

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

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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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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.

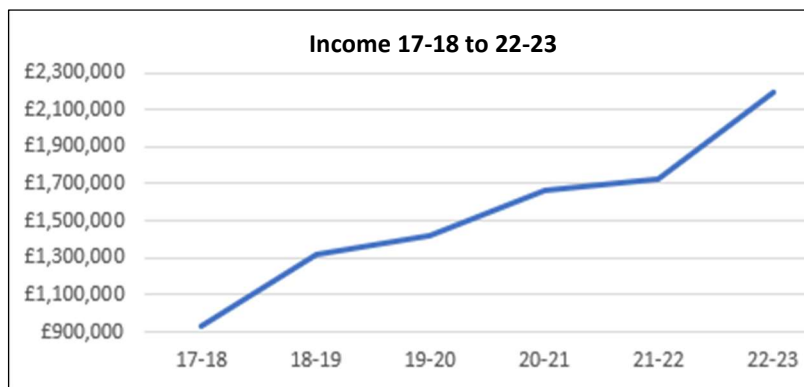
PERFORMANCE INDICATORS – INDIVIDUALS	17-18	18-19	19-20	20-21	21-22	22-23
Freedom – skills, work and coaching placement	163	208	244	40	131	266
Support for new tenancies including gifted furniture	492	736	1279	585	891	952
Training (English Language, Customer Service, IT, Job Club)	382	510	650	238	594	998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

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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.

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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.



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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.

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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.

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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.



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".

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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.

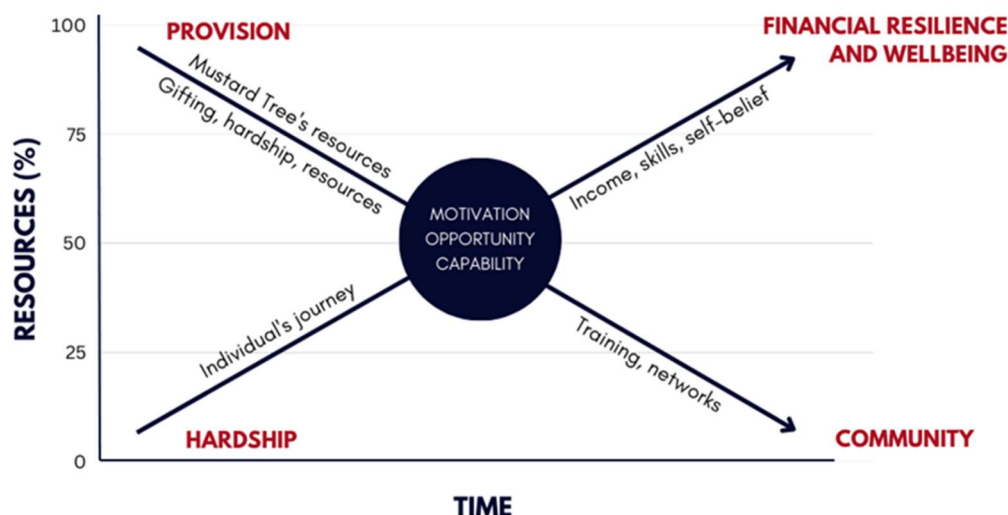
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FOR THE YEAR ENDED 31 MARCH 2023

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

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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

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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.

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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.

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12. Remuneration of key management personnel

Annual benchmarking 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

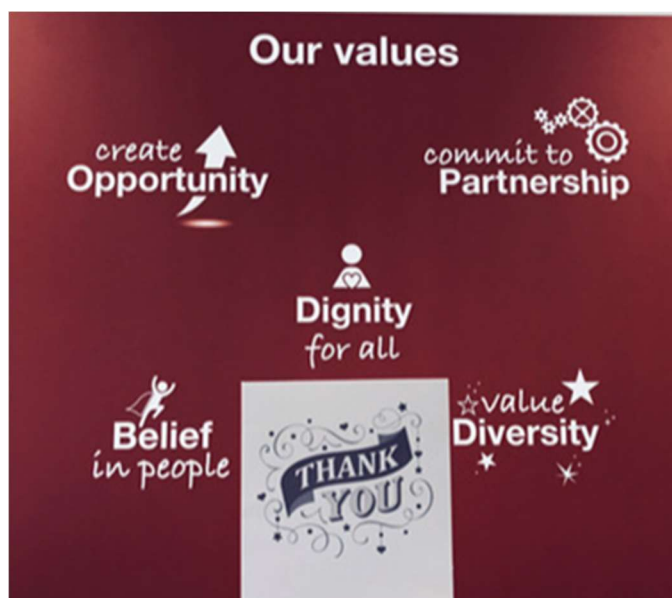
For Housing

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.

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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; 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.

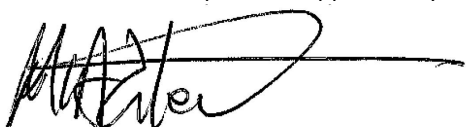
Auditor

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



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 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.

THE MUSTARD TREE

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 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.

THE MUSTARD TREE

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

YEAR ENDED 31 MARCH 2023

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.

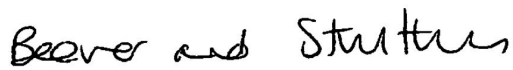
THE MUSTARD TREE

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.



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:						
Total funds brought forward	21	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		Total Funds	
		2023 Group £	2022 Group £	2023 Charity £	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
		<u>529,474</u>	<u>472,179</u>	<u>553,096</u>	<u>495,741</u>
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		<u>2,384,052</u>	<u>2,430,948</u>	<u>2,407,952</u>	<u>2,454,788</u>
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		<u>2,384,052</u>	<u>2,430,948</u>	<u>2,407,952</u>	<u>2,454,788</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
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)
	<u>(69,112)</u>	<u>(74,457)</u>	<u>(69,053)</u>	<u>(78,745)</u>
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:	<u>(61,335)</u>	<u>(75,379)</u>	<u>(61,335)</u>	<u>(75,379)</u>
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	<u>270,223</u>	<u>400,670</u>	<u>262,525</u>	<u>392,913</u>

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

THE MUSTARD TREE

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 income 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 which 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

THE MUSTARD TREE

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
	<u>613,853</u>	<u>-</u>	<u>613,853</u>

	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>

6. Investment income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	875	18
	<u>875</u>	<u>18</u>

7. Other income

	Unrestricted funds general £	Restricted funds £	Total 2023 £
Rental income	43,085	-	43,085
Government grants	-	-	-
	<u>43,085</u>	<u>-</u>	<u>43,085</u>

	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>

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure on raising funds

	Unrestricted funds general £	Unrestricted funds building £	Restricted £	Total 2023 £
<i>Fundraising and publicity</i>				
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
<i>Trading costs</i>				
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 £
<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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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
	<u>907,906</u>	<u>-</u>	<u>907,906</u>
Support costs (see note 10)	319,116	-	319,116
Governance costs (see note 10)	-	-	-
	<u>319,116</u>	<u>-</u>	<u>319,116</u>
Total expenditure on charitable activities	<u>1,227,022</u>	<u>-</u>	<u>1,227,022</u>
<i>Analysis by fund</i>			
Unrestricted funds – general	259,959	-	259,959
Unrestricted funds – building	30,740	-	30,740
Restricted funds	936,323	-	936,323
	<u>1,227,022</u>	<u>-</u>	<u>1,227,022</u>

	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>

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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
	<u>481,950</u>	<u>15,365</u>	<u>497,315</u>

Analysed between

Fundraising	43,220	-	43,220
Trading	134,979	-	134,979
Charitable activities	303,751	15,365	319,116
	<u>481,990</u>	<u>15,365</u>	<u>497,314</u>

	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
	<u>400,904</u>	<u>17,077</u>	<u>417,981</u>

Analysed between

Fundraising	35,863	-	35,863
Trading	120,156	-	120,156
Charitable activities	244,885	17,077	261,962
	<u>400,904</u>	<u>17,077</u>	<u>417,981</u>

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
	<u>13,915</u>	<u>12,650</u>

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).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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
	<u>1,240,206</u>	<u>1,060,983</u>

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	2023	2022	2022
	FTE	HC	FTE	HC
	No	No	No	No
Charitable activities	27	28	23	25
Fundraising activities	5	5	4	4
Trading activities	12	12	13	13
Standfirm			-	-
	<u>44</u>	<u>45</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 £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	<u>6,100</u>	<u>1,500</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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
	<u>259,251</u>	<u>70,550</u>	<u>290,571</u>	<u>101,869</u>

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
	<u>392,801</u>	<u>319,333</u>	<u>392,523</u>	<u>319,055</u>

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	<u>258,546</u>	<u>219,227</u>
Deferred income is made up of:		
Income received in advance	<u>254,456</u>	<u>219,227</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 £15,540 (2022: £8,781).

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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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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.

THE MUSTARD TREE

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

	1 April 2022 £	Cashflows £	31 March 2023 £
Group			
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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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