

Charity Number: 1135192

Company Number: 04386613 (England & Wales)

THE MUSTARD TREE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE MUSTARD TREE
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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LEGAL AND ADMINISTRATIVE INFORMATION

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

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

FOR THE YEAR ENDED 31 MARCH 2025

Trustees' Annual Report (Incorporating the Directors' Reports)

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

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

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Welcome and Overview

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

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

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

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

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

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

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

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

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

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

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

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

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Strategic Report

1. Impact

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

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

Trends

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

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

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

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

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

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

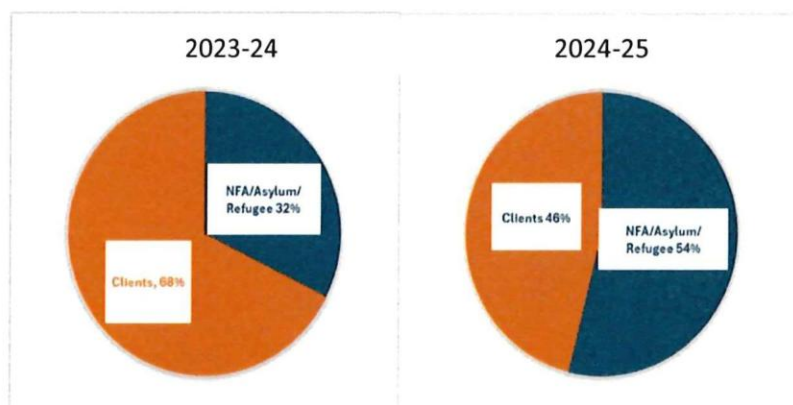
We also had to manage the cost pressure of increasing food costs this year. Food inflation costs have meant that we could no longer afford to maintain the Covid-pandemic levels of support for food. This decision was not made lightly but as well as increasing income, we had to make the strategic decision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

2. Key Highlights

a) **New Welcome Hub**

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

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



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

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

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

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b) Number of people helped into housing

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

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

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

c) 30 Year Celebration

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

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



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

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

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

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d) Community Café

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

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



e) Elevate Salford



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

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



Tom (right) with Working Wardrobe at Mustard Tree

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f) Mustard Tree – Raising Awareness

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

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

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

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

3. Financial Review

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



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

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

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

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Key changes delivered in the financial year 2024-2025:

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

Capital Projects

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

Reserves Policy and Results

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

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

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

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

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4. Plans for the Future Period

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

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

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

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

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

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Charity Mission and Values

5. Our Mission

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

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

6. Our Values

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

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

Dignity - kindness, respect and compassion underlie how we work

Opportunity – creating opportunities for people to improve their lives

Diversity – embracing the differences and valuing the contribution of all

Partnership – commitment to working in partnership

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

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7. Our Model

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

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

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

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

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

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

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

Evidence Base and Experience

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

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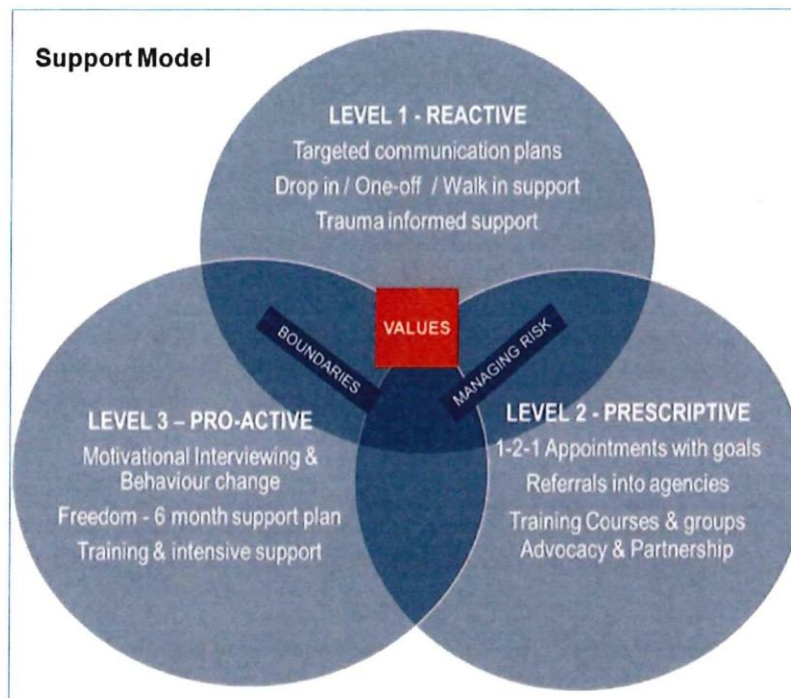
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The 'Walby-Jess' model proposes 3 levels of response for support which aim to deliver appropriate support for all. Each level aims to provide support for where an individual is currently at, with opportunities to refer into a further level of support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

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

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



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

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

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8. Going Concern

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

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

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

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

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

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

Structure and Governance

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

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

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

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

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

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

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

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

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

9. Management Of Key Risks

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

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

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

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

10. Employee Involvement

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

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

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

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

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

THE MUSTARD TREE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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



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

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

THE MUSTARD TREE

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

FOR THE YEAR ENDED 31 MARCH 2025

11. Thank You to Our Supporters

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

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

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

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

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

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

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

12. Trustees' Responsibilities in relation to the Financial Statements

The trustees, who are also the directors of The Mustard Tree for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

THE MUSTARD TREE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

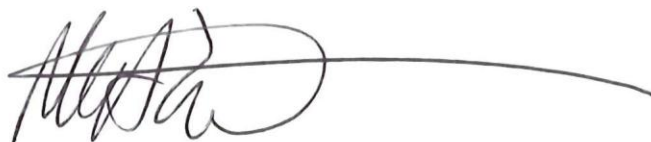
Auditor

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

Disclosure of Information to the Auditor

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

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

A handwritten signature in black ink, appearing to be 'M Adlestone', followed by a long horizontal line extending to the right.

M Adlestone OBE

Chair of Trustees

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

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

THE MUSTARD TREE

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

YEAR ENDED 31 MARCH 2025

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

THE MUSTARD TREE

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE MUSTARD TREE

YEAR ENDED 31 MARCH 2025

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

THE MUSTARD TREE

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

YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

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

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

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

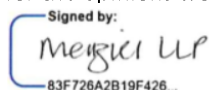
THE MUSTARD TREE

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

YEAR ENDED 31 MARCH 2025

Use of our report

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

Signed by:

83F726A2B19F426...

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

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

Date: 15 December 2025

THE MUSTARD TREE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

THE MUSTARD TREE

BALANCE SHEET

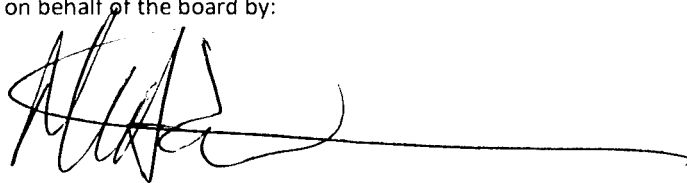
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets:			
Fixed assets	16	2,236,290	2,266,091
Current assets:			
Stock	17	1,074	-
Debtors	18	118,985	158,183
Cash at bank		265,042	223,472
		<u>385,101</u>	<u>381,655</u>
Liabilities:			
Creditors: amounts falling due within one year	19	<u>(278,961)</u>	<u>(267,441)</u>
Net current assets		106,140	114,214
Total assets less current liabilities		<u>2,342,430</u>	<u>2,380,305</u>
Creditors: amounts falling due after one year	20	<u>(170,748)</u>	<u>(185,372)</u>
Total net assets		<u>2,171,682</u>	<u>2,194,933</u>
Funds of the Charity:	22		
Restricted income funds		10,000	17,043
Building Unrestricted funds		2,042,657	2,103,173
General Unrestricted funds		119,025	74,717
Total Charity funds		<u>2,171,682</u>	<u>2,194,933</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 12th December 2025 and are signed on behalf of the board by:

M Adlestone OBE
Trustee



Charity Registration No. 1135192
Company Registration No: 04386613

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

THE MUSTARD TREE

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2025

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

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. General Information

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

2. Statement of Compliance

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

The Mustard Tree meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s). The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

3. Accounting Policies

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Going Concern

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

Charitable funds

Unrestricted funds

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

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Charitable funds

Restricted funds

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

Incoming resources

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

Income from donations and legacies

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

Gifts and donated services

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

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

Income from investments

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

Government grants

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

Recognition of liabilities

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

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

Allocation of incoming resources

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

Resources expended

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Cost of raising funds

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

Charitable activities

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

Allocation of costs within types of resources expended

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

Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Fixtures, fittings & equipment	25% -33% straight line
Motor vehicle	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially as transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Taxation

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

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Retirement benefits

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

Leases

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

Critical accounting estimates and judgements

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

Significant judgements

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

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

Key sources of estimation uncertainty

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

4. Donations and legacies

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

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. Charitable activities

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

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

6. Investment income

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Interest receivable	346	1,333
	<u>346</u>	<u>1,333</u>

7. Other income

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

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

8. Analysis of expenditure on raising funds

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

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. Analysis of expenditure on charitable activities

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10. Analysis of support costs

	Support costs	Governance costs	Total 2025
	£	£	£
Staff costs	91,159	-	91,159
Business support costs	181,370	-	181,370
Depreciation	112,547	-	112,547
Audit and accountancy	-	16,594	16,594
	<u>385,076</u>	<u>16,594</u>	<u>401,670</u>

Analysed between

Fundraising	52,715	-	52,715
Trading	48,338	-	48,338
Charitable activities	284,023	16,594	300,617
	<u>385,076</u>	<u>16,594</u>	<u>401,670</u>

	Support costs	Governance costs	Total 2024
	£	£	£
Staff costs	182,112	-	182,112
Business support costs	241,799	-	241,799
Depreciation	98,880	-	98,880
Audit and accountancy	-	16,554	16,554
	<u>522,791</u>	<u>16,554</u>	<u>539,345</u>

Analysed between

Fundraising	45,611	-	45,611
Trading	122,454	-	122,454
Charitable activities	354,726	16,554	371,280
	<u>522,791</u>	<u>16,554</u>	<u>539,345</u>

11. Audit Fees:

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

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

12. Trustees remuneration and expenses

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

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13. Staff Costs

Total staff costs were as follows:

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

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

Number of employees

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

	2025	2025	2024	2024
	FTE	HC	FTE	HC
	No	No	No	No
Charitable activities	25	27	25	26
Fundraising activities	4	4	3	3
Trading activities	14	14	18	18
	<u>43</u>	<u>45</u>	<u>46</u>	<u>47</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 £77,305 (2024: £112,366).

14. Taxation

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

15. Net Movement in funds

Net resources are stated after charging:

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

16. Fixed Assets

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

17. Stock

	2025 £	2024 £
Café stock	1,074	-

18. Debtors

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19. Creditors: amounts falling due within one year

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

Deferred income above comprises of:

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

20. Creditors: amounts falling due after one year

	2025	2024
	£	£
Bank loan	170,748	185,372
	<u>170,748</u>	<u>185,372</u>

21. Retirement benefit schemes

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

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22. Statement of funds

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

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

Analysis of Restricted Income Funds

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. Analysis of net assets between funds

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

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

24. Unrestricted funds – building

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

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

25. Winding up or dissolution of the charity

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

26. Operating lease commitments

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

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

27. Related party transactions

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

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

THE MUSTARD TREE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

30. Analysis of changes in net debt

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

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

31. Prior year Statement of Financial Activities

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