out once a month across each site.

An overview of Incidents and Near Misses are reviewed each month during a Safeguarding Review meeting, chaired by the CEO. The Chair of Trustees is notified the same day of any Serious and Untoward Incidents with a written report completed and submitted to the chair within 72 hours.

An annual training plan is ongoing in line with H & S compliance this includes introduction to health and safety; safeguarding; first aid; fire marshalling; motivational interviewing and case management; professional boundaries. During the year, The Mustard Tree have qualified a further 4 staff on Institution of Occupational Safety and Health accreditation.

In light of high-profile incidents such as the killings in Southport in July 2024, the charity developed an Emergency Response Document which has been shared and reviewed by key partners across the Police and Public Sector. Staff undergo quarterly training on this plan including role plays and review of incidents.

10. Employee Involvement

The charity's policy is to consult and discuss with employees, directly and at staff meetings, matters likely to affect employees' interests. Information of matters of concern to employees are given through team meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance. Evidence of this approach include the decision to maintain being a Real Living Wage employer and to support the roll out of the Real Living Wage approach to other employers across Greater Manchester.

There are managers across all areas of the charity including: Retail and Logistics; Services; Training; Food; Facilities; Fundraising and Partnerships. Each manager holds regular 121s with their staff as well as team meetings and staff members are encouraged to contribute their ideas, views, and opinions. We are introducing formal annual appraisals, and, in the meantime, staff members are encouraged to feedback during their 121s.

Monthly management meetings are held in which each manager provides a verbal update to their monthly reports submitted to the CEO.

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

Organisation policies and processes are stored electronically on the HR database – 'People HR' and each staff member has individual access to this system.

Safeguarding, Incident Management and Boundaries Training sessions are held at least every 2 months to brief new starters and to provide further learning refresh courses for existing colleagues.

Over 30% of the staff members have been recruited through the Freedom Training scheme which provides informal links to our service user community and provides a real-time check on ensuring the policies and direction of the charity remain dedicated to our service users.



[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

11. Thank You to Our Supporters

None of our achievements this year would be possible without the help of our supporters. So, to all our individual donors, corporate partners, trust and grant funders, community contacts, Voluntary, Community and Social Enterprise sector (VCSE) partners - THANK YOU.

To our Freedom Project trainees, you are at the heart of everything we do and make Mustard Tree what it is - a safe and welcoming space for the community.

To our incredible 'Friends of' Mustard Tree volunteers, your dedication and selflessness enables us to scale up to meet the demand and respond to crises quickly and effectively.

We want to say a special thank you to our Charity of the Year partners, and major supporters who have been essential to our work, including Salford CVS, Manchester City Council, For Housing, the Lottery Community Fund, Zochonis Charitable Trust, The Albert Gubay Charitable Foundation, The Oglesby Charitable Trust, The Garfield Weston Foundation, Freshfields LLP, the Casey Group, Watson Homes and The Beaverbrooks Charitable Trust.

We want to thank all our partners in the Voluntary, Community and Social Enterprise sector (VCSE). The passion, resilience and courage shown by charities in Manchester and Salford is awe inspiring and makes Greater Manchester a better place.

We would also like to thank all our individual fundraisers and the In-kind support we receive as this continues to provide opportunities where financial contributions may not be possible. As well as countless food, furniture and clothing donations - businesses, volunteers and communities have rallied to provide items to support our clubs and classes. Thank you.

Special thanks and appreciation must go to the Trustees and our staff members, for all the continued hard work, passion, and joy they bring to our charity. Thank you.

12. Trustees' Responsibilities in relation to the Financial Statements

The trustees, who are also the directors of The Mustard Tree 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; 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 of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

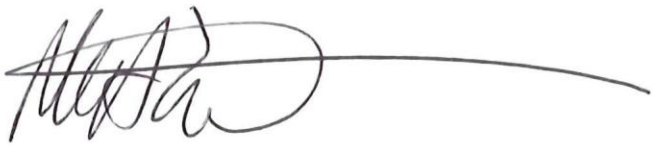
Auditor

In accordance with the company's articles, a resolution proposing that Menzies LLP, be reappointed as auditor of the company, will be put at a General Meeting.

Disclosure of Information to the Auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees on 12th December 2025.



M Adlestone OBE

Chair of Trustees

[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk

[2] We changed this objective in 2024 from 'Building community' to 'Increasing self-generated income' to reflect the need to deliver a balanced budget and rebuild reserves.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

YEAR ENDED 31 MARCH 2025

Opinion
We have audited the financial statements of The Mustard Tree ("the charitable company") for the year ended 31 March 2025 which comprise the Statement of Financial Activities (combining income and expenditure account), the Balance Sheet, the statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 3. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE MUSTARD TREE

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YEAR ENDED 31MARCH 2025

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the Statement of Trustees' Responsibilities set out on page 18 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the charity sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006 and the Charities Act 2011.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on income and salaries to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

YEAR ENDED 31 MARCH 2025

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:
Menzies LLP
83F726A2B19F426...

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of

Menzies LLP
Statutory Auditor
Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 15 December 2025

THE MUSTARD TREE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds General 2025 £	Unrestricted Funds Building 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income and endowments:						
Donations and legacies	4	661,274	-	734,712	1,395,986	1,322,067
Charitable activities	5	671,478	-	-	671,478	673,936
Investment income	6	346	-	-	346	1,333
Other income	7	78,892	-	-	78,892	93,738
Total Incoming resources		**1,411,990**	**-**	**734,712**	**2,146,702**	**2,091,074**
Expenditure on:						
Raising funds						
Fundraising and publicity	8	260,360	6,404	-	266,764	165,064
Trading costs	8	234,938	5,872	114,256	355,066	521,455
		495,298	12,276	114,256	621,830	686,519
Charitable activities						
Support services and training	9	872,384	48,240	627,499	1,548,123	1,593,674
Total resources expended		**1,367,682**	**60,516**	**741,755**	**2,169,953**	**2,280,193**
Net income / (expenditure) for the year		44,308	(60,516)	(7,043)	(23,251)	(189,119)
Reconciliation of funds:	20					
Total funds brought forward		74,717	2,103,173	17,043	2,194,933	2,384,052
Total funds carried forward		**119,025**	**2,042,657**	**10,000**	**2,171,682**	**2,194,933**

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

Incoming resources and resources expended for the holding company derive from continuing activities.

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

The comparative statement of financial activities is shown in note 31 to the financial statements.

The notes on pages 27 to 41 form part of these accounts.

THE MUSTARD TREE

BALANCE SHEET

AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets:			
Fixed assets	16	2,236,290	2,266,091
Current assets:			
Stock	17	1,074	-
Debtors	18	118,985	158,183
Cash at bank		265,042	223,472
		385,101	381,655
Liabilities:			
Creditors: amounts falling due within one year	19	(278,961)	(267,441)
Net current assets		106,140	114,214
Total assets less current liabilities		2,342,430	2,380,305
Creditors: amounts falling due after one year	20	(170,748)	(185,372)
Total net assets		2,171,682	2,194,933
Funds of the Charity:	22		
Restricted income funds		10,000	17,043
Building Unrestricted funds		2,042,657	2,103,173
General Unrestricted funds		119,025	74,717
Total Charity funds		2,171,682	2,194,933

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

These financial statements were approved by the board of trustees and authorised for issue on 12th December 2025 and are signed on behalf of the board by:

M Adlestone OBE
Trustee

Charity Registration No. 1135192
Company Registration No: 04386613

The notes on pages 27 to 41 form part of these accounts.

THE MUSTARD TREE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Reconciliation of net cash flow from operating activities:		
Net (deficit)	(23,251)	(213,019)
Adjustments for:		
Investment income	(346)	(1,333)
Depreciation	112,547	98,880
(Increase) in stocks	(1,074)	-
Decrease in debtors	39,198	132,388
Increase / (Decrease) in creditors	11,520	(157,113)
	161,845	72,822
Cashflow statement		
Net cash inflow / (outflow) from operating activities:	138,594	(140,197)
Investing activities:		
Purchase of fixed assets	(82,747)	(117,592)
Investment income	346	1,333
Net cash outflow from investing activities:	(82,401)	(116,259)
Financing activities:		
Bank loan advance	-	225,000
Bank loan repayments	(14,623)	(2,597)
Net cash (outflow) /inflow from financing activities:	(14,623)	217,403
Net increase / (decrease) in cash and cash equivalents:	41,570	(39,053)
Cash and cash equivalents at 1 April 2024	223,472	262,525
Cash and cash equivalents at 31 March 2025	265,042	223,472

The notes on pages 27 to 41 form part of these accounts.

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. General Information

The Mustard Tree is a charitable company limited by guarantee, incorporated in England and Wales. It consequently does not have any share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of a liquidation. The registered office is detailed on page 1.

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and 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.

The Mustard Tree meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s). 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 £.

3. Accounting Policies

The accounts have been prepared in accordance with the charity's governing document, 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).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

The Trustee's assessment of the charity's ability to continue as a going concern has included review of financial position, prospects and cash flow forecast for at least the next 12 months. We are moving into FY 2025-26, bolstered by the results of 2024-25 and supported by the multi-year funding income secured. These results provide the time required to further develop self-generated income and new funding streams whilst maintaining our focus on our core mission of combatting poverty and preventing homelessness. The Trustees and Management Team are confident that there is no material uncertainty in relation to going concern

Charitable funds

Unrestricted funds

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

A fixed asset fund is maintained which represents the written down value of certain tangible fixed asset.

Charitable funds

Restricted funds
Restricted funds are to be used for particular purposes as laid down by the provider of the funds. The board of trustees carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Incoming resources
Income is recognised when the charity 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.

Income from donations and legacies
Such income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where incomes is received in relation to a particular project or activity to be carried out over a specified period, the relevant proportion of such income is deferred so that it is recognised in the same period that the relevant expenditure is incurred and when the charity becomes entitled to it.

Gifts and donated services
As the value of services provided to the charity by volunteers cannot be quantified, they have not been included in these accounts.

Furniture, clothing, food and other items are donated for purchase by clients able to pay and are included as incoming resources within activities for generating funds. Those sold are valued at the time of sale.

Income from investments
Bank interest is included in the income and expenditure account on a receivable basis.

Government grants
Government grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Recognition of liabilities
Liabilities are recognised on the accrual's basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Allocation of incoming resources
Income from donations and other income relating to a particular activity category is allocated directly. Other income received without restriction is allocated in such a way to meet the costs not funded by restricted donations such that all costs are apportioned to the different activity categories in accordance with the accounting policies set.

Resources expended
The policy for including items within the relevant activity categories of resources expended is that all costs are allocated on a basis designed to reflect the use of the resource. Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Cost of raising funds
Costs of raising funds comprise the costs associated with attracting donations and the costs of trading for fundraising purposes.

Charitable activities
Charities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of costs within types of resources expended
Costs relating to a particular activity are allocated directly. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, insurance and governance costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. All support costs are allocated between the activity expenditure categories on a basis designed to reflect the use of the resource. Support costs are apportioned on an appropriate basis eg. Floor area, per capita or estimated usage.

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:

Freehold land and buildings	2% straight line
Fixtures, fittings &equipment	25% -33% straight line
Motor vehicle	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 net income/(expenditure) for the year.

Impairment of fixed 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).

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.

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
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 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.

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 as transaction price and subsequently measured at amortised cost using the effective interest method.

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

Taxation
As a registered charity, The Mustard Tree is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable in part in relation to costs directly attributable to the sale of donated goods and a proportion of relevant overheads deemed attributable to such activity. The non-recoverable element of VAT in relation to overheads and other expenditure is included in the relevant costs in the statement of financial activities.

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.

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimated 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.

Significant judgements
The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Determination of whether there are indicators of impairment on the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Tangible assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

4. Donations and legacies

	Unrestricted funds general	Restricted funds	Total 2025
	£	£	£
Donations and gifts	381,319	-	381,319
Grants receivable for core activities	279,955	734,712	1,014,667
	661,274	734,712	1,395,986

	Unrestricted funds general	Restricted funds	Total 2024
	£	£	£
Donations and gifts	348,394	-	348,394
Grants receivable for core activities	137,863	835,810	973,673
	486,257	835,810	1,322,067

5. Charitable activities

	Unrestricted funds general £	Restricted funds £	Total 2025 £
Fundraising	187,697	-	187,697
Shop income	483,781	-	483,781
	671,478	-	671,478

	Unrestricted funds general £	Restricted funds £	Total 2024 £
Fundraising	186,967	-	186,967
Shop income	486,968	-	486,968
	673,936	-	673,936

6. Investment income

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Interest receivable	346	1,333
	346	1,333

7. Other income

	Unrestricted funds general £	Restricted funds £	Total 2025 £
Rental income	74,068	-	74,068
Other income	4,824	-	4,824
	78,892	-	78,892

	Unrestricted funds general £	Restricted funds £	Total 2024 £
Rental income	60,082	-	60,082
Government grants	9,010	-	9,010
Profit on disposal of fixed assets	24,646	-	24,646
	93,738	-	93,738

8. Analysis of expenditure on raising funds

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2025 £
Fundraising and publicity				
Staff costs	169,282	-	-	169,282
Direct costs	44,767	-	-	44,767
Support costs (see note 10)	46,311	6,404	-	52,715
	260,360	6,404	-	266,764
Trading costs				
Operating charity shops	192,472	-	114,256	306,728
Standfirm: cost of sales	-	-	-	-
Support costs (see note 10)	42,466	5,872	-	48,338
	234,938	5,872	114,256	355,066
Total expenditure on raising funds	495,298	12,276	114,256	621,830

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2024 £
Fundraising and publicity				
Staff costs	88,566	-	-	88,566
Direct costs	30,887	-	-	30,887
Support costs (see note 10)	41,485	4,126	-	45,611
	160,938	4,126	-	165,064
Trading costs				
Operating charity shops	204,697	-	193,558	398,155
Standfirm: cost of sales	746	-	-	746
Support costs (see note 10)	111,376	11,078	-	122,454
	316,819	11,078	193,558	521,455
Total expenditure on raising funds	477,757	15,204	193,558	686,519

9. Analysis of expenditure on charitable activities

	Support services & training £	Total 2025 £	Total 2024 £
Staff costs	950,656	950,656	946,821
Direct costs	296,850	296,850	275,573
	1,247,506	1,247,506	1,222,394
Support costs (see note 10)	284,023	284,023	354,726
Governance costs (see note 10)	16,594	16,594	16,554
	300,617	300,617	371,280
Total expenditure on charitable activities	1,548,123	1,548,123	1,593,674
Analysis by fund			
Unrestricted funds – general	872,384	872,384	899,560
Unrestricted funds – building	48,240	48,240	33,036
Restricted funds	627,499	627,499	661,078
	1,548,123	1,548,123	1,593,674

10. Analysis of support costs

	Support costs	Governance costs	Total 2025
	£	£	£
Staff costs	91,159	-	91,159
Business support costs	181,370	-	181,370
Depreciation	112,547	-	112,547
Audit and accountancy	-	16,594	16,594
	385,076	16,594	401,670
Analysed between			
Fundraising	52,715	-	52,715
Trading	48,338		48,338
Charitable activities	284,023	16,594	300,617
	385,076	16,594	401,670

	Support costs	Governance costs	Total 2024
	£	£	£
Staff costs	182,112	-	182,112
Business support costs	241,799	-	241,799
Depreciation	98,880	-	98,880
Audit and accountancy	-	16,554	16,554
	522,791	16,554	539.345
Analysed between			
Fundraising	45,611	-	45,611
Trading	122,454	-	122,454
Charitable activities	354,726	16,554	371,280
	522,791	16,554	539,345

11. Audit Fees:

Amounts paid to auditors (excluding VAT) during the year are as follows:

	2025	2024
	£	£
Audit fees	12,650	12,395
Accountancy fees	2,500	2,480
	15,150	14,875

12. Trustees remuneration and expenses

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

No trustee received travel expenses during the year (2024: £169).

13. Staff Costs

Total staff costs were as follows:

	2025	2024
	£	£
Wages and salaries	1,221,783	1,213,381
Social security costs	117,885	111,539
Pension costs	26,654	28,026
	1,366,322	1,352,946

During the year no redundancy payments were made (2024: £Nil).

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent (FTE) and average headcount (HC) was as follows:

	2025 FTE	2025 HC	2024 FTE	2024 HC
	No	No	No	No
Charitable activities	25	27	25	26
Fundraising activities	4	4	3	3
Trading activities	14	14	18	18
	43	45	46	47

There were no employees whose annual remuneration exceeded £60,000

Key management personnel

The key management personnel of the Charity comprise the Trustees, Chief Executive Officer and the Secretary. The employee benefits of the key management personnel were £77,305 (2024: £112,366).

14. Taxation

The income and gains of the charity are exempt from taxation to the extent that they are applied to its charitable objectives.

15. Net Movement in funds

Net resources are stated after charging:

	2025	2024
	£	£
Auditors' remuneration	16,594	16,554
Depreciation	112,547	98,879
Operating lease rentals	6,100	6,100

16. Fixed Assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
At 1 April 2024	2,412,025	319,974	75,254	2,807,253
Additions	-	82,746	-	82,746
At 31 March 2025	2,412,025	402,720	75,254	2,889,999
Depreciation				
At 1 April 2024	287,716	207,411	46,035	541,162
Depreciation charged in the year	48,240	53,571	10,736	112,547
At 31 March 2025	335,956	260,982	56,771	653,709
Carrying amount				
At 31 March 2025	2,076,069	141,738	18,483	2,236,290
At 31 March 2024	2,124,309	112,563	29,219	2,266,091

17. Stock

	2025 £	2024 £
Café stock	1,074	-

18. Debtors

Amounts falling due within one year	2025 £	2024 £
Trade debtors	9,217	60,190
Other taxation and social security	5,217	7,866
Other debtors	29,332	6,449
Prepayments and accrued income	75,219	83,678
	118,985	158,183

19. Creditors: amounts falling due within one year

	2025	2024
	£	£
Bank loan	32,031	32,031
Trade creditors	136,701	109,683
Deferred income	67,728	72,133
Other creditors	24,681	24,004
Accruals	17,817	29,590
	278,961	267,441

Deferred income above comprises of:

	2025	2024
	£	£
Balance at 1 April	72,133	258,546
Amount deferred in the year	67,728	66,059
Amount released to incoming resources	(72,133)	(252,472)
Balance at 31 March	67,728	72,133
Deferred income is made up of:		
Income received in advance	67,728	72,133

20. Creditors: amounts falling due after one year

	2025	2024
	£	£
Bank loan	170,748	185,372
	170,748	185,372

21. Retirement benefit schemes

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

At the year-end contributions payable to the scheme totalled £14,421 (2024: £21,944).

22. Statement of funds

	1 April 2024	Incoming Resources	Resources Expended	31 March 2025
	£	£	£	£
Unrestricted funds:				
General unrestricted funds	74,717	1,411,990	(1,367,682)	119,025
Building unrestricted funds	2,103,173	-	(60,516)	2,042,657
	2,177,890	1,411,990	(1,428,198)	2,161,682
Restricted income funds	17,043	734,712	(741,755)	10,000
	2,194,933	2,146,702	(2,169,953)	2,171,682

	1 April 2023	Incoming Resources	Resources Expended	31 March 2024
	£	£	£	£
Unrestricted funds:				
General unrestricted funds	220,670	1,255,264	(1,377,317)	74,717
Building unrestricted funds	2,151,413	-	(48,240)	2,103,173
	2,372,083	1,255,264	(1,425,557)	2,177,890
Restricted income funds	35,869	835,810	(854,636)	17,043
	2,407,952	2,091,074	(2,280,193)	2,194,933

Analysis of Restricted Income Funds	31 March 2025	31 March 2024
	£	£
Albert Gubay – development of Little Hulton	-	12,468
Clothworkers – purchase of motor van	-	4,575
Edward Holt -	10,000	-
	10,000	17,043

23. Analysis of net assets between funds

	Unrestricted funds General £	Unrestricted funds Building £	Restricted funds £	Total 2025 £
Tangible assets	193,633	2,042,657	-	2,236,290
Net current assets	96,140	-	10,000	106,140
Long term liabilities	(170,748)	-	-	(170,748)
	119,025	2,042,657	10,000	2,171,682

	Unrestricted funds General £	Unrestricted funds Building £	Restricted funds £	Total 2024 £
Tangible assets	145,875	2,103,173	17,043	2,266,091
Net current assets	114,214	-	-	114,214
Long term liabilities	(185,372)	-	-	(185,372)
	74,717	2,103,173	17,043	2,194,933

24. Unrestricted funds – building

These are unrestricted funds which are material to the charity's activities made up as follows:

The unrestricted fund - building represents amounts expended on The Big Rebuild Project, less depreciation charged to date.

25. Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

26. Operating lease commitments

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	2,232	1,872
Between two and five years	5,357	2,321
	7,589	4,193

27. Related party transactions

During the year, donations were received from trustees totalling 36,945 (2024: 49,264. There was expenditure with entities with which Trustees had a significant interest of £12,650 (2024: nil). There was income from entities with which Trustees had significant interests of £220,935 (2024: nil).

There were no other related party transactions other than the key management personnel expenditure included in notes 12 and 13.

30. Analysis of changes in net debt

	1 April 2024 £	Cashflows £	31 March 2025 £
Cash at bank	223,472	41,570	265,042

	1 April 2023 £	Cashflows £	31 March 2024 £
Cash at bank	262,525	(39,053)	223,472

31. Prior year Statement of Financial Activities

	Unrestricted Funds General 2024 £	Unrestricted Funds Building 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Income and endowments:				
Donations and legacies	486,257	-	835,810	1,322,067
Charitable activities	673,936	-	-	673,936
Investment income	1,333	-	-	1,333
Other income	93,738	-	-	93,738
Total Incoming resources	**1,255,264**	**-**	**835,810**	**2,091,074**
Expenditure on:				
Raising funs				
Fundraising and publicity	160,938	4,126	-	165,064
Trading costs	316,819	11,078	193,558	521,455
	477,577	15,204	193,558	686,519
Charitable activities				
Support services and training	899,560	33,036	661,078	1,593,674
	899,560	33,036	661,078	1,593,674
Total resources expended	**1,377,317**	**48,240**	**854,636**	**2,280,193**
Net (expenditure) for the year	(122,053)	(48,240)	(18,826)	(189,119)
Reconciliation of funds:				
Total funds brought forward	196,770	2,151,413	35,869	2,384,052
Total funds carried forward	**74,717**	**2,103,173**	**17,043**	**2,194,933**

THE MUSTARD TREE

England & Wales - Charity number 1135192

Accounts

Charity Number: 1135192

Company Number: 04386613 (England & Wales)

THE MUSTARD TREE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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THE MUSTARD TREE

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity number:	1135192
Registered Company number:	04386613
Principal and Registered Office:	110 Oldham Road, Ancoats, Manchester, M4 6AG
Trustees:	M I Adlestone OBE Chair of Trustees J K Kielty Professor V S Shah MBE DL (resigned 12 March 2024) R J Caulfield C L Norman N Wertheim D Clark DL
Chief Executive Officer:	J Walby
Secretary:	J Walby
Auditor:	Beever and Struthers Chartered Accountant and Statutory Auditor One Express 1 George Leigh Street Manchester M4 5DL
Bankers:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Mulling Kent ME19 4JQ The Co-operative Bank 70/72 Cross Street Manchester M2 4JG
Solicitors:	Glaisyers 1 St James's Square Manchester M2 6DN

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees and management team are pleased to present the annual report together with the consolidated financial statements of the charity for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 2019).

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THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024



Welcome and Overview from Chair Mark Adlestone OBE and CEO Jo Walby

We are pleased to present Mustard Tree's annual report and audited accounts for 2023-24.

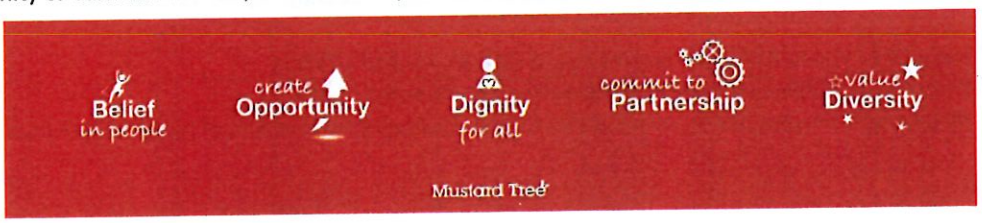
As the charity moves into its 30th year operating in Greater Manchester, our mission remains the same – supporting people in crisis, living in poverty or at risk of homelessness.

At the end of this financial year, the Joseph Rowntree Foundation published its annual UK Poverty report, headlining that 'Poverty has increased, close to pre-pandemic levels'. Manchester is cited as one of the local authorities with the highest child poverty rates in England (45%)[1].

A new report from the Greater Manchester Immigration Aid Unit (GMIAU) and the Boaz Trust shows how people in Greater Manchester 'are spending years, even decades, living in destitution solely because of their immigration status'.[2] We are now beginning to respond to the refugee crisis, which expects to drive up rough sleeping figures once more.

Due to the above factors and our 'open-door' approach, Mustard Tree now welcomes over 10,000 visits to our three hubs each month. We create opportunities to help improve economic wellbeing and find settled homes. We do this through Community Shops, training placements, support services, gifting schemes, vocational training and creative classes – offering a consistent, warm welcome to all.

Guided by our values - our message is clear; we believe that everyone needs a home; that everyone needs opportunity to earn and income; and that everyone needs help at some point in their lives.



[1] https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk
[2] https://www.resolvepoverty.org/a-slow-violence-how-immigration-control-forces-people-in-greater-manchester-into-destitution/

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

Strategic Report

1. 2023-24 OBJECTIVES

We maintained a 6-year outlook of the Key Performance Indicators (KPIs) to enable consistency and evaluate trends.

At the beginning of the period, we set 4 aims to achieve by 2026:

- Prevent Homelessness for 3,000 people
- Lift 30,000 people out of poverty
- Increase connectivity, community and reduce social isolation
- Be regarded as a 'World Class' organisation to work for

The aims were developed from what we think success looks like at Mustard Tree – that we want people out of homelessness and poverty, we want people to earn more money, and we want people to have homes.



Freedom Project Graduation

In order to achieve this, we set out to stabilise our response to the need for food parcels and emergency support in order to increase focus on training, work placements and developing the Freedom Project.

However, we recognise that financial hardship is one of the key contributors to rising poverty and inequality, and we are therefore committed to running emergency provisions for as long as the demand is there, and we can sustain it.

We have been able to reduce our food costs whilst sustaining the same numbers of people using the service. The food budget has been split to enhance our Café space to provide a more dignified food service – offering low-cost breakfast, lunch and drinks, as well as creating a new workstream for Freedom Project trainees.

2. Achievements and Performance

Demand for our services continues to grow, particularly as we focus our services on the Freedom project, training and support.

Over 10,000 people were helped by Mustard Tree this year with 4,644 new people registering to use our services in the 23-24 period.

As well as our usual outcome measures, the charity has made progress in helping people improve their individual income, with employability and debt reduction at its centre. Through 121 support, we have helped:

- 214 people increase their income, with a total cash value of £71,049.
- 51 people were helped with reducing their debt by a total of £22,644.
- 55 people, furthest away from the job market, secured employment at GM Living Wage rate or above

The table below shows the numbers of people we support and the trend over the past 6 years.

PERFORMANCE INDICATORS – INDIVIDUALS	18-19	19-20	20-21	21-22	22-23	23-24
Freedom Project – skills, work and coaching placement	208	244	40	131	266	380
Support for new tenancies including gifted furniture	736	1279	585	891	952	784
Training (English Language, Customer Service, IT, Job Club)	510	650	238	594	998	961
121 Support - hardship loans, finance & housing	225	403	1030	1956	2240	2244
Families who use the Food Clubs	485	580	3049	3889	5703	5690

This year, we have been working to our 2023-2026 Business Plan objectives:

- Prevent Homelessness for 3,000 people
- Lift 30,000 people out of poverty
- Increase connectivity, community and reduce social isolation
- Be a 'World Class' organisation to work for

Results for this financial year include:

We helped 7,805 individuals out of poverty
We helped 1,193 individuals out of homelessness or prevented homelessness
We helped 55 people into work and provided 45 work placements with corporate partners
We helped 64 people into long term, settled accommodation
We provided £271,661 worth of gifted items and/or hardship funds to 4,824 people
We supported 3,916 people through food club visits; a further 1,774 people accessed free food

'Thank you for listening and thank you for everything - there was no way out, but you listen and let me be part of something bigger and trust me' Samuel, November 2023

3. KEY HIGHLIGHTS

Awards

Mustard Tree had an exceptional awards year, with the staff team being acknowledged for their work in the below ceremonies:

I Love Manchester Awards: Most-Loved Charity Category
Spirit of Manchester Awards: Tackling Inequalities Category
Heart of Salford Awards: VCSE Large Organisation of the Year Category







We were delighted to win these awards for our contributions in Greater Manchester, and proud to win them for our clients, trainees, partners and supporters.

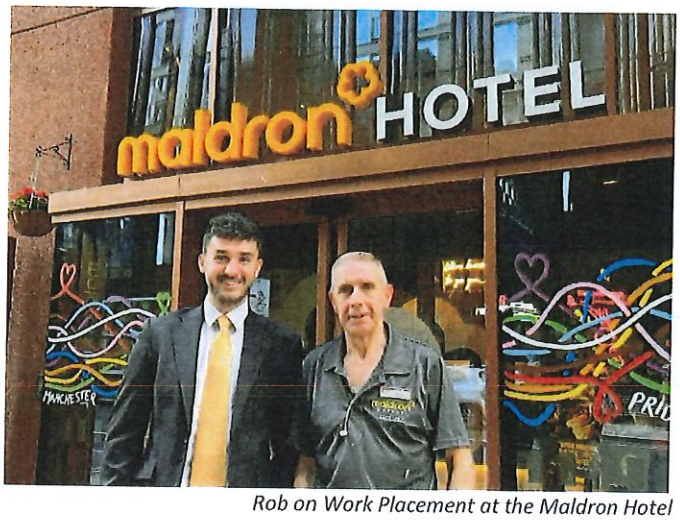
Work Placements

During the period, we have delivered more external work placements than any previous year – a total of 45 secured for our Freedom Project trainees across hospitality, warehouse, retail, customer service, construction and more.



Mina on Work Placement with Brand Addition

The success involved building and maintaining relationships over time with key partners and supporter organisations, and readjusting staff roles to give more focus to employability.



Rob on Work Placement at the Maldron Hotel

Trainees spend an average of two weeks with a partner organisation to experience a working environment outside of Mustard Tree. The primary goal is to help enrich a trainee's CV or job application, but many placements naturally lead to offers of paid work. A total of **55 people were supported into paid work** or better paid work, with work placements playing a role in this.

Elevate Salford



Freedom Project trainee Charmaine on site with Seddon

Our previous report references a 'unique partnership to develop and link up accessible work and skills support with key charities in Salford, co-ordinated by Salford CVS'.

Recently branded 'Elevate Salford', the programme is well underway and is already generating employment outcomes and case studies between partners working across Salford. The below testimonial is an example of how the programme benefits local residents in Salford:

"Michael[3] has built himself a new routine, new friendships and new healthy habits... Michael plans to also gain training at a warehouse and is looking forward to the future through a positive lens, with the continued support of Salford Loaves and Fishes and Mustard Tree".

The Elevate Salford programme provides a range of services to support, train and prepare people furthest from the labour market, to gain skills, training and employment via the strong charity sector in Salford.

The programme is funded by the Albert Gubay Charitable Foundation Trust (AGCF) with an additional AGCF grant, Salford City Council is funding the coordination of the programme by Salford CVS.



Tom with Working Wardrobe at Mustard Tree

Community Café



Mustard Tree Community Café

Our Ancoats café is a training space for people wanting to become a barista or work in hospitality. Offering breakfast from 9am, lunch, tea, coffee and cakes, it is one of the most affordable places in the city for a cup of tea or coffee.

After securing grant and partner funding to help redevelop the space, it has become both a destination for local residents to reduce isolation, and a successful gateway into employment.

We have partnered with 'Change Please', an award-winning social enterprise tackling homelessness through its Barista Training Programme. Trainees who benefit from the Freedom Project also benefit from Change Please – helping to attain a living wage job, support with housing, therapy, a bank account and onward employment opportunities.

Campaigns and Media

Mustard Tree has joined the 'Social Homes for Manchester' coalition – a collective movement for housing justice in Manchester. We will represent the charity on both coalition and commission to promote the benefits of building more social homes in our communities and lobby for change around planning and development.

[3] Name changed to protect anonymity



Staff alongside residents of Miles Platting

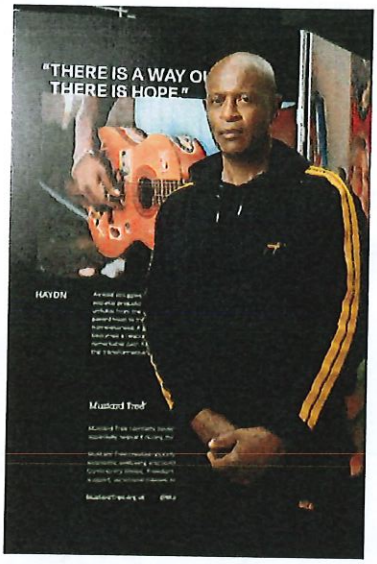
To mark World Homelessness Day in October, we embarked on two awareness campaigns across Manchester. We contributed to a joint storytelling workshop alongside Real Change organisations to exhibit inside the Manchester Arndale Centre, called 'Random Objects of Kindness'[4].

Workshops were conducted by 'Heard Storytelling', with three participants from Mustard Tree taking part to tell their stories of hardship and hope.

We also worked with award-winning Creative Agency 'Leith' to draw attention to the rise in rough sleeping across Manchester, through 'The Homeless Listings'[5], a series of mock-up property listings exposing the reality of rental costs.

We were featured on The Hits Radio responding to a 'Which?' survey that an estimated 700,000 households in the UK missed a rent or mortgage payment in April 2023:
https://mustardtreemcr.substack.com/p/the-emergency-isnt-going-away

We also attained multiple pieces of coverage across television and radio after we were asked to provide a response to Prince William's launch of his 'Homewards' homelessness prevention project:
https://mustardtreemcr.substack.com/p/listen-theres-a-will-is-there-a-way



Heard Storytelling Exhibition



Hosting the MHP Prevention Action Group

Partnership

In order to address the causes of poverty and homelessness as well as responding to the consequences, we continue to co-chair the Homeless Prevention Action group through the Manchester Homelessness Partnership.

We recognise the correlation between poverty and homelessness, as cited in Manchester City Council's Anti-Poverty strategy: *"By focusing on prevention, we can reduce the number of people who fall into poverty and reduce demand on the services that support people".*

Moving from 'Food to Freedom'

The charity has started to build an evidence base of data and case studies to show how people move on from poverty and homelessness into longer-term support and ultimately independence – for example, from Food Club to training; from English language training to Freedom; from Freedom into work...

[4] https://www.heardstorytelling.com/random-objects-of-kindness
[5] https://mustardtree.org.uk/2023/10/05/mustard-tree-movement-for-change/

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The examples below show the journey of two people who despite the difficulties they faced, came to Mustard Tree and seized the opportunities to make steps forward to improve their lives.

Refugee Week: Reza's Story

Reza's search for much-needed assistance trying to be reunited with his family led him to Mustard Tree. After countless unsuccessful attempts to find support, Reza decided to approach the charity to seek help for himself and his family.

The support team understood the urgency of his situation and promptly offered help. The charity could quickly step into gear and facilitate a loan to cover the travel expenses required for his family's relocation.

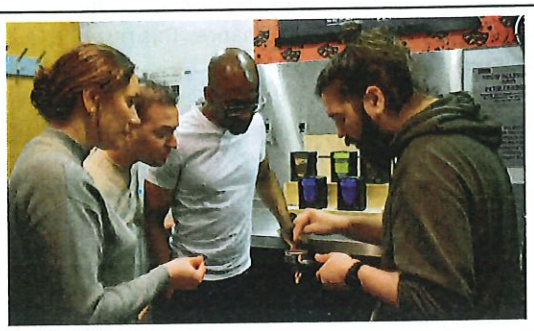
The weight of uncertainty was lifted off his shoulders, knowing that Mustard Tree was there to support their journey towards safety and stability.

The long-awaited day arrived when Reza's family finally reunited with him. As he caught sight of his loved ones after an arduous **7-year separation**, a wave of overwhelming emotions swept over him.

Amidst the obstacles, Mustard Tree continued to provide support for Reza and his family. Reza found solace in his interactions with Courtney, who went above and beyond to assist. Her guidance in registering Reza's children for school — a task that at first seemed perplexing and overwhelming — proved to be invaluable.

Reza said: "I can see the light of the future. Mustard Tree helped me fix my basics and support my family – now I can follow my dreams".





Coffee Training with Change Please

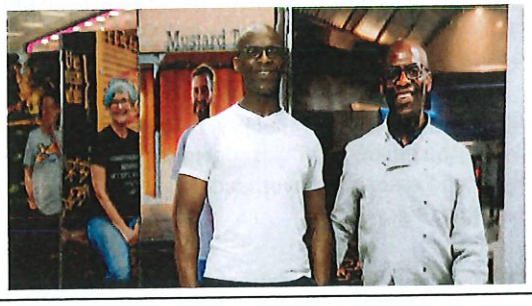
Change Please: Joe's Story

Joe's remarkable journey began from a chaotic life of crime and despair - to one of resilience and purpose: "I wasn't following the path my mother wanted me to go down". Joe was priced out of joining training schemes, so was selling drugs to make ends meet.

He ended up in a police station with a charge and received a 3-year prison sentence: "When I got out, I went and did a plastering course and a SIA Security course – even a sign language course – but nothing was working".

Joe got referred to Mustard Tree after asking the Job Centre if there were any charities he could volunteer for: "It was a God send – a blessing in a sense.

After starting his training in the kitchen, Joe moved into the café, where he quickly excelled under the partnership with of Mustard Tree and Change Please: "Before I knew it, a company phoned me up and said they would like to see me – after an interview, they took me on permanently".



4. FINANCIAL REVIEW

We achieved revenue of £2.09 million for 2023-24. Managing expenditure and increases in demand whilst balancing the effects of Cost of Living and Inflation has been challenging - particularly in areas such as wages, energy and building maintenance. This resulted in a deficit of £114,000 before depreciation which translated to unrestricted reserves of £74,717.

Key changes delivered in the financial year 2023-2024:

- GM Real Living Wage rates increased by 10% (the rest of the staff team received 4% in order to maintain the difference in salary levels)
- Utilities and property support costs increased by 18% against a plan of 11%
- Food costs – decreased by 30% after an increase of 89% in the previous year
- Trust and Grant income was less than the previous year due to market conditions and less available grants from dividends
- Café income increased from £10,000 in 2022-23 to £43,000 this year due to relaunch

We renewed our commitment to the Real Living Wage which created salary inflation of 14% on top of the 9.5% in the previous year. The aim of the Real Living Wage is to increase the lowest wages in the economy, but this significantly impacts the charity sector as wages are typically lower than the public and private sectors.

We maintained our gifting levels of 40% in our community shops – we gave away food, clothing, furniture and hardship payments to those most in need. We maintained our services levels and increased our outcomes. For example, 55 client secured employment, and we delivered an additional 45 work placements – some of the best results we have seen in the history of the charity.

Loan for Capital Expenditure on revenue-generating projects and key infrastructure

The need for more sustainable and self-generated income became even more relevant over this year which led to a review of our IT systems with the decision made to replace key IT systems in order to automate gift aid. The charity evaluated lending options and decided to undertake a loan with the Co-op Bank for capital projects. This provided the capital to invest in a new Fundraising System and new Logistics/Retail system which we estimate will provide an additional £60,000 per annum. Additionally, we decided to relaunch our Community Café which required investment– for example, Barista equipment and training – to generate more income and more training opportunities. The Van fleet we are maintaining is aging and costing more to keep running in repairs and so capital funding to support the effective replacement of the most decrepit vans. Finally, we also needed to evaluate the Environmental impact of our organisation and review how we could maximise our Green credentials across all we do.

Reserves Policy and Results

Historically, Mustard Tree has tended to focus on directing resources to front line delivery and delivering budgets with minimal contributions to unrestricted cash reserves. The land and the building owned by the charity is valued at over £2 million.

Due to the growth of the charity, in 2021-22 our Reserves Policy was updated to aim for 3 months expenditure to cover the necessity of closedown, or unforeseeable delays in receiving funds from donors. This is based on staffing and associated overhead costs including contractual obligations. The reserves target has ranged from £150k to £190k.

As stated by the Charity Commission, 'A reserves policy should not be regarded as a static policy...The circumstances of a charity or the environment in which it operates will change with time'.

Our reserves are reviewed at each Trustee meeting, and throughout this year, it was clear that the financial challenges of continued wage inflation, food prices and less Trust and Grant income than the previous year, would have some impact on our reserves. Mustard Tree has therefore used unrestricted reserves to maintain services during the pressures facing most charities of increasing demands, less income and increasing costs.

In March 2024, the charity had reserves as follows: -

- £74,717 which are deployable and are able to be spent on any of the charity's activities (unrestricted reserves)
- £17,043 which represents donations made where the donor has specified a particular purpose for their funds (restricted reserves)

Next Steps – Rebuilding Reserves

Our objective is to rebuild reserves in line with our policy by the end of 2026 with changes that include:

- Securing additional public sector contracts
- Planned restructure of resources
- Re-negotiation of building contracts
- Increasing self-generated income

Progress against these plans will be reviewed as part of Financial Updates during Trustee meetings.

5. GOING CONCERN

The Trustees and Management team are confident in the resilience of the organisation based on our track record over the past 30 years; the decisions taken to increase self-generated income as well as improvements made to the Fundraising capacity of the charity. We have increased the Trust and Grant pipeline to over £2million pounds as well as secured a new public sector contract of £240,000 in March 2024. We have opportunities to submit a new lottery funding bid as well as other large-scale opportunities with partners such as the Access Foundation and Garfield Weston.

The Leadership team has been expanded to include Operations, Services, Fundraising, HR and Communications as well as Finance. Fundraising remains under the direct responsibility of the CEO, and we have plans for 30 Year celebrations to raise money for the charity in 2024.

The past 12 months for many charities have been difficult in terms of balancing income and expenditure whilst recovering from the shocks of Covid, Cost of Living crisis and inflation. Whilst the use of reserves to maintain service delivery was required in 2023-24, we are positive we will increase reserves in 2024-25.

We have agreed a modest budget for the new financial year, with the tools to reduce expenditure in areas such as external contracts and restructuring of resources should these be required. We will explore further opportunities with the Public Sector to support the charity in core service delivery to increase regular income and mitigate the peaks and troughs of fundraising.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

Charity Mission and Values

Our mission is to **Combat Poverty and Prevent Homelessness.** Mustard Tree supports people across Greater Manchester, tackling both the causes and consequences of poverty. Mustard Tree creates opportunities for people to improve their economic wellbeing and find settled homes.

- We offer open-door access to our services – we work with anyone in hardship who calls or walks through our doors and offer 121 support and a dignified, warm welcome to all.
- We offer large-scale recycling and reuse of items that people don't need directly to those people who do through our community shops - gifting up to 40% of stock to those most in need safely and appropriately
- We offer an exceptional combination of training, onsite work experiences and psycho-social support through our Freedom Project, groups, and training - building skills, self-belief, and economic wellbeing

Mustard Tree has developed a set of values that underpins all the work we do. By embedding these values, we define how we work with each other and other people. Our values are:

Belief – in people, working with people where they are, focusing on strengths
Dignity - kindness, respect and compassion underlie how we work
Opportunity – creating opportunities for people to improve their lives
Diversity – embracing the differences and valuing the contribution of all
Partnership – commitment to working in partnership

The charity has 3 Community Shops in Ancoats, Eccles and Little Hulton offering access to free or low-cost food through the Food Club and pre-loved clothing and household essentials such as furniture, electrical items, and white goods. Our helpdesk and online donation forms provide a route for people to donate unwanted items that we collect in our furniture vans.

We help people through 121 support focussing on finances and moving into accommodation. We help people into new tenancies through the provision of furniture and other items, helping people out of homelessness into settled homes.

Mustard Tree provides in-house training in Customer Service; English (ESOL) and Digital Confidence and we host other partners who also provide training courses. We run a structured vocational training programme – 'the Freedom Project' - through which people get involved in the enterprise side of Mustard Tree. The Freedom trainees undertake training and real-life work experiences to help us to run the charity through:

- Customer services in retail
- Warehouse skills in furniture collection/distribution
- Repair and PAT testing of white goods donated to the charity
- Food hygiene and catering skills in our industrial kitchen, Food Clubs and café
- Cleaning and facilities experience in running of our buildings

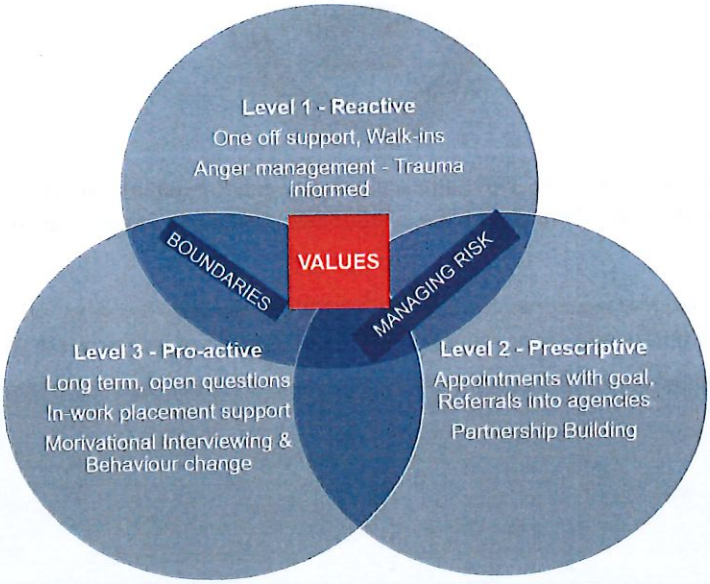
Mustard Tree tackles poverty of experience through providing creative activities such as art groups, writing groups and creative showcases. By helping people engage creatively, we help build confidence, recover self-esteem, and unleash new potential.

Improvements in health and wellbeing are provided through increasing access to health services and partnering with health providers on campaigns and hosting services onsite.

In 2023-24, the charity had 47 staff members and 100 volunteers as well as 380 trainees helping run the organisation.

6 OUR MODEL

Our evidence base shows that many people who require support have complex needs, which change over time, and require responses at multiple points. Services therefore need to offer a multi-component service that incorporates a range of flexible responses.'[6]



The 'Walby-Jess' model proposes 3 levels of response for support downstairs which aim to deliver appropriate support for all. These levels are based around the need we have seen since the Covid-19 pandemic, where there has been much higher demand for reactive support services.

Level 1 - Safety	Level 2 - Engagement	Level 3 – Freedom
• Reactive • New reg, new tenancy, change of circumstances • Signposting • Contacting existing support workers • Incident and risk, TIC • Advocacy	• Proactive and semi-structured • Appointment/drop in • Short-term • Advocacy	• Proactive and structured • Volunteering and training • Appointment based • Motivational interviewing • Long-term

Each level aims to provide support for where an individual is currently at, with opportunities to refer into a further level of support where appropriate.

No level is more important than the other, any contact is a positive opportunity for further engagement or to build rapport. Additionally, based on our values and person-centred approach we commit to supporting people through whatever they are currently experiencing, wherever that fits on the model and even when it does not. As long as we are clear about our offer of support beyond Level 1, we have to respect that people who choose to only engage at this level are making informed decisions. Maintaining this positive relationship keeps the pathway open for further support.

[6] https://www.crisis.org.uk/media/238843/a_rapid_evidence_assessment_of_what_works_in_homelessness_services_2018.pdf

7 PLANS FOR THE FUTURE PERIOD

Next year Mustard Tree marks 30 Years of Combatting Poverty and Preventing Homelessness across Greater Manchester. Over three decades, the charity has grown to meet the demand and help communities navigate multiple crises.

We have made good progress against the four aims we set for the charity last year, which are reflected in the indicators in Section 1 of the report. We continue to work towards these objectives for 2026.

Objectives - By 2026 we will:

1. Help 30,000 people increase their financial wellbeing, increase their skills, increase self-belief, and ultimately reduce poverty across Greater Manchester
2. Help 3,000 people make settled homes and prevent homelessness across Greater Manchester
3. Develop a world-class organisation to support the delivery of our services so we can do more to the best of our ability
4. Increase connectivity and community networks and reduce social isolation across Greater Manchester

Mustard Tree will target our efforts on what we are best at and what we think will have the most impact in combatting poverty and preventing homelessness, whilst maintaining and honouring our values.

We are 1 year into our 3 year plan, and we have helped 7,791 individuals out of poverty and 988 individuals out of homelessness.

Our plan is to continue to work to the above objectives as well as launch the following projects:

New Welcome Hub for Refugees - £240,000 was committed to the charity in March 2024 for the delivery of information, advice and support in housing and finances for people who are new refugees

Staff Engagement project – including Gallup12 Engagement survey; new Staff Handbook; development of a competency framework and investment in training in risk, health and wellbeing and safeguarding

30 Year celebrations – including Community Party with clients, partners and local residents as well as Fundraising dinner in October 2024

Further development of self-generated projects including the relaunch of the café, increased rental of room space and hiring out the compound land.

Our plan is to maintain our income and deliver £2.2 million over 2024-25 through restructuring and expanding our fundraising team and maximising the assets we can control such as the café and hiring out the building. We will review and aim to reduce expenditure to support the rebuilding of reserves whilst maintaining our focus on service delivery.

Structure and Governance

The charity is a company limited by guarantee. The trustees, who are also the directors for the purpose of company law, and who served during the year were:

M I Adlestone OBE Chair of Trustees
J K Kielty
Professor V S Shah MBE DL (resigned March 2024)
R J Caulfield
C L Norman
N Wertheim
D Clark DL



New trustees are elected following an open recruitment process and filled by analysing gaps in the skills, capacity, and experience of existing trustees. New trustees receive a full induction.

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

Oversight of all activities is managed by the Trustee Board. They approve the budget, capital projects, any changes in strategic direction, and appoint the CEO. The daily functions are managed by a Senior Leadership Team (SLT) of the CEO, Jo Walby, Head of Services, Fiona Nelson and Head of Operations, Lindsey Morris.

Management accounts with key performance indicators are reviewed by the SLT monthly and the Trustees evaluate and review these documents every two months. Monthly management meetings also review Incidents and Safeguarding, HR and training and Case Management of Freedom Trainees.

The Mustard Tree is the sole member of StandFirm CIC, a company limited by guarantee. All StandFirm board members are appointed by The Mustard Tree trustees and the CEO of The Mustard Tree sits as a director on the StandFirm board. This company did not trade within the year and is now in the position to be dissolved.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code, namely to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction.
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations

8 MANAGEMENT OF KEY RISKS AND UNCERTAINCIES

The Organisation risk register is updated on a quarterly basis, and risk categories include strategic, operational, reputational and financial areas for consideration and mitigation. We operate a 'RAG' rating of red, amber, green risks and review these with Trustees on a regular basis. We also assign Trustees to key risk areas – such as Safeguarding, Finance, People and HR and Trustees support the Leadership team.

Priority risks include:

RISK	MITIGATION
IT Risk / system breach/GDPR	Insurance cover, 2-factor authentication across whole charity, staff training annually, IT security policy, rules and notifications on all staff email, Dedicated Data Controller including Systems and Data analysis; GDPR legal statements across all referrals; GDPR compliant fundraising system
Reserves not meeting the stated policy for the charity	Weekly cash and operating cost reviews, monthly forecasting to year end, increase in number and size of public sector contracts for more predictable income (up to 30% of total income), staged plan to rebuild over 3 years
Demand overwhelming the charity due to 'walk in' model	Retention planning for key staff members, wellbeing support in place through Smart Clinic for every staff member, external clinical supervision for support staff, Emergency Response and Risk Management training and debrief sessions for all staff (every 6 months); partnership working to focus referrals on core offer
Health and Safety including Safeguarding	Audits of Health and Safety systems and processes; an overview of Incidents and Near Misses are reviewed each month at Safeguarding Review meeting, chaired by CEO. An annual training plan is ongoing in line with H & S compliance including introduction to health and safety; safeguarding; first aid; fire marshalling; professional boundaries.

Mustard Tree have 4 staff qualified in Managing Risk - Institution of Occupational Safety and Health accreditation. (IOSH).

9 EMPLOYEE INVOLVEMENT

The charity's policy is to consult and discuss with employees, directly and at staff meetings, matters likely to affect employees' interests. Information of matters of concern to employees are given through team meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance. Evidence of this approach include the decision to maintain being a Real Living Wage employer and to support the roll out of the Real Living Wage approach to other employers across Greater Manchester.

There are managers across all areas of the charity including: Retail and Logistics; Services; Training; Food; Facilities; Fundraising and Partnerships. Each manager holds regular 121s with their staff as well as team meetings and staff members are encouraged to contribute their ideas, views, and opinions. We are introducing formal annual appraisals, and, in the meantime, staff members are encouraged to feedback during their 121s.

Monthly management meetings are held in which each manager provides a verbal update to their monthly reports submitted to the CEO.

Organisation policies and processes are stored electronically on the HR database – 'People HR' and each staff member has individual access to this system.

Safeguarding, Incident Management and Boundaries Training sessions are held at least every 2 months to brief new starters and to provide further learning refresh courses for existing colleagues.

10 THANK YOU TO OUR SUPPORTERS

As always, we would like to thank all our supporters, donors and partners – without whom we could deliver our services and support the thousands of people who come through our doors each month. The continued support we receive helps us respond to the immediate need, safeguards our charity for the future and gives us the confidence to invest and maximise our impact.

We want to say a special thank you to our major supporters who have been essential to this year including:

The Oglesby Charitable Trust

Salford CVS

Zochonis Charitable Trust

For Housing

Access Foundation

Albert Gubay Foundation

RANK Trust

Baker Family

The National Lottery Community Fund

Dashlight Foundation

Manchester City Council

Salford City Council

WEA / Greater Manchester Combined Authority



Thank you to our **Charity of the Year** Partners including: - Seddon Construction, The Casey Group, CitySuites, Beaverbrooks, BGF, Matillion, Anderton Gables, Cushman & Wakefield and our longest standing corporate partner – Watson Homes.

We want to thank all our partners in the Voluntary, Community and Social Enterprise sector (VCSE). The passion, resilience and courage shown by charities in Manchester and Salford is awe inspiring and makes Greater Manchester a better place.

We would also like to thank all our individual fundraisers and the In-kind support we receive as this continues to provide opportunities where financial contributions may not be possible. As well as countless food, furniture and clothing donations - businesses, volunteers and communities have rallied to provide items to support our clubs and classes. Thank you.

Special thanks and appreciation must go to the staff members, volunteers, and trustees for all the continued hard work, passion, and joy they bring to our charity.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

11 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees, who are also the directors of The Mustard Tree 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

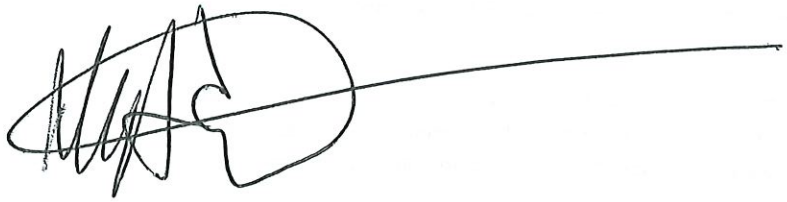
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding of the assets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

Auditor
In accordance with the company's articles, a resolution proposing that Beever and Struthers, be reappointed as auditor of the company, will be put at a General Meeting.

Disclosure of Information to the Auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report (incorporating the director' report and the strategic report) was approved by the trustees on 27/11/2024 and signed on their behalf by

M Adlestone OBE
Trustee



THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the consolidated financial statements of The Mustard Tree (the 'charity') and StandFirm CIC ('the subsidiary') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, Including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistences or apparent material misstatements, we are required to determine whether there is material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there it a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

FOR THE YEAR ENDED 31 MARCH 2024

Opinions on other matters prescribed by the Companies Act 2006.
In our opinion, based on the work undertaken in the course of our audit:

- The information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by the law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using to going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed bel

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, the Charities Act 2011, taxation legislation, data protection, safeguarding, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

YEAR ENDED 31 MARCH 2024

Use of our report

This report is made solely to charitable company's members, as a body in accordance with Chapter 3 of Part 16 of the Company's Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable members as a body, for our audit work, for this report, or for the opinions we have formed.

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Beever and Struthers
Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 19/12/24

THE MUSTARD TREE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds General 2024 £	Unrestricted Funds Building 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments:						
Donations and legacies	4	486,257	-	835,810	1,322,067	1,532,610
Charitable activities	5	673,936	-	-	673,936	613,853
Investment income	6	1,333	-	-	1,333	875
Other income	7	93,738	-	-	93,738	43,085
Total Incoming resources		**1,255,264**	**-**	**835,810**	**2,091,074**	**2,190,423**
Expenditure on:						
Raising funds						
Fundraising and publicity	8	160,938	4,126	-	165,064	167,263
Trading costs	8	316,819	11,078	193,558	521,455	843,034
		477,577	15,204	193,558	686,519	1,010,297
Charitable activities						
Support services and training	9	899,560	33,036	661,078	1,593,674	1,227,022
StandFirm	9	-	-	-	-	-
		899,560	33,036	661,078	1,593,674	1,227,022
Total resources expended		**1,377,317**	**48,240**	**854,636**	**2,280,193**	**2,237,319**
Net (expenditure) for the year		(122,053)	(48,240)	(18,826)	(189,119)	(46,896)
Reconciliation of funds:	21					
Total funds brought forward		196,770	2,151,413	35,869	2,384,052	2,430,948
Total funds carried forward		**74,717**	**2,103,173**	**17,043**	**2,194,933**	**2,384,052**

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

Incoming resources and resources expended for the holding company derive from continuing activities.

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

The comparative statement of financial activities is shown in note 30 to the financial statements.

The notes on pages 26 to 41 form part of these accounts.

THE MUSTARD TREE

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 MARCH 2024

	Note	Total Funds 2024 Group £	Total Funds 2023 Group £	Total Funds 2024 Charity £	Total Funds 2023 Charity £
Fixed assets:					
Fixed assets	16	2,266,091	2,247,379	2,266,091	2,247,379
Current assets:					
Debtors	17	158,183	259,251	158,183	290,571
Cash at bank		223,472	270,223	223,472	262,525
		381,655	529,474	381,655	553,096
Liabilities:					
Creditors: amounts falling due within one year	18	(267,441)	(392,801)	(267,441)	(392,523)
Net current assets		114,214	136,673	114,214	160,573
Total assets less current liabilities		2,380,305	2,384,052	2,380,305	2,407,952
Creditors: amounts falling due after one year	19	(185,372)	-	(185,372)	-
Total net assets		2,194,933	2,384,052	2,194,933	2,407,952
Funds of the Charity:	21				
Restricted income funds		17,043	35,869	17,043	35,869
Building Unrestricted funds		2,103,173	2,151,413	2,103,173	2,151,413
General Unrestricted funds		74,717	196,770	74,717	220,670
Total Charity funds		2,194,933	2,384,052	2,194,933	2,407,952

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

These financial statements were approved by the board of trustees and authorised for issue on 27/11/2024 and are signed on behalf of the board by:

M Adlestone OBE
Trustee

Charity resignation No. 1135192
Company Registration No: 04386613

The notes on pages 26 to 41 form part of these accounts.

THE MUSTARD TREE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2024

	2024 Group £	2023 Group £	**2024 Charity** £	2023 Charity £
Reconciliation of net cash flow from operating activities:				
Net (deficit) / surplus	(189,119)	(46,896)	(213,019)	(46,836)
Adjustments for:				
Investment income	(1,333)	(875)	(1,333)	(875)
Depreciation	98,880	92,933	98,880	92,933
Decrease / (Increase) in stocks	-	959	-	959
Decrease / (increase) in debtors	101,068	(188,701)	132,388	(188,702)
(Decrease) / Increase in creditors	(157,391)	73,468	(157,113)	73,468
	(147,895)	(69,112)	(140,197)	(69,053)
Cashflow statement				
Net cash inflow / (outflow) from operating activities:	(147,895)	(69,112)	(140,197)	(69,053)
Investing activities:				
Purchase of fixed assets	(117,592)	(62,210)	(117,592)	(62,210)
Investment income	1,333	875	1,333	875
Net cash outflow from investing activities:	(116,259)	(61,335)	(116,259)	(61,335)
Financing activities:				
Bank loan advance	220,000	-	225,000	-
Bank loan repayments	(2,597)	-	(2,597)	-
Net cash inflow from financing activities:	217,403	-	217,403	-
Net increase in cash and cash equivalents:	(46,751)	(130,447)	(39,053)	(130,388)
Cash and cash equivalents at 1 April 2023	270,223	400,670	262,525	392,913
Cash and cash equivalents at 31 March 2024	223,472	270,223	223,472	262,525

The notes on pages 26 to 41 form part of these accounts.

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. General Information

The Mustard Tree is a company limited by guarantee, incorporated in England and Wales. It consequently does not have any share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of a liquidation. The registered office is detailed on page 1.

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and 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.

The Mustard Tree meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s). 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 £.

3. Accounting Policies

The accounts have been prepared in accordance with the charity's governing document, 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).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements consolidate the results of the charity and its wholly owned subsidiary StandFirm Community Interest Company on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going Concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over the past 12 months. Whilst the impact on fundraising and retail is still subject to the wider Covid-recovery for the country, we are investing in both our staff teams and capital in order that we can develop and manage the diverse nature of the funding streams in order that we provide greater opportunities to tolerate downturns in any particular area. The operational reserves position for the charity has increased with cashflow decreasing being invested in staffing and operating developments. Cashflow remains in a solid position, and we have built a modest budget in place for the new financial year. The budget includes continued investment in the staff team to accommodate the increases in demand as well as the opportunity to strengthen the leadership team.

Charitable funds

Unrestricted funds

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

A fixed asset fund is maintained which represents the written down value of certain tangible fixed asset

Charitable funds

Restricted funds
Restricted funds are to be used for particular purposes as laid down by the provider of the funds. The board of trustees carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Incoming resources
Income is recognised when the charity 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.

Income from donations and legacies
Such income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where incomes is received in relation to a particular project or activity to be carried out over a specified period, the relevant proportion of such income is deferred so that it is recognised in the same period that the relevant expenditure is incurred and when the charity becomes entitled to it.

Gifts and donated services
As the value of services provided to the charity by volunteers cannot be quantified, they have not been included in these accounts.

Furniture, clothing, food and other items are donated for purchase by clients able to pay and are included as incoming resources within activities for generating funds. Those sold are valued at the time of sale.

Income from investments
Bank interest is included in the income and expenditure account on a receivable basis.

Government grants
Government grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Recognition of liabilities
Liabilities are recognised on the accrual's basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Allocation of incoming resources
Income from donations and other income relating to a particular activity category is allocated directly. Other income received without restriction is allocated in such a way to meet the costs not funded by restricted donations such that all costs are apportioned to the different activity categories in accordance with the accounting policies set.

Resources expended
The policy for including items within the relevant activity categories of resources expended is that all costs are allocated on a basis designed to reflect the use of the resource. Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Cost of raising funds
Costs of raising funds comprise the costs associated with attracting donations and the costs of trading for fundraising purposes.

Charitable activities
Charities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of costs within types of resources expended
Costs relating to a particular activity are allocated directly. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, insurance and governance costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. All support costs are allocated between the activity expenditure categories on a basis designed to reflect the use of the resource. Support costs are apportioned on an appropriate basis eg. Floor area, per capita or estimated usage.

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:

Freehold land and buildings	2% straight line
Fixtures, fittings &equipment	25% - 33% straight line
Motor vehicle	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 net income/(expenditure) for the year.

Impairment of fixed 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).

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.

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
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 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.

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 as transaction price and subsequently measured at amortised cost using the effective interest method.

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

Taxation
As a registered charity, The Mustard Tree is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable in part in relation to costs directly attributable to the sale of donated goods and a proportion of relevant overheads deemed attributable to such activity. The non-recoverable element of VAT in relation to overheads and other expenditure is included in the relevant costs in the statement of financial activities.

Its subsidiary, StandFirm CIC, is subject to corporation tax. StandFirm is registered for VAT and thus charges VAT on its sales and is able to recover VAT on its purchases and expenses. All figures within its accounts are stated net of VAT.

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.

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimated 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.

Significant judgements
The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Determination of whether there are indicators of impairment on the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Tangible assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

4. Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2024 £
Donations and gifts	348,394	-	348,394
Grants receivable for core activities	137,863	835,810	973,673
	486,257	835,810	1,322,067

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Donations and gifts	277,195	-	277,195
Grants receivable for core activities	-	1,255,415	1,255,415
	277,195	1,255,415	1,532,610

5. Charitable activities

	Unrestricted funds general £	Restricted funds £	Total 2024 £
Fundraising	186,967	-	186,967
Shop income	486,968	-	486,968
	673,936	-	673,936

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Fundraising	166,673	-	166,673
Shop income	447,180	-	447,180
	613,853	-	613,853

6. Investment income

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Interest receivable	1,333	875
	1,333	875

7. Other income

	Unrestricted funds general £	Restricted funds £	Total 2024 £
Rental income	60,082	-	60,082
Government grants	9,010	-	9,010
Profit on disposal of fixed assets	24,646	-	24,646
	93,738	-	93,738

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Rental income	43,085	-	43,085
	43,085	-	43,085

8. Analysis of expenditure on raising funds

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2024 £
Fundraising and publicity				
Staff costs	88,566	-	-	88,566
Direct costs	30,887	-	-	30,887
Support costs (see note 10)	41,485	4,126	-	42,561
	160,938	4,126	-	165,064
Trading costs				
Operating charity shops	204,697	-	193,558	398,255
Standfirm: cost of sales	746	-	-	746
Support costs (see note 10)	111,376	11,078	-	122,454
	316,819	11,078	193,558	521,455
Total expenditure on raising funds	477,757	15,204	193,558	686,519

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2023 £
Fundraising and publicity				
Staff costs	98,811	-	-	98,811
Direct costs	25,232	-	-	25,232
Support costs (see note 10)	38,975	4,245	-	43,220
	163,018	4,245	-	167,263
Trading costs				
Operating charity shops	366,915	-	341,140	708,055
Standfirm: cost of sales	-	-	-	-
Support costs (see note 10)	121,723	13,256	-	134,979
	488,638	13,256	341,140	843,034
Total expenditure on raising funds	651,656	17,501	341,140	1,010,297

9. Analysis of expenditure on charitable activities

	Support services & training £	Standfirm £	Total 2024 £
Staff costs	946,821	-	946,821
Direct costs	275,573	-	275,573
	1,222,394	-	1,222,394
Support costs (see note 10)	354,726	-	354,726
Governance costs (see note 10)	16,554	-	16,554
	371,280	-	371,280
Total expenditure on charitable activities	1,593,674	-	1,593,674
Analysis by fund			
Unrestricted funds – general	899,560	-	899,560
Unrestricted funds – building	33,036	-	33,036
Restricted funds	661,078	-	661,078
	1,593,674	-	1,593,674

	Support services & training £	Standfirm £	Total 2023 £
Staff costs	715,637	-	715,637
Direct costs	192,269	-	192,269
	907,906	-	907,906
Support costs (see note 10)	305,201	-	305,201
Governance costs (see note 10)	13,915	-	13,915
	319,116	-	319,116
Total expenditure on charitable activities	1,227,022	-	1,227,022
Analysis by fund			
Unrestricted funds – general	259,959	-	259,959
Unrestricted funds – building	30,740	-	30,740
Restricted funds	936,323	-	936,323
	1,227,022	-	1,227,022

10. Analysis of support costs

	Support costs	Governance costs	Total 2024
	£	£	£
Staff costs	182,112	-	182,112
Business support costs	241,799	-	241,799
Depreciation	98,880	-	98,880
Audit and accountancy	-	16,554	16,554
	522,791	16,554	539,345
Analysed between			
Fundraising	45,611	-	45,611
Trading	122,454	-	122,454
Charitable activities	354,726	16,554	371,280
	522,791	16,544	539,345

	Support costs	Governance costs	Total 2023
	£	£	£
Staff costs	117,160	-	117,160
Business support costs	271,857	-	271,857
Depreciation	92,933	-	92,933
Audit and accountancy	-	15,365	15,365
	481,950	15,365	497,315
Analysed between			
Fundraising	43,220	-	43,220
Trading	134,979	-	134,979
Charitable activities	303,751	15,365	319,116
	481,990	15,365	497,314

11. Audit Fees:

Amounts paid to auditors (excluding VAT) during the year are as follows:

	2024	2023
	£	£
Audit fees	13,980	11,615
Accountancy fees	2,574	2,300
	16,554	13,915

12. Trustees remuneration and expenses

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

One trustee received travel expenses during the year of £169 (2023: £414).

13. Staff Costs

Total staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	1,213,381	1,116,213
Social security costs	111,539	98,858
Pension costs	28,026	25,135
	1,352,946	1,240,206

During the year no redundancy payments were made (2023: £Nil).

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent (FTE) and average headcount (HC) was as follows:

	2024 FTE	2024 HC	2023 FTE	2023 HC
	No	No	No	No
Charitable activities	25	26	27	28
Fundraising activities	3	3	5	5
Trading activities	18	18	12	12
Standfirm	-	-	-	-
	46	47	44	45

There were no employees whose annual remuneration exceeded £60,000

Key management personnel

The key management personnel of the Charity comprise the Trustees, Chief Executive Officer and the Secretary. The employee benefits of the key management personnel were £112,366 (2023: £116,282).

14. Taxation

Corporation tax is payable in relation to the taxable surplus of StandFirm CIC. In the current and preceding years there have been no taxable surpluses and therefore no charge to Corporation Tax.

These are tax losses available to carry forward of £15,191 (2023 - £15,191)

15. Net Movement in funds

Net resources are stated after charging:

	2024	2023
	£	£
Auditors' remuneration	16,554	13,915
Depreciation	98,879	92,933
Operating lease rentals	6,100	6,100

16. Fixed Assets

Group

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2023	2,412,025	238,785	64,926	2,715,736
Additions	-	92,945	24,646	117,591
At 31 March 2024	2,412,025	331,730	89,572	2,833,327
Depreciation				
At 1 April 2023	239,477	174,629	54,251	468,357
Depreciation charged in the year	48,240	44,539	6,100	98,879
At 31 March 2024	287,717	219,168	60,351	567,236
Net book value				
At 31 March 2024	2,124,308	112,562	29,221	2,266,091
At 31 March 2023	2,172,548	64,156	10,675	2,247,379

Charity

	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
At 1 April 2023	2,412,025	227,028	50,609	2,689,662
Additions	-	92,945	24,646	92,945
At 31 March 2024	2,412,025	319,974	75,255	2,807,253
Depreciation				
At 1 April 2023	239,477	162,872	39,934	442,283
Depreciation charged in the year	48,240	44,539	6,100	98,880
At 31 March 2024	287,716	207,411	46,034	541,162
Carrying amount				
At 31 March 2024	2,124,307	112,563	29,221	2,266,091
At 31 March 2023	2,172,548	64,156	10,675	2,247,379

17. Debtors

	Group 2024	Group 2023	Charity 2024	Charity 2023
Amounts falling due within one year	£	£	£	£
Trade debtors	60,190	107,071	60,190	107,071
Amounts due from subsidiary undertakings	-	-	-	32,487
Other taxation and social security	7,866	11,881	7,866	10,714
Other debtors	6,449	6,667	6,449	6,667
Prepayments and accrued income	83,678	133,632	83,678	133,632
	158,183	259,251	158,183	290,571

18. Creditors: amounts falling due within one year

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Bank loan	32,031	-	32,031	
Trade creditors	109,683	85,978	109,683	85,700
Deferred income	72,133	258,546	6,074	258,546
Other creditors	24,004	16,441	24,004	16,441
Accruals	29,590	31,836	29,590	31,836
	267,441	392,801	267,441	392,523

Deferred income above comprises of:

	2024	2023
	£	£
Balance at 1 April	258,546	219,227
Amount deferred in the year	66,059	225,399
Amount released to incoming resources	(252,472)	(186,080)
Balance at 31 March	72,133	258,546
Deferred income is made up of:		
Income received in advance	72,133	254,456

19. Creditors: amounts falling due afterone year

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Bank loan	185,372	-	185,372	
	185,372	-	185,372	-

20. Retirement benefit schemes

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

At the year-end contributions payable to the scheme totalled £21,944 (2023: £15,540).

21. Statement of funds

Group

	1 April 2023 £	Incoming Resources £	Resources Expended £	31 March 2024 £
Unrestricted funds:				
General unrestricted funds	196,770	1,255,264	(1,377,317)	74,717
Building unrestricted funds	2,151,413	-	(48,240)	2,103,173
	2,348,183	1,255,264	(1,425,557)	2,177,890
Restricted income funds	35,869	835,810	(854,636)	17,043
	2,384,052	2,091,074	(2,280,193)	2,194,933

	1 April 2022 £	Incoming Resources £	Resources Expended £	31 March 2023 £
Unrestricted funds:				
General unrestricted funds	173,377	935,008	(911,615)	196,770
Building unrestricted funds	2,199,654	-	(48,241)	2,151,413
	2,373,031	935,008	(959,856)	2,348,183
Restricted income funds	57,917	1,255,415	(1,277,463)	35,869
	2,430,948	2,190,423	(2,237,319)	2,384,052

Charity

	1 April 2023 £	Incoming Resources £	Resources Expended £	31 March 2024 £
Unrestricted funds:				
General unrestricted funds	220,670	1,255,264	(1,377,317)	74,717
Building unrestricted funds	2,151,413	-	(48,240)	2,103,173
	2,372,083	1,255,264	(1,425,557)	2,177,890
Restricted income funds	35,869	835,810	(854,636)	17,043
	2,407,952	2,091,074	(2,280,193)	2,194,933

	1 April 2022 £	Incoming Resources £	Resources Expended £	31 March 2023 £
Unrestricted funds:				
General unrestricted funds	197,277	935,008	(911,615)	220,670
Building unrestricted funds	2,199,654	-	(48,241)	2,151,413
	2,396,931	935,008	(959,856)	2,372,083
Restricted income funds	57,917	1,255,415	(1,277,463)	35,869
	2,454,848	2,190,423	(2,237,319)	2,407,952

Analysis of Restricted Income Funds

	31 March 2024 £	31 March 2023 £
Albert Gubay – development of Little Hulton	12,468	25,194
Clothworkers – purchase of motor van	4,575	10,675
	17,043	35,869

22. Analysis of net assets between funds

	Unrestricted funds General	Unrestricted funds Building	Restricted funds	Total 2024
	£	£	£	£
Tangible assets	157,496	2,104,020	4,575	2,266,091
Net current (liabilities)	114,214	-	-	114,214
Long term liabilities	(185,372)	-	-	(185,372)
	86,338	2,104,020	4,575	2,194,933

	Unrestricted funds General	Unrestricted funds Building	Restricted funds	Total 2023
	£	£	£	£
Tangible assets	60,097	2,151,413	35,869	2,247,379
Net current assets	136,673	-	-	136,673
	196,770	2,151,413	35,869	2,384,052

23. Unrestricted funds – building

These are unrestricted funds which are material to the charity's activities made up as follows:

The unrestricted fund - building represents amounts expended on The Big Rebuild Project, less depreciation charged to date.

24. Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

25. Operating lease commitments

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	1,872	2,616
Between two and five years	2,321	4,098
	4,193	6,714

26. Related party transactions

During the year, donations were received from trustees totalling £49,264 (2023: £45,292).

There were no other related party transactions.

27. Subsidiaries

Details of the charity's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held direct
StandFirm CIC	England & Wales	Dormant	Limited by guarantee	100 %

During the previous year the company ceased to trade during the year and is non-trading. Its Company Number is 07500328 and the registered office is 110 Oldham Road, Ancoats, Manchester, M4 6AG.

28. Results of the charitable company

The company has taken advantage of Section 408 of the Companies Act 2006 and not included its own income and expenditure account in these financial statements. The net outgoing resources of the Company for the year were £213,019 (2023 outgoing resources £46,896).

29. Analysis of changes in net debt

Group and charity	1 April 2023 £	Cashflows £	31 March 2024 £
Cash at bank	270,223	(46,751)	223,472
Bank overdraft	-	-	-
	270,223	(46,751)	223,472
Debt due within one year			
Loans	-	(32,021)	(32,021)
	-	(32,031)	(32,021)
Debt due in greater than one year			
Loans	-	(185,372)	(185,372)
	-	(185,372)	(185,372)
Total	270,223	(264,153)	6,070

Group	1 April 2022 £	Cashflows £	31 March 2023 £
Cash at bank	400,670	(130,447)	270,223
Charity			
Cash at bank	392,913	(130,388)	262,525

30. Prior year Statement of Financial Activities

	Unrestricted Funds General 2023 £	Unrestricted Funds Building 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Income and endowments:				
Donations and legacies	277,195	-	1,255,415	1,532,610
Charitable activities	613,853	-	-	613,853
Investment income	875	-	-	875
Other income	43,085	-	-	43,085
Total Incoming resources	**935,008**	**-**	**1,255,415**	**2,190,423**
Expenditure on:				
Raising funds				
Fundraising and publicity	163,018	4,245	-	167,263
Trading costs	488,638	13,256	341,140	843,034
	651,656	17,501	341,140	1,010,297
Charitable activities				
Progression	259,959	30,740	936,323	1,227,022
StandFirm	-	-	-	-
	259,959	30,740	936,323	1,227,022
Total resources expended	**911,615**	**48,241**	**1,277,463**	**2,237,319**
Net Income / (expenditure) for the year	23,393	(48,241)	(22,048)	(46,896)
Reconciliation of funds:				
Total funds brought forward	173,377	2,199,654	57,917	2,430,948
Total funds carried forward	**196,770**	**2,151,413**	**35,869**	**2,384,052**

THE MUSTARD TREE

England & Wales - Charity number 1135192

Accounts

Charity Number: 1135192

Company Number: 04386613 (England & Wales)

THE MUSTARD TREE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

THE MUSTARD TREE

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity number:	1135192
Registered Company number:	04386613
Principal and Registered Office:	110 Oldham Road, Ancoats, Manchester, M4 6AG
Trustees:	M I Adlestone OBE DL Chair of Trustees J K Kielty Professor V S Shah MBE DL P G Wenham (resigned 30.11.2022) R J Caulfield C L Norman N Wertheim D Clark DL (appointed 11.02.2023) R Page (resigned 26.04.2022) A Preston (resigned 14.04.2022)
Chief Executive Officer:	J Walby
Secretary:	G Woodworth
Auditor:	Beever and Struthers Chartered Accountant and Statutory Auditor St George's House 215-219 Chester Road Manchester M15 4JE
Bankers:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Mulling Kent ME19 4JQ
Solicitors:	Glaisyers 1 St James's Square Manchester M2 6DN

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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

The management team and Trustees are pleased to present the annual report together with the consolidated financial statements of the charity for the year ending 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 2019).

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THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023



Welcome and Overview from
Chair Mark Adlestone OBE DL
and CEO Jo Walby



We are pleased to present Mustard Tree's annual report and audited accounts for 2022-23.

Mustard Tree is passionate about our mission to **combat poverty and prevent homelessness** and we have never been more relevant due to the realities of the cost of living crisis.



Greater Manchester has many assets and is a great place to live. However, across the UK, there are increasing numbers of people that are falling into cycles of poverty and homelessness as shown by record numbers in temporary accommodation (94,800 families in June 2022 - https://commonslibrary.parliament.uk/research-briefings/sn02110/)

In Greater Manchester, there are increasing numbers of families living below the poverty line (620,000 – source Greater Manchester Poverty Action Report 2022) with over 4,000 people homeless or in temporary accommodation. These numbers are significant and growing.

Over the past 12 months, our charity has developed to meet this demand, **working to our values.** Mustard Tree offers a hand-up not hand out as our 30-year experience shows us that people want the dignity of independence. We embrace partnership working and value the diversity and expertise of partners who support and believe in the potential of the people we work with.

Ultimately, our focus is to create opportunities for people to improve their **economic wellbeing** and find **settled homes.** We do this through; Community Shops, Freedom Training placements, Support services, Gifting schemes, Vocational training, and Creative courses, offering a consistent, warm welcome to all.

1. IMPACT

We have supported more people across all areas of the charity this year with 9209 active clients and thanks to our financial supporters, we have grown to meet this need. For example, in March 2023, we saw a record footfall of 10,577 people coming into the charity during that month. We have registered 5116 new people into our services this year compared to 3032 people the previous year and despite reducing our food club provision, we saw record numbers of people rely on us to feed their families.

The table below shows the increase in numbers of people we support and the trend over the past 6 years.

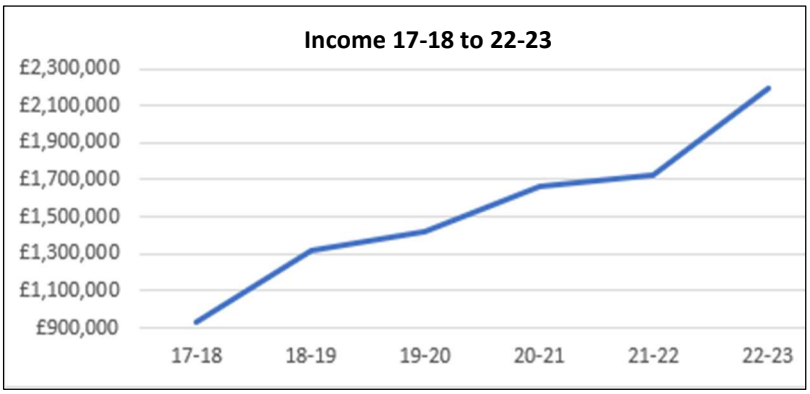
PERFORMANCE INDICATORS – INDIVIDUALS	17-18	18-19	19-20	20-21	21-22	22-23
Freedom – skills, work and coaching placement	163	208	244	40	131	**266**
Support for new tenancies including gifted furniture	492	736	1279	585	891	**952**
Training (English Language, Customer Service, IT, Job Club)	382	510	650	238	594	**998**
121 Support - hardship loans, finance & housing	175	225	403	1030	1956	**2240**
Families who use the Food Clubs	347	485	580	3049	3889	**5703**

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

2. FINANCIAL REVIEW



Our revenue increased to just over £2.1million in 2022-2023.

Despite critical pressures on energy, food, and fuel costs, we delivered an EBITDA surplus of £46,037 before depreciation which equates to 2.1% of our income for the year.

This result protects the level of unrestricted reserves at £196,770.

This year has been financially challenging - managing inflation across the cost base, whilst generating sufficient income to allow for the increasing demand. Key changes delivered in the financial year 2022-23:-

- Income target was £1.74 million and actual was £2.1 million
- Salary Inflation Plan was 2% from October - actual was between 5-9.5% from August.
- Fuel inflation planned at 17% - actual ranged from 43% down to 27%.
- Utilities – 55% increase in the plan - actual was 95%
- Food costs driven by demand planned 7% decrease, actual 89% increase in price inflation and demand

The community shops were very successful, and we gifted more than 40% of items in the shops directly to those in need. Our fundraising team also delivered more than the budget. We have improved salaries, embraced the real Living Wage, and also invested in maintaining our infrastructure and building repairs.
2022-23 financial performance was positive – especially when considering such fundamental cost challenges – however the reality of managing cashflow with modest reserves remain and we rely on the fundamental support of our donor relationships.

Summary
The full year EBITDA of £46k against a plan of £34k which given the above is an exceptional year. The closing cash at bank position of £270k includes a capital spend £61k. (Budget was £317k pre capital).

The Pre-audit surplus will protect the level of unrestricted reserves presented at the previous trustee meeting of £198k as agreed.

Reserves
Our objective is to build a minimum reserve to cover 3 months unavoidable expenditure to cover the necessity of closedown, or unforeseeable delays in receiving funds from donors. The minimum reserves required for this are £198k. This is based on staffing and associated overhead costs including contractual obligations.

At the year end the charity had reserves as follows: -

- £196,770 which are deployable and are able to be spent on any of the charity's activities (unrestricted reserves)
- £35,869 which represents donations made where the donor has specified a particular purpose for their funds (restricted reserves)

The unrestricted reserves balance is in line with the reserves policy.

Land and buildings
The charity maintains land and buildings worth £2,151,413 (representing donations already invested) which are therefore not able to be deployed for any other purpose.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

3. 2022-23 OBJECTIVES



We maintained the Key Performance Indicators (KPIs) we have been working to since 2018 to enable consistency and evaluate trends.

Our objectives in 2022-23 were to focus on some of the causes of homelessness and poverty to help people increase their income through more training, more work placements and developing our Freedom work, skills, and coaching programme.

We hoped to stabilise our response to the need for food parcels and emergency support. Stabilise did not mean reduce – it meant control the growth to more manageable levels -especially in food.

However, the reality this year is that more people have struggled financially and that we saw unprecedented demand for emergency help. Queues around the building before we open are common across all sites.

Our results did show achievement of some of the strategic objectives with more people on the Freedom project, more people in training, more people with work outcomes. We reduced the investment spent on food from the heights of £37,000 a month to £27,000 a month through new food partnerships and reducing the range. We also consulted with our service users to work out an increase to the food club cost of £3 a visit for 10 items typically worth between £12-£15. Despite these changes, the numbers of people coming into the charity for food and emergency support increased from previous years. The impact is that we could not invest in new staff members to increase our Freedom and training offers as we had to try and cope with demand for food and emergency support. Our learning was that plans cannot exist in isolation and that the cost of living crisis will be deeper and longer than we had hoped.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

4. KEY HIGHLIGHTS

Salford



We expanded our in house training and Freedom programmes across Salford sites. In Little Hulton and Eccles, 38 people completed Freedom with 16 people securing long term employment and education placements.

We brought the Repair and PAT testing training scheme to Salford which included training Freedom volunteers in repairing, cleaning, function, and PAT testing of electronic items. This resulted in more donations of white goods that were recycled through our community shops.



English Language classes have been expanded with 4 structured courses and 2 English Conversations clubs held in Ancoats each week. We also developed English Language classes in Little Hulton with over 500 attendances and welcome back the founder of Mustard Tree, Dave Smith as a volunteer teacher!

In January 2023, we started a unique partnership to develop and link up accessible work and skills support with key charities in Salford, co-ordinated by Salford CVS. This programme is funded by Albert Gubay Charitable Foundation and aims to provide a range of services to support, train and prepare people furthest from the job market to gain skills and employment. The work aligns with Salford City Council's wider approach to education, training and employment and offers a range of complementary projects run by specialists in the charity sector.

Training in Food and Catering



The charity secured a '5 Star' food rating in August 2022 for the food offers including canteen and café. This work was an example of the commitment and excellence of the whole team.

Our busy canteen feeds over 100 people most days and is a great, realistic training environment across all areas of food and menu preparation. Our café provides 'front of house' experiences including Barista training.

We know that Greater Manchester has a fantastic hospitality sector and thanks to key partnerships with local hotels and restaurants, this remains one of the most successful areas of the charity for work outcomes.

Key partners in food and work placements this year included Change Please coffee shop in Manchester, Clayton Airport hotel, Maldron Hotel and Manchester Hoteliers Association who also gave financial support this year.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Partnership

Mustard Tree works with partners to provide the best access to the best opportunities for people to improve their lives. The Department for Work and Pensions extended an innovative grant to support our onsite training and support placements. We continue to host Manchester's Street Engagement Hub; a multi-agency offer for people begging on the streets.



Caritas and CGL have remained as key onsite partners in our Ancoats Hub offering accredited English language training and drug and alcohol recovery services respectively.

Our corporate partners remain vital to the running of the charity. Cash donations are vital to help us keep going and we also value volunteering and work placements for our Freedom trainees.

This picture shows Rob at a work placement with one of our partners – The Rug Seller.

We thank our partners and supporters for their good will, commitment, and belief in our mission. Our funders and supporters enable us to play our part to meet the needs of those in poverty and facing homelessness and we appreciate every contribution.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Moving from 'Food to Freedom'

The charity has started to build an evidence base of data and case studies to show how people move on from poverty and homelessness into longer term support and ultimately independence – for example, from Food club to training; from English language training to Freedom; from Freedom into work…

The examples below show the journey of 2 people who despite the difficulties they faced, came to Mustard Tree and seized the opportunities to make steps forward to improve their lives.

Bruce's story

Bruce was sleeping rough when he visited Mustard Tree in April 2022. After the breakdown of a 27-year relationship, he fell into a depression, which eventually led to him becoming homeless.

Bruce visited the **Street Engagement Hub** at Mustard Tree and received help to access accommodation Additionally, Bruce got a hot meal and was given essential items and help by the support team:

"I needed help. I didn't know what to expect; I just came to Mustard Tree expecting they could give me food – but I got much more, they sorted everything out for me"

In August 2022, Bruce began taking part in Mustard Tree's Creative art Classes, having lunch onsite and becoming part of the community.

"The staff are very kind, very friendly, very knowledgeable, engaging, caring. I trust them - and that's a big one for me. If I speak to someone at Mustard Tree, I feel it's going to get sorted. It's been my saviour this place".

In December 2022, Bruce secured a new job, and has moved on from supported accommodation after finding a new home. Bruce is feeling more positive about the future and is an inspiration.



STREET ENGAGEMENT HUB

STREET ENGAGEMENT HUB MANCHESTER

Bernard and his family

Bernard and his wife were seeking asylum in the UK. In his home country, Bernard was a Telecoms Project Manager and had a good life – he didn't want to leave but needed to protect his family.

In June 2022, Bernard's wife registered with Mustard Tree to access the **food club**. They were seeking asylum so not allowed to work. Bernard saw the Freedom Open Day poster:

"I've been a busy person all my life, and I found not working very strange. If you have been doing something all your life and then you're not allowed to support your family, it affects you'

After training on the **Freedom Project,** Mustard Tree (in partnership with BAM Construction) found Bernard a voluntary Telecoms work placement with Siemens. Bernard says it felt like he was given a lifeline:

'The work placement was morale booster. It made me feel better getting up in the morning'

Bernard is still waiting for his asylum assessment hoping to secure his status, so he can continue his employment journey in the UK

'My experience with Mustard Tree has been very, very great and surpassed what I imagined. '

'There can be a stigma attached to being an 'asylum seeker' but I didn't feel that at all – I just want to work and contribute'.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Charity Mission and Values

Our mission is to **Combat Poverty and Prevent Homelessness.** Mustard Tree supports people across Greater Manchester, tackling both the causes and consequences of poverty. Mustard Tree creates opportunities for people to improve their economic wellbeing and find settled homes.

- We offer open door access to our services – we work with anyone in hardship who calls or walks through our doors and offer 121 support and a dignified, warm welcome to all.
- We offer large scale recycling and reuse of items that people don't need directly to those people who do through our community shops - gifting up to 40% of stock to those most in need safely and appropriately
- We offer an exceptional combination of training, onsite work experiences and psycho-social support through our Freedom Project, groups, and training - building skills, self-belief, and economic wellbeing

Mustard Tree has developed a set of values that underpins all the work we do. By embedding these values, we define how we work with each other and other people. Our values are:

Belief – in people, working with people where they are, focusing on strengths
Dignity - kindness, respect and compassion underlie how we work
Opportunity – creating opportunities for people to improve their lives
Diversity – embracing the differences and valuing the contribution of all
Partnership – commitment to working in partnership

The charity has 3 Community Shops in Ancoats, Eccles and Little Hulton offering access to free or low-cost food through the food club and pre-loved clothing and household essentials such as furniture, electrical items, and white goods. Our helpdesk and online donation forms provide a route for people to donate unwanted items that we collect in our furniture vans.

We help people through 121 support focussing on finances and moving into accommodation. We help people into new tenancies through the provision of furniture and other items, helping people out of homelessness into settled homes.

Mustard Tree provides in-house training in Customer Service; English (ESOL) and Digital Confidence and we host other partners who also provide training courses. We run a structured vocational training programme – 'the Freedom Project' - through which people get involved in the enterprise side of Mustard Tree. The Freedom trainees undertake training and real-life work experiences to help us to run the charity through:

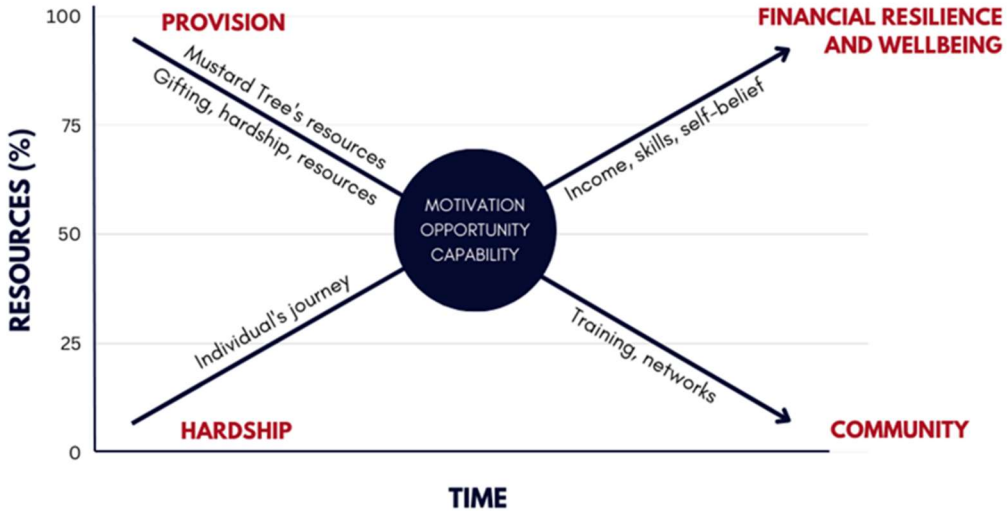
- Customer services in retail
- Warehouse skills in furniture collection/distribution
- Repair and PAT testing of white goods donated to the charity
- Food hygiene and catering skills in our industrial kitchen, food clubs and café
- Cleaning and facilities experience in running of our buildings

Mustard Tree tackles poverty of experience through providing creative activities such as art groups, writing groups and creative showcases. By helping people engage creatively, we help build confidence, recover self-esteem, and unleash new potential.

Improvements in health and wellbeing are provided through increasing access to health services and partnering with health providers on campaigns and hosting services onsite.
In 2022-23, the charity had 45 staff members and 100 volunteers as well as 266 trainees helping run the organisation.

5. Our Model

Mustard Tree creates the opportunity for people to access support and to help themselves. We flex our support depending on the needs of the person as outlined below:



When a person first comes into the charity, we provide practical as well as psych-social support. As the person's resilience and wellbeing increases, our provision reduces. Mustard Tree supports the individual to develop the **motivation, capability** and creates the **opportunity** for positive change.

We work to an evidence base of Motivational Interviewing and trauma-informed support that underpins our Psycho-social support services, courses, and groups. Our front line support staff undergo monthly external supervision with an expert Clinical Psychologist to provide support and accountability of practice. All our Operational staff colleagues are Trainers and Mentors as well as skilled in each area of the charity — e.g.: Driver Mentors, Retail Trainers and they are trained to identify risk and issues with wellbeing. The whole organisation is focussed on helping people to improve their emotional as well as financial wellbeing and driving our mission of combatting poverty and preventing homelessness.

6. Public benefit

The public benefits that flow from the charity are as follows:

1. Enhanced economic wellbeing with access to low cost food, clothing, and household essentials for individuals facing poverty, homelessness and in need of help
2. Prevention of homelessness through 121 support in helping people retain and manage their tenancies, advocacy with landlords and creditors and through helping people manage their finances
3. Supporting people to develop greater work and social skills, better employment options and improved economic wellbeing and through training and Freedom programmes
4. Enhanced access to health and wellbeing support, particularly for those facing multiple barriers such as homelessness, addiction, poor mental health, poor literacy, and problems with communication.
5. Raised awareness of poverty and homelessness in and around Manchester, leading to increases in self-esteem through helping others

7. Plans for the future period

Mustard Tree has reached a step-change moment in the charity's history where we have effectively responded to generational challenges of Covid-19 and the 'Cost of Living crisis' and we have grown to meet this demand. The reality is that this demand is only going to continue over the next few years due to the lack of affordable housing and pressures of inflation and low wages. How we respond to this demand, safeguard the charity, and create the most opportunities for the people we support will be of critical importance for the next 3 years.

Objectives - By 2026 we will:

1. **Help 30,000 people increase their financial wellbeing, increase their skills, increase self-belief, and ultimately reduce poverty across Greater Manchester**
2. **Help 3,000 people make settled homes and prevent homelessness across Greater Manchester**
3. **Develop a world-class organisation to support the delivery of our services so we can do more to the best of our ability**
4. **Increase connectivity and community networks and reduce social isolation across Greater Manchester**

Mustard Tree will target our efforts on what we are best at and what we think will have the most impact in combatting poverty and preventing homelessness, whilst maintaining and honouring our values.

We will focus on a 12 quarter plan which will help us to think longer, and we will invest in what we need to do to further develop the strength and impact of the charity.

Our plan is to increase income to £2.6 million over 2023-4 through increasing fundraising, maximising the assets we can control such as the café and hiring out the building and in securing a further public sector contract. We will invest in adding key support and front line roles to the charity and in training and development.

8. Going concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over recent years during the external challenges remaining from Covid-19 and more recent cost of living crisis. Whilst the impact on fundraising and retail is still subject to the wider cost constraints within the country, we are investing in both our staff teams and capital so that we can continue to safely grow the organisation to meet the demand. We will further develop the diverse nature of our funding streams to tolerate downturns in any particular area. The operational reserves position for the charity has increased with cashflow invested in staffing and operating developments. Cashflow remains in a solid position, and we are budgeting for a modest surplus next year to add to reserves. We have agreed an ambitious budget for the new financial year with the tools to reduce expenditure in areas such as food and new roles should the additional income prove challenging to

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

Structure and Governance

The charity is a company limited by guarantee. The **trustees**, who are also the directors for the purpose of company law, and who served during the year were:

M I Adlestone OBE DL Chair of Trustees
J K Kielty
Professor V S Shah MBE DL
P G Wenham (resigned 30.11.2022)
R J Caulfield
C L Norman
N Wertheim
D Clark DL (appointed 11.02.2023)
R Page (resigned 26.04.2022)
A Preston (resigned 14.04.2022)



New trustees are elected following an open recruitment process and filled by analysing gaps in the skills, capacity, and experience of existing trustees. New trustees receive a full induction.

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

Oversight of all activities is managed by the Trustee Board. They approve the budget, capital projects, any changes in strategic direction, and appoint the CEO. The daily functions are managed by a Senior Management Team of the CEO, Jo Walby and Head of Finance, Graeme Woodworth.

Management accounts with key performance indicators are reviewed by the management team monthly and the Trustees evaluate and review these documents every two months. Monthly management meetings also review Incidents and Safeguarding, HR and training and Case Management of Freedom Volunteers.

The Mustard Tree is the sole member of StandFirm CIC, a company limited by guarantee. All StandFirm board members are appointed by The Mustard Tree trustees and the CEO of The Mustard Tree sits as a director on the StandFirm board. This company did not trade within the year and The Trustees have agreed that to start the process to close this company.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code, namely to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction.
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

9. Management of Key Risks and Uncertainties

The Organisation risk register is updated on a quarterly basis and audits of Health and Safety systems and processes are also carried out once a month across each site.

An overview of Incidents and Near Misses are reviewed each month during a Safeguarding Review meeting, chaired by the CEO. The Chair of Trustees is notified the same day of any Serious and Untoward Incidents with a written report completed and submitted to the chair within 72 hours.

An annual training plan is ongoing in line with H & S compliance this includes introduction to health and safety; safeguarding; first aid; fire marshalling; motivational interviewing and case management; professional boundaries. During the year, The Mustard Tree have qualified a further 3 staff on Institution of occupational safety and health accreditation.

10. Employee Involvement

The charity's policy is to consult and discuss with employees, directly and at staff meetings, matters likely to affect employees' interests. Information of matters of concern to employees are given through team meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance. Evidence of this approach include the decision to move the charity to become a Living Wage employer during this financial year and to support the roll out of the Living Wage approach to other employers across Greater Manchester.

There are managers across all areas of the charity including: Retail and Logistics; Services; Training; Food; Facilities; Fundraising and Partnerships. Each manager holds regular 121s with their staff as well as team meetings and staff members are encouraged to contribute their ideas, views, and opinions. We are introducing formal annual appraisals, and, in the meantime, staff members are encouraged to feedback during their 121s.

Monthly management meetings are held in which each manager provides a verbal update to their monthly reports submitted to the CEO.

Organisation policies and processes are stored electronically on the HR database – 'People HR' and each staff member has individual access to this system.

Safeguarding, Incident Management and Boundaries Training sessions are held at least every 2 months to brief new starters and to provide further learning refresh courses for existing colleagues.

11. Fundraising disclosure

Fundraising within Mustard Tree is controlled by the CEO and Head of Finance and development and delivered through the Fundraising officers employed by the charity. Fundraising covers areas including Trust and Grants, Individual giving, Corporates and community of which all activity is controlled and managed by the fundraising team. Mustard Tree is registered with the fundraising regulator and follows their advice and good practice. Any new or existing funders are regularly reviewed by the head of development in line with the charity objects and partnership engagement process. Any event based fundraising is managed and reviewed by the fundraising officer via Mustard Trees fundraising CRM and regular stewardship via the fundraising team, this controls the method as defined by the donor on how they want to be communicated to, communication when agreed is aligned to our GDPR policies.

12. Remuneration of key management personnel

Annual benchmaking is conducted using agencies and organisations specific to the key management roles. The CEO determines the Head of Finance and development pay using this process. The CEO pay follows this same procedure but is presented to the chair of trustee for board approval on an annual basis.

13. Thank you to our supporters

Without the backing of our supporters, partners, and volunteers - navigating through the challenges and fallout of the Covid-19 pandemic would have been impossible. The belief which was shown by our partners gave us the confidence to diversify to meet the growing need – knowing that we would not be facing these challenges alone.

We want to say a special thank you to our major supporters who have been essential to this year including:

The Oglesby Charitable Trust and Oglesby Family

The Zochonis Charitable Trust

The Albert Gubay Charitable Foundation

The Garfield Weston Foundation

The National Lottery Community Fund

The Dashlight Foundation

The Henry Smith Charity

The Access Foundation

The Swire Charitable Trust

Nationwide Community Grants

Salford CVS

For Housing

Watson Homes

Department of Work and Pensions

Manchester City Council and staff

Salford City Council and staff



Thank you to our **Charity of the Year** Partners including: - Hill Dickinson, Lovell Homes, Shoosmiths LLP, Gateley Legal and our longest standing corporate partner – Watson Homes.

The support of our Patron, Sir Warren Smith is as valued and important to the charity as ever and we appreciate the guidance shown this year.

We want to thank all our partners in the Voluntary, Community and Social Enterprise sector (VCSE). The passion, resilience and courage shown by charities in Manchester and Salford is awe inspiring and makes Greater Manchester a better place.

We would also like to thank all our individual fundraisers and the In-kind support we receive as this continues to provide opportunities where financial contributions may not be possible. As well as countless food and clothing donations, businesses, volunteers and communities have rallied to provide items to support our clubs and classes. Thank you.

Special thanks and appreciation must go to the staff members, volunteers, and trustees for all the continued hard work, passion, and joy they bring to our charity.

14. Trustees' responsibilities in relation to the financial statements

The trustees, who are also the directors of The Mustard Tree 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; an
- 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 of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
In accordance with the company's articles, a resolution proposing that Beever and Struthers, be reappointed as auditor of the company, will be put at a General Meeting.

Disclosure of Information to the Auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



M Adlestone OBE DL
Trustee

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

FOR THE YEAR ENDED 31 MARCH 2023

Opinion
We have audited the consolidated financial statements of The Mustard Tree (the 'charity') and StandFirm CIC ('the subsidiary') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, Including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistences or apparent material misstatements, we are required to determine whether there is material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there it a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

FOR THE YEAR ENDED 31 MARCH 2023

Opinions on other matters prescribed by the Companies Act 2006.
In our opinion, based on the work undertaken in the course of our audit:

- The information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by the law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using to going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed bel

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, the Charities Act 2011, taxation legislation, data protection, safeguarding, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE

YEAR ENDED 31 MARCH 2023

Use of our report

This report is made solely to charitable company's members, as a body in accordance with Chapter 3 of Part 16 of the Company's Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Beever and Struthers
Chartered Accountants
St George's House
215-219 Chester Road
Manchester M15 4JE

Date:

THE MUSTARD TREE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds General 2023 £	Unrestricted Funds Building 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments:						
Donations and legacies	4	277,195	-	1,255,415	1,532,610	1,175,252
Charitable activities	5	613,853	-	-	613,853	483,491
Investment income	6	875	-	-	875	18
Other income	7	43,085	-	-	43,085	67,596
Total Incoming resources		**935,008**	**-**	**1,255,415**	**2,190,423**	**1,726,357**
Expenditure on:						
Raising funds						
Fundraising and publicity	8	163,018	4,245	-	167,263	115,652
Trading costs	8	488,638	13,256	341,140	843,034	626,855
		651,656	17,501	341,140	1,010,297	742,507
Charitable activities						
Support services and training	9	259,959	30,740	936,323	1,227,022	1,028,437
StandFirm	9	-	-	-	-	254
		259,959	30,740	936,323	1,227,022	1,028,691
Total resources expended		**911,615**	**48,241**	**1,277,463**	**2,237,319**	**1,771,198**
Net Income / (expenditure) for the year		23,393	(48,241)	(22,048)	(46,896)	(44,841)
Reconciliation of funds:	21					
Total funds brought forward		173,377	2,199,654	57,917	2,430,948	2,475,789
Total funds carried forward		**196,770**	**2,151,413**	**35,869**	**2,384,052**	**2,430,948**

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

Incoming resources and resources expended derive from continuing activities.

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

The comparative statement of financial activities is shown in note 30 to the financial statements.

The notes on pages 18 to 33 form part of these accounts.

THE MUSTARD TREE

CONSOLIDATED AND CHARITY STATEMENT BALANCE SHEET

AS AT 31 MARCH 2023

	Note	Total Funds 2023 Group £	Total Funds 2022 Group £	Total Funds 2023 Charity £	Total Funds 2022 Charity £
Fixed assets:					
Fixed assets	16	2,247,379	2,278,102	2,247,379	2,278,102
Current assets:					
Stock	17	-	959	-	959
Debtors	18	259,251	70,550	290,571	101,869
Cash at bank		270,223	400,670	262,525	392,913
		529,474	472,179	553,096	495,741
Liabilities:					
Creditors: amounts falling due within one year	19	(392,801)	(319,333)	(392,523)	(319,055)
Net current assets		136,673	152,846	160,573	176,686
Total net assets		2,384,052	2,430,948	2,407,952	2,454,788
Funds of the Charity:	21				
Restricted income funds		35,869	57,917	35,869	57,917
Building Unrestricted funds		2,151,413	2,199,654	2,151,413	2,199,654
General Unrestricted funds		196,770	173,377	220,670	197,217
Total Charity funds		2,384,052	2,430,948	2,407,952	2,454,788

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

These financial statements were approved by the board of trustees and authorised for issue on …….. and are signed on behalf of the board by:



M Adlestone OBE DL
Trustee

Charity resignation No. 1135192
Company Registration No: 04386613

The notes on pages 18 to 33 form part of these accounts.

THE MUSTARD TREE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	2023 Group £	2022 Group £	**2023 Charity** £	2022 Charity £
Reconciliation of net cash flow from operating activities:				
Net (deficit) / surplus	(46,896)	(44,841)	(46,836)	(39,748)
Adjustments for:				
Investment income	(875)	(18)	(875)	(18)
Depreciation	92,933	83,229	92,933	83,170
Decrease / (Increase) in stocks	959	(191)	959	(191)
Decrease / (increase) in debtors	(188,701)	61,224	(188,702)	23,745
(Decrease) / Increase in creditors	73,468	(173,860)	73,468	(145,703)
	(69,112)	(74,457)	(69,053)	(78,745)
Cashflow statement				
Net cash (outflow) / inflow from operating activities:	(69,112)	(74,457)	(69,053)	(78,745)
Investing activities:				
Purchase of fixed assets	(62,210)	(75,397)	(62,210)	(75,397)
Investment income	875	18	875	18
Net cash outflow from investing activities:	(61,335)	(75,379)	(61,335)	(75,379)
Net increase in cash and cash equivalents:	(130,447)	(149,836)	(130,388)	(154,124)
Cash and cash equivalents at 1 April 2022	400,670	550,506	392,913	547,037
Cash and cash equivalents at 31 March 2023	270,223	400,670	262,525	392,913

The notes on pages 18 to 33 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. General Information

The Mustard Tree is a company limited by guarantee, incorporated in England and Wales. It consequently does not have any share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of a liquidation. The registered office is detailed on page 1.

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and 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.

The Mustard Tree meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s). 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 £.

3. Accounting Policies

The accounts have been prepared in accordance with the charity's governing document, 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).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements consolidate the results of the charity and its wholly owned subsidiary StandFirm Community Interest Company on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going Concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over the past 12 months. Whilst the impact on fundraising and retail is still subject to the wider Covid-recovery for the country, we are investing in both our staff teams and capital in order that we can develop and manage the diverse nature of the funding streams in order that we provide greater opportunities to tolerate downturns in any particular area. The operational reserves position for the charity has increased with cashflow decreasing being invested in staffing and operating developments. Cashflow remains in a solid position, and we have built a modest budget in place for the new financial year. The budget includes continued investment in the staff team to accommodate the increases in demand as well as the opportunity to strengthen the leadership team.

Charitable funds

Unrestricted funds

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

A fixed asset fund is maintained which represents the written down value of certain tangible fixed asset

Charitable funds

Restricted funds
Restricted funds are to be used for particular purposes as laid down by the provider of the funds. The board of trustees carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Incoming resources
Income is recognised when the charity 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.

Income from donations and legacies
Such income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where incomes is received in relation to a particular project or activity to be carried out over a specified period, the relevant proportion of such income is deferred so that it is recognised in the same period that the relevant expenditure is incurred and when the charity becomes entitled to it.

During the year the charity received grants from the UK Government Coronavirus Job Recovery Scheme. This income has been matched to the payroll costs to who it relates and has been included in other income.

Gifts and donated services
As the value of services provided to the charity by volunteers cannot be quantified, they have not been included in these accounts.

Furniture, clothing, food and other items are donated for purchase by clients able to pay and are included as incoming resources within activities for generating funds. Those sold are valued at the time of sale.

Income from investments
Bank interest is included in the income and expenditure account on a receivable basis.

Government grants
Government grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Recognition of liabilities
Liabilities are recognised on the accrual's basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Allocation of incoming resources
Income from donations and other income relating to a particular activity category is allocated directly. Other income received without restriction is allocated in such a way to meet the costs not funded by restricted donations such that all costs are apportioned to the different activity categories in accordance with the accounting policies set.

Resources expended
The policy for including items within the relevant activity categories of resources expended is that all costs are allocated on a basis designed to reflect the use of the resource. Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Cost of raising funds
Costs of raising funds comprise the costs associated with attracting donations and the costs of trading for fundraising purposes.

Charitable activities
Charities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of costs within types of resources expended
Costs relating to a particular activity are allocated directly. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, insurance and governance costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. All support costs are allocated between the activity expenditure categories on a basis designed to reflect the use of the resource. Support costs are apportioned on an appropriate basis eg. Floor area, per capita or estimated usage.

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:

Freehold land and buildings	2% straight line
Fixtures, fittings &equipment	25% -33% straight line
Motor vehicle	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 net income/(expenditure) for the year.

Impairment of fixed 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).

Stocks
Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

Donated goods held in stock are considered to have no material value for accounting purposes. See gifts and donated services accounting policy.

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.

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
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 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.

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 as transaction price and subsequently measured at amortised cost using the effective interest method.

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

Taxation
As a registered charity, The Mustard Tree is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable in part in relation to costs directly attributable to the sale of donated goods and a proportion of relevant overheads deemed attributable to such activity. The non-recoverable element of VAT in relation to overheads and other expenditure is included in the relevant costs in the statement of financial activities.

Its subsidiary, StandFirm CIC, is subject to corporation tax. StandFirm is registered for VAT and thus charges VAT on its sales and is able to recover VAT on its purchases and expenses. All figures within its accounts are stated net of VAT.

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.

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimated 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.

Significant judgements
The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Determination of whether there are indicators of impairment on the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Tangible assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

4. Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Donations and gifts	277,195	-	277,195
Grants receivable for core activities	-	1,255,415	1,255,415
	277,195	1,255,415	1,532,610

	Unrestricted funds general £	Restricted funds £	Total 2022 £
Donations and gifts	218,022	-	218,022
Grants receivable for core activities	-	957,230	957,230
	218,022	957,230	1,175,252

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

5. Charitable activities

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Fundraising	166,673	-	166,673
Shop income	447,180	-	447,180
	613,853	-	613.853

	Unrestricted funds general £	Restricted funds £	Total 2022 £
Fundraising	118,327	-	118,327
Shop income	365,164	-	365,164
	483,491	-	483,491

6. Investment income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	875	18
	875	18

7. Other income

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Rental income	43,085	-	43,085
Government grants	-	-	-
	43,085	-	43,085

	Unrestricted funds general £	Restricted funds £	Total 2022 £
Rental income	62,801	-	62,801
Government grants	4,795	-	4,795
	67,596	-	67,596

During the prior year, the group received government grant funding in relation to the CJR Scheme.

8. Analysis of expenditure on raising funds

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2023 £
Fundraising and publicity				
Staff costs	98,811	-	-	98,811
Direct costs	25,232	-	-	25,232
Support costs (see note 10)	38,975	4,245	-	43,220
	163,018	4,245	-	167,263
Trading costs				
Operating charity shops	366,915	-	341,140	708,055
Standfirm: cost of sales	-	-	-	-
Support costs (see note 10)	121,723	13,256	-	134,979
	488,638	13,256	341,140	843,034
Total expenditure on raising funds	651,656	17,501	341,140	1,010,297

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2022 £
Fundraising and publicity				
Staff costs	74,469	-	-	74,469
Direct costs	5,320	-	-	5,320
Support costs (see note 10)	31,699	4,164	-	35,863
	111,488	4,164	-	115,652
Trading costs				
Operating charity shops	311,173	-	189,219	500,392
Standfirm: cost of sales	6,307	-	-	6,307
Support costs (see note 10)	106,206	13,950	-	120,156
	423,686	13,950	189,219	626,855
Total expenditure on raising funds	535,174	18,114	189,219	742,507

9. Analysis of expenditure on charitable activities

	Support services & training £	Standfirm £	Total 2023 £
Staff costs	715,637	-	715,637
Direct costs	192,269	-	192,269
	907,906	-	907,906
Support costs (see note 10)	319,116	-	319,116
Governance costs (see note 10)	-	-	-
	319,116	-	319,116
Total expenditure on charitable activities	1,227,022	-	1,227,022
Analysis by fund			
Unrestricted funds – general	259,959	-	259,959
Unrestricted funds – building	30,740	-	30,740
Restricted funds	936,323	-	936,323
	1,227,022	-	1,227,022

	Support services & training £	Standfirm £	Total 2022 £
Staff costs	611,194	254	611,448
Direct costs	155,281	-	155,281
	766,475	254	766,729
Support costs (see note 10)	244,885	-	244,885
Governance costs (see note 10)	17,077	-	17,077
	261,962	-	261,962
Total expenditure on charitable activities	1,028,437	254	1,028,691
Analysis by fund			
Unrestricted funds – general	230,764	254	231,018
Unrestricted funds – building	29,704	-	29,704
Restricted funds	767,969	-	767,969
	1,028,437	254	1,028,691

10. Analysis of support costs

	Support costs	Governance costs	Total 2023
	£	£	£
Staff costs	117,160	-	117,160
Business support costs	271,857	-	271,857
Depreciation	92,933	-	92,933
Audit and accountancy	-	15,365	15,365
	481,950	15,365	497,315
Analysed between			
Fundraising	43,220	-	43,220
Trading	134,979	-	134,979
Charitable activities	303,751	15,365	319,116
	481,990	15,365	497,314

	Support costs	Governance costs	Total 2022
	£	£	£
Staff costs	102,296	-	102,296
Business support costs	215,379	-	215,379
Depreciation	83,229	-	83,229
Audit and accountancy	-	17,077	17,077
	400,904	17,077	417,981
Analysed between			
Fundraising	35,863	-	35,863
Trading	120,156	-	120,156
Charitable activities	244,885	17,077	261,962
	400,904	17,077	417,981

11. Audit Fees:

Amounts paid to auditors (excluding VAT) during the year are as follows:

	2023	2022
	£	£
Audit fees	11,615	10,550
Accountancy fees	2,300	2,100
	13,915	12,650

12. Trustees remuneration and expenses

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

One trustee (2022: nil) received travel expenses during the year of £414 (2022: £nil).

13. Staff Costs

Total staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	1,116,213	962,537
Social security costs	98,858	77,587
Pension costs	25,135	20,859
	1,240,206	1,060,983

During the year no redundancy payments were made (2022: £5,550).

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent (FTE) and average headcount (HC) was as follows:

	2023 FTE No	2023 HC No	2022 FTE No	2022 HC No
Charitable activities	27	28	23	25
Fundraising activities	5	5	4	4
Trading activities	12	12	13	13
Standfirm			-	-
	44	45	40	42

There were no employees whose annual remuneration exceeded £60,000

Key management personnel

The key management personnel of the Charity comprise the Trustees, Chief Executive Officer and the Secretary. The employee benefits of the key management personnel were £116,282 (2022: £114,640).

14. Taxation

Corporation tax is payable in relation to the taxable surplus of StandFirm CIC. In the current and preceding years there have been no taxable surpluses and therefore no charge to Corporation Tax.

These are tax losses available to carry forward of £15,191 (2022 - £15,191)

15. Net Movement in funds

Net resources are stated after charging:

	2023	2022
	£	£
Auditors' remuneration	13,915	12,650
Depreciation	92,933	83,229
Operating lease rentals	6,100	1,500

16. Fixed Assets

Group	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	2,390,892	197,708	64,926	2,653,526
Additions	21,133	41,077	-	62,210
At 31 March 2023	2,412,025	238,785	64,926	2,715,736
Depreciation and impairment				
At 1 April 2022	191,237	136,036	48,151	375,424
Depreciation charged in the year	48,240	38,593	6,100	92,933
At 31 March 2023	239,477	174,629	54,251	468,357
Net book value				
At 31 March 2023	2,172,548	64,156	10,675	2,247,389
At 31 March 2022	2,199,655	61,672	16,775	2,278,102

Charity	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
At 1 April 2022	2,390,892	185,951	50,609	2,627,452
Additions	21,133	41,077	-	62,210
At 31 March 2023	2,412,025	227,028	50,609	2,689,662
Depreciation and impairment				
At 1 April 2022	191,237	124,279	33,834	349,350
Depreciation charged in the year	48,240	38,593	6,100	92,933
At 31 March 2023	239,477	162,872	39,934	442,283
Carrying amount				
At 31 March 2023	2,172,548	64,156	10,675	2,247,379
At 31 March 2022	2,199,655	61,672	16,775	2,278,102

17. Stocks – Group and Company

	2023 £	2022 £
Café stocks	-	959

18. Debtors

	Group 2023	Group 2022	Charity 2023	Charity 2022
Amounts falling due within one year	**£**	**£**	**£**	**£**
Trade debtors	107,071	6,587	107,071	6,587
Amounts due from subsidiary undertakings	-	-	32,487	32,485
Other taxation and social security	11,881	8,829	10,714	7,663
Other debtors	6,667	23,485	6,667	23,485
Prepayments and accrued income	133,632	31,649	133,632	31,649
	259,251	70,550	290,571	101,869

19. Creditors: amounts falling due within one year

	Group 2023	Group 2022	Charity 2022	Charity 2022
	£	**£**	**£**	**£**
Trade creditors	85,978	60,921	85,700	60,643
Deferred income	258,546	219,227	258,546	219,227
Other creditors	16,441	9,281	16,441	9,281
Accruals	31,836	29,904	31,836	29,904
	392,801	319,333	392,523	319,055

Deferred income above comprises of:

	2023	2022
	£	**£**
Balance at 1 April	219,227	374,912
Amount deferred in the year	225,399	433,631
Amount released to incoming resources	(186,080)	(589,316)
Balance at 31 March	258,546	219,227
Deferred income is made up of:		
Income received in advance	254,456	219,227

20. Retirement benefit schemes

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

AT the year end contributions payable to the scheme totalled £15,540 (2022: £8,781).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

21. Statement of funds

Group

	1 April 2022 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2023 £
Unrestricted funds:					
General unrestricted funds	173,377	935,008	(911,615)	-	196,770
Building unrestricted funds	2,199,654	-	(48,241)	-	2,151,413
	2,373,031	935,008	(959,856)	-	2,348,183
Restricted income funds	57,917	1,255,415	(1,277,463)	-	35,869
	2,430,948	2,190,423	(2,237,319)	-	2.384,052

	1 April 2021 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2022 £
Unrestricted funds:					
General unrestricted funds	170,442	769,127	(766,192)	-	173,377
Building unrestricted funds	2,247,472	-	(47,818)	-	2,199,654
	2,417,914	769,127	(814,010)	-	2,373,031
Restricted income funds	57,875	957,230	(957,188)	-	57,917
	2,475,789	1,726,357	(1,771,198)	-	2,430,948

Charity

	1 April 2022 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2023 £
Unrestricted funds:					
General unrestricted funds	197,217	935,008	(911,615)	-	220,610
Building unrestricted funds	2,199,654	-	(48,241)	-	2,151,413
	2,396,781	935,008	(959,856)	-	2,371,933
Restricted income funds	57,917	1,255,415	(1,277,463)	-	35,869
	2,454,788	2,190,423	(2,237,319)	-	2,407,802

	1 April 2021 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2022 £
Unrestricted funds:					
General unrestricted funds	189,189	767,599	(759,571)	-	197,217
Building unrestricted funds	2,247,472	-	(47,818)	-	2,199,654
	2,436,661	767,599	(805,948)	-	2,396,781
Restricted income funds	57,875	957,230	(957,188)	-	57,917
	2,494,536	1,724,829	(1,764,577)	-	2,454,788

Analysis of Restricted Income Funds

	31 March 2023 £	31 March 2022 £
Albert Gubay – development of Little Hulton	25,194	41,142
Clothworkers – purchase of motor van	10,675	16,775
	35,869	57,917

22. Analysis of net assets between funds

	Unrestricted funds General	Unrestricted funds Building	Restricted funds	Total 2023
	£	£	£	£
Tangible assets	60,097	2,151,413	35,869	2,247,379
Net current assets	136,673	-	-	136,673
	196,770	2,151,413	35,869	2,384,052

	Unrestricted funds General	Unrestricted funds Building	Restricted funds	Total 2022
	£	£	£	£
Tangible assets	61,673	2,199,654	21,350	2,278,102
Net current assets	111,704	-	36,567	152,846
	173,377	2,199,654	57,917	2,430,948

23. Unrestricted funds – building

These are unrestricted funds which are material to the charity's activities made up as follows:

The unrestricted fund - building represents amounts expended on The Big Rebuild Project, less depreciation charged to date.

24. Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity**.**

25. Operating lease commitments

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	2,616	1,510
Between two and five years	4,098	2,260
	6,714	3,770

26. Related party transactions

During the year, donations were received from trustees totalling £45,292 (2022: £50,722).

There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

27. Subsidiaries

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held direct
StandFirm CIC	England & Wales	Property clearance and recycling (now dormant)	Limited by guarantee	100 %

The subsidiary's activities relate to those of the holding company in that the subsidiary was a trading enterprise that sought to provide work experience to clients of the Mustard Tree and also opportunities for paid employment and, should it make profits, intended to donate its entire taxable trading profit to the holding company by way of Gift Aid.

The main trading activity of the subsidiary was the clearance of vacant properties, the disposal of waste in accordance with applicable legislation and the recycling and retailing of items of furniture as appropriate through its parent company, The Mustard Tree. The company ceased to trade during the year and is now dormant. Its Company Number is 07500328 and the registered office is 110 Oldham Road, Ancoats, Manchester, M4 6AG.

28. Results of the charitable company

The company has taken advantage of Section 408 of the Companies Act 2006 and not included its own income and expenditure account in these financial statements. The net outgoing resources of the Company for the year were £46,896 (2022 outgoing resources £44,841).

29. Analysis of changes in net debt

Group	1 April 2022 £	Cashflows £	31 March 2023 £
Cash at bank	400,670	(130,447)	270,223
Charity			
Cash at bank	392,913	(130,388)	262,525

Group	1 April 2021 £	Cashflows £	31 March 2022 £
Cash at bank	550,506	(149,836)	400,670
Charity			
Cash at bank	547,037	(154,124)	392,913

30. Prior year Statement of Financial Activities

	Unrestricted Funds General 2021 £	Unrestricted Funds Building 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income and endowments:				
Donations and legacies	218,022	-	957,230	1,175,252
Charitable activities	483,491	-	-	483,491
Investment income	18	-	-	18
Other income	67,596	-	-	67,596
Total Incoming resources	**769,127**	**-**	**957,230**	**1,726,357**
Expenditure on:				
Raising funds				
Fundraising and publicity	111,488	4,164	-	115,652
Trading costs	423,686	13,950	189,219	626,855
	535,174	18,114	189,219	742,507
Charitable activities				
Progression	230,764	29,704	767,969	1,028,437
StandFirm	254	-	-	254
	231,018	29,704	767,969	1,028,691
Total resources expended	**766,192**	**47,818**	**957,188**	**1,771,198**
Net Income / (expenditure) for the year	2,935	(47,818)	42	(44,841)
Reconciliation of funds:				
Total funds brought forward	170,442	2,247,472	57,875	2,475,789
Total funds carried forward	**173,377**	**2,199,654**	**57,917**	**2,430,948**

THE MUSTARD TREE

England & Wales - Charity number 1135192

Accounts

Charity Number: 1135192

Company Number: 04386613 (England & Wales)

THE MUSTARD TREE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity number:	1135192
Registered Company number:	04386613
Principal and Registered Office:	110 Oldham Road, Ancoats, Manchester, M4 6AG
Trustees:	M I Adlestone OBE DL Chair of Trustees J K Kielty Professor V S Shah MBE DL P G Wenham R J Caulfield C L Norman N R Wertheim (appointed 25.11.2021) A C Preston CBE (resigned 14.04.2022) R Page (resigned 26.04.2022) B M Rapley (resigned 28.05.2021)
Chief Executive Officer:	J Walby
Secretary:	G Woodworth
Auditor:	Beever and Struthers Chartered Accountant and Statutory Auditor St George's House 215-219 Chester Road Manchester M15 4JE
Bankers:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Mulling Kent ME19 4JQ
Solicitors:	Glaisyers 1 St James's Square Manchester M2 6DN

THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

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

The management team and Trustees are pleased to present the annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 2019).

Contents

Welcome from Chair Mark Adlestone OBE DL and CEO Jo Walby

Objectives and Values

Financial Review

Structure & Governance

Thank you to our supporters

THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022



Welcome from Chair Mark Adlestone OBE DL and CEO Jo Walby



We are pleased to present Mustard Tree's annual report and audited accounts for 2021-22.

The Covid-19 crisis has uncovered the depth of inequity that exists in the UK. Throughout this financial year, we have continued to manage an increase in need for our services and footfall into the charity, whilst some key agencies remain harder to access providing services via telephone and video. This year, we have helped over 10,500 people in Greater Manchester combat poverty and avoid homelessness and have delivered our financial commitments.

The charity has developed from £930k turnover in 2017-18 to £1.72 million in 2021-22. We planned to make a small surplus before depreciation charges as we progressed out of covid-19 and re-opened our services our retail and service programmes. We achieved a small surplus of £38,388 before depreciation which equates to 2.2% of our income for the year.

Coming out of the pandemic, we accessed specialist advice in areas such as fundraising and HR to support the development of the charity. Our staff and volunteer team were incredible during Covid-19 when we remained one of the only organisations in Greater Manchester that stayed open to the public. This financial year, we wanted to get back to our core services and have invested in training and development at all levels within the charity. During Covid, we focussed on food and emergency support, this year we focussed on relaunching our services, training, and our Freedom work placement support project. Our objectives were as follows:

Relaunch and manage our sites in Salford	Both Eccles and Little Hulton sites were relaunched after refurbishments allowed us to open safely to deliver more services such as Food Clubs, 121 support and training. We registered over 600 new people into our Salford services; 498 families in Salford used our food clubs and 335 people accessed our 121 support around finances/hardship. We developed monthly audits across all sites to maintain standards and agreed rotas across all sites to deliver consistent opening hours.
Relaunch onsite Freedom training placements and vocational courses	As well as our existing clients, we registered over 3,000 new people this year. We supported nearly 2000 people with 121 support for finances and hardship. We trained 541 people in customer services, digital skills, and English language classes with 56 people accessing accredited training in areas such as electrical PAT testing. 181 people accessed our Freedom training and support placements, and we helped 28 people into employment.
Invest in Staff team	We have more than doubled our investment in staff training and HR, recruited an external agency (Altum HR), established an occupational health wellbeing service for all staff members and increased our training including management development. We strengthened the teams through recruitment as well as internal promotion, working to our evidence base of trauma-informed approaches and motivational support.
Maintain relevance	We worked with refugees from Afghanistan - from collecting pushchairs for families arriving at Manchester Airport to being part of a multi-disciplinary team supporting over 100 families in Manchester hotels with essential clothing, benefits support, and English language classes. We promoted the real Living Wage, hosting a series of events across Greater Manchester. We helped to inform policies such as the GM Homelessness Prevention strategy and we represented the voluntary sector in public service partnerships such as the Steet Engagement Hub and GM Homelessness Action Network.

We developed our team with the aim of providing greater clarity, simplicity and focus on the roles we are asking people to do. With the support of our incredible partners and funders, we successfully recruited a Head of Services, a new English Language trainer as well as a Training Manager and a new Head of Fundraising. We have strengthened and expanded the leadership team within the charity which allowed us to move forward in developing our team, our capability, and the resilience of the charity.

Resilience will be required more than ever moving into next financial year as we are seeing record numbers each month. For example, In March 2022, Mustard Tree recorded the highest numbers *ever* of people coming into the charity of 7792. This increase is significant when comparing to April 2021 (4511) and October (6683). We had a record number of new registrations (330) in March 2022 as well as highest numbers this year for our Food clubs (1213).

Covid Measures

The Omicron version of Covid-19 impacted with staff absences but thankfully, we had no serious cases of ill health and staff members had access to 3 rounds of vaccinations. In light of the Government withdrawal of Covid-restrictions, we have not mandated masks and allowed more people into our spaces as we returned to a more normal approach. We maintained the PPE stations, cleaning regimes and social distancing guidelines as well as supporting those staff members who felt more comfortable wearing masks.

Partnership

We worked throughout Covid-19 because of the support of so many people and partners including some new partnerships we developed. The pandemic made us realise more than ever that in order to tackle the reality of poverty and homelessness, we want to work with partners, expert in their fields, who share our values of belief, dignity, opportunity, diversity, and partnership. This year, we developed new partnerships with the Department for Work and Pensions who funded an innovative grant to support our onsite training and support placements resulting in 28 people gaining full time employment. We also welcomed new partnerships with Caritas Diocese of Salford who delivered accredited English language courses and provide pathways into employment and training from our English classes and conversations clubs. We continue to host Manchester's Street Engagement Hub; a multi-agency offer for people begging on the streets. We are committed to our partners – new and old – as change happens through better opportunities, pathways, and networks for people to improve their lives.

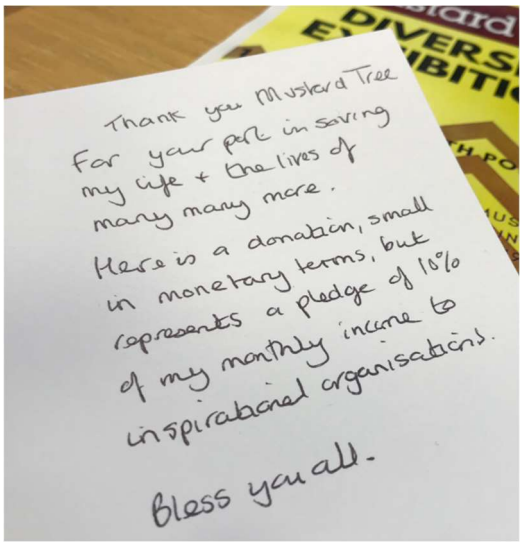
Impact

More people are suffering financial hardship in more ways. In March, a 65 year old man, who had always worked and never accepted charity before, came in to use our food club. His wife previously managed the bills, but she died during the pandemic. He was in debt to the energy company, could not afford to pay the arrears. He had been living on sandwiches as he could not use electricity or gas and he was 'Pleased we had pork pies…' We helped him to manage his debts, switch his energy back on and supported him in regaining his dignity.

We thank our supporters for their good will, commitment, and belief in our mission. Our funders and supporters enable us to play our part to meet the needs of those in poverty and facing homelessness. Special thanks and appreciation must go to the staff members, volunteers, and trustees for all the continued hard work, passion, and joy they bring to our charity.

This card was sent anonymously to us by someone we helped through our services who wanted to give back. It is inspirational to see the impact of what our funders enable us to do - to help people improve their lives which in turn allows them to help others.

It reads, ' Thank you Mustard Tree for your part in saving my life and lives of many, many more'.



THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Objectives and Values

Mustard Tree support people across Greater Manchester, tackling both the causes and consequences of poverty. Our mission is to combat poverty and prevent homelessness by:

- Helping people learn new skills, find work, safeguard their housing and improve their economic wellbeing
- Providing low-cost furniture, food and clothing needed to create a home through our community shops, processing donations and promoting reuse and recycling
- Welcoming people into our warm, safe, aspirational spaces for vocational training, work placements, job clubs, art clubs and creative activities

Mustard Tree has developed a set of values that underpins all the work we do. By embedding these values, we define how we work with each other and other people. Our values are:

Belief – in people, working with people where they are, focusing on strengths
Dignity - kindness, respect and compassion underlie how we work
Opportunity – creating opportunities for people to improve their lives
Diversity – embracing the differences and valuing the contribution of all
Partnership – commitment to working in partnership

We believe in a 'hand-up' approach, providing dignity through understanding that any one of us may need help in our lives. We appreciate the courage, resilience, and belief it takes to ask for help and recover from problems. We value the contribution that all our clients make to our communities and know that we cannot exist in isolation from others.

Mustard Tree provides in-house training in Customer Service; English (ESOL) and Digital Confidence and we host other partners who also provide training courses. We run a structured vocational training programme – 'the Freedom Project' - through which people get involved in the enterprise side of Mustard Tree. The Freedom trainees undertake real-life work experience and help us to run the charity through:

- Providing customer services in retail
- Warehouse skills in furniture collection/distribution
- Repair and PAT testing of white goods donated to the charity
- Food hygiene and catering skills in our industrial kitchen, food clubs and café
- Cleaning and facilities experience in running of our buildings

Vocational training, including some industry standard accreditations in areas such as manual handling, is provided as part of the programme. Work placements with corporate partners who support the charity are provided for clients who set employment as their goal.

Since Covid-19, we have also been providing emergency 121 support to address economic wellbeing as well as health and wellbeing – focusing on supporting people in debt and struggling with accessing digital platforms. Staff also advocate for clients to find emergency accommodation and support our clients with landlords to help retain their housing.

The charity has 3 Community Shops in Ancoats, Eccles and Little Hulton offering access to low-cost food through the food club and pre-loved clothing and household essentials such as furniture, electrical items, and white goods. Our helpdesk and online donation forms provide a route for people to donate unwanted items that we collect in our furniture vans. We clean, repair, and display those donated items in our community shops.

THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

We support people into new tenancies through the provision of furniture and other items, helping people to settle in their homes. Our community shops gift at least 40% of the items donated to us directly back to people in need through our voucher and gifting schemes – something we believe is unique compared to other charity shop models.

Mustard Tree also tackles poverty of experience through providing creative activities such as art, music, drama, and IT/media. By helping people engage creatively, we help build confidence, recover self-esteem, and unleash new potential. Improvements in health and wellbeing are provided through increasing access to health services and promotion of self-help groups. Our welcome and open-door policy through the community shop model offers a respite to social isolation as well as vital access to face to face support.

In 2021-22, the charity had 40 staff members and 40 volunteers as well as up to 70 trainees helping to run the organisation.

Public benefit

The public benefits that flow and are delivered from the charity are as follows:

1. An enhanced quality of life and economic wellbeing with access to low cost food, clothing, and household essentials.
2. Increased opportunities from the training and Freedom programmes through the development of new skills and engaging in new activities leading to greater social skills, improved economic wellbeing through better employment options and interaction.
3. Enhanced access to health and wellbeing support, particularly for those facing multiple barriers such as homelessness, addiction, poor mental health, poor literacy and communication.
4. Prevention of homelessness through helping being retain and manage their tenancies, advocacy with landlords and through helping people manage their money
5. Raised awareness of poverty and homelessness in and around Manchester, leading to increases in self-esteem through helping others
6. All charitable activities support and further public benefit for example working with the department of work and pensions.



This picture is from the monthly Freedom Graduation ceremony we held in March 2022.

We celebrated the achievements of our trainees who were leaving Mustard Tree that month after gaining skills, accredited qualifications, and improved wellbeing. 3 of our trainees from this group secured full time employment

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Financial Review

Our budget following covid-19 planned to make a small surplus before depreciation charges as we progressed out of covid-19 and re-opened our services our retail and service programmes. We remained proactive and managed the risks to income and expenditure through short-term financial management – monthly, weekly and in some cases daily. We were in our final year of our current short-term plan with the achievement of our 3 year-strategy around building up viable reserves.

Income

Our decision to remain open during Covid-19 resulted in the charity being on the front foot allowing our core services to deliver and key funders provide income in order to support our plan – particularly for food and Freedom programme. Of the £1.726 million of income this financial year we have delivered a 4% increase in income. This increase is despite the continuance of Covid-19 within this financial year, and it's ongoing impact on the charity.

We delivered a Department of Work and Pensions programme which invested in our Freedom training programme. In Salford, our partnership with For Housing provided additional funding to help us maintain our presence in Eccles and Little Hulton. These contracts, along with additional multiyear funding received during the year enables a more structured and predictable income allowing development of our service offer.

Expenditure

Expenditure increased this year in comparison to the previous year by 15% with significant investment in food, and continuing investment in cleaning, and PPE to remain safe within Covid-19 guidelines. This year we have invested in staffing costs with an increase of 19% including the recruitment of a further 5 staff to support our core programmes. The increasing demand for our services continues resulting in an increase in specific expenditure such as food within this financial year. Moving forward this will be heightened by the cost of living impact.

StandFirm

After the transfer of the Voids contract to Engie PLC in 2020-21, StandFirm CIC did not trade in this financial year and there are no plans to restart this initiative.

Summary

Our financial performance resulted in a net statutory deficit of £44,841 including depreciation. The Earnings before Interest, Tax, depreciation and amortisation (EBITDA) figure was £38,388 which equates to 2.2% of our income for the year. Managing cashflow particularly in the light of seasonal peaks of our income still remains a priority as we build forward into 2022-23.

Reserves

Our objective is to build a minimum reserve to cover 3 months unavoidable expenditure to cover the necessity of closedown, or unforeseeable delays in receiving funds from donors. The minimum reserves required for this are £147k. This is based on staffing and associated overhead costs including contractual obligations.

At the year end the charity had reserves as follows:-

- £173,377 which are deployable and are able to be spent on any of the charity's activities (unrestricted reserves)
- £57,917 which represents donations made where the donor has specified a particular purpose for their funds (restricted reserves)

The unrestricted reserves balance is in line with the reserves policy.

Land and buildings

The charity maintains land and buildings worth £2,199,654 (representing donations already invested) which are therefore not able to be deployed for any other purpose.

Plans for the future period

The social and economic impact of Covid-19 on many families across Greater Manchester has resulted in a continued significant increase in the number of service users who are now more reliant on us. We will look to secure more multiyear funding and increase the impact on our core services supporting the increasing demand within our sector. Our plans for 2022-23 are to work smarter – to make the most out of all our resources; to be closer to those who support us and use our services to continue to build our movement and to build sustainable funding through individual giving; to connect our services better – particularly food and support, training and work placements to create more opportunities for our clients and to focus on the success and wellbeing of our staff and volunteer teams. Ultimately, we want to refocus on helping address the causes of poverty and homelessness after focussing on emergency needs due to the consequences of financial hardship, debt and homelessness.

Going concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over the past 12 months. Whilst the impact on fundraising and retail is still subject to the wider Covid-recovery for the country, we are investing in both our staff teams and capital in order that we can develop and manage the diverse nature of the funding streams in order that we provide greater opportunities to tolerate downturns in any particular area. The operational reserves position for the charity has increased with cashflow decreasing being invested in staffing and operating developments. Cashflow remains in a solid position, and we have built a modest budget in place for the new financial year. The budget includes continued investment in the staff team to accommodate the increases in demand as well as the opportunity to strengthen the leadership team.

THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Structure and Governance

The charity is a company limited by guarantee. The **trustees**, who are also the directors for the purpose of company law, and who served during the year were:

M I Adlestone OBE DL Chair of Trustees
J K Kielty
Professor V S Shah MBE DL
P G Wenham
R J Caulfield
C L Norman
N R Wertheim (appointed 25.11.2021)
A C Preston CBE (resigned 14.04.2022)
R Page (resigned 26.04.2022)
B H Rapley (resigned 28.05.2021)



New trustees are elected following an open recruitment process and filled by analysing gaps in the skills, capacity, and experience of existing trustees. New trustees receive a full induction. The CEO and key management personnel remuneration are reviewed annually by the Trustees and benchmarked appropriately.

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

Oversight of all activities is managed by the Trustee Board. They approve the budget, capital projects, any changes in strategic direction, and appoint the CEO. The daily functions are managed by a Senior Management Team of the CEO, Jo Walby and Head of Finance & Development, Graeme Woodworth.

Management accounts with key performance indicators are reviewed by the management team monthly and the Trustees evaluate and review these documents every two months. Monthly management meetings also review Incidents and Safeguarding, HR and training and Case Management of Freedom Volunteers.

The Mustard Tree is the sole member of StandFirm CIC, a company limited by guarantee, established to provide paid employment for local individuals coming through projects such as the Freedom Project. All StandFirm board members are appointed by The Mustard Tree trustees and the CEO of The Mustard Tree sits as a director on the StandFirm board. The contract between Mears Plc and Standfirm CIC concluded at the end of the previous financial year.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code, namely to.

- settle the terms of payment with suppliers when agreeing the terms of each transaction.
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Management of Key Risks and Uncertainties

The Organisation risk register is updated on a quarterly basis and audits of Health and Safety systems and processes are also carried out once a month across each site. The risk register includes the increasing demand for our services, increasing costs for food, utilities and cost of living increases that impact the charity.

An overview of Incidents and Near Misses are reviewed each month during a Safeguarding Review meeting, chaired by the CEO. The Chair of Trustees is notified the same day of any Serious and Untoward Incidents with a written report completed and submitted to the chair within 72 hours.

The Mustard Tree have built significant COVID-19 risk assessments in line with government guidance which are updated through latest government guidance. Mustard Tree is a Covid-Secure workplace and has been since the start of the Covid-Secure guidance. This level of risk management is being applied as we build out of Covid-19.

An annual training plan is ongoing in line with H & S compliance this includes introduction to health and safety; safeguarding; first aid; fire marshalling; motivational interviewing and case management; professional boundaries. During the year, The Mustard Tree have qualified a further 3 staff on Institution of occupational safety and health accreditation.

Employee Involvement

The charity's policy is to consult and discuss with employees, directly and at staff meetings, matters likely to affect employees' interests. Information of matters of concern to employees are given through team meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance. Evidence of this approach include the decision to move the charity to become a Living Wage employer during this financial year and to support the roll out of the Living Wage approach to other employers across Greater Manchester.

There are managers across all areas of the charity including: Retail and Logistics; Services; Training; Food; Facilities; Fundraising and Partnerships. Each manager holds regular 121s with their staff as well as team meetings and staff members are encouraged to contribute their ideas, views, and opinions. We are introducing formal annual appraisals, and, in the meantime, staff members are encouraged to feedback during their 121s.

Monthly management meetings are held in which each manager provides a verbal update to their monthly reports submitted to the CEO. Daily team briefings are held at 8:45am to brief staff members and volunteers on key information and to help manage risk throughout the charity. These daily briefings proved essential during the pandemic because the staff team could directly input into service delivery as well as listen to key messages.

Organisation policies and processes are stored electronically on the HR database – 'People HR' and each staff member has individual access to this system.

Safeguarding, Incident Management and Boundaries Training sessions are held at least every 2 months to brief new starters and to provide further learning refresh courses for existing colleagues.

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Thank you to our supporters

Without the backing of our supporters, partners, and volunteers - navigating through the challenges and fallout of the Covid-19 pandemic would have been impossible. The belief which was shown by our partners gave us the confidence to diversify to meet the growing need – knowing that we would not be facing these challenges alone.

We want to say a special thank you to our major supporters who have been essential to this year including:

The Oglesby Charitable Trust and Oglesby Family

The Zochonis Charitable Trust

The Garfield Weston Foundation

The National Lottery Community Fund

Forrester Family

Morrisons

Dashlight Foundation

The Albert Gubay Foundation

The Henry Smith Charity

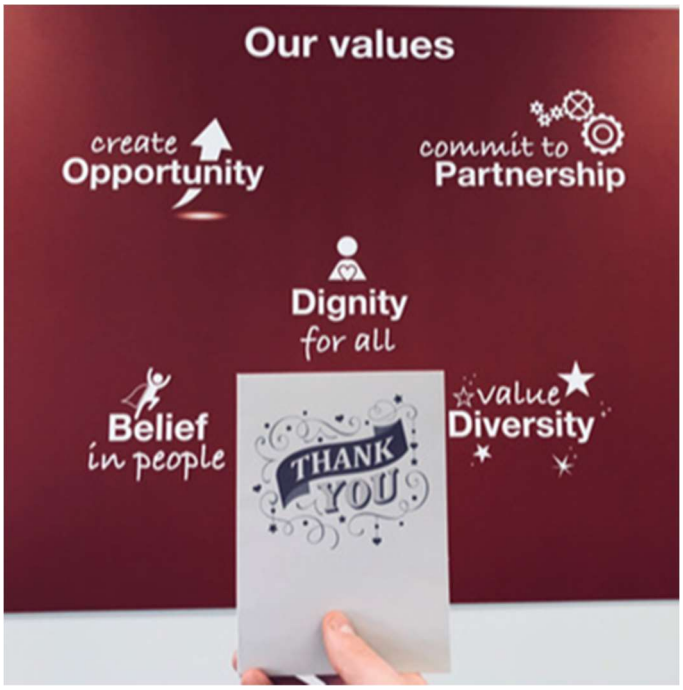
Manchester City Council and staff

Salford CVS

DWP

For Housing

Watson Homes



Thank you to our **Charity of the Year** Partners including: - Kroll Inc, AXA Insurance, Cargills, CFG Law, DAC Beechcroft, D2 Rail, First Central Insurance, Harper Harrison, Hill Dickinson, Joseph Holt, Knowledge Group, Lovell Homes, Plexus Law, Shoosmiths LLP and Swizzels Matlow.

The support of our Patron, Sir Warren Smith is as valued and important to the charity as ever and we appreciate the guidance shown this year.

We want to thank all our partners in the Voluntary, Community and Social Enterprise sector (VCSE). The passion, resilience and courage shown by charities in Manchester and Salford is awe inspiring and makes Greater Manchester a better place.

Finally, we would also like to thank all our individual fundraisers and the In-kind support we receive as this continues to provide opportunities where financial contributions may not be possible. As well as countless food and clothing donations, businesses, volunteers and communities have rallied to provide items to support our clubs and classes. Thank you.

Trustees' responsibilities in relation to the financial statements

The trustees, who are also the directors of The Mustard Tree 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:

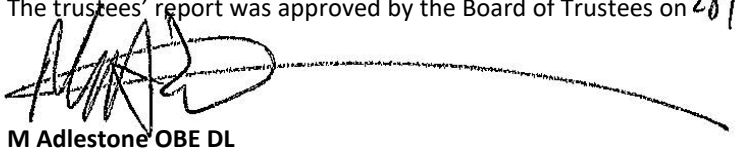
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; an
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
In accordance with the company's articles, a resolution proposing that Beever and Struthers, be reappointed as auditor of the company, will be put at a General Meeting.

Disclosure of Information to the Auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees on 28/9/2022



M Adlestone OBE DL
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2022

Opinion
We have audited the consolidated financial statements of The Mustard Tree (the 'charity') and StandFirm CIC ('the subsidiary') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, Including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistences or apparent material misstatements, we are required to determine whether there is material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there it a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2022

Opinions on other matters prescribed by the Companies Act 2006.
In our opinion, based on the work undertaken in the course of our audit:

- The information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by the law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using to going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2022

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, the Charities Act 2011, taxation legislation, data protection, safeguarding, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2022

Use of our report

This report is made solely to charitable company's members, as a body in accordance with Chapter 3 of Part 16 of the Company's Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Beever and Struthers
Chartered Accountants
St George's House
215-219 Chester Road
Manchester M15 4JE

Date: 5/10/22

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds General 2022 £	Unrestricted Funds Building 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments:						
Donations and legacies	4	218,022	-	957,230	1,175,252	1,120,534
Charitable activities	5	483,491	-	-	483,491	481,056
Investment income	6	18	-	-	18	-
Other income	7	67,596	-	-	67,596	58,837
Total Incoming resources		**769,127**	**-**	**957,230**	**1,726,357**	**1,660,427**
Expenditure on:						
Raising funds						
Fundraising and publicity	8	111,488	4,164	-	115,652	100,707
Trading costs	8	423,686	13,950	189,219	626,855	667,920
		535,174	18,114	189,219	742,507	768,627
Charitable activities						
Support services and training	9	230,764	29,704	767,969	1,028,437	765,252
StandFirm	9	254	-	-	254	6,298
		231,018	29,704	767,969	1,028,691	771,550
Total resources expended		**766,192**	**47,818**	**957,188**	**1,771,198**	**1,540,177**
Net Income / (expenditure) for the year		2,935	(47,818)	42	(44,841)	120,250
Reconciliation of funds:	21					
Total funds brought forward		170,442	2,247,472	57,875	2,475,789	2,355,539
Total funds carried forward		**173,377**	**2,199,654**	**57,917**	**2,430,948**	**2,475,789**

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

Incoming resources and resources expended derive from continuing activities and discontinued activities which total £1,528 of incoming resources and £6,621 of resources expended.

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

The comparative statement of financial activities is shown in note 30 to the financial statements.

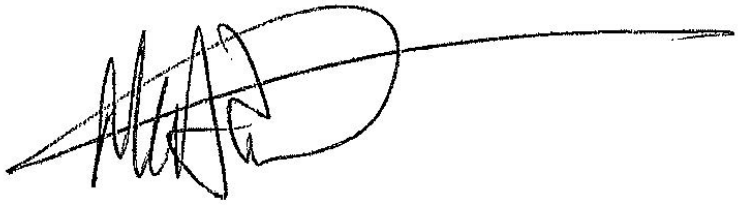
The notes on pages 18 to 33 form part of these accounts.

CONSOLIDATED AND CHARITY STATEMENT BALANCE SHEET
AS AT 31 MARCH 2022

	Note	Total Funds 2022 Group £	Total Funds 2021 Group £	Total Funds 2022 Charity £	Total Funds 2021 Charity £
Fixed assets:					
Fixed assets	16	2,278,102	2,285,934	2,278,102	2,285,875
Current assets:					
Stock	17	959	768	959	768
Debtors	18	70,550	131,774	101,869	125,614
Cash at bank		400,670	550,506	392,913	547,037
		472,179	683,048	495,741	673,419
Liabilities:					
Creditors: amounts falling due within one year	19	(319,333)	(493,193)	(319,055)	(464,758)
Net current assets		152,846	189,855	176,686	208,661
Total net assets		2,430,948	2,475,789	2,454,788	2,494,536
Funds of the Charity:	21				
Restricted income funds		57,917	57,875	57,917	57,875
Building Unrestricted funds		2,199,654	2,247,472	2,199,654	2,247,472
General Unrestricted funds		173,377	170,442	197,217	189,189
Total Charity funds		2,430,948	2,475,789	2,454,788	2,494,536

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

These financial statements were approved by the board of trustees and authorised for issue on 28/9/22 and are signed on behalf of the board by:



M Adlestone OBE DL
Trustee

Charity resignation No. 1135192
Company Registration No: 04386613

The notes on pages 18 to 33 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

	2022 Group £	2021 Group £	**2022 Charity** £	2021 Charity £
Reconciliation of net cash flow from operating activities:				
Net (deficit) / surplus	(44,841)	120,250	(39,748)	131,291
Adjustments for:				
Investment income	(18)	-	(18)	-
Depreciation	83,229	63,366	83,170	63,307
(Increase) in stocks	(191)	(557)	(191)	(557)
Decrease / (increase) in debtors	61,224	(28,237)	23,745	(39,457)
(Decrease) / Increase in creditors	(173,860)	149,063	(145,703)	155,304
	(74,457)	304,185	(78,745)	309,888
Cashflow statement				
Net cash (outflow) / inflow from operating activities:	(74,457)	304,185	(78,745)	309,888
Investing activities:				
Purchase of fixed assets	(75,397)	(42,182)	(75,397)	(42,182)
Investment income	18	-	18	-
Net cash outflow from investing activities:	(75,379)	(42,182)	(75,379)	(42,182)
Net increase in cash and cash equivalents:	(149,836)	262,003	(154,124)	267,706
Cash and cash equivalents at 1 April 2021	550,506	288,503	547,037	279,331
Cash and cash equivalents at 31 March 2022	400,670	550,506	392,913	547,037

The notes on pages 18 to 33 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. General Information

The Mustard Tree is a company limited by guarantee, incorporated in England and Wales. It consequently does not have any share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of a liquidation. The registered office is detailed on page 1.

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and 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.

The Mustard Tree meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s). 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 £.

3. Accounting Policies

The accounts have been prepared in accordance with the charity's governing document, 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).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements consolidate the results of the charity and its wholly owned subsidiary StandFirm Community Interest Company on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going Concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over the past 12 months. Whilst the impact on fundraising and retail is still subject to the wider Covid-recovery for the country, we are investing in both our staff teams and capital in order that we can develop and manage the diverse nature of the funding streams in order that we provide greater opportunities to tolerate downturns in any particular area. The operational reserves position for the charity has increased with cashflow decreasing being invested in staffing and operating developments. Cashflow remains in a solid position, and we have built a modest budget in place for the new financial year. The budget includes continued investment in the staff team to accommodate the increases in demand as well as the opportunity to strengthen the leadership team.

Charitable funds

Unrestricted funds

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

A fixed asset fund is maintained which represents the written down value of certain tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Charitable funds

Restricted funds
Restricted funds are to be used for particular purposes as laid down by the provider of the funds. The board of trustees carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Incoming resources
Income is recognised when the charity 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.

Income from donations and legacies
Such income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where incomes is received in relation to a particular project or activity to be carried out over a specified period, the relevant proportion of such income is deferred so that it is recognised in the same period that the relevant expenditure is incurred and when the charity becomes entitled to it.

During the year the charity received grants from the UK Government Coronavirus Job Recovery Scheme. This income has been matched to the payroll costs to who it relates and has been included in other income.

Gifts and donated services
As the value of services provided to the charity by volunteers cannot be quantified, they have not been included in these accounts.

Furniture, clothing, food and other items are donated for purchase by clients able to pay and are included as incoming resources within activities for generating funds. Those sold are valued at the time of sale.

Income from investments
Bank interest is included in the income and expenditure account on a receivable basis.

Government grants
Government grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Recognition of liabilities
Liabilities are recognised on the accrual's basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Allocation of incoming resources
Income from donations and other income relating to a particular activity category is allocated directly. Other income received without restriction is allocated in such a way to meet the costs not funded by restricted donations such that all costs are apportioned to the different activity categories in accordance with the accounting policies set.

Resources expended
The policy for including items within the relevant activity categories of resources expended is that all costs are allocated on a basis designed to reflect the use of the resource. Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Cost of raising funds
Costs of raising funds comprise the costs associated with attracting donations and the costs of trading for fundraising purposes.

Charitable activities
Charities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of costs within types of resources expended
Costs relating to a particular activity are allocated directly. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, insurance and governance costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. All support costs are allocated between the activity expenditure categories on a basis designed to reflect the use of the resource. Support costs are apportioned on an appropriate basis eg. Floor area, per capita or estimated usage.

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:

Freehold land and buildings	2% straight line
Fixtures, fittings &equipment	25% -33% straight line
Motor vehicle	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 net income/(expenditure) for the year.

Impairment of fixed 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).

Stocks
Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

Donated goods held in stock are considered to have no material value for accounting purposes. See gifts and donated services accounting policy.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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
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 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.

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 as transaction price and subsequently measured at amortised cost using the effective interest method.

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

Taxation
As a registered charity, The Mustard Tree is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable in part in relation to costs directly attributable to the sale of donated goods and a proportion of relevant overheads deemed attributable to such activity. The non-recoverable element of VAT in relation to overheads and other expenditure is included in the relevant costs in the statement of financial activities.

Its subsidiary, StandFirm CIC, is subject to corporation tax. StandFirm is registered for VAT and thus charges VAT on its sales and is able to recover VAT on its purchases and expenses. All figures within its accounts are stated net of VAT.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimated 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.

Significant judgements
The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Determination of whether there are indicators of impairment on the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Tangible assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

4. Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2022 £
Donations and gifts	218,022	-	218,022
Grants receivable for core activities	-	957,230	957,230
	218,022	957,230	1,175,252

	Unrestricted funds general £	Restricted funds £	Total 2021 £
Donations and gifts	228,116	2,400	230,516
Grants receivable for core activities	34,000	856,018	890,018
	262,116	858,418	1,120,534

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

5. Charitable activities

	Unrestricted funds general £	Restricted funds £	Total 2022 £
Fundraising	118,327	-	118,327
Shop income	365,164	-	365,164
	483,491	-	483,491

	Unrestricted funds general £	Restricted funds £	Total 2021 £
Fundraising	204,597	-	204,597
Shop income	208,076	68,383	276,459
	412,673	68,383	481,056

6. Investment income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	18	-
	18	-

7. Other income

	Unrestricted funds general £	Restricted funds £	Total 2022 £
Rental income	62,801	-	62,801
Government grants	4,795	-	4,795
	67,596	-	67,596

	Unrestricted funds general £	Restricted funds £	Total 2021 £
Rental income	24,151	-	24,151
Other income	7	2,000	2,007
Government grants	32,679	-	32,679
	56,837	2,000	58,837

During the current and prior year the group received government grant funding in relation to the CJR Scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

8. Analysis of expenditure on raising funds

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2022 £
Fundraising and publicity				
Staff costs	74,469	-	-	74,469
Direct costs	5,320	-	-	5,320
Support costs (see note 10)	31,699	4,164	-	35,863
	111,488	4,164	-	115,652
Trading costs				
Operating charity shops	311,173	-	189,219	500,392
Standfirm: cost of sales	6,307	-	-	6,307
Support costs (see note 10)	106,206	13,950	-	120,156
	423,686	13,950	189,219	626,855
Total expenditure on raising funds	535,174	18,114	189,219	742,507

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2021 £
Fundraising and publicity				
Staff costs	70,296	-	-	70,296
Direct costs	4,226	-	-	4,226
Support costs (see note 10)	21,827	4,358	-	26,185
	96,349	4,358	-	100,707
Trading costs				
Operating charity shops	329,347	-	170,001	499,348
Standfirm: cost of sales	31,721	-	-	31,721
Standfirm: staff costs	49,120	-	-	49,120
Support costs (see note 10)	73,131	14,600	-	87,731
	483,319	14,600	170,001	667,920
Total expenditure on raising funds	579,668	18,958	170,001	768,627

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. Analysis of expenditure on charitable activities

	Support services & training	Standfirm	Total 2022
	£	£	£
Staff costs	611,194	254	611,448
Direct costs	155,281	-	155,281
	766,475	254	766,729
Support costs (see note 10)	244,885	-	244,885
Governance costs (see note 10)	17,077	-	17,077
	261,962	-	261,962
Total expenditure on charitable activities	1,028,437	254	1,028,691
Analysis by fund			
Unrestricted funds – general	230,764	254	231,018
Unrestricted funds – building	29,704	-	29,704
Restricted funds	767,969	-	767,969
	1,028,437	254	1,028,691

	Support services & training	Standfirm	Total 2021
	£	£	£
Staff costs	501,529	5,778	507,307
Direct costs	75,901	-	75,901
	577,430	5,778	583,208
Support costs (see note 10)	179,158	520	179,678
Governance costs (see note 10)	8,664	-	8,664
	187,822	520	188,342
Total expenditure on charitable activities	765,252	6,298	771,550
Analysis by fund			
Unrestricted funds – general	29,603	6,298	35,901
Unrestricted funds – building	31,090	-	31,090
Restricted funds	704,559	-	704,559
	765,252	6,298	771,550

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10. Analysis of support costs

	Support costs	Governance costs	Total 2022
	£	£	£
Staff costs	102,296	-	102,296
Business support costs	215,379	-	215,379
Depreciation	83,229	-	83,229
Audit and accountancy	-	17,077	17,077
	400,904	17,077	417,981
Analysed between			
Fundraising	35,863	-	35,863
Trading	120,156	-	120,156
Charitable activities	244,885	17,077	261,962
	400,904	17,077	417,981

	Support costs	Governance costs	Total 2021
	£	£	£
Staff costs	96,035	-	96,035
Business support costs	134,195	-	134,195
Depreciation	63,364	-	63,364
Audit and accountancy	-	8,664	8,664
	293,594	8,664	302,258
Analysed between			
Fundraising	26,185	-	26,185
Trading	87,731	-	87,731
Charitable activities	179,678	8,664	188,342
	293,594	8,664	302,258

11. Audit Fees:

Amounts paid to auditors (excluding VAT) during the year are as follows:

	2022	2021
	£	£
Audit fees	10,550	10,000
Accountancy fees	2,100	2,000
	12,650	12,000

12. Trustees remuneration and expenses

No trustees, or any person connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

13. Staff Costs

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	962,537	818,236
Social security costs	77,587	60,165
Pension costs	20,859	14,719
	1,060,983	893,120

During the year redundancy payments were made totalling £5,550.

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent (FTE) and average headcount (HC) was as follows:

	2022 FTE	2022 HC	2021 FTE	2021 HC
	No	No	No	No
Charitable activities	23	25	23	24
Fundraising activities	4	4	3	3
Trading activities	13	13	9	10
Standfirm	-	-	5	5
	40	42	40	42

There were no employees whose annual remuneration exceeded £60,000

Key management personnel

The key management personnel of the Charity comprise the Trustees, Chief Executive Officer and the Secretary. The employee benefits of the key management personnel were £114,640 (2021: £113,851).

14. Taxation

Corporation tax is payable in relation to the taxable surplus of StandFirm CIC. In the current and preceding years there have been no taxable surpluses and therefore no charge to Corporation Tax.

These are tax losses available to carry forward of £15,191 (2021 - £15,191)

15. Net Movement in funds

Net resources are stated after charging:

	2022	2021
	£	£
Auditors' remuneration	12,650	12,000
Depreciation	83,229	63,366
Operating lease rentals	1,500	1,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16. Fixed Assets

Group	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2021	2,390,892	122,311	64,926	2,578,129
Additions	-	75,397	-	75,397
At 31 March 2022	2,390,892	197,708	64,926	2,653,526
Depreciation and impairment				
At 1 April 2021	143,419	106,725	42,051	292,195
Depreciation charged in the year	47,818	29,311	6,100	83,229
At 31 March 2022	191,237	136,036	48,151	375,424
Net book value				
At 31 March 2022	2,199,655	61,672	16,775	2,278,102
At 31 March 2021	2,247,473	15,586	22,875	2,285,934

Charity	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
At 1 April 2021	2,390,892	110,554	50,609	2,552,055
Additions	-	75,397	-	75,397
At 31 March 2022	2,390,892	185,951	50,609	2,627,452
Depreciation and impairment				
At 1 April 2021	143,419	95,027	27,734	266,180
Depreciation charged in the year	47,818	29,252	6,100	83,170
At 31 March 2022	191,237	124,279	33,834	349,350
Carrying amount				
At 31 March 2022	2,199,655	61,672	16,775	2,278,102
At 31 March 2021	2,247,473	15,527	22,875	2,285,875

17. Stocks – Group and Company

	2022 £	2021 £
Café stocks	959	768

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

18. Debtors

	Group 2022	Group 2021	Charity 2022	Charity 2021
Amounts falling due within one year	**£**	**£**	**£**	**£**
Trade debtors	6,587	38,199	6,587	9,050
Amounts due from subsidiary undertakings	-	-	32,485	30,804
Other taxation and social security	8,829	1,259	7,663	13,043
Other debtors	23,485	11,105	23,485	11,105
Prepayments and accrued income	31,649	81,211	31,649	61,612
	70,550	131,774	101,869	125,614

19. Creditors: amounts falling due within one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	**£**	**£**	**£**
Trade creditors	60,921	99,522	60,643	76,727
Deferred income	219,227	374,912	219,227	374,912
Other creditors	9,281	3,794	9,281	3,815
Accruals	29,904	14,965	29,904	9,304
	319,333	493,193	319,055	464,758

Deferred income above comprises of:

	2022	2021
	£	**£**
Balance at 1 April	374,912	257,056
Amount deferred in the year	433,631	375,706
Amount released to incoming resources	(589,316)	(257,056)
Balance at 31 March	219,227	375,706
Deferred income is made up of:		
Income received in advance	219,227	375,706

20. Retirement benefit schemes

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

AT the year end contributions payable to the scheme totalled £8,781 (2021: £3,258).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds

Group

	1 April 2021 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2022 £
Unrestricted funds:					
General unrestricted funds	170,442	769,127	(766,192)	-	173,377
Building unrestricted funds	2,247,472	-	(47,818)	-	2,199,654
	2,417,914	769,127	(814,010)	-	2,373,031
Restricted income funds	57,875	957,230	(957,188)	-	57,917
	2,475,789	1,726,357	(1,771,198)	-	2,430,948

	1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2021 £
Unrestricted funds:					
General unrestricted funds	54,385	731,626	(615,569)	-	170,442
Building unrestricted funds	2,297,520	-	(50,048)	-	2,247,472
	2,351,905	731,626	(665,617)	-	2,417,914
Restricted income funds	3,634	928,801	(874,560)	-	57,875
	2,355,539	1,660,427	(1,540,177)	-	2,475,789

Charity

	1 April 2021 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2022 £
Unrestricted funds:					
General unrestricted funds	189,189	767,599	(759,571)	-	197,217
Building unrestricted funds	2,247,472	-	(47,818)	-	2,199,654
	2,436,661	767,599	(805,948)	-	2,396,781
Restricted income funds	57,875	957,230	(957,188)	-	57,917
	2,494,536	1,724,829	(1,764,577)	-	2,454,788

	1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2021 £
Unrestricted funds:					
General unrestricted funds	62,092	655,466	(528,369)	-	189,189
Building unrestricted funds	2,297,520	-	(50,048)	-	2,247,472
	2,359,612	655,466	(578,417)	-	2,436,661
Restricted income funds	3,634	928,801	(874,560)	-	57,875
	2,363,246	1,584,267	(1,452,977)	-	2,494,536

Analysis of Restricted Income Funds

	31 March 2022 £	31 March 2021 £
Albert Gubay – development of Little Hulton	41,142	35,000
Clothworkers – purchase of motor van	16,775	22,875
	57,917	57,875

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. Analysis of net assets between funds

	Unrestricted funds General £	Unrestricted funds Building £	Restricted funds £	Total 2022 £
Tangible assets	61,673	2,199,654	21,350	2,278,102
Net current assets	111,704	-	36,567	152,846
	173,377	2,199,654	57,917	2,430,948

	Unrestricted funds General £	Unrestricted funds Building £	Restricted funds £	Total 2021 £
Tangible assets	15,587	2,247,472	22,875	2,285,934
Net current assets	154,855	-	35,000	189,855
	170,442	2,247,472	57,875	2,475,789

23. Unrestricted funds – building

These are unrestricted funds which are material to the charity's activities made up as follows:

The unrestricted fund - building represents amounts expended on The Big Rebuild Project, less depreciation charged to date.

24. Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity**.**

25. Operating lease commitments

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	1,510	2,729
Between two and five years	2,260	3,770
	3,770	6,499

26. Related party transactions

During the year, donations were received from trustees totalling £50,722 (2021: £4,200).

There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

27. Subsidiaries

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held direct
StandFirm CIC	England & Wales	Property clearance and recycling (now dormant)	Limited by guarantee	100 %

The subsidiary's activities relate to those of the holding company in that the subsidiary was a trading enterprise that sought to provide work experience to clients of the Mustard Tree and also opportunities for paid employment and, should it make profits, intended to donate its entire taxable trading profit to the holding company by way of Gift Aid.

The main trading activity of the subsidiary was the clearance of vacant properties, the disposal of waste in accordance with applicable legislation and the recycling and retailing of items of furniture as appropriate through its parent company, The Mustard Tree. The company ceased to trade during the year and is now dormant. Its Company Number is 07500328 and the registered office is 110 Oldham Road, Ancoats, Manchester, M4 6AG.

28. Results of the charitable company

The company has taken advantage of Section 408 of the Companies Act 2006 and not included its own income and expenditure account in these financial statements. The net outgoing resources of the Company for the year were £39,748 (2021 incoming resources £50,048).

29. Analysis of changes in net debt

Group	1 April 2021 £	Cashflows £	31 March 2022 £
Cash at bank	550,506	(149,836)	400,670
Charity			
Cash at bank	547,037	(154,124)	392,913

Group	1 April 2020 £	Cashflows £	31 March 2021 £
Cash at bank	288,503	262,003	550,506
Charity			
Cash at bank	279,331	267,706	547,037

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

30. Prior year Statement of Financial Activities

	Unrestricted Funds General 2021 £	Unrestricted Funds Building 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments:					
Donations and legacies	262,116	-	858,418	1,120,534	862,798
Charitable activities	412,673	-	68,383	481,056	543,652
Investment income	-	-	-	-	1
Other income	56,837	-	2,000	58,837	10,418
Total Incoming resources	**731,626**	**-**	**928,801**	**1,660,427**	**1,416,869**
Expenditure on:					
Raising funds					
Fundraising and publicity	96,349	4,358	-	100,707	130,665
Trading costs	483,319	14,600	170,001	667,920	629,459
	579,668	18,958	170,001	768,627	760,124
Charitable activities					
Progression	29,603	31,090	704,559	765,252	715,944
StandFirm	6,298	-	-	6,298	19,080
	35,901	31,090	704,559	771,550	735,024
Total resources expended	**615,569**	**50,048**	**874,560**	**1,540,177**	**1,495,148**
Net Income / (expenditure) for the year	116,057	(50,048)	54,241	120,250	**(78,279)**
Reconciliation of funds:					
Total funds brought forward	54,385	2,297,520	3,634	2,355,539	2,433,818
Total funds carried forward	**170,442**	**2,247,472**	**57,875**	**2,475,789**	**2,355,539**

THE MUSTARD TREE

England & Wales - Charity number 1135192

Accounts

CHouse

Charity Number: 1135192

Company Number: 04386613

THE MUSTARD TREE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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COMPANIES HOUSE

THE MUSTARD TREE

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity number:	1135192
Registered Company number:	04386613
Principal and Registered Office:	110 Oldham Road, Ancoats, Manchester, M4 6AG
Trustees:	J K Kielty A C Preston CBE B M Rapley (resigned 28 May 2021) Professor V S Shah MBE P G Wenham R J Caulfield R Page M I Adlestone OBE DL (appointed 16 June 2020) C L Norman (appointed 27 November 2020)
Chief Executive Officer:	J Walby
Secretary:	G Woodworth
Auditor:	Beever and Struthers Chartered Accountant and Statutory Auditor St George's House 215-219 Chester Road Manchester M15 4JE
Bankers:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors:	Glaisyers 1 St James's Square Manchester M2 6DN

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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

The management team and Trustees are pleased to present the annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 2019).

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THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021



Welcome – Jo Walby, Chief Executive

I am pleased to present Mustard Tree's annual report and audited accounts for 2020-21. We have been inspired by the resilience and passion of our clients, donors, supporters, trustees, staff members throughout the Covid-19 pandemic. Over the past 12 months, Mustard Tree remained open, 6 days a week, providing food and face to face support to nearly 6,000 people who were on very low income or homeless. Our charity supports people who may be vulnerable, isolated and in need of financial support including pensioners, residents, people who are living in hostels as well as those living on the streets. We have families who regularly used our food clubs and so whilst supermarkets stayed open within Public Health guidelines, then so would we. Our commitment to ensuring the charity was 'Covid-Secure' meant prioritisation of cleaning, social distancing, and health and safety.

We had to transform our organisation to focus on food and emergency support for people struggling with the restrictions of the pandemic. We provided face-to-face support and helped over 1,800 people with housing, finances, and advocacy and provided food to more than 3,700 people.

We maintained our training and creative classes by providing an online timetable of activities including English language classes, song club, art classes and job club with over 320 people accessing our online offers. Many of these activities were delivered by our volunteers who proved to be invaluable to the charity during this challenging time. We maintained a small number of Freedom Trainees onsite and supported others via zoom and telephone.

Another key highlight has been the partnership work in Salford – particularly For Housing and Salford CVS. Their support for the redevelopment of our Eccles site included the creation of a new digital support hub. We delivered food parcels to our clients in Little Hulton whilst we had a reduced staff team and in March 2021, we began its refurbishment as well.

We are grateful that the majority of our key donors agreed to unrestricted funding for 12 months to allow us to focus resources where they were most required. We also received emergency funding for food from organisations such as The National Lottery, CAF Bank, Homeless Link and Manchester United Foundation among other valued partners. We had a better than forecast financial performance thanks to the generosity of our supporters – large and small including the many individuals who set up direct debits to help us keep going. We welcomed two new trustees to the charity this year – Charlotte Norman and Mark Adlestone OBE DL with Mark taking over as Chair in the new financial year.

We said goodbye to our colleagues in our StandFirm project with the successful transfer of staff members to the alternative service provider. This project employed 7 people over the 7 years of the contract. These people joined either via the Freedom training project or as volunteers, facing multiple barriers to employment. We also successfully recycled more than £100,000 worth of furniture that would otherwise have gone to landfill.

The Covid-19 crisis has uncovered the depth of inequity that exists in the UK. We continue to see an increase in footfall, whilst some key agencies remain harder to access providing their services via phone and 'zoom'. Coming out of Covid-19, the challenge remains how to further develop sustainable funding streams so we can maximise the impact of what we do to meet this increased need.

We worked throughout Covid-19 because of the support of so many people and we thank our supporters for their good will, commitment, and belief. Special thanks and appreciation must go to the staff members, volunteers, and trustees for all the hard work, courage, and actions over this extraordinary year. You are amazing!

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Objectives and Values

Mustard Tree support people across Greater Manchester, tackling both the causes and consequences of poverty. Our mission is to combat poverty and prevent homelessness by:

- Helping people learn new skills, find work and secure accommodation
- Providing low-cost furniture, food and clothing needed to create a home through our community shops, processing donations and promoting reuse and recycling
- Welcoming people into our warm, safe, aspirational spaces for vocational training, work placements, job clubs, art clubs and creative activities

Mustard Tree has developed a set of values that underpins all the work we do. By embedding these values, we define how we work with each other and other people. Our values are:

Belief – in people, working with people where they are, focusing on strengths
Dignity - kindness, respect and compassion underlie how we work
Opportunity – creating opportunities for people to improve their lives
Diversity – embracing the differences and valuing the contribution of all
Partnership – commitment to working in partnership
We believe in a 'hand-up' approach, providing dignity through understanding that any one of us may need help in our lives. We appreciate the courage, resilience, and belief it takes to ask for help and recover from problems. We value the contribution that all our clients make to our communities and know that we cannot exist in isolation from others.

Mustard Tree provides in-house training in Customer Service; English (ESOL) and Digital Confidence and we host other partners who also provide training courses. We run a structured vocational training programme – 'the Freedom Project' - through which people get involved in the enterprise side of Mustard Tree. The Freedom trainees undertake real-life work experience and help us to run the charity through:

- Providing customer services in retail
- Warehouse skills in furniture collection/distribution
- Repair and PAT testing of white goods donated to the charity
- Food hygiene and catering skills in our industrial kitchen, food clubs and café
- Cleaning and facilities experience in running of our buildings

Vocational training, including some industry standard accreditations in areas such as manual handling, is provided as part of the programme. Work placements with corporate partners who support the charity are provided for clients who set employment as their goal.



'I mentioned that I wanted to start my own business selling cakes but needed to find work first so I could support myself and my family". *- Soulemann*

Equipped with experience gained in our training kitchen, Soulemann now works in a prestigious restaurant in the heart of Manchester and has set-up his own cake business – 'SyllaSweet'.

THE MUSTARD TREE

Since Covid-19, we have also been providing emergency 121 support to address economic wellbeing as well as health and wellbeing – focusing on supporting people in debt and struggling with accessing digital platforms. Staff also advocate for clients to find emergency accommodation and support our clients with landlords to help retain their housing.

The charity has 3 Community Shops in Ancoats, Eccles and Little Hulton offering access to low-cost food through the food club and pre-loved clothing and household essentials such as furniture, electrical items, and white goods. Our helpdesk and online donation forms provide a route for people to donate unwanted items that we collect in our furniture vans. We clean, repair, and display those donated items in our community shops.





We support people into new tenancies through the provision of furniture and other items, helping people to settle in their homes. Our community shops gift at least 40% of the items donated to us directly back to people in need through our voucher and gifting schemes – something we believe is unique compared to other charity shop models.

Mustard Tree also tackles poverty of experience through providing creative activities such as art, music, drama, and IT/media. By helping people engage creatively, we help build confidence, recover self-esteem, and unleash new potential. Improvements in health and wellbeing are provided through increasing access to health services and promotion of self-help groups. Our welcome and open-door policy through the community shop model offers a respite to social isolation as well as vital access to face to face support.

The charity has 35 staff members and 40 volunteers as well as up to 70 trainees helping to run the organisation. Our approach is based on our values and an understanding that everyone needs help at some point in their lives.

Public benefit

The public benefits that flow from the charity are as follows:

1. An enhanced quality of life and economic wellbeing with access to low cost food, clothing, and household essentials.
2. Increased opportunities from the training and Freedom programmes through the development of new skills and engaging in new activities leading to greater social skills, improved economic wellbeing through better employment options and interaction.
3. Enhanced access to health and wellbeing support leading to improved health and a better of quality of life.
4. Raised awareness of poverty and homelessness in and around Manchester, leading to increases in self-esteem through helping others

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Key Achievements and Performance - Our response to Covid-19

April to June 2020 - Spring

We were shocked by the daily updates from March 23rd onwards detailing the nature of the crisis. We consumed all the guidance we could from Central Government, Local Authorities, and the NHS. Risk assessments were conducted across all buildings and activities which resulted in the closure of all our services apart from food and crisis support.



We increased cleaning regimes and introduced a daily deep clean and audits via a twice-daily checklist.

Method statements were developed for contagious diseases, and we trained all onsite staff members in cleaning and Control of Substances Hazardous to Health (COSHH).

We also trained all onsite staff members in Food Hygiene and PPE for all our staff and volunteers.

We translated Public Health guidance into multiple languages and displayed and updated information across our centres in line with Government changes. Opening hours were limited to 4 hours a day, 6 days a week to minimise contact.

We focused on food supply to and emergency support. As well as the people who use our food clubs, we also supported Manchester City Council's food initiative in delivering food parcels to residents who were clinically shielding. Every food parcel was checked by our Head Chef and signed off personally to maintain the quality of experience for people when they most needed it.





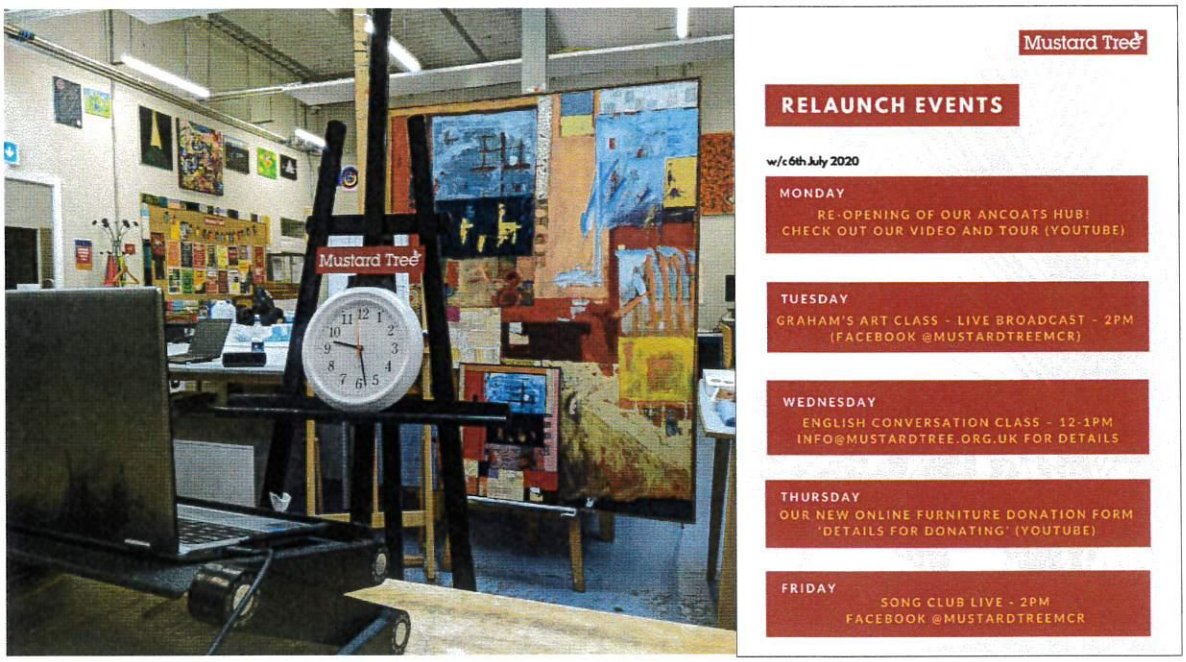
those guys were so nice and lovely😍

During these first 3 months, we delivered 3,740 family food parcels and helped over 400 people living in hotels and the small number who were on the streets more than 900 times with food, clothing, toiletries and 121 support.

THE MUSTARD TREE

July to Sept – Summer

We temporarily reopened community hubs when the first lockdown ended including the newly refurbished site in Eccles. We were conscious of the social isolation and mental health concerns of some of our clients and so created a 'Life after lockdown' plan. This included the development of arts, music and creative classes online as well providing advocacy, action and 121 drop-in support for those facing financial hardship. We also relaunched our online ESOL classes and started to focus again on our other service offers as well as emergency food and housing.



October to December – Autumn

Sadly, Greater Manchester was subject to more local lockdowns in the Autumn as Covid-19 cases surged. However, other charitable and support services were now open, and the Government had introduced schemes such as the uplift to Universal Credit and so we consolidated our resources. Our focus was on Food, Furniture and Freedom in preparation for the reality of winter pressures.

We ended some of things we did such as gifting of toiletries and sleeping bags, we increased our provision in other areas such as extending our furniture voucher schemes and launched new initiatives with partners so that we were ready to address increased need.

STREET ENGAGEMENT HUB

STREET ENGAGEMENT HUB MANCHESTER

We welcomed multiple partners onsite as part of Manchester's Street Engagement Hub which was set up by Greater Manchester Police, Manchester City Council, and partners to provide multi-agency support for begging and people who were living on the streets. Twice a week, we host housing, addiction services, probation, DWP, charities as well as health services to increase and improve access to those services for people on the streets.

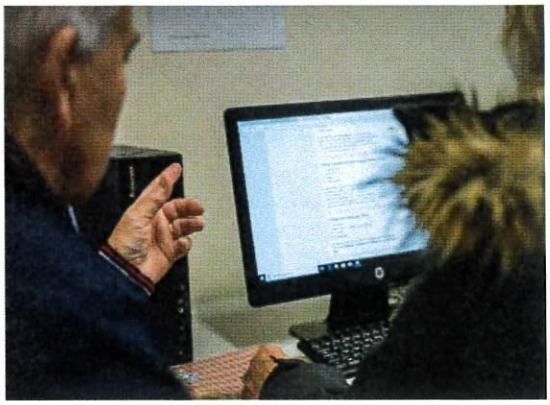
THE MUSTARD TREE

January to March - Winter

The Government announcement on 4th January of a further lockdown including schools meant that we needed to renew our focus on the provision of essential food and emergency support to those who need it. Using our experience and links into other services developed during Covid-19, we expanded our offers - for example, we extended hardship funds for rent arrears or deposits for families in temporary accommodation.

Despite the constraints of the Tier system and the lockdowns, we resumed our onsite delivery of some specific training courses, work placements and partner services.





We worked to the latest Government guidelines which explicitly referred to charitable services remaining open to support people who may be vulnerable. ('National Lockdown – Stay at Home,' Jan 4, 2021, guidance from GOV.UK). We had secured new partnerships with DWP and Caritas Salford to help us do this and most of this activity was based onsite at our community hubs in Manchester and Eccles.

We were very aware of the immense contribution of our staff members and volunteers over this year and focused on wellbeing and care for the team. We closed the charity over the Christmas break to give everyone a well-deserved break. Working with the Council, we secured Covid-19 vaccinations for our staff members and volunteers.

Onwards and Upwards

Coming out of Covid-19, we are analysing the impact of the pandemic on the charity. We need to ensure we can meet increasing demands whilst keeping our focus on our welcome and values. As more services are using telephone and video based approaches to support, we need to maintain our emergency support staff to provide the vital face-to-face support required to help people. This is a new area for us in addition to our longer term Freedom programme. We will need more consistent funding streams and partnerships to help manage these demands and increase the scale and impact of the charity. Mark Adlestone OBE DL will take over as Chair in the new financial year and his leadership will safely steer the charity into the next phase of its development.

It has been a truly extraordinary year and the charity has achieved more than we thought possible with the crucial support from our donors, partners, trustees and our brave volunteers and staff members. Our focus and passion has remained on the people who use our services and come into our spaces. One of our Freedom Trainees at the end of their placement described Mustard Tree as follows:

'You were our light in the time of darkness, our happiness in the time of sadness, our security in the time of fear, our hope in the time of despair, our comfort in the time of fatigue, and our warm embrace in the time of cold Covid sorrows.'

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Financial Review

FY2020-21 proved to be a strong year, despite the conditions of Covid-19, and we out-performed our financial expectations during this unprecedented time.

Our emergency budget planned for a loss by the end of the year due to the closure of retail and reduction in our trading activities. We proactively managed the risks to income and expenditure through short-term financial management – monthly, weekly and in some cases daily. We were in Year 2 of a 3 year-strategy around building up viable reserves and so had the added pressure of risks associated with managing cashflow.

Income

Our decision to remain open during the lockdowns resulted in key funders providing crisis income – particularly for food. Of the £1.660 million achieved, £300,000 was linked to Covid-19 crisis support. The result for this financial year showed a 17% increase in income despite the reduction in trading activities. This result reinforced the relevance of Mustard Tree and the decision the charity made to stay open.

We secured our first major public sector contract in March 2021 with the Department of Work and Pensions investing in our Freedom training programme. In Salford, our partnership with For Housing provided additional funding to help us maintain our presence in Eccles and Little Hulton. These contracts signified the development of more structured service offers in addition to our existing training and activities – therefore providing more predictable income.

Expenditure

Expenditure increased this year in comparison to the previous year by 3% with significant investment in food, cleaning, and PPE plus emergency supplies for clients. Our salary costs were less than the previous year because we halted recruitment and did not replace roles when a small number of people left. We held our staff team together and did not have to make any redundancies. In terms of Government support, we limited the furlough contribution to £32,679 which was mainly linked to trading activities through the StandFirm voids contract.

StandFirm

The contract for the Voids clearance activity delivered by StandFirm was transferred from Mears PLC to Engie PLC resulting in the successful TUPE transfer of relevant staff members. This project employed 7 people over the contract and these people joined either via the Freedom training project or as volunteers, facing multiple barriers to employment. We also successfully recycled more than £100,000 worth of furniture that would otherwise have gone to landfill. StandFirm CIC will not trade in the short to medium term whilst we qualify potential new opportunities.

Summary

Our financial performance resulted in a net surplus of £120,250 minus depreciation which equates to 7% of our income for the year. This contribution to reserves provides more security for our charity whilst remaining within best practice guidelines as stipulated by the Charity Commission. Managing cashflow particularly in the light of seasonal peaks of our income remains a priority as we build forward into 2021-22.

Reserves policy

Our objective is to build a minimum reserve to cover 3 months unavoidable expenditure to cover the necessity of closedown, or unforeseeable delays in receiving funds from donors. The reserves required for this would be £147k. This is based on staffing and associated overhead costs including contractual obligations.

At the year end the charity had reserves as follows:-

£170,442 which are deployable and are able to be spent on any of the charity's activities (unrestricted reserves)

£57,875 which represents donations made where the donor has specified a particular purpose for their funds (restricted reserves)

£2,247,472 representing donations already invested in the charity's land and buildings, which are therefore not able to be deployed for any other purpose

The unrestricted reserves balance is in line with the reserves policy.

Plans for the future period

Covid-19 has meant that we had to completely transform and adapt our organisation to focus on food and emergency support during the lockdowns of 2020. To meet the increasing service demand and to provide appropriate support we have remodelled our services, and this has had an impact on our costs and resources. Coming out of Covid-19, we are analysing the impact on the charity and will access specialist advice in areas such as fundraising and HR to support the development of the charity. We need to ensure we invest in management resources as well as focusing on the front line if we want to safely manage the increases in demand. Our staff team have been incredible for the past 18 months and we need to invest in further training and development at all levels within the charity.

The social and economic impact of Covid-19 on many families across Greater Manchester has resulted in a significant increase in the number of service users who are now more reliant on us. We will accelerate the investment in our staff team and recruit the roles we need in order to ensure the safe transition into this post-covid pandemic phase.

Going concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over the past 12 months. Whilst the impact on fundraising and retail is subject to the wider Covid-recovery for the country, the diverse nature of the funding streams provides greater opportunities to tolerate downturns in any particular area. The reserves position for the charity has increased with improving cashflow and we have a modest budget in place for the new financial year. The budget includes the investment in the staff team to accommodate the increases in demand as well as the opportunity to strengthen the leadership team. Developing a more sustainable fundraising strategy will also be a key focus to support development over future years.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Structure and Governance

The charity is a company limited by guarantee. The **trustees**, who are also the directors for the purpose of company law, and who served during the year were:

B M Rapley (Chair)

M I Adlestone OBE DL (6/20)

R J Caulfield

J K Kielty

C Norman (1/21)

A C Preston CBE

R Page

Professor V S Shah MBE DL

P G Wenham



New trustees are elected following an open recruitment process and filled by analysing gaps in the skills, capacity, and experience of existing trustees. New trustees receive a full induction.

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

Oversight of all activities is managed by the Trustee Board. They approve the budget, capital projects, any changes in strategic direction, and appoint the CEO. The daily functions are managed by a Senior Management Team of the CEO, Jo Walby and Head of Finance, Graeme Woodworth.

Management accounts with key performance indicators are reviewed by the management team monthly and the Trustees evaluate and review these documents every two months. Monthly management meetings also review Incidents and Safeguarding, HR and training and Case Management of Freedom Volunteers.

The Mustard Tree is the sole member of StandFirm CIC, a company limited by guarantee, established to provide paid employment for local individuals coming through projects such as the Freedom Project. All StandFirm board members are appointed by The Mustard Tree trustees and the CEO of The Mustard Tree sits as a director on the StandFirm board.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code, namely to.

- settle the terms of payment with suppliers when agreeing the terms of each transaction.
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Management of Key Risks and Uncertainties

The Organisation risk register is updated on a quarterly basis and audits of Health and Safety systems and processes are also carried out once a month across each site.

An overview of Incidents and Near Misses are reviewed each month during a Safeguarding Review meeting, chaired by the CEO. The Chair of Trustees is notified the same day of any Serious and Untoward Incidents with a written report completed and submitted to the chair within 72 hours.

The Mustard Tree have built significant COVID-19 risk assessments in line with government guidance which are updated through latest government guidance. Mustard Tree is a Covid-Secure workplace and has been since the start of the Covid-Secure guidance.

An annual training plan is ongoing in line with H & S compliance this includes introduction to health and safety; safeguarding; first aid; fire marshalling; motivational interviewing and case management; professional boundaries. During the year, The Mustard Tree have qualified a further 3 staff on Institution of occupational safety and health accreditation.

Employee Involvement

The charity's policy is to consult and discuss with employees, directly and at staff meetings, matters likely to affect employees' interests. Information of matters of concern to employees are given through team meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There are managers across all areas of the charity including: Retail and Logistics; Services; Training; Food; Facilities; Fundraising and Partnerships. Each manager holds regular 121s with their staff as well as team meetings and staff members are encouraged to contribute their ideas, views, and opinions. We are introducing formal annual appraisals, and, in the meantime, staff members are encouraged to feedback during their 121s.

Monthly management meetings are held in which each manager provides a verbal update to their monthly reports submitted to the CEO. Daily team briefings are held at 8:45am to brief staff members and volunteers on key information and to help manage risk through providing latest updates around Covid-19. These daily briefings proved essential during the pandemic because the staff team could directly input into service delivery as well as listen to key messages.

Organisation policies and processes are stored electronically on the HR database – 'People HR' and each staff member has individual access to this system.

Safeguarding, Incident Management and Boundaries Training sessions are held at least every 2 months to brief new starters and to provide further learning refresh courses for existing colleagues.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Thank you to our supporters

Without the backing of our supporters, partners, and volunteers - navigating through the challenges and fallout of the Covid-19 pandemic would have been impossible. The belief which was shown by our partners gave us the confidence to diversify to meet the growing need – knowing that we would not be facing these challenges alone.

We want to say a special thank you to our major supporters who have been essential to this year including:

The Oglesby Charitable Trust and Oglesby Family

The Zochonis Charitable Trust

The Garfield Weston Foundation

The National Lottery Community Fund

CAF Bank

Crisis

The Albert Gubay Foundation

The Henry Smith Charity

Manchester City Council and staff

Salford CVS

DWP

For Housing

Manchester United Foundation

Watson Homes



Thank you to our **Charity of the Year** Partners including: - AXA Insurance, Cargills, CFG Law, DAC Beechcroft, D2 Rail, Duff & Phelps, Equity Solutions, First Central Insurance, Harper Harrison / LHI, Hill Dickinson, Joseph Holt, Kroll, Lloyds TSB, Plexus Law and Swizzels Matlow.

We want to thank all our partners in the Voluntary, Community and Social Enterprise sector (VCSE). The passion, resilience and courage shown by charities in Manchester and Salford over this year has been awe inspiring and makes Greater Manchester a better place.

The support of our Patron, Sir Warren Smith, has been instrumental. We would also like to thank David Regan, Director of Public Health at Manchester City Council, Paul Dennett, Mayor of Salford and Andy Burnham, Mayor of Greater Manchester for their leadership during this difficult year.

Finally, we would also like to thank all our individual fundraisers and the In-kind support we receive as this continues to provide opportunities where financial contributions may not be possible. As well as countless food and clothing donations, businesses and communities have rallied to provide items to support our clubs and classes. Thank you.

THE MUSTARD TREE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities in relation to the financial statements

The trustees, who are also the directors of The Mustard Tree 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; an
- 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 of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
In accordance with the company's articles, a resolution proposing that Beever and Struthers, be reappointed as auditor of the company, will be put at a General Meeting.

Disclosure of Information to the Auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees on 15/12/21

N Adlestone OBE DL
Chair of Trustees

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the consolidated financial statements of The Mustard Tree (the 'charity') and StandFirm CIC ('the subsidiary') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistences or apparent material misstatements, we are required to determine whether there is material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there it a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2021

Opinions on other matters prescribed by the Companies Act 2006.
In our opinion, based on the work undertaken in the course of our audit:

- The information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by the law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using to going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2021

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, the Charities Act 2011, taxation legislation, data protection, safeguarding, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in [Note 3] were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of out auditor's report.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSTARD TREE YEAR ENDED 31 MARCH 2021

Use of our report

This report is made solely to charitable company's members, as a body in accordance with Chapter 3 of Part 16 of the Company's Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Sue Hutchinson (Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Beever and Struthers
Chartered Accountants
St George's House
215-219 Chester Road
Manchester M15 4JE

Date: 15/12/2021

THE MUSTARD TREE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds General 2021 £	Unrestricted Funds Building 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments:						
Donations and legacies	4	262,116	-	858,418	1,120,534	862,798
Charitable activities	5	412,673	-	68,383	481,056	543,652
Investment income	6	-	-	-	-	1
Other income	7	56,837	-	2,000	58,837	10,418
Total incoming resources		**731,626**	**-**	**928,801**	**1,660,427**	**1,416,869**
Expenditure on:						
Raising funds						
Fundraising and publicity	8	96,349	4,358	-	100,707	130,665
Trading costs	8	483,319	14,600	170,001	667,920	629,459
		579,668	18,958	170,001	768,627	760,124
Charitable activities						
Progression	9	29,603	31,090	704,559	765,252	715,944
StandFirm	9	6,298	-	-	6,298	19,080
		35,901	31,090	704,559	771,550	735,024
Total resources expended		**615,569**	**50,048**	**874,560**	**1,540,177**	**1,495,148**
Net income / (expenditure) for the year		116,057	(50,048)	54,241	120,250	**(78,279)**
Reconciliation of funds:	19					
Total funds brought forward		54,385	2,297,520	3,634	2,355,539	2,433,818
Total funds carried forward		**170,442**	**2,247,472**	**57,875**	**2,475,789**	**2,355,539**

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

All incoming resources and resources expended derive from continuing activities.

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

The comparative statement of financial activities is shown in note 29 to the financial statements.

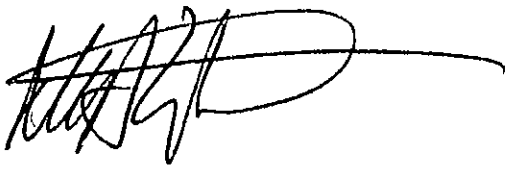
The notes on pages 22 to 37 form part of these accounts.

THE MUSTARD TREE

CONSOLIDATED AND CHARITY STATEMENT BALANCE SHEET
AS AT 31 MARCH 2021

	Note	Total Funds 2021 Group £	Total Funds 2020 Group £	Total Funds 2021 Charity £	Total Funds 2020 Charity £
Fixed assets:					
Fixed assets	15	2,285,934	2,307,118	2,285,875	2,307,000
Current assets:					
Stock	16	768	211	768	211
Debtors	17	131,774	103,537	125,614	86,156
Cash at bank		550,506	288,503	547,037	279,331
		683,048	392,251	673,419	392,258
Liabilities:					
Creditors: amounts falling due within one year	18	(493,193)	(343,830)	(464,758)	(309,452)
Net current assets		189,855	48,421	208,661	56,246
Total net assets		2,475,789	2,355,539	2,494,536	2,363,246
Funds of the Charity:	20				
Restricted income funds		57,875	3,634	57,875	3,634
Building Unrestricted funds		2,247,472	2,297,520	2,247,472	2,297,520
General Unrestricted funds		170,442	54,385	189,189	62,092
Total Charity funds		2,475,789	2,355,539	2,494,536	2,363,246

These financial statements were approved by the board of trustees and authorised for issue on 15/12/21 and are signed on behalf of the board by:



M Adlestone OBE DL
Trustee

Charity resignation No. 1135192
Company Registration No: 04386613

The notes on pages 22 to 37 form part of these accounts.

THE MUSTARD TREE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
Reconciliation of net cash flow from operating activities:				
Net surplus / (deficit)	120,250	(78,279)	131,291	(90,815)
Adjustments for:				
Investment income	-	(1)	-	(1)
Depreciation	63,366	79,727	63,307	79,669
(Increase) in stocks	(557)	(211)	(557)	(211)
(increase) / decrease in debtors	(28,237)	46,876	(39,457)	54,349
Increase in creditors	149,063	57,353	155,304	57,366
	304,185	105,465	309,888	100,357
Cashflow statement				
Net cash inflow from operating activities:	304,185	105,465	309,888	100,357
Investing activities:				
Purchase of fixed assets	(42,182)	(10,912)	(42,182)	(10,912)
Investment income	-	1	-	1
Net cash outflow from investing activities:	(42,182)	(10,911)	(42,182)	(10,911)
Financing activities:				
Repayment of bank loans	-	(18,074)	-	(18,074)
Net cash outflow from financing activities:	-	(18,074)	-	(18,074)
Net increase in cash and cash equivalents:	262,003	76,480	267,706	71,372
Cash and cash equivalents at 1 April 2020	288,503	212,023	279,331	207,959
Cash and cash equivalents at 31 March 2021	550,506	288,503	547,037	279,331

The notes on pages 22 to 37 form part of these accounts.

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. General Information

The Mustard Tree is a company limited by guarantee, incorporated in England and Wales. It consequently does not have any share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of a liquidation. The registered office is detailed on page 1.

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and 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.

The Mustard Tree meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s). 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 £.

3. Accounting Policies

The accounts have been prepared in accordance with the charity's governing document, 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).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements consolidate the results of the charity and its wholly owned subsidiary StandFirm Community Interest Company on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going Concern

The management team and Trustees are confident in the resilience of the organisation as demonstrated by the performance over the past 12 months. Whilst the impact on fundraising and retail is subject to the wider Covid-recovery for the country, the diverse nature of the funding streams provides greater opportunities to tolerate downturns in any particular area. The reserves position for the charity has increased with improving cashflow and we have a modest budget in place for the new financial year. The budget includes the investment in the staff team to accommodate the increases in demand as well as the opportunity to strengthen the leadership team. Developing a more sustainable fundraising strategy will also be a key focus to support development over future years.

Charitable funds

Unrestricted funds

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

A fixed asset fund is maintained which represents the written down value of certain tangible fixed assets.

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Charitable funds

Restricted funds
Restricted funds are to be used for particular purposes as laid down by the provider of the funds. The board of trustees carefully monitor the application of those funds in accordance with the restrictions placed upon them.

Incoming resources
Income is recognised when the charity 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. Income received in advance is deferred until the criteria for income recognition is met.

Income from donations and legacies
Such income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where incomes is received in relation to a particular project or activity to be carried out over a specified period, the relevant proportion of such income is deferred so that it is recognised in the same period that the relevant expenditure is incurred.

During the year the charity received grants from the UK Government Coronavirus Job Recovery Scheme. This income has been matched to the payroll costs to who it relates and has been included in other income.

Gifts and donated services
As the value of services provided to the charity by volunteers cannot be quantified, they have not ben included in these accounts.

Furniture, clothing, food and other items are donated for purchase by clients able to pay and are included as incoming resources within activities for generating funds. Those sold are valued at the time of sale.

Income from investments
Bank interest is included in the income and expenditure account on a receivable basis.

Recognition of liabilities
Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Allocation of incoming resources
Income from donations etc. relating to a particular activity category is allocated directly. Other income received without restriction is allocated in such a way to meet the costs not funded by restricted donations such that all costs are apportioned to the different activity categories in accordance with the accounting policies set.

Resources expended
The policy for including items within the relevant activity categories of resources expended is that all costs are allocated on a basis designed to reflect the use of the resource. Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Cost of raising funds
Costs of raising funds comprise the costs associated with attracting donations and the costs of trading for fundraising purposes.

Charitable activities
Charities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of costs within types of resources expended
Costs relating to a particular activity are allocated directly. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, insurance and governance costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. All support costs are allocated between the activity expenditure categories on a basis designed to reflect the use of the resource. Support costs are apportioned on an appropriate basis eg. Floor area, per capita or estimated usage.

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:

Freehold land and buildings	2% straight line
Fixtures, fittings &equipment	25% -33% straight line
Motor vehicle	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 net income/(expenditure) for the year.

Impairment of fixed 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).

Stocks
Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

Donated goods held in stock are considered to have no material value for accounting purposes.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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
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 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.

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 as transaction price and subsequently measured at amortised cost using the effective interest method.

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

Taxation
As a registered charity, The Mustard Tree is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable in part in relation to costs directly attributable to the sale of donated goods and a proportion of relevant overheads deemed attributable to such activity. The non-recoverable element of VAT in relation to overheads and other expenditure is included in the relevant costs in the statement of financial activities.

Its subsidiary, StandFirm CIC, is subject to corporation tax. StandFirm is registered for VAT and thus charges VAT on its sales and is able to recover VAT on its purchases and expenses. All figures within its accounts are stated net of VAT.

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.

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimated 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.

Significant judgements
The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Determination of whether there are indicators of impairment on the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Tangible assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

4. Donations and legacies

	Unrestricted funds general	Restricted funds	Total 2021
	£	£	£
Donations and gifts	228,116	2,400	230,516
Grants receivable for core activities	34,000	856,018	890,018
	262,116	858,418	1,120,534

	Unrestricted funds general	Restricted funds	Total 2020
	£	£	£
Donations and gifts	416,100	-	416,100
Grants receivable for core activities	446,698	-	446,698
	862,798	-	862,798

5. Charitable activities

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Fundraising	204,597	-	204,597
Shop income	208,076	68,383	276,459
	412,673	68,383	481,056

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Fundraising	234,627	-	234,627
Shop income	309,025	-	309,025
	543,652	-	543,652

6. Investment income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	-	1
	-	1

7. Other income

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Rental income	24,151	-	24,151
Other income	7	2,000	2,007
CJRS income	32,679	-	32,679
	56,837	2,000	58,837

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Rental income	7,912	-	7,912
Other income	2,506	-	2,506
	10,418	-	10,418

8. Analysis of expenditure on raising funds

	Unrestricted funds general 2021 £	Unrestricted funds building 2021 £	Restricted 2021 £	Total 2021 £
Fundraising and publicity				
Staff costs	70,296	-	-	70,296
Direct costs	4,226	-	-	4,226
Support costs (see note 10)	21,827	4,358	-	26,185
	96,349	4,358	-	100,707
Trading costs				
Operating charity shops	329,347	-	170,001	499,348
Standfirm: cost of sales	31,721	-	-	31,721
Standfirm: staff costs	49,120	-	-	49,120
Support costs (see note 10)	73,131	14,600	-	87,731
	483,319	14,600	170,001	667,920
Total expenditure on raising funds	579,668	18,958	170,001	768,627

	Unrestricted funds general 2020 £	Unrestricted funds building 2020 £	Restricted 2020 £	Total 2020 £
Fundraising and publicity				
Staff costs	98,733	-	-	98,733
Direct costs	-	-	-	-
Support costs (see note 10)	23,204	8,728	-	31,932
	96,349	8,728	-	130,665
Trading costs				
Operating charity shops	406,701	-	-	406,701
Standfirm: cost of sales	43,862	-	-	43,862
Standfirm: staff costs	91,602	-	-	91,602
Support costs (see note 10)	63,709	23,585	-	87,294
	605,874	23,585	-	629,459
Total expenditure on raising funds	727,811	32,313	-	760,124

9. Analysis of expenditure on charitable activities

	Progression	Standfirm	Total 2021
	£	£	£
Staff costs	501,529	5,778	507,307
Direct costs	75,901	-	75,901
	577,430	5,778	583,208
Support costs (see note 10)	179,158	520	179,678
Governance costs (see note 10)	8,664	-	8,664
	187,822	520	188,342
Total expenditure on charitable activities	765,252	6,298	771,550
Analysis by fund			
Unrestricted funds – general	29,603	6,298	35,901
Unrestricted funds – building	31,090	-	31,090
Restricted funds	704,559	-	704,559
	765,252	6,298	771,550

	Progression	Standfirm	Total 2020
	£	£	£
Staff costs	452,514	10,775	463,289
Direct costs	108,954	8,246	117,200
	561,468	19,021	580,489
Support costs (see note 10)	146,319	59	146,378
Governance costs (see note 10)	8,157	-	8,157
	154,476	59	154,535
Total expenditure on charitable activities	715,944	19,080	735,024
Analysis by fund			
Unrestricted funds – general	663,978	19,080	683,058
Unrestricted funds – building	39,991	-	39,991
Restricted funds	11,975	-	11,975
	715,944	19,080	735,024

10. Analysis of support costs

	Support costs	Governance costs	Total 2021
	£	£	£
Staff costs	96,035	-	96,035
Business support costs	134,195	-	134,195
Depreciation	63,364	-	63,364
Audit and accountancy	-	8,664	8,664
	293,594	8,664	302,258
Analysed between			
Fundraising	26,185	-	26,185
Trading	87,731	-	87,731
Charitable activities	179,678	8,664	188,342
	293,594	8,664	302,258

	Support costs	Governance costs	Total 2020
	£	£	£
Staff costs	94,222	-	94,222
Business support costs	90,655	-	90,655
Depreciation	79,727	-	79,727
Audit and accountancy	-	9,157	9,157
	264,604	9,157	273,761
Analysed between			
Fundraising	31,932	-	31,932
Trading	86,294	1,000	87,294
Charitable activities	146,378	8,157	154,535
	264,604	9,157	273,761

11. Audit Fees:

Amounts paid to auditors during the year are as follows:

	2021	2020
	£	£
Audit fees	10,000	8,157
Accountancy fees	2,000	1,000
	12,000	9,157

12. Staff Costs

Total staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	818,236	928,079
Social security costs	60,165	73,123
Pension costs	14,719	20,453
	893,120	1,021,655

Number of employees

The average number of employees during the year, calculated on the basis of full-time equivalent (FTE) and average headcount (HC) was as follows:

	2021 FTE	2021 HC	2020 FTE	2020 HC
	No	No	No	No
Charitable activities	23	24	21	22
Fundraising activities	3	3	4	4
Trading activities	9	10	11	12
Standfirm	5	5	5	5
	40	42	41	43

There were no employees whose annual remuneration exceeded £60,000

Key management personnel

The key management personnel of the Charity comprise the Trustees, Chief Executive Officer and the Secretary. The employee benefits of the key management personnel were £113,851 (2020: £122,628).

13. Taxation

Corporation tax is payable in relation to the taxable surplus of StandFirm CIC. In the current and preceding years there have been no taxable surpluses and therefore no charge to Corporation Tax.

These are tax losses available to carry forward of £15,191 (2020 - £15,191)

14. Net Movement in funds

Net resources are stated after charging:

	2021	2020
	£	£
Auditors' remuneration	12,000	9,157
Depreciation	63,666	79,727
Operating lease rentals	1,500	2,217

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FOR THE YEAR ENDED 31 MARCH 2021

15. Fixed Assets

Group	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2020	2,390,892	104,529	40,526	2,535,947
Additions	-	17,782	24,400	42,182
At 31 March 2021	2,390,892	122,311	64,926	2,578,129
Depreciation and impairment				
At 1 April 2020	95,600	92,703	40,526	228,829
Depreciation charged in the year	47,819	14,022	1,525	63,366
At 31 March 2021	143,419	106,725	42,051	292,195
Net book value				
At 31 March 2021	2,247,473	15,586	22,875	2,285,934
At 31 March 2020	2,295,292	11,826	-	2,307,118

Charity	Freehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
At 1 April 2020	2,390,892	92,772	26,209	2,509,873
Additions	-	17,782	24,400	42,182
At 31 March 2021	2,390,892	110,554	50,609	2,552,055
Depreciation and impairment				
At 1 April 2020	95,600	81,064	26,209	202,873
Depreciation charged in the year	47,819	13,963	1,525	63,307
At 31 March 2021	143,419	95,027	27,734	266,180
Carrying amount				
At 31 March 2021	2,247,473	15,527	22,875	2,285,875
At 31 March 2020	2,295,292	11,708	-	2,307,000

16. Stocks – Group and Company

	2021 £	2020 £
Café stocks	768	211

17. Debtors

	Group 2021	Group 2020	Charity 2021	Charity 2020
Amounts falling due within one year	£	£	£	£
Trade debtors	38,199	36,812	9,050	9,437
Amounts due from subsidiary undertakings	-	-	30,804	20,229
Other taxation and social security	1,259	-	13,043	-
Other debtors	11,105	13,867	11,105	13,867
Prepayments and accrued income	81,211	52,858	61,612	42,623
	131,774	103,537	125,614	86,156

18. Creditors: amounts falling due within one year

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Other taxation and social security	-	15,731	-	-
Trade creditors	99,522	51,651	76,727	37,949
Deferred income	378,706	257,056	378,727	256,747
Accruals	14,965	19,392	9,304	14,756
	493,193	343,830	464,758	309,452

Deferred income above comprises of:

	2021	2020
	£	£
Balance at 1 April	257,056	154,989
Amount deferred in the year	378,706	257,506
Amount released to incoming resources	(257,056)	(154,989)
Balance at 31 March	378,706	257,506
Deferred income is made up of:		
Income received in advance	378,706	257,506

19. Retirement benefit schemes

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

20. Statement of funds

Group

	1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2021 £
Unrestricted funds:					
General unrestricted funds	54,385	731,626	(615,569)	-	170,442
Building unrestricted funds	2,297,520	-	(50,048)	-	2,247,472
	2,351,905	731,626	(665,617)	-	2,417,914
Restricted income funds	3,634	928,801	(874,560)	-	57,875
	2,355,539	1,660,427	(1,540,177)	-	2,475,789

	1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2020 £
Unrestricted funds:					
General unrestricted funds	50,178	1,416,869	(1,410,869)	(1,793)	54,385
Building unrestricted funds	2,368,031	-	(72,304)	1,793	2,297,520
	2,418,209	1,416,869	(1,483,173)	-	2,351,905
Restricted income funds	15,609	-	(11,975)	-	3,634
	2,433,818	1,416,869	(1,495,148)	-	2,355,539

Charity

	1 April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2021 £
Unrestricted funds:					
General unrestricted funds	62,092	655,466	(528,369)	-	189,189
Building unrestricted funds	2,297,520	-	(50,048)	-	2,247,472
	2,359,612	655,466	(578,417)	-	2,436,661
Restricted income funds	3,634	928,801	(874,560)	-	57,875
	2,363,246	1,584,267	(1,452,977)	-	2,494,536

	1 April 2019 £	Incoming Resources £	Resources Expended £	Transfers £	31 March 2020 £
Unrestricted funds:					
General unrestricted funds	70,419	1,248,794	(1,255,328)	(1,793)	62,092
Building unrestricted funds	2,368,031	-	(72,304)	1,793	2,297,520
	2,438,450	1,248,794	(1,327,632)		2,359,612
Restricted income funds	15,609	-	(11,975)	-	3,634
	2,454,059	1,248,794	(1,339,607)		2,363,246

21. Analysis of net assets between funds

	Unrestricted funds General 2021	Unrestricted funds Building 2021	Restricted funds 2021	Total 2021
	£	£	£	£
Tangible assets	15,587	2,247,472	22,875	2,285,934
Net current assets	154,855	-	35,000	189,855
	170,442	2,247,472	57,875	2,475,789

	Unrestricted funds General 2020	Unrestricted funds Building 2020	Restricted funds 2020	Total 2020
	£	£	£	£
Tangible assets	9,598	2,297,520	-	2,307,118
Net current assets	44,787	-	3,634	48,421
	54,385	2,297,520	3,634	2,355,539

22. Unrestricted funds – building

These are unrestricted funds which are material to the charity's activities made up as follows:

The unrestricted fund - building represents amounts expended on The Big Rebuild Project, less depreciation charged to date.

In the prior year a further £1,793 was expended which has been transferred from unrestricted general funds.

23. Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

24. Operating lease commitments

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	2,729	1,500
Between two and five years	3,770	5,250
	6,499	6,750

25. Related party transactions

During the year, donations were received from trustees totalling £4,200 (2020: £13,950).

There were no other related party transactions.

26. Subsidiaries

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held direct
StandFirm CIC	England & Wales	Property clearance and recycling	Limited by guarantee	100 %

The subsidiary's activities relate to those of the holding company in that the subsidiary is a trading enterprise that seeks to provide work experience to clients of the Mustard Tree and also opportunities for paid employment and, should it make profits, intends to donate its entire taxable trading profit to the holding company by way of Gift Aid.

The main trading activity of the subsidiary is the clearance of vacant properties, the disposal of waste in accordance with applicable legislation and the recycling and retailing of items of furniture as appropriate through its parent company, The Mustard Tree. Its Company Number is 07500328 and the registered office is 110 Oldham Road, Ancoats, Manchester, M4 6AG.

27. Results of the charitable company

The company has taken advantage of Section 408 of the Companies Act 2006 and not included its own income and expenditure account in these financial statements. The net incoming resources of the Company for the year were £50,048 (2020 Outgoing resources £90,813).

28. Analysis of changes in net debt

	1 April 2020	Cashflows	31 March 2021
Group	£	£	£
Cash at bank	288,503	262,003	550,506
Charity			
Cash at bank	279,331	267,706	547,037

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

29. Prior year Statement of Financial Activities

	Unrestricted Funds General 2020 £	Unrestricted Funds Building 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments:					
Donations and legacies	862,798	-	-	862,798	753,999
Charitable activities	543,652	-	-	543,652	530,041
Investment income	1	-	-	1	173
Other income	10,418	-	-	10,418	34,424
Total Incoming resources	**1,416,869**	**-**	**-**	**1,416,869**	**1,318,837**
Expenditure on:					
Raising funds					
Fundraising and publicity	121,937	8,728	-	130,665	158,481
Trading costs	605,874	23,585	-	629,459	639,078
	727,811	32,313	-	760,124	797,559
Charitable activities					
Progression	663,978	39,991	11,975	715,944	563,692
StandFirm	19,080	-	-	19,080	42,285
	683,058	39,991	11,975	735,024	605,977
Total resources expended	**1,410,869**	**72,304**	**11,975**	**1,495,148**	**1,403,536**
Net Income / (expenditure) for the year before transfers	6,000	(72,304)	(11,975)	(78,279)	**(84,899)**
Transfers	(1,793)	1,793	-	-	-
Net Income / (expenditure) for the year before transfers	4,207	(70,611)	(11,975)	(78,279)	(84,899)
Reconciliation of funds:					
Total funds brought forward	50,178	2,368,031	15,609	2,433,818	2,518,717
Total funds carried forward	**54,385**	**2,297,520**	**3,634**	**2,355,539**	**2,433,818**