

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

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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).

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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.

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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.

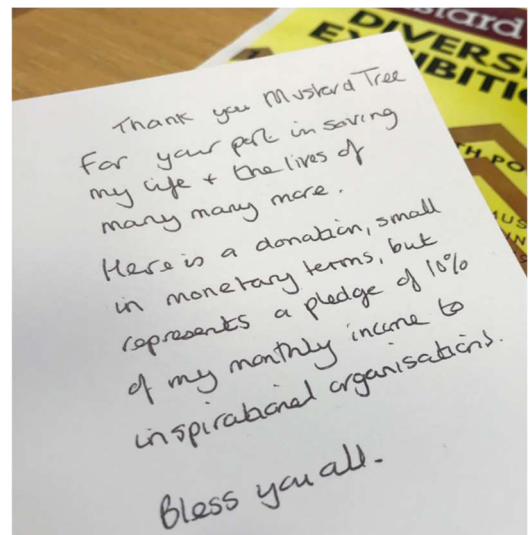
Impact

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.

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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

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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.

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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.

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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.

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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.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)

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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

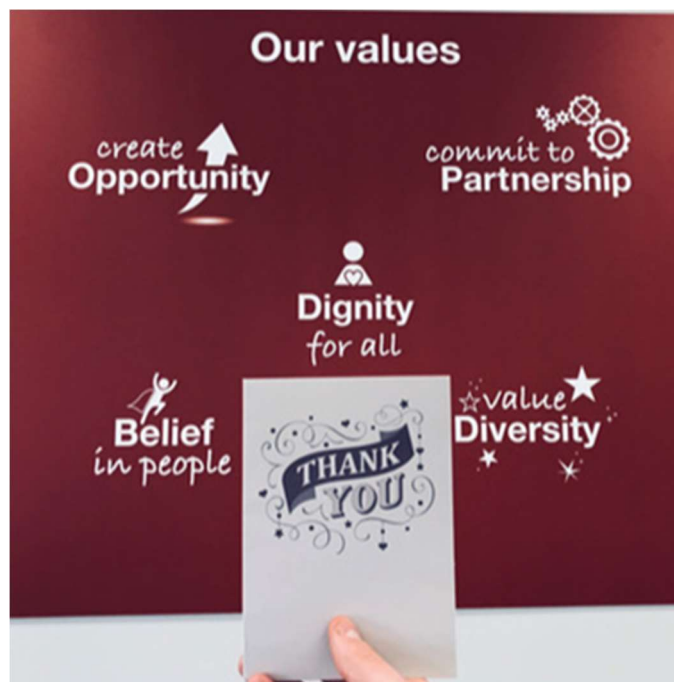
Manchester City Council and staff

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.

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

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 was approved by the Board of Trustees on 28/9/2022



M Adlestone OBE DL
Trustee

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

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 inconsistencies 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 is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

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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:

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

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.

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

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

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

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:						
Total funds brought forward	21	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.

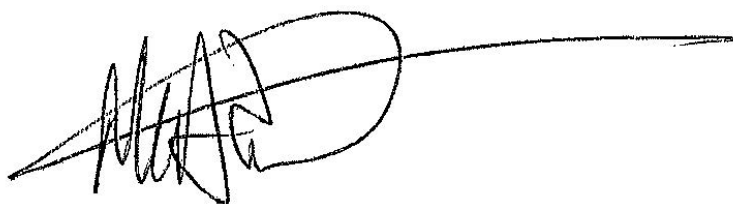
THE MUSTARD TREE – FOR THE YEAR ENDED 31ST MARCH 2022

CONSOLIDATED AND CHARITY STATEMENT BALANCE SHEET AS AT 31 MARCH 2022

	Note	Total Funds		Total Funds	
		2022 Group £	2021 Group £	2022 Charity £	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
		<u>472,179</u>	<u>683,048</u>	<u>495,741</u>	<u>673,419</u>
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		<u>2,430,948</u>	<u>2,475,789</u>	<u>2,454,788</u>	<u>2,494,536</u>
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		<u>2,430,948</u>	<u>2,475,789</u>	<u>2,454,788</u>	<u>2,494,536</u>

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.

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

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
	<u>(74,457)</u>	<u>304,185</u>	<u>(78,745)</u>	<u>309,888</u>
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:	<u>(75,379)</u>	<u>(42,182)</u>	<u>(75,379)</u>	<u>(42,182)</u>
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	<u>400,670</u>	<u>550,506</u>	<u>392,913</u>	<u>547,037</u>

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

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

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.

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

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.

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

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.

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

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.

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

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

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

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
	<u>483,491</u>	<u>-</u>	<u>483,491</u>

	Unrestricted funds general £	Restricted funds £	Total 2021 £
Fundraising	204,597	-	204,597
Shop income	208,076	68,383	276,459
	<u>412,673</u>	<u>68,383</u>	<u>481,056</u>

6. Investment income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	18	-
	<u>18</u>	<u>-</u>

7. Other income

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

	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
	<u>56,837</u>	<u>2,000</u>	<u>58,837</u>

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

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

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 £
<i>Fundraising and publicity</i>				
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
<i>Trading costs</i>				
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 £
<i>Fundraising and publicity</i>				
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
<i>Trading costs</i>				
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

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

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
	<u>766,475</u>	<u>254</u>	<u>766,729</u>
Support costs (see note 10)	244,885	-	244,885
Governance costs (see note 10)	17,077	-	17,077
	<u>261,962</u>	<u>-</u>	<u>261,962</u>
Total expenditure on charitable activities	<u>1,028,437</u>	<u>254</u>	<u>1,028,691</u>
<i>Analysis by fund</i>			
Unrestricted funds – general	230,764	254	231,018
Unrestricted funds – building	29,704	-	29,704
Restricted funds	767,969	-	767,969
	<u>1,028,437</u>	<u>254</u>	<u>1,028,691</u>

	Support services & training £	Standfirm £	Total 2021 £
Staff costs	501,529	5,778	507,307
Direct costs	75,901	-	75,901
	<u>577,430</u>	<u>5,778</u>	<u>583,208</u>
Support costs (see note 10)	179,158	520	179,678
Governance costs (see note 10)	8,664	-	8,664
	<u>187,822</u>	<u>520</u>	<u>188,342</u>
Total expenditure on charitable activities	<u>765,252</u>	<u>6,298</u>	<u>771,550</u>
<i>Analysis by fund</i>			
Unrestricted funds – general	29,603	6,298	35,901
Unrestricted funds – building	31,090	-	31,090
Restricted funds	704,559	-	704,559
	<u>765,252</u>	<u>6,298</u>	<u>771,550</u>

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

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.

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

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
	<u>1,060,983</u>	<u>893,120</u>

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	2022	2021	2021
	FTE	HC	FTE	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
	<u>40</u>	<u>42</u>	<u>40</u>	<u>42</u>

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	<u>1,500</u>	<u>1,500</u>

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

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

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

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
	<u>70,550</u>	<u>131,774</u>	<u>101,869</u>	<u>125,614</u>

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
	<u>319,333</u>	<u>493,193</u>	<u>319,055</u>	<u>464,758</u>

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	<u>219,227</u>	<u>375,706</u>
Deferred income is made up of:		
Income received in advance	<u>219,227</u>	<u>375,706</u>

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).

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

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

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

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.

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

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

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

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