

Mustard Seed Property Limited
Annual Report and Unaudited Financial Statements
Year Ended 30 September 2017
Registration number: IP30293R

Mustard Seed Property Limited

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Mustard Seed Property Limited

Company Information

Directors J Bilkey
E James
M Lowe

Company secretary D J Brewer

Registered office c/o Resonance Limited
The Great Barn
Scarne Court
Launceston
Cornwall
PL15 9LR

Accountants Francis Clark LLP
Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Mustard Seed Property Limited

Directors' Report

Year Ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017. The society is registered under the Co-operative and Community Benefit Societies Act 2014.

Directors of the company

The directors who held office during the year were as follows:

J Bilkey

E James

A Jackson (Resigned 22 November 2016)

M Lowe

Business Review

This year has been a stable year of operation with St Petrocs continuing to be an effective operator of the house in Helston helping several individuals who would otherwise be homeless. St Petrocs have continued to maintain the property well, but there are some areas that are looking like they may need some more significant investment in the near future.

We continue to deepen our relationship with our third partner Karrek Community CIC, a social enterprise supporting adults with learning disabilities. Together we have considered a number of new property acquisitions over the year and expect to acquire at least one new property in 2018 for people supported by Karrek.

Financially the society has finally achieved a cumulative profit having paid off over £50,000 worth of debt since our purchase of our property in Godolphin Road.

The Directors have also approved an increase in the share interest payment from 3% to 3.5%, continuing the increasing trend of recent years and for the first time matching the rate paid to the bank on their secured loan.

Small companies provision statement

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

Approved by the Board on ^{5 March '18} and signed on its behalf by:


.....
D J Brewer
Company secretary

Mustard Seed Property Limited

Profit and Loss Account

Year Ended 30 September 2017

	2017	2016
	£	£
Turnover	34,672	31,337
Cost of sales	<u>(1,170)</u>	<u>(1,106)</u>
Gross profit	33,502	30,231
Administrative expenses	<u>(12,395)</u>	<u>(10,960)</u>
Operating profit	<u>21,107</u>	<u>19,271</u>
Other interest receivable and similar income	26	16
Interest payable and similar expenses	<u>(11,669)</u>	<u>(12,162)</u>
	<u>(11,643)</u>	<u>(12,146)</u>
Profit before tax	<u>9,464</u>	<u>7,125</u>
Profit for the financial year	<u><u>9,464</u></u>	<u><u>7,125</u></u>

Mustard Seed Property Limited

Statement of Comprehensive Income

Year Ended 30 September 2017

	2017 £	2016 £
Profit for the year	<u>9,464</u>	<u>7,125</u>
Total comprehensive income for the year	<u><u>9,464</u></u>	<u><u>7,125</u></u>

Mustard Seed Property Limited

Balance Sheet

30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	2	342,305	343,101
Current assets			
Debtors	3	2,479	2,000
Cash at bank and in hand		<u>16,062</u>	<u>23,810</u>
		18,541	25,810
Creditors: Amounts falling due within one year	4	<u>(67,789)</u>	<u>(81,016)</u>
Net current liabilities		<u>(49,248)</u>	<u>(55,206)</u>
Total assets less current liabilities		293,057	287,895
Creditors: Amounts falling due after more than one year	4	<u>(118,907)</u>	<u>(125,234)</u>
Net assets		<u>174,150</u>	<u>162,661</u>
Capital and reserves			
Called up share capital		173,965	171,940
Profit and loss account		<u>185</u>	<u>(9,279)</u>
Total equity		<u>174,150</u>	<u>162,661</u>

The notes on pages 7 to 11 form an integral part of these financial statements.

Mustard Seed Property Limited

Balance Sheet

30 September 2017

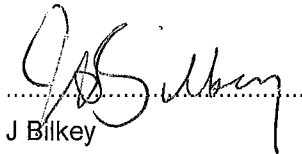
For the financial year ending 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 15 March '18 and signed on its behalf by:


.....

J Bilkey

Director

Company Registration Number: IP30293R

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Change in basis of accounting

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 1 October 2015.

There is no material impact on the reported financial position and financial performance and hence no restatement or reconciliation of opening reserves is required.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for rent and insurance costs in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

- * the amount of revenue can be reliably measured;
- * it is probable that future economic benefits will flow to the entity;
- * and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	10% on cost

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2017

Investment property

Investment properties are carried at fair value, with revaluation gains and losses being processed through the profit and loss account. No depreciation is provided on investment properties which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors these properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view. The provisions of FRS102 in respect of investment properties have therefore been adopted in order to give a true and fair view. If this departure from the Act had not been made, the profit for the year would have been reduced by depreciation.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2017

2 Tangible assets

	Investment properties £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 October 2016	338,122	7,963	346,085
At 30 September 2017	338,122	7,963	346,085
Depreciation			
At 1 October 2016	-	2,984	2,984
Charge for the year	-	796	796
At 30 September 2017	-	3,780	3,780
Carrying amount			
At 30 September 2017	338,122	4,183	342,305
At 30 September 2016	338,122	4,979	343,101

In the Directors' opinion the current market value of the investment property is not materially different to the cost of £338,122 (2016 - £338,122), taking into account tenancies and property improvements.

3 Debtors

	2017 £	2016 £
Trade debtors	2,076	2,000
Prepayments	403	-
	<u>2,479</u>	<u>2,000</u>

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2017

4 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	5	60,327	62,110
Trade creditors		460	3,378
Accrued expenses		6,958	6,132
Deferred income		44	9,396
		<u>67,789</u>	<u>81,016</u>
Due after one year			
Loans and borrowings	5	<u>118,907</u>	<u>125,234</u>
		2017 £	2016 £
After more than five years by instalments		91,776	98,543

5 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	<u>118,907</u>	<u>125,234</u>
Current loans and borrowings		
Bank borrowings	6,327	6,110
Other borrowings	<u>54,000</u>	<u>56,000</u>
	<u>60,327</u>	<u>62,110</u>

Bank borrowings

A charge has been placed over the property at 19 Godolphin Road, Helston, Cornwall.

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2017

6 Related party transactions

Summary of transactions with other related parties

J Bilkey
(Director)

Through his shareholding J Bilkey was entitled to receive interest of £765 (2016: £636). The interest due from the prior year has been reinvested in share capital. At the balance sheet date the amount due to J Bilkey was £765 (2016: £636).

A Jackson
(Director to 22 November 2016)

Through his shareholding A Jackson was entitled to receive interest of £78 (2016: £65). At the balance sheet date the amount due to A Jackson was £78 (2016: £65).

E James
(Director)

Through her shareholding E James was entitled to receive interest of £180 (2016: £150). The interest due from the prior year has been reinvested in share capital. At the balance sheet date the amount due to E James was £180 (2016: £150).

Mustard Seed (SW) Limited

(A director/shareholder of Mustard Seed Property Limited is a trustee of Mustard Seed (SW) Limited). The shareholder and director Mrs E James is also a trustee of Mustard Seed (SW) Ltd who leases No 19 Godolphin Road, Helston, TR13 8PX from Mustard Seed Properties. During the year ended 30/09/2017 the company received rents to the value of £24,380 (2016: £23,054). At the balance sheet date the amount due (to)/from Mustard Seed (SW) Limited was £nil (2016: £nil).

7 Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
Withdrawable interest bearing shares of £1 each	173,965	173,965	171,940	171,940

New shares allotted

During the year 2,025 withdrawable interest bearing shares having an aggregate nominal value of £2,025 were allotted for an aggregate consideration of £2,025.

Mustard Seed Property Limited

Detailed Profit and Loss

Year Ended 30 September 2017

	2017 £	2016 £
Turnover		
Feed in tariff	940	-
Rent receivable	24,380	23,054
Grants and subsidies	9,352	8,283
	<u>34,672</u>	<u>31,337</u>
Cost of sales		
Property management	<u>(1,170)</u>	<u>(1,106)</u>
Gross profit	33,502	30,231
Gross profit (%)	96.63%	96.47%
Administrative expenses		
Administrative expenses	<u>(12,395)</u>	<u>(10,960)</u>
Operating profit	<u>21,107</u>	<u>19,271</u>
Other interest receivable and similar income		
Interest income on bank deposits	26	16
Interest payable and similar charges		
Interest on bank overdrafts and borrowings	(4,500)	(5,924)
Interest expense on other finance liabilities	(1,080)	(1,080)
Shareholder interest	<u>(6,089)</u>	<u>(5,158)</u>
	<u>(11,669)</u>	<u>(12,162)</u>
Profit before tax	<u>9,464</u>	<u>7,125</u>

Mustard Seed Property Limited

Detailed Profit and Loss

Year Ended 30 September 2017

	2017	2016
	£	£
Administration costs		
Travel and subsistence	68	-
Accountancy	1,893	1,428
Legal and professional	9,612	8,710
Bank charges	26	26
Depreciation of other property, plant and equipment	796	796
	<u>12,395</u>	<u>10,960</u>

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Mustard Seed Property Limited

Year Ended 30 September 2017

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the accounts of Mustard Seed Property Limited for the year ended 30 September 2017 as set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Mustard Seed Property Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Mustard Seed Property Limited and state those matters that we have agreed to state to the Board of Directors of Mustard Seed Property Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mustard Seed Property Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Mustard Seed Property Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Mustard Seed Property Limited. You consider that Mustard Seed Property Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Mustard Seed Property Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



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Date: 27 March 2018