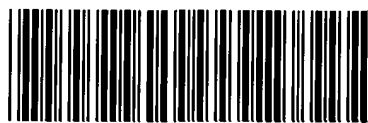


REGISTERED COMPANY NUMBER: 02763068 (England and Wales)
REGISTERED CHARITY NUMBER: 1015804

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
MUSTARD SEED TRUST (MARLBOROUGH)

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MUSTARD SEED TRUST (MARLBOROUGH)

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FOR THE YEAR ENDED 31 MARCH 2018

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MUSTARD SEED TRUST (MARLBOROUGH)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective of the Trust is the advancement of the Christian religion.

Public benefit

The Trustees have considered the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of religion for the public benefit.

The charity carries out a wide range of activities in pursuance of its charitable aims that deliver public benefit. The Trustees consider that these activities provide benefit to both Christians and the wider community. The Trust:

- Operates a Christian Bookshop at The Old Boathouse, Hillier's Yard, Marlborough, Wiltshire
- Organises outreach events with Christian authors
- Arranges educational and training events
- Advises churches, groups and individuals on resources available
- Supplies Christian resources to churches and schools at a discount
- Provides an environment where the vulnerable and disadvantaged are welcomed and listened to.

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

Volunteers

The Trust relies upon the commitment of supporters and voluntary help from the community. The Trust also relies on voluntary help from Management who are the founders and remain key people in the running of the Trust. The Trustees are also volunteers.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In addition to making Christian books, cards and literature available to the public for purchase and providing information, in the year ended 31 March 2018, the Trust also:

- Arranged evenings with authors - one on the faith of Jane Austen and the other exploring Christian faith through the novels of Charles Dickens.
- Provided Bibles to:
Ramsbury, Baydon, Ogbourne, Lydiard Millicent and Pewsey primary schools
- Supplied books for Open the Book Groups leading assemblies in primary schools
- Hosted quarterly Christian Book Group evenings
- Provided churches with Sunday School and youth resources
- Provided a wide range of resources and church requisites to local churches
- Provided Book Reviews to parish newsheets/magazines
- Maintained an online presence to keep supporters and the public updated with our activities
- Provided information on new books to a wide range of individuals and churches
- Continued to work with a Coffee Shop as it provides a conducive environment for the exploration and fostering of the Christian faith
- Provided opportunities for young adults with learning disabilities to work with a team in a shop environment
- Provided an environment where the vulnerable and disadvantaged are welcomed and listened to.

Friends of Mustard Seed has continued and strengthens our support base.

MUSTARD SEED TRUST (MARLBOROUGH)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2018**

FINANCIAL REVIEW

Financial results 2018

The Trust achieved a net income of £503 for the year ended 31st March 2018 (2017: £75). This is after the inclusion of the Annual Charitable Gift Aid Donation from the connected Coffee Shop of £6,282 (2017: £5,872), and after other donations received of £644 (2017: £994).

The combined result of the Bookshop and the Coffee Shop was a net income of £34 (2017: loss of £597).

It is pleasing in 2018 to report a small combined net income rather than a loss. The trend towards combined profitability and sustainability continues. But it is not easy. The financial situation continues to be challenging. The staff re-structure of the Bookshop and Coffee Shop in January 2016 continues to be a good decision as well as the reorganisation of the upstairs space in 2017. The Coffee Shop sales in 2017 were 20% higher than in 2016 and increased by a further 5% in 2018. Hence the Coffee Shop Annual Donation to the Bookshop in 2017 and in 2018 has now returned to the levels seen in earlier years. We remain hopeful that this will continue. The Trustees and Management will continue to seek ways to maintain our Christian presence near the High Street. The Trustees are thankful for all the support, in all its many forms, that the Trust continues to receive.

Investment policy

The Trustees believe that the policy of placing surplus funds on deposit with local banks and CCLA is sufficient for the purpose of the Charity, given its size.

Reserves policy

The Trustees consider that a prudent level of free reserves for the Trust ie reserves over and above the amount invested in net tangible fixed assets and stock, should equate to between three and six months of the expected combined operating expenditure of both the Trust and the Coffee Shop. The reason for reserving the combined operating costs is that the major part of the shared expenses would be incurred by the Trust alone if the Coffee Shop, Mustard Seed (Marlborough) Ltd, were to cease to trade.

At 31 March 2018 the free reserves of £26,515 (approx 6 months) are just above the target range of £12,500 to £25,000. The Trustees feel that this level of reserves would enable the Trust to adjust its cost structure should this prove necessary and allow the Trust to continue its activities in the event that the Coffee Shop did, for some unforeseen reason, cease to trade.

FUTURE PLANS

The Trust plans to continue its objective of advancing knowledge and understanding of the Christian faith, and to giving expression to Christian hospitality through the operation of its Christian Bookshop and connected Coffee Shop. It plans to continue to provide local churches and Christian groups with resources and information to help them in their Christian mission. To further this end:

The Trust will:

- Continue to support and encourage 'Friends of Mustard Seed'
- Continue to foster and develop relationships with churches
- Develop ways of encouraging the use of Christian literature
- Explore ways of using the premises in the evenings for the extension of Christian understanding
- Provide staff training
- Maintain an online presence to keep supporters and the public updated with our activities
- Explore ways to work with local churches in mission
- Focus on what is unique about the Coffee Shop
- Continue to arrange author events and explore different ways of doing such events

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is established as a company limited by guarantee and is registered as a charity with the Charity Commission. The affairs of the Trust are governed by its Memorandum and Articles of Association. The liability of the Members in the event of the Trust being wound up is limited to a sum not exceeding £1.

Recruitment and appointment of new trustees

The Trustees are directors for the purposes of company law and Trustees for the purposes of charity law.

Under the requirements of the Memorandum and Articles of Association, the Trustees are elected or reappointed at the Annual General Meeting.

MUSTARD SEED TRUST (MARLBOROUGH)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trust operates a Christian Bookshop in Marlborough and leases premises that are shared with a Coffee Shop, also owned by the Trustees. The Coffee Shop operates in support of the Bookshop and donates all of its taxable profits to the Bookshop. In the year ended 31 March 2018 the Coffee Shop donated £6,282 to the Trust (2017: £5,872). The Coffee Shop serves coffee, beverages, cakes and light lunches, and provides an environment that fosters and supports the aims of the Trust.

The Trust relies very much on the help of volunteers and a dedicated staff. The Trustees express their thanks to the staff and to the volunteers for all the support that has been provided, and continues to be provided, in so many ways.

Induction and training of new trustees

The Company Secretary is responsible for the induction of any new Trustee which involves awareness of a Trustee's responsibilities, the governing document, administrative procedures, and the history and philosophical and religious approach of the Trust. A new Trustee receives copies of the previous year's annual report and accounts and copy of the Charity Commission leaflet "The Essential Trustee: What you need to know, What you need to do".

Related parties

The Coffee Shop is a separate trading company called Mustard Seed (Marlborough) Ltd. It is owned by the Trustees and is therefore a connected trading company.

Mustard Seed Trust operates in The Boathouse, a property which is owned by the Management who are the founders of the charity. The founders are committed to providing the premises to Mustard Trust on a stable basis at a level of rent that is below the market rate; this is determined on a three yearly commercial rent review. Under the terms of the lease, the landlords are responsible for structural and external maintenance and any capital works that enhance the value of the building. Please also refer to Note 15 of the financial statements.

The Trust relies on voluntary help from Management who remain key people in the running of the Trust.

The Trustees and the Management are volunteers and did not receive any remuneration in the year for their services to the Trust.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02763068 (England and Wales)

Registered Charity number

1015804

Registered office

Strands
Poulton Hill
Marlborough
Wiltshire
SN8 1AZ

Trustees

Mr R Wheeler
Mrs E Smith
Mr N Larkey
Rev T Roberts - resigned 3.11.17
Mr B Smith
Rev R de Berry
R Mann

Company Secretary

Mrs D Reynolds

MUSTARD SEED TRUST (MARLBOROUGH)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

Garry Pells
37 Vespasian Road
Marlborough
Wiltshire
SN8 2FB

Treasurer

Mrs RP Maurice

Management

Mrs RP Maurice
Mrs DM Reynolds

Bankers

HSBC Bank Ltd
Unit 6 The LockCanal Walk
Swindon
Wiltshire
SN1 1LD

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Mustard Seed Trust (Marlborough) for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on18/12/18..... and signed on its behalf by:


Mr R Wheeler - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MUSTARD SEED TRUST (MARLBOROUGH)**

I report on the accounts of the company for the year ended 31 March 2018, which are set out on pages six to twelve.

Responsibilities and basis of report

As the charity's trustees (and also the directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, I have examined your charity's accounts as required under section 145 of the Charities Act 2011 ('the Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. that accounting records were not kept as required by section 386 of the Companies Act 2006; or
2. that the accounts do not accord with those records; or
3. that the accounts do not comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the 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; or
4. that there is further information needed for a proper understanding of the accounts.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.



Garry Pells
37 Vespasian Road
Marlborough
Wiltshire
SN8 2FB

Date: 18/12/2018

MUSTARD SEED TRUST (MARLBOROUGH)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	31.3.18 Unrestricted funds £	31.3.17 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		644	994
Charitable activities			
Bookshop sales		32,817	35,585
Other trading activities	2	6,282	5,872
Investment income	3	35	63
Total		39,778	42,514
 EXPENDITURE ON			
Charitable activities	4		
Cost bookshop sales items sold		19,741	21,811
Bookshop operating expenses		19,534	20,628
Total		39,275	42,439
 NET INCOME		503	75
 RECONCILIATION OF FUNDS			
Total funds brought forward		39,835	39,760
 TOTAL FUNDS CARRIED FORWARD		40,338	39,835

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

MUSTARD SEED TRUST (MARLBOROUGH)

BALANCE SHEET
AT 31 MARCH 2018

	Notes	31.3.18 Unrestricted funds £	31.3.17 Total funds £
FIXED ASSETS			
Tangible assets	9	2,783	3,701
CURRENT ASSETS			
Stocks	10	11,040	10,477
Debtors	11	9,321	7,915
Cash at bank		18,371	19,268
		<u>38,732</u>	<u>37,660</u>
CREDITORS			
Amounts falling due within one year	12	(1,177)	(1,526)
NET CURRENT ASSETS		<u>37,555</u>	<u>36,134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,338</u>	<u>39,835</u>
NET ASSETS		<u>40,338</u>	<u>39,835</u>
FUNDS	13		
Unrestricted funds		<u>40,338</u>	<u>39,835</u>
TOTAL FUNDS		<u>40,338</u>	<u>39,835</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 18/12/18 and were signed on its behalf by:


.....
Mr R Wheeler -Trustee

The notes form part of these financial statements

MUSTARD SEED TRUST (MARLBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided on fixed assets so as to write them off over their expected useful lives at the following rates:

Fixtures & fittings	25% reducing balance
Computer equipment	25% straight line

Items costing less than £100 are expensed in the year of acquisition.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. OTHER TRADING ACTIVITIES

	31.3.18	31.3.17
	£	£
Donation from Coffee Shop	6,282	5,872
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	31.3.18	31.3.17
	£	£
Interest income	35	63
	<u> </u>	<u> </u>

MUSTARD SEED TRUST (MARLBOROUGH)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5)	Totals
	£	£
Cost bookshop sales items sold	19,741	19,741
Bookshop operating expenses	19,534	19,534
	<u>39,275</u>	<u>39,275</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.18 £	31.3.17 £
Staff costs	9,880	10,117
Cost of items sold	19,741	21,811
Rent	2,166	2,166
Light, heat, water, waste	2,442	2,452
Telephone	695	655
Stationery, postage, printing	368	223
Advertising & publicity	25	125
Council business rates	1,126	1,242
Insurance, licences, book assn	494	695
Equipment rental	600	484
Outreach costs	85	378
Repairs & maintenance	185	183
Bank & credit card charges	294	380
Staff training & welfare	210	368
Sundry renewals, consumables	33	105
Governance	13	13
Depreciation	918	1,042
	<u>39,275</u>	<u>42,439</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.18 £	31.3.17 £
Depreciation - owned assets	<u>918</u>	<u>1,042</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

MUSTARD SEED TRUST (MARLBOROUGH)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

8. STAFF COSTS

	2018	2017
	£	£
Salaries & wages	9,880	10,117
Social security costs	-	-
	<u>9,880</u>	<u>10,117</u>

The total number of part-time employees during the year was 4. There were no full time employees.

The average number of employees during the year, calculated on the basis of full-time equivalents, was:

	2018	2017
	£	£
Bookshop	0.4	0.4
Management	-	-
	<u>0.4</u>	<u>0.4</u>

Management received no remuneration and were volunteers for the year ended 31 March 2018 and for year ended 31 March 2017.

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings, equipment £
COST	
At 1 April 2017 and 31 March 2018	<u>22,879</u>
DEPRECIATION	
At 1 April 2017	19,178
Charge for year	<u>918</u>
At 31 March 2018	<u>20,096</u>
NET BOOK VALUE	
At 31 March 2018	<u>2,783</u>
At 31 March 2017	<u>3,701</u>

10. STOCKS

	31.3.18	31.3.17
	£	£
Finished goods	<u>11,040</u>	<u>10,477</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade debtors	308	2,561
Amounts owed by participating interests	8,904	5,354
VAT	109	-
	<u>9,321</u>	<u>7,915</u>

MUSTARD SEED TRUST (MARLBOROUGH)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

The participating interests is the connected trading company Mustard Seed Marlborough Ltd, also known as the Coffee Shop.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18 £	31.3.17 £
Trade creditors	1,177	1,099
VAT	-	77
Accrued expenses	-	350
	<u>1,177</u>	<u>1,526</u>

13. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
Unrestricted funds			
General fund	39,835	503	40,338
	<u>39,835</u>	<u>503</u>	<u>40,338</u>
TOTAL FUNDS	<u>39,835</u>	<u>503</u>	<u>40,338</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	39,778	(39,275)	503
	<u>39,778</u>	<u>(39,275)</u>	<u>503</u>
TOTAL FUNDS	<u>39,778</u>	<u>(39,275)</u>	<u>503</u>

14. OTHER FINANCIAL COMMITMENTS

At 31 March 2018 the Charity (together with its connected trading company) had a six month commitment under a non-cancellable operating lease as follows:

	2018 Land & buildings £	2017 Land & buildings £
Expiry date:		
Within one year	<u>6,000</u>	<u>6,498</u>

MUSTARD SEED TRUST (MARLBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

15. RELATED PARTY DISCLOSURES

The premises in which Mustard Seed operates are owned by Mrs R Maurice and Mrs D Reynolds, the Landlords, who are the founders of the Charity and also key volunteers and Management of the Charity. The Landlords have reduced the financial and property risk on the Charity by enabling the Charity to rent premises near Marlborough High Street without the Charity needing to buy its own property or enter into a lease with a 3 or 5 year financial commitment with a third party landlord. A third party lease would have the financial risk of high rent increases, as well as the operational risk that at the end of the term the landlord could ask the Charity to leave the premises, which would be very disruptive to the aims of the Charity and could even threaten its long term viability. The Landlords have confirmed that they have no intention to ask the Charity to leave the premises and that they are content to rent the premises to the Charity on a year by year basis, with six month notice of termination on either side. There is a rent review every 3 years which is undertaken to ensure that the rent charged is below market value.

During the year the Charity, together with its connected trading company the Coffee Shop, paid a combined rent to the Landlords of £12,996 (2017: £12,996). There were no outstanding balances at the end of the year (2017: £Nil).

16. ULTIMATE CONTROLLING PARTY

Mustard Seed Trust (Marlborough) is connected to Mustard Seed (Marlborough) Ltd, the Coffee Shop, a trading company. Both companies are under the common control of the Trustees shown in the Report of the Trustees.