

Mustard Seed Property Limited

**Annual Report and Unaudited Financial Statements
Year Ended 30 September 2019**

Registration number: IP30293R

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Mustard Seed Property Limited

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Mustard Seed Property Limited

Company Information

Directors M Lowe
P Ashton
D J Brewer

Company secretary N Smith

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

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Mustard Seed Property Limited

Directors' Report

Year Ended 30 September 2019

The directors present their report and the financial statements for the year ended 30 September 2019. 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:

E James (resigned 28 February 2019)

M Lowe

P Ashton

D J Brewer

Business Review

Following last years successful capital raise we managed to add some additional capital via EtheX but have also seen a few long term investors begin to need their capital back. We have continued to be able to honour every single request for capital within the 6 month notice period required of investors.

St Petrocs have continued to do amazing work across Cornwall supporting people at risk of homelessness to find routes into stable and permanent accommodation and employment.

Our plans for the year included the acquisition of a second property and the refurbishment of our Helston property. Both have taken longer to execute than we had hoped, but both are now well under way. In all property projects there is a need to balance the three priorities of time, quality and cost. The directors have chosen to prioritise care over rushing to spend.

However, the plan is still to acquire one property a year and the current plan to raise further capital remains intact. The need for supported accommodation is still acute in Cornwall. Karrek, St Petrocs and other partners are continually under pressure to find space to enable vulnerable people to flourish and the directors are committed to responding to this need as more capital becomes available

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 and signed on its behalf by:

.....
M Lowe
Director

Mustard Seed Property Limited

Profit and Loss Account

Year Ended 30 September 2019

	2019 £	2018 £
Turnover	27,457	26,363
Cost of sales	<u>(1,276)</u>	<u>(1,210)</u>
Gross profit	26,181	25,153
Administrative expenses	<u>(25,972)</u>	<u>(6,655)</u>
Operating profit	<u>209</u>	<u>18,498</u>
Other interest receivable and similar income	1,092	49
Interest payable and similar expenses	<u>(21,562)</u>	<u>(11,253)</u>
	<u>(20,470)</u>	<u>(11,204)</u>
(Loss)/profit before tax	(20,261)	7,294
Taxation	<u>1,241</u>	<u>(1,241)</u>
(Loss)/profit for the financial year	<u><u>(19,020)</u></u>	<u><u>6,053</u></u>

Mustard Seed Property Limited

Statement of Comprehensive Income

Year Ended 30 September 2019

	2019 £	2018 £
(Loss)/profit for the year	<u>(19,020)</u>	<u>6,053</u>
Total comprehensive income for the year	<u><u>(19,020)</u></u>	<u><u>6,053</u></u>

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Mustard Seed Property Limited

Balance Sheet

30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	2	340,712	341,508
Current assets			
Debtors	3	7,608	2,566
Cash at bank and in hand		<u>257,602</u>	<u>22,656</u>
		265,210	25,222
Creditors: Amounts falling due within one year	4	<u>(24,990)</u>	<u>(68,809)</u>
Net current assets/(liabilities)		<u>240,220</u>	<u>(43,587)</u>
Total assets less current liabilities		580,932	297,921
Creditors: Amounts falling due after more than one year	4	<u>(105,813)</u>	<u>(112,495)</u>
Net assets		<u>475,119</u>	<u>185,426</u>
Capital and reserves			
Called up share capital		487,901	179,188
Profit and loss account		<u>(12,782)</u>	<u>6,238</u>
Total equity		<u>475,119</u>	<u>185,426</u>

The notes on pages 7 to 12 form an integral part of these financial statements.

Mustard Seed Property Limited

Balance Sheet

30 September 2019

For the financial year ending 30 September 2019 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 and signed on its behalf by:

.....
M Lowe
Director

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2019

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.

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.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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 2019

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.

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 2019

2 Tangible assets

	Investment properties £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 October 2018	338,122	7,963	346,085
At 30 September 2019	338,122	7,963	346,085
Depreciation			
At 1 October 2018	-	4,577	4,577
Charge for the year	-	796	796
At 30 September 2019	-	5,373	5,373
Carrying amount			
At 30 September 2019	338,122	2,590	340,712
At 30 September 2018	338,122	3,386	341,508

In the Directors' opinion the current market value of the investment property was assessed at £338,122 (2018: £338,122), taking into account tenancies and property maintenance / improvements.

3 Debtors

	2019 £	2018 £
Trade debtors	2,833	2,432
Prepayments	4,775	134
	<u>7,608</u>	<u>2,566</u>

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2019

4 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	5	6,682	60,436
Trade creditors		609	12
Corporation tax		-	1,241
Accrued expenses		17,699	7,120
		<u>24,990</u>	<u>68,809</u>

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	5	<u>105,813</u>	<u>112,495</u>
Due after more than five years			
After more than five years by instalments		<u>76,409</u>	<u>84,198</u>

5 Loans and borrowings

	2019 £	2018 £
Loans and borrowings due after one year		
Bank borrowings	<u>105,813</u>	<u>112,495</u>
Current loans and borrowings		
Bank borrowings	6,682	6,436
Other borrowings	-	54,000
	<u>6,682</u>	<u>60,436</u>

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2019

Bank borrowings

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

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 £nil (2018: £1,399). 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 £nil (2018: £1,399).

E James
(Director)

Through her shareholding E James was entitled to receive interest of £211 (2018: £188). 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 £211 (2018: £188).

M Lowe
(Director)

Through his shareholding M Lowe was entitled to receive interest of £175 (2018: £nil). At the balance sheet date the amount due to M Lowe was £175 (2018: £nil).

P Ashton
(Director)

Through his shareholding P Ashton was entitled to receive interest of £17 (2018: £nil). At the balance sheet date the amount due to M Lowe was £17 (2018: £nil).

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 30/09/2019 the company received rents to the value of £26,655 (2018: £25,535). At the balance sheet date the amount due (to)/from Mustard Seed (SW) Limited was £nil (2018: £nil).

7 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Withdrawable interest bearing shares of £1 each	487,901	487,901	179,188	179,188

New shares allotted

Mustard Seed Property Limited

Notes to the Financial Statements

Year Ended 30 September 2019

During the year 308,713 Withdrawable interest bearing shares having a net aggregate nominal value of £308,713 were allotted for an aggregate consideration of £308,713.

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Mustard Seed Property Limited

Detailed Profit and Loss

Year Ended 30 September 2019

	2019 £	2018 £
Turnover		
Feed in tariff	802	828
Rent receivable	<u>26,655</u>	<u>25,535</u>
	27,457	26,363
Cost of sales		
Property management	<u>(1,276)</u>	<u>(1,210)</u>
Gross profit	26,181	25,153
Gross profit (%)	95.35%	95.41%
Administrative expenses		
Administrative expenses	<u>(25,972)</u>	<u>(6,655)</u>
Operating profit	<u>209</u>	<u>18,498</u>
Other interest receivable and similar income		
Interest income on bank deposits	1,092	49
Interest payable and similar charges		
Interest on bank overdrafts and borrowings	(4,350)	(4,322)
Interest expense on other finance liabilities	(270)	(1,080)
Shareholder interest	<u>(16,942)</u>	<u>(5,851)</u>
	<u>(21,562)</u>	<u>(11,253)</u>
(Loss)/profit before tax	<u><u>(20,261)</u></u>	<u><u>7,294</u></u>

Mustard Seed Property Limited

Detailed Profit and Loss

Year Ended 30 September 2019

	2019 £	2018 £
Administration costs		
Computer software and maintenance costs	228	144
Printing, postage and stationery	-	35
Sundry expenses	151	-
Advertising	-	4,019
Accountancy	1,570	1,638
Legal and professional	23,210	-
Bank charges	17	22
Depreciation of other property, plant and equipment	796	797
	<u>25,972</u>	<u>6,655</u>

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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 2019

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 2019 as set out on pages 3 to 12 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/membership/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 loss 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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Francis Clark LLP
Lowin House
Tregolls Road
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Cornwall
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Date:.....