



# MAKING SPACE

## FOR VULNERABLE PEOPLE TO FLOURISH

In Cornwall and the Isles of Scilly

### COMMUNITY SHARE OFFER

#### 6 FEBRUARY 2024

Initial Closing Date: 29 March 2024

Total Target Raise (over three phases): £1,800,000

Initial Target Raise (first phase): £300,000



Community  
Shares  
**STANDARD**

Ethex: [www.ethex.org.uk/mustardseed2024](http://www.ethex.org.uk/mustardseed2024)

MSP: [www.mustardseedproperty.co.uk/invest](http://www.mustardseedproperty.co.uk/invest)

Capital-at-risk: By purchasing community shares issued by MSP you may lose some or all of the money you invest. Investors are not protected by the Financial Services Compensation Scheme (as you would be with a savings account), and do not have recourse to the Financial Ombudsman Service

Mustard Seed Property Limited. Registered Number 30293R







# CONTENTS

<b>Welcome Letter From Directors</b>	4
<b>MSP At A Glance &amp; Key Facts</b>	6
<b>Our Track Record Of Making A Difference</b>	8
<b>What You Are Investing In</b>	12
<b>Share Offer Summary</b>	18
<b>Our Community</b>	20
<b>Board, Management and Governance</b>	24
<b>Operational &amp; Housng Partners</b>	28
<b>Property Acquisition Strategy</b>	30
<b>Financial and Investment Summaries</b>	32
<b>Share Offer Terms &amp; Conditions</b>	36
<b>Advisors &amp; Contacts</b>	38
<b>Important Information</b>	40
<b>Risk Factors</b>	44



# WELCOME

## LETTER FROM DIRECTORS OF MUSTARD SEED PROPERTY

Mustard Seed Property was set up by people in Cornwall intent on providing homes and support for individuals in need. Cornwall is one of the poorest regions in Northern Europe and more than 25% of children live in poverty. Our communities are home to a higher-than-average number of isolated retirees, people with learning disabilities, people with dementia and those experiencing homelessness. This is all in the context of fewer jobs, more disparate communities, and high house prices.

Mustard Seed Property (MSP) acquires and develops properties for the most vulnerable in our society. We lease these to our charity and social enterprise partners who then make them available as homes or workplaces. In 2007, MSP raised £300,000 from a few dozen people, a local charitable trust, and a bank. We bought an old bed and breakfast and changed the lives of five families. More than a decade later, this property is used by St Petrocs as a supported house for formerly homeless individuals.

**Jonathan:** "I have been here since January 2018. I was sleeping in a car after my mum died and I was evicted from our home of 50 years. People put in a good word for me with St Petrocs and coming into this house, well, all my worries were answered! I now have an address so I can look for work and I have a safe home."

With the help of investors in the 2020 share offer, MSP acquired and refurbished a second property. St George's in Newquay is now let to our partner, Newquay Lighthouse Project CIC and it is a home for up to eleven people recovering from addiction.

**John:** "I've been an investor since the beginning of Mustard Seed Property. It is great to be able to use some of my savings to invest in the community that has been my home for so many years. As well as the fact that my money is helping provide opportunities for people who really need it, my investment has outperformed many of my mainstream investments, paying a consistent and increasing return in challenging economic times."

**MUSTARD SEED PROPERTY ACQUIRES AND DEVELOPS PROPERTIES WHICH WE LEASE TO OUR PARTNERS THAT MAKE THEM AVAILABLE AS HOMES OR WORKPLACES FOR THE MOST VULNERABLE IN OUR SOCIETY.**

MSP's third property, Alma Place in Redruth, is being re-developed. We expect the first residents to move into their new home in March 2024. Our partners, United Response and Karrek Community CIC, will support five autistic adults with learning disabilities and mental health needs to flourish in a safe environment. The refurbishment was funded by a loan which will be repaid by MSP using investment raised through this share offer.




**The share offer will also help us do more! Over the next two years we will buy and refurbish two more properties. Two more good homes for people who need support alongside our fantastic partners.**

MSP is a charitable organisation, but it is also a robust commercial investor. Today we have a relationship with several amazing charities and social enterprises all growing and needing access to more property. Cornwall's hospitality is world-renowned. Help us show that this is a strength not just for those who can most afford it, but to the most vulnerable in our own community.

**We can only grow if you or your organisation allow us to put your money to work for the most vulnerable in Cornwall and to benefit the community at large. Please join us by becoming a member today.**

Thank you.

The Mustard Seed Property Directors  
[www.mustardseedproperty.co.uk](http://www.mustardseedproperty.co.uk)

 @MSPCornwall  
 @Mustard Seed Property  
 @MSPCornwall





# MUSTARD SEED PROPERTY AT A GLANCE & KEY FACTS

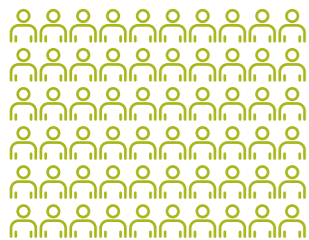
Creating space for vulnerable people to flourish in Cornwall and the Isles of Scilly



## OUR TRACK RECORD

### PEOPLE HELPED

Since 2007, through our partners, MSP has helped over 60 vulnerable adults who have learning disabilities or who are at risk of homelessness in Cornwall.



60+

### INVESTMENT

MSP has raised £1.2 million of community share capital and has paid an average return of 3% per annum to investors.



Capital returned in last four years

Shareholder capital withdrawn £43,000  
Debt capital repaid £81,000

### CURRENT INVESTORS

Current investors into MSP include individuals, companies and foundations from the South West and further afield.



■ 4 Foundations  
■ 4 Companies  
■ 239 Individuals

### PARTNERS

MSP works to strengthen local social enterprises to help vulnerable adults in Cornwall.





# OUR TRACK RECORD OF MAKING A DIFFERENCE

Our social enterprise partners are on the front line and frequently support people facing everyday life or death situations, vulnerable often through no fault of their own - housing rough sleepers, delivering domiciliary care to adults with learning disabilities or working with people recovering from addiction. Like NHS and care home workers, the majority of these staff members are driven by a passion to put others first and do so willingly on typically low incomes.

Despite the challenging economic circumstances, the incomes of MSP partners are broadly intact. Rents are still being paid and the need is substantial and only likely to increase. With three properties under management, this gives MSP an ideal opportunity to step up and provide additional space for our partners and the people they support. MSP is backed by ordinary people prepared to pool their resources so that we can protect our communities, achieving together more than we could on our own.

## CREATING SPACE FOR VULNERABLE PEOPLE TO FLOURISH IN CORNWALL AND THE ISLES OF SCILLY

All investments have a lasting impact, providing both a home and base for supporting the most vulnerable people in Cornwall. The properties purchased by MSP provide a stable home for as long as needed. The high-quality support provided by each of our partners reduces the number of individuals needlessly ending up in hospital or prison, creating both a more inclusive society and a strong, diverse, and resilient community for us all.

**MSP IS BACKED BY ORDINARY PEOPLE PREPARED TO POOL THEIR RESOURCES SO THAT WE CAN PROTECT OUR COMMUNITIES, ACHIEVING TOGETHER MORE THAN WE COULD ON OUR OWN.**



## BENEFITS TO INVESTMENT

Your investment allows you to become part of a greater movement that puts the less fortunate and vulnerable first. Investors are presented with the opportunity to become directors, and organisational investors hold the ability to nominate their staff to be part of local volunteering opportunities. Investors are the first to receive updates within the organisation through regular newsletters, annual general meetings (to which all investors are invited) and social impact reports.

FOR THE COMMUNITY	FOR INDIVIDUALS	FOR ORGANISATIONS
More supported accommodation and opportunities for those most vulnerable	Become part of a movement for a better, more inclusive society	Maximum target raise over entire offer period (three phases)
High quality support reduces the number of people unnecessarily ending up in hospitals or prison	Opportunity to put yourself forward to become a director	Purpose of investment raise
A more inclusive society is good for all of us	Demonstrate to your employees and customers a real commitment to their community	Minimum target to be raised (1st Phase)
Strong, diverse, and resilient community	Opportunity to network with like-minded individuals	Ability to nominate your staff for local volunteering opportunities

## IMPACT – NOW AND IN THE FUTURE

- **Property number one - Godolphin:** Since 2007, working with our partners, MSP has provided a home for over 40 vulnerable adults with learning disabilities or at risk from homelessness.
- **Property number two - St George's:** Which (based on an average stay of 12 months) houses and supports an additional 11 people recovering from addiction and changing their lives.
- **Property number three - Alma Place:** Where the refurbishment is nearly complete, meaning from March 2024, MSP expects to house and support an additional five people each year. In some cases, this will be a first move towards further independence, but for others this could be their home for life.

As such, from March 2024 MSP will house, and with its partners support, at least 20 people each year – and this is just the start. With your investment, and support, MSP has exciting ambitions to build on its successful model. The firm ambition is to scale up substantially adding one new property each year and significantly increasing the impact generated and positive change across Cornwall and beyond.



## WHAT DO OTHER PEOPLE SAY?

### RESIDENTS' VIEWS



**JONATHAN\***: "I have been here since January 2018. I was sleeping in a car after my mum died and I was evicted from our home of 50 years. People put in a good word for me with St Petrocs and coming into this house, well, all my worries were answered! **I now have an address so I can look for work and I have a safe home.** It was a challenge sharing a house, but it's the only answer when you have little hope of getting back into employment or housing."



**DAVID\***: "**I've been here for about 2 years and making the place homely has been like therapy for me.** I am glad to be able to live in the area I was brought up in and have connections and know the geography. A lady who used to live here came back to visit because she missed us all now that she's found her own flat. We have house meetings to sort things out like cleaning up after ourselves in the kitchen."

### INVESTOR'S VIEW



**JOHN**: "I've been an investor since the beginning of Mustard Seed Property. It is great to be able to use some of my savings to invest in the community that has been my home for so many years. As well as the fact that my money is helping provide opportunities for people who really need it, my investment has outperformed many of my mainstream investments, paying a consistent and increasing return in challenging economic times."

### DIRECTOR'S VIEW



**LIZ** has seen first-hand how St Petrocs work is helping people and says "I've been to visit and spoken to the tenants there. They were so pleased to have a home and to be surrounded by a friendly group of people to support them – and help them on their way to moving into their own rented accommodation." Newquay Lighthouse Project "is another half-way house that provides a wonderfully safe environment where people recovering from addiction can help and support each other to grow in confidence and find their own individual place in the world."

### PARTNERS' VIEWS



**GEETA AT KARREK**: "It's really refreshing to have a relationship with a property investor like Mustard Seed Property. They buy the property we need with the best interests of the people being supported in mind, and then customise it to their needs. **It means we can focus our efforts on supporting people, not on becoming a property development company.** And we have security of tenure in a property that's fit for purpose and affordable for everyone involved."



**STEVE MAXEY AT ST. PETROCS ON PARTNERSHIP WORKING**: "Homelessness is a complex issue and cannot be solved by any one agency or housing provider alone."

MSP are the perfect partners for St. Petrocs and are regarded with the upmost respect as a socially aware property investor willing to partner with a homeless services provider like St. Petrocs, and work together to support vulnerable and potentially homeless people."



\*Not real names.



# WHAT YOU ARE INVESTING IN

## WHAT HAS HAPPENED SINCE 2020

In 2020, Mustard Seed Property raised £610,000 in its last share offer. This money was used during 2021 and 2022 to acquire a property in Newquay - called St George's - and to refurbish it, spending a total of £612,000. This property is let to the Newquay Lighthouse Project CIC and houses up to 11 men recovering from addiction.

Prior to this, MSP had acquired another property called Alma Place. The re-development works were started in December 2022 and are expected to be completed by the end of February 2024. The property will then be let to United Response to house, and Karrek Community to support, five autistic adults with learning disabilities and mental health needs.

The project used c. £640,000 of short-term debt provided by an individual impact investor – NC Bailey Limited. This short-term investor needed to be repaid (during the project) so MSP therefore raised £1 million in debt from a community asset fund - Resonance Community Developers Ltd (RCD Ltd). This medium-term debt is structured over two to three years at a fixed rate; where the certainty on timing and price was advantageous to MSP. This investment provided cashflow to allow the project to be nearly completed as well as the full repayment of NC Bailey Limited and historic long-term mortgage debt with Triodos.

## 2024 SHARE OFFER

**We note that this share offer was originally launched in 2023.** With debt subsequently secured on better terms (see above) and a more favourable financial environment, the directors are comfortable they can now offer a higher target rate of return to community shareholders.

MSP is launching this 2024 share offer and planning to raise up to £1.8 million over the next two and a half years from February 2024 to September 2026 (comprising three financial years). This offer is structured over three phases, with three objectives. The figures set out below represent the increasing amounts of share capital required in each phase.

- Phase One:** Minimum of £100,000 and an optimum target raise of £300,000 to complete Alma Place and to bolster cash reserves.
- Phase Two:** Purchase and development of property number four as well as repayment of debt provided by RCD Ltd, with a minimum raise of £150,000 and an optimum target raise of £600,000; and
- Phase Three:** Purchase and development of property number five and repayment of the remainder of the debt provided by RCD Ltd, with a minimum raise of £150,000 and an optimum target raise of £900,000.

## SOURCES AND USES OF FUNDS

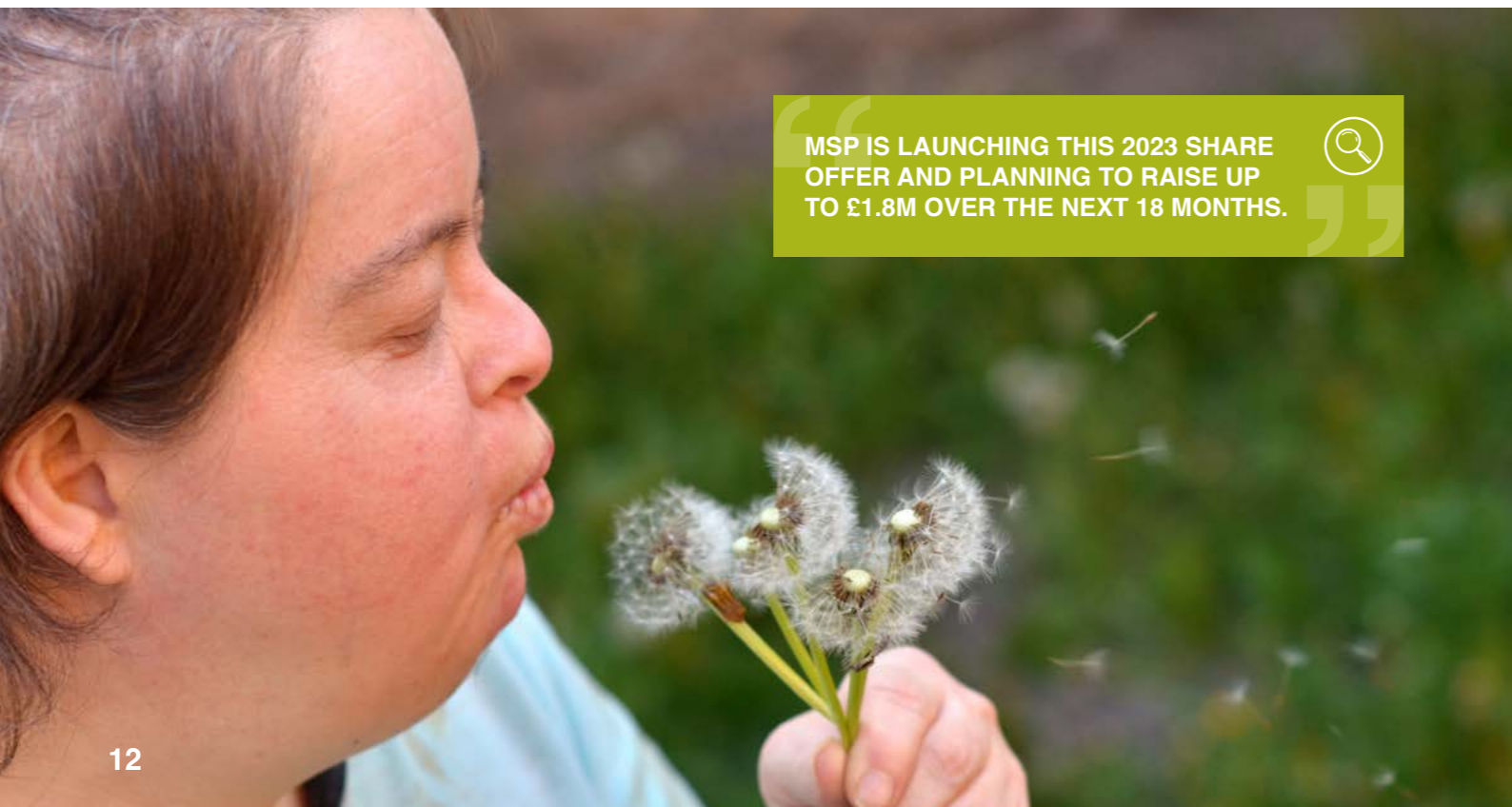
The table below shows how this will work with the sources of funds (raised) and uses of funds (spent) in the last two financial years, current financial year and subsequent two financial years.

YEAR ENDING 30 SEPTEMBER	2022 A	2023 A	2024 E	2025 F	2026 F
<b>SOURCES OF FUNDS</b>					
Cash at start of year (from last share offer)	£	624,356			
Community share issue	£	0	0	300,000	600,000
Short term development finance: NC Bailey Ltd	£	330,000	312,000		
Medium-term debt facility: RCD Ltd		0	0	1,000,000	0
Long term senior debt: new facility	£	0	0	0	0
<b>Total capital raised p.a.</b>	£	<b>954,356</b>	<b>312,000</b>	<b>1,300,000</b>	<b>600,000</b>
<i>Cumulative surplus of sources &gt; uses</i>	£	<i>342,683</i>	<i>(67,317)</i>	<i>267,183</i>	<i>262,183</i>

<b>USES OF FUNDS</b>					
Purchase & refurbishment of Property #2 (St Georges)	£	611,673	0	0	0
Refurbishment of Property #3 (Alma)	£	0	722,000	238,500	0
Repayment of NC Bailey Ltd	£	0	0	642,000	0
Repayment of Triodos		0	0	85,000	0
Repayment of RCD Ltd		0	0	0	1,000,000
Purchase & refurbishment of Property #4	£			605,000	
Purchase & refurbishment of Property #5	£				605,000
<b>Total investment &amp; debt repayment p.a.</b>	£	<b>611,673</b>	<b>722,000</b>	<b>965,600</b>	<b>605,000</b>

Source: MSP strategy & financial forecast  
Note: A = actual, E = expected, F = forecast

MSP IS LAUNCHING THIS 2023 SHARE OFFER AND PLANNING TO RAISE UP TO £1.8M OVER THE NEXT 18 MONTHS.



## SOURCES OF FUNDS:

- MSP started the financial year to 30 September 2022 (FY22) with c. £624k cash in the bank (mainly the proceeds of the 2020 share offer);
- £642k short-term debt (raised over 2022-23 in two tranches of £330k and £312k) provided by NC Bailey Limited for refurbishment of Alma Place (now repaid);
- £1 million medium-term debt raised in current financial year (FY24) used to repay NC Bailey Limited in full (£642k), repay Triodos (£85k existing mortgage) in full and to largely complete Alma Place;
- Planned community share issue raising total of £1.8 million (in the period 2024-26) raising increasing amounts of £300k, £600k and then £900k respectively over the three phases; and
- Long-term senior debt of £650k expected to be raised in FY26 (mortgage from a social bank) to fund the new properties alongside community share capital.

## USES OF FUNDS:

- £612k spent in financial year 2022 on purchase and refurbishment of St George's;
- £960k spent on re-development of Alma Place across 2023-24;
- New properties acquired and refurbished in subsequent years – 2025 and 2026 – using proceeds from community share raises in the second and third phases of the offer; and
- Share capital alongside additional long-term debt (where required) used to repay of £1m to RCD Ltd in FY26.

## SUMMARY HISTORIC AND FORECAST INFORMATION: PROPERTY PORTFOLIO AND FINANCIAL POSITION

The table below shows how MSP has grown to date with three properties expected to be fully operational by March 2024:

- Generating revenues of c. £142k with three properties from next financial year (i.e., from October 2024 to September 2025) and £240k from FY27 with five properties;
- Utilising approximately £3 million of member share capital (following the third phase of this share offer); and
- £3.5 million of fixed assets at FY27 representing the five expected properties on the balance sheet at that time.

YEAR ENDING 30 SEPTEMBER		2020 A	2021 A	2022 A	2023 A	2024 E	2025 F	2026 F	2027 F
Number of operational properties	#	1	1	2	2	3	3	4	5
Revenue / total income (including revenue grants)	£	45,206	29,156	41,659	70,455	103,430	142,063	190,343	238,842
Operating profit (loss) before interest on capital and tax (EBIT)	£	10,939	(1,424)	22,995	67,289	92,507	124,129	169,927	220,926
Interest paid	£	(23,662)	(2,420)	(49,553)	(64,767)	(135,276)	(144,840)	(161,191)	(135,816)
Tax	£	0	0	0	0	0	0	0	0
Net profit (loss) after depreciation, interest on capital and tax	£	(12,723)	(3,844)	(26,558)	2,522	(42,769)	(20,711)	8,736	85,110
Fixed assets (property & homes)	£	555,724	645,756	1,302,455	2,048,622	2,290,122	2,893,122	3,501,122	3,511,122
Member share capital	£	587,975	1,198,111	1,202,761	1,219,691	1,514,812	2,119,357	3,029,953	3,045,103
Debt	£	105,757	98,718	421,583	792,325	1,000,000	1,000,000	650,000	639,172
Share withdrawals	£	6,066	0	450	6,784	24,394	22,722	31,790	45,449
Share interest (paid / target)	£	20,581	0	41,982	33,891	29,273	40,900	63,581	90,899
Share interest (paid / target)	%	3.50%	0.00%	3.49%	3.50%	4.00%	4.50%	5.00%	5.00%

Source: MSP unaudited annual accounts to 30 September 2020, 2021, 2022.

Note: A = actual, E = expected, F = forecast

MSP paid interest to shareholders at 3.50% in the financial years 2020 and 2022 (missing a payment for the first time since inception in FY21 due to COVID-19). For the 2023 financial year, with pressure on cash flows, the share interest payment was converted to additional shares for all shareholders with less than the maximum £100,000 investment (where the shareholders concerned agreed not to receive any interest or additional shares). The Board has set a target interest rate of 4.00% for the current financial year (to 30 September 2024), a target interest rate of 4.50% for the subsequent financial year (to 30 September 2025) and a 5.00% target thereafter. Please note that this is a target and is not guaranteed.

There were share withdrawals of £6k in FY20, nothing in 2021 (where there was a suspension due to COVID-19), £450 in FY22 and nearly £7k in the last financial year. There are forecast withdrawals of £24k this financial year after Alma Place is completed and the suspension on withdrawals is lifted.





## INITIAL OFFER PERIOD

The initial offer period will run from 6 February to 29 March 2024 with a minimum target raise of £100,000 and an optimum target raise of £300,000.

**If the minimum target of £100,000 is not reached by 29 March 2024, then the share offer will close and all monies will be returned.**

Should MSP only raise £100,000 in the phase one of the community share raise it will use the funds to finish the Alma Place project, bolster cash reserves and set the foundations for future growth and success.

The optimum raise of £300,000 will be used to complete Alma and start repaying the medium-term facility from RCD Ltd.

MSP will have a maximum target raise of £600,000 in this initial offer period. This would allow the purchase of a fourth property sooner than 2025.

5.

**OUR AMBITION IS TO ACQUIRE CIRCA £500K OF PROPERTY IN CORNWALL EACH YEAR FOR THE FORESEEABLE FUTURE AND BUILD A STABLE BALANCE SHEET THAT PRIORITISES VULNERABLE PEOPLE AND THE SOCIAL ENTERPRISES THAT SUPPORT THEM.**



## SUBSEQUENT OFFER PERIODS

MSP is planning to engage in three offer periods (with increasing optimum target raises in each phase). The exact timing for the second and third phases is flexible and will be decided following discussions with members including in the Annual General Meeting prior to each phase. February to March 2024 (Initial Offer period) with a minimum raise of £100k and a target raise of £300k;

1. February to September 2025 with a with a minimum raise of £100k and a target raise of £600k; and
2. February to September 2026 with a with a minimum raise of £100k and a target raise of £900k.

Funds raised in the second and third offer period will be used to acquire and refurbish the next two properties for our charity and social enterprise partners and to repay the medium-term debt from RCD Ltd.

The minimum and optimum raise amounts may be varied to reflect the amounts raised in previous phases. Should the three phases of the share offer only achieve the minimum raises, this will limit the ambition to grow the property portfolio from three to five homes over the next few years, as MSP will need to prioritise paying debt down to a sensible level. Should MSP over-raise in any phase of this offer the targets in subsequent offer phases will be reduced accordingly.

## FUTURE PLANS

As at March 2024, MSP will have three operational properties let to three impactful charity partners. The enterprise is projected to generate a healthy net surplus each year. With the model proven, the ambition is to now increase the scale and impact achieved substantially over the next two to five years. We are constantly looking to create opportunities for our current partners whilst at the same time searching to generate a wider network of partners to join MSP and increase the much-needed provision of accommodation to vulnerable people across Cornwall. Our ambition is to acquire circa £500,000 of property in Cornwall each year for the foreseeable future and build a stable balance sheet that prioritises vulnerable people and the social enterprises that support them.





# SHARE OFFER SUMMARY

## FIRST PHASE

### SHARE OFFER SUMMARY

Maximum target raise over entire offer period (three phases)	£1,800,000
Purpose of investment raise: three objectives over three phases	<ol style="list-style-type: none"> <li>1. Completion of Alma Place and increased cash reserves.</li> <li>2. Purchase and development of 4th property and repayment of debt provided by RCD Ltd; and</li> <li>3. Purchase and development of 5th property and repayment of remainder of debt provided by RCD Ltd.</li> </ol>
Optimum target to be raised (1st Phase)	£300,000
Optimum target to be raised (2nd Phase)	£600,000
Optimum target to be raised (3rd Phase)	£900,000
Minimum investment	£250 (with £100 minimum investment for local people – living in Cornwall)
Maximum investment	£100,000
Target interest rate paid annually	4.00% from 1 October 2023 4.50% from 1 October 2024 5.00% from 1 October 2025 (These are target rates and not guaranteed)

### MUSTARD SEED PROPERTY LIMITED

Mustard Seed Property Limited (“MSP” or “Mustard Seed Property” or the “Society”) is a Registered Society, recognised by HMRC as an exempt charity, which was registered on 31 July 2007 in accordance with the Industrial & Provident Societies Act 1965, with registered number 30293R (Mutuals Register – FCA), and charity number ZD01397 (HMRC), and registered office at 5 Scarne Court, Hurdon Road, Launceston, PL15 9LR.

MSP follows its registered rules comprising the Rules (dated 31 July 2007) and Partial Amendment to the Rules (dated 10 October 2018); together “the Rules” and each individually a “Rule”.

### OFFER FOR SUBSCRIPTION

An offer of up to 1,800,000 Community Shares in Mustard Seed Property each with a nominal value of £1 (across three phases). The Initial Offer period (for the first phase) is from 6 February to 29 March 2024.

Interest is due to be paid to shareholders from:

- 1 April 2024, for investments made up to 29 March 2024, or
- For investments made from 1 April 2024, or thereafter, on the first day of the month following the date of the investment.

Withdrawals have been suspended for new shareholders (in this initial phase of the share offer) for a period of 12 months from 1 April 2024 to 31 March 2025. The share withdrawal notice period is 6 months.

The terms and conditions of this offer are set out in detail below – and are in line with those set out in the 2020 share offer, except for the target interest rate. This was set at 3.50% for the financial year beginning 1 October 2020 (and not paid at all due to COVID-19) and at 4.50% for the financial year beginning 1 October 2021 (and paid at 3.50%).

Under this current share offer, the Board of MSP have set a target interest rate of 4.00% for the current financial year (beginning 1 October 2023) and 4.50% for the following financial year (beginning 1 October 2024) and 5.00% for the subsequent financial year (beginning 1 October 2025). Please note that this is a target and is not guaranteed.

### DOCUMENTS

The Rules of MSP (dated 31 July 2007) and Partial Amendment to the Rules (dated 10 October 2018), MSP’s 2024 Investment Plan, 2022 Social Impact Report (SIR) and latest financial statements are available on the MSP website ([www.mustardseedproperty.co.uk/invest](http://www.mustardseedproperty.co.uk/invest)). Applications can be made by going to [ethex.org.uk/invest/mustardseed2024](http://ethex.org.uk/invest/mustardseed2024).

### STANDARD MARK



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing or misleading

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: [www.communityshares.org.uk](http://www.communityshares.org.uk)

### IMPORTANT INFORMATION

MSP accepts responsibility for the information contained in this document. To the best of the knowledge of the directors of MSP, the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance. Prospective investors should read the whole text of this document and are advised to read with particular care the sections of this document headed:

‘Important Information’ (pages 32-36) and ‘Key Risks’ (pages 37-40).

A society issuing withdrawable, non-transferable shares is outside the scope of the Prospectus Directive and the related aspects of the Financial Services and Markets Act 2000. This type of share capital, referred to here as community shares, is either exempt from, or outside the scope of this statutory regulation. Our shares are not “controlled investments” for the purposes of the Financial Services and Markets Act 2000. You do not therefore have the level of protection that you might otherwise be offered by the Act. In particular, this document does not need approval (and has not been approved) by an “approved person” under the Financial Services and Markets Act 2000.

You should buy shares only with money you can afford to have tied up, without interest, and without capital appreciation, for several years or longer and with money that you are prepared to lose.

Should MSP get into financial difficulty:

- We may have to suspend your rights to withdraw your shares
- We may have to write down the value of your shares
- You may lose all the money you pay for your shares



# OUR COMMUNITY

## TRACK RECORD: COMMUNITY SHARE RAISES AND MEMBERSHIP

The table below shows the share capital raised from, and withdrawn by, members over the last four years.

YEAR ENDING 30 SEPTEMBER	2020 A	2021 A	2022 A	2023 A
Opening balance of member share capital	£ 487,901	587,975	1,198,111	1,202,761
New share capital invested during year	£ 106,140	610,136	5,100	0
Share capital withdrawn during year	£ (6,066)	0	(450)	(6,784)
<b>Closing balance of member share capital</b>	<b>£ 587,975</b>	<b>1,198,111</b>	<b>1,202,761</b>	<b>1,195,977</b>

Source: MSP unaudited annual accounts to 30 September 2020, 2021, 2022

Note: A = actual, E = expected, F = forecast

### Notes:

- Community share capital of £100k was raised from an impact investor in the financial year to 30 September 2020 (FY20) and a further c. £610k was raised in the financial year to 30 September 2021 (FY21) during the last community share raise on Ethex.
- Large withdrawals are not typical - many investors choose to re-invest their interest each year.

## MEMBERSHIP

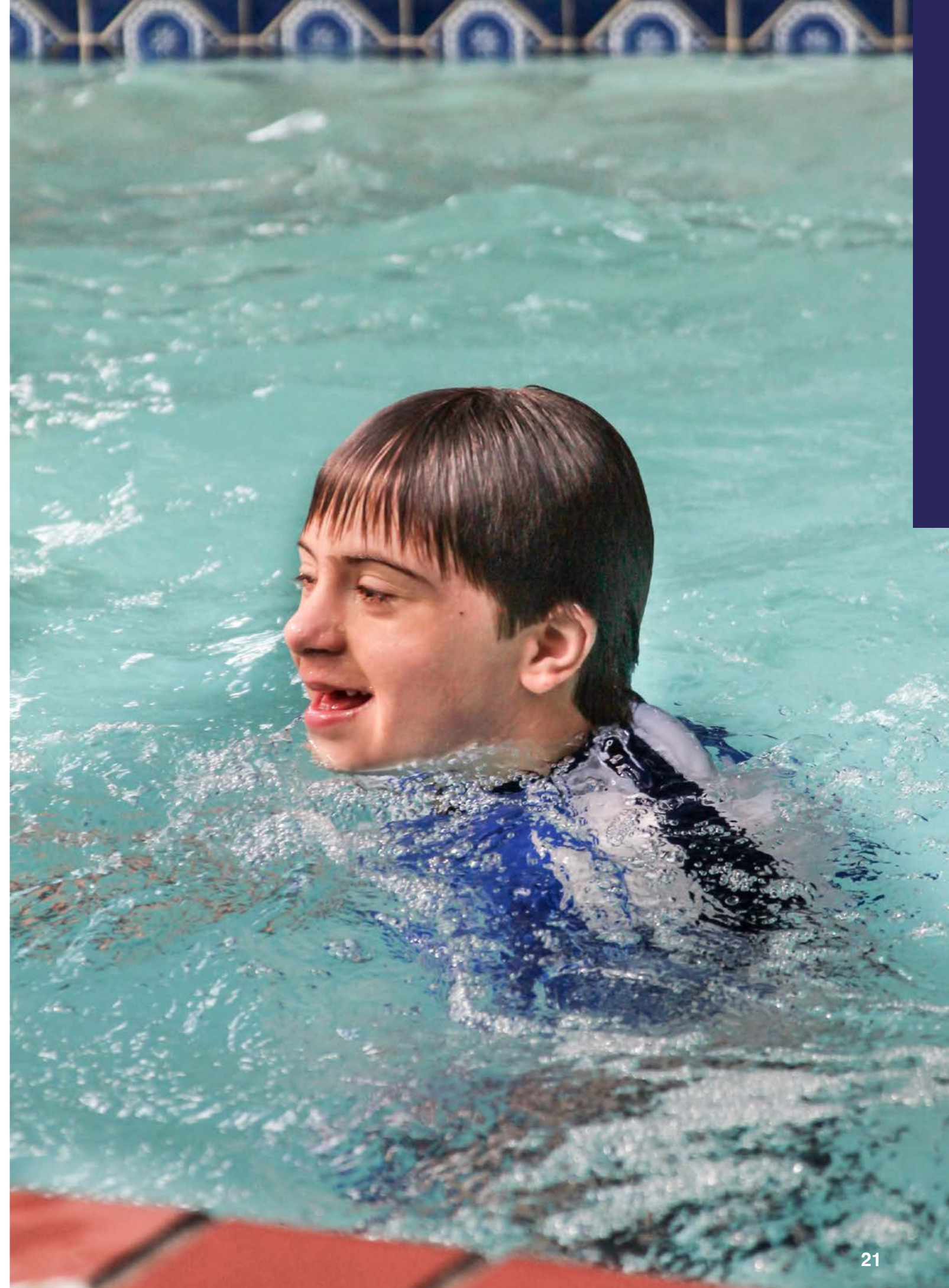
The table below shows how MSP has grown its membership and investor base over the last four years.

YEAR ENDING 30 SEPTEMBER	2020 A	2021 A	2022 A	2023 A
Number of members at the beginning of year	# 75	75	245	246
Number of new members joining	# 1	171	2	0
Number of members leaving	# (1)	(1)	(1)	(1)
<b>Number of members at the end of the year</b>	<b># 75</b>	<b>245</b>	<b>246</b>	<b>245</b>

Source: MSP

### Notes:

- Membership more than trebled in the 2021 financial year, from 75 to 245 members, as MSP raised c. £620k in new community share capital, with minimal withdrawals in the year.
- MSP has eight organisations which are members and investors, six of whom are large community shareholders with investments of between £25k and £100k.
- The other 237 investors (as at 30 September 2023) each had an average shareholding of approximately £3,400.

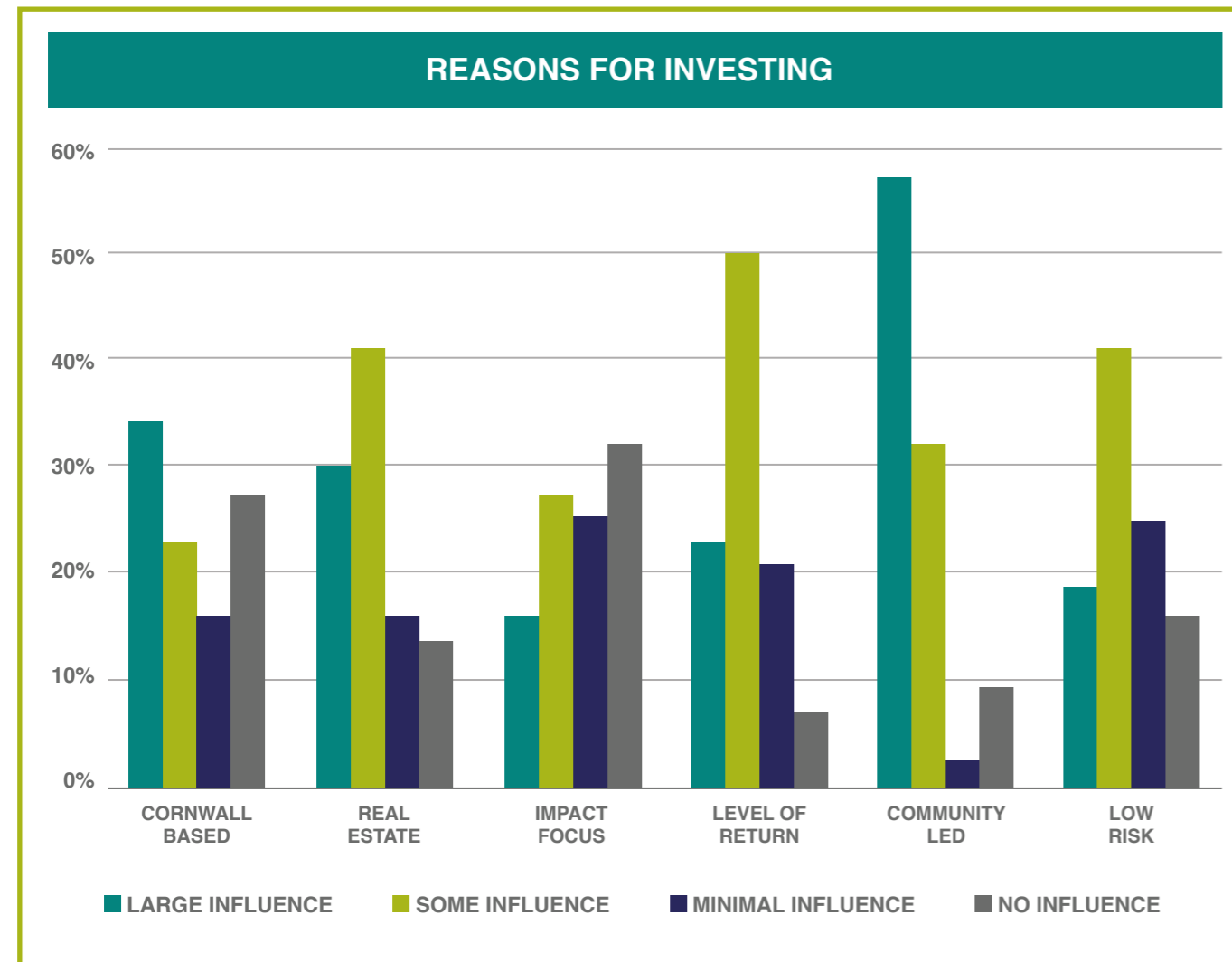




## WHY DO PEOPLE INVEST?

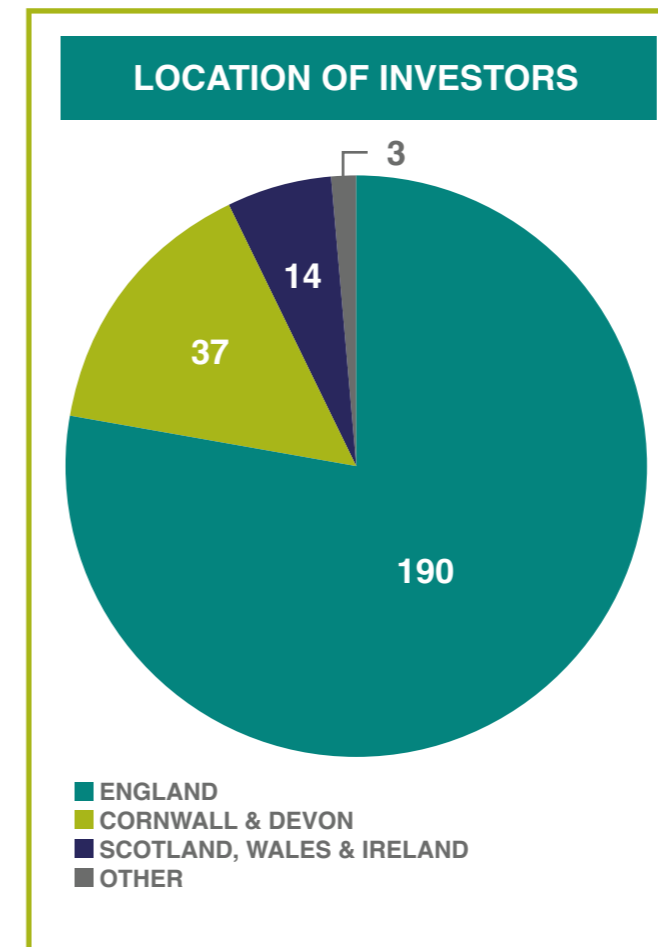
People invest for a variety of different reasons. The largest influence for the majority of people is that MSP is led by the community. If you want to go fast, go alone; if you want to go far, go together! #communityled

The graph below shows the reasons why people have invested in MSP:



## MEMBERSHIP FROM CORNWALL AND THE WIDER COMMUNITY

By investing into MSP, investors are helping to build a better and more resilient society as a whole, not just limited to Cornwall. Most of MSP's investors, whilst they have some connection to Cornwall, live outside the county; the chart below shows that 15% investors (37 out of 244) live in Cornwall and Devon, with 190 investors from other parts of England and 14 investors from Scotland, Wales, and Ireland.



## INVESTOR ENGAGEMENT AND CAMPAIGN

### 2023 SHARE OFFER

The 2023 share offer (and growth plans for MSP) were introduced to existing members, shareholders, and stakeholders at the Annual General meeting on 22 February 2023. The members who attended gave their approval for the launch.

### 2024 SHARE OFFER

Existing members and new investors into the 2023 share offer have been kept informed by newsletters, Ethex and other direct communication. As part of the re-launch of the 2024 share offer, MSP is writing to all investors in the 2023 share offer to inform them about of the revised offer, what has changed in the meantime and giving them the opportunity to withdraw their investment.

### ETHEX PLATFORM

MSP uses Ethex as its platform for raising investment and administering community share purchases. This is MSP's fourth community share raise and third raise via the Ethex platform. All investors to date have received a consistent financial return and seen their investment making a clear difference to the lives of vulnerable people. Please note that past performance is not a reliable indicator of future performance.

### FUNDRAISING CAMPAIGN

Our fundraising strategy involves:

- Staging a public share offer launch, using the Ethex platform, with a marketing campaign with assistance from Ethex and Resonance's Communications team;
- Contacting existing investors (mix of relationships with MSP, Resonance and Ethex);
- MSP's Directors contacting their private and corporate networks, using the mailing list, and reaching out to local councillors, business leaders, people of influence and activists to help promote the share offer;
- MSP's directors and Resonance contacting, and renewing relationships with, Cornwall-based community organisations to facilitate cooperation and to increase awareness of the MSP business model and share offer;
- MSP's advisors contacting potentially larger investors including Trusts & Foundations, and socially minded private investors (through their wealth managers and IFAs);
- Running a social media campaign (with the assistance of Resonance) on Twitter, Facebook, and LinkedIn;
- Distributing press releases to the local digital and printed press; and
- Other initiatives may include: a launch event and attendance at fairs, festivals, and other community events throughout the fundraising period.



# BOARD, MANAGEMENT AND GOVERNANCE

## MUSTARD SEED PROPERTY BOARD OF DIRECTORS

### SUZIE ACKFORD



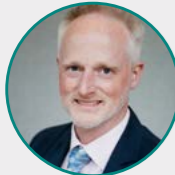
Qualified as a chartered accountant with Arthur Andersen. She then created a global HR Consulting business Penna Consulting PLC where she was CEO and Chairman for ten years. She currently works with a number of fledgling charities and social enterprises in Cornwall.

### STEPHEN CLAGUE



Stephen is a Chartered Accountant, having trained with PricewaterhouseCoopers. For many years he has been Finance Director for a variety of enterprises, most recently at Cornwall Care, the largest provider of adult social care in the county. Since 2019, he has acted as a Finance and Business Adviser to a range of enterprises. Aside from his involvement with MSP, he is also a trustee of Emmaus Cornwall, a charity supporting the homeless, which itself is in need a property and land. He is a dad to a young adult with a learning disability.

### DANIEL BREWER



Daniel is CEO of Resonance Limited where he leads a growing team supporting social enterprises and charities prepare for investment in a variety of transactions including real estate acquisition and development, community share issues and direct venture capital investments. He has seen the company flourish as it has created demand-led, impact investment funds. Daniel founded Resonance in 2002 having spent several years in manufacturing as an engineer and leading a political lobbying campaign on the UK poverty trap.

Outside of work, Daniel is a non-exec of a small number of high-impact social enterprises and part of the advisory council of a leading impact investor foundation.

### LIZ JAMES



A member of MSP from the beginning, Liz is a counsellor, manager and supports people with learning disabilities. She ran her own small upholstery business for 28 years. Liz brings particular knowledge and skills in serving the people supported by the partner charities of MSP and leads on social impact and ensuring MSP delivers for vulnerable people. Liz is also a trustee director of Mustard Seed (SW), which is one of MSP's founding partners.

### ADAM LANGER



Adam is a qualified and experienced counsellor specialising in working with trauma and addiction. He has worked in Family Assessment, Residential Drug and Alcohol Rehabilitation, and Supported Housing. He is the founder and Managing Director of the Bideford Lighthouse Project CIC and joined MSP as a partner for the Newquay Lighthouse Project CIC.

### STEVE MAXEY



Steve worked for the Probation service for 11 years at a Bail Hostel, and also worked as bank staff for ten years for Spectrum supporting Autistic adults.

Steve joined St Petrocs in 2004, initially as a weekend house manager, then graduating to service manager and now as the Associate Director of Residential Services.

### CHARLES LEWIS



Charles is a Chartered Quantity Surveyor and a Fellow of the Royal Institution of Chartered Surveyors (and also a Senior Investment Manager at Resonance Limited). He has over 30 years' experience of working in all sectors of the property environment, both in the UK and mainland Europe.

He was previously an Equity Partner with EC Harris (now Arcadis) and is now part of the Resonance team with a focus on delivering projects for a new impact investment fund, "Resonance Community Developers".

Charles supports MSP on the purchase, development, and refurbishment of its properties.

### RICHARD MAY



Richard has over 35 years' experience as a Chartered Surveyor working throughout the South West region. Following ten years as a partner in Knight Frank he set up Maze, an Exeter based consultancy business, dealing with residential and commercial work. He specialises in Planning and Development but typically works with corporate clients and charities on acquisition and portfolio enhancement.

## MANAGEMENT SUPPORT

### NICK SMITH



Nick works in the finance team at Resonance. Previously he worked within the finance industry for nine years, with the most recent four years spent in the finance team of a local Cornish charity. He has a Bachelor of Commerce degree, majoring in accounting, and is currently working towards becoming a Chartered Accountant through ACCA. Nick supports MSP with all finance and accounting functions, including management accounts, payment of invoices and liaising with suppliers.



## GOVERNANCE

Mustard Seed Property Limited is registered as a charitable society meaning the surplus generated is re-invested directly into the enterprise, to help transform the communities MSP operates in and make more property available to the partners and vulnerable people across Cornwall. The Board of Directors is made up of those with a passion for helping the less fortunate in society. We aim to ensure the Board represents our community and partners: with half the Board composed from representatives of our operational partners and half who are independent. The social mission is defined in the governing documents. All members and partners are invited to attend and participate in the Annual General Meeting (AGM) where all new director appointments must be proposed and seconded by existing members. MSP fosters a collaborative culture whereby the members and investors are encouraged to get in touch at any time to discuss any thoughts, ideas or concerns they may have and to stand for election to the Board.

Please see the detailed Investment Plan for more detail on the Board of Directors, responsibilities, and governance.

**THE BOARD OF DIRECTORS IS MADE UP OF THOSE WITH A PASSION FOR HELPING THE LESS FORTUNATE IN SOCIETY.**

## CONFLICTS OF INTEREST (SEE RULES 68-75)

Because we encourage our operational partners to put forward directors, there are a number of conflicts of interest that occur from time to time. These are documented clearly in meeting minutes and conflicted parties are not allowed to vote on the relevant board decisions.

**Steve Maxey** - representative of St Petrocs

**Adam Langer** - representative of Newquay Lighthouse Project CIC

**Stephen Clague** - representative of Karrek Community CIC

Resonance Limited provides advisory and capital raising services to MSP (including the preparation and launch of this share offer) as well as Company Secretarial and management support (through Nick Smith). Daniel Brewer is a director of MSP as well as CEO of Resonance Limited. We note that Charles Lewis is also a Director of MSP as well as a Senior Investment Manager at Resonance Limited. Services provided by Resonance Limited to MSP are contracted for under arm's length arrangements, between an independent (non-Resonance Limited) director of MSP and the service provider at Resonance Limited respectively.

Resonance Community Developers Ltd (**RCD Ltd**) is a current lender to MSP. Daniel Brewer is the Chair of the RCD Ltd Investment Committee, where he recused himself for all discussions about the potential medium-term (two-year) loan to MSP.

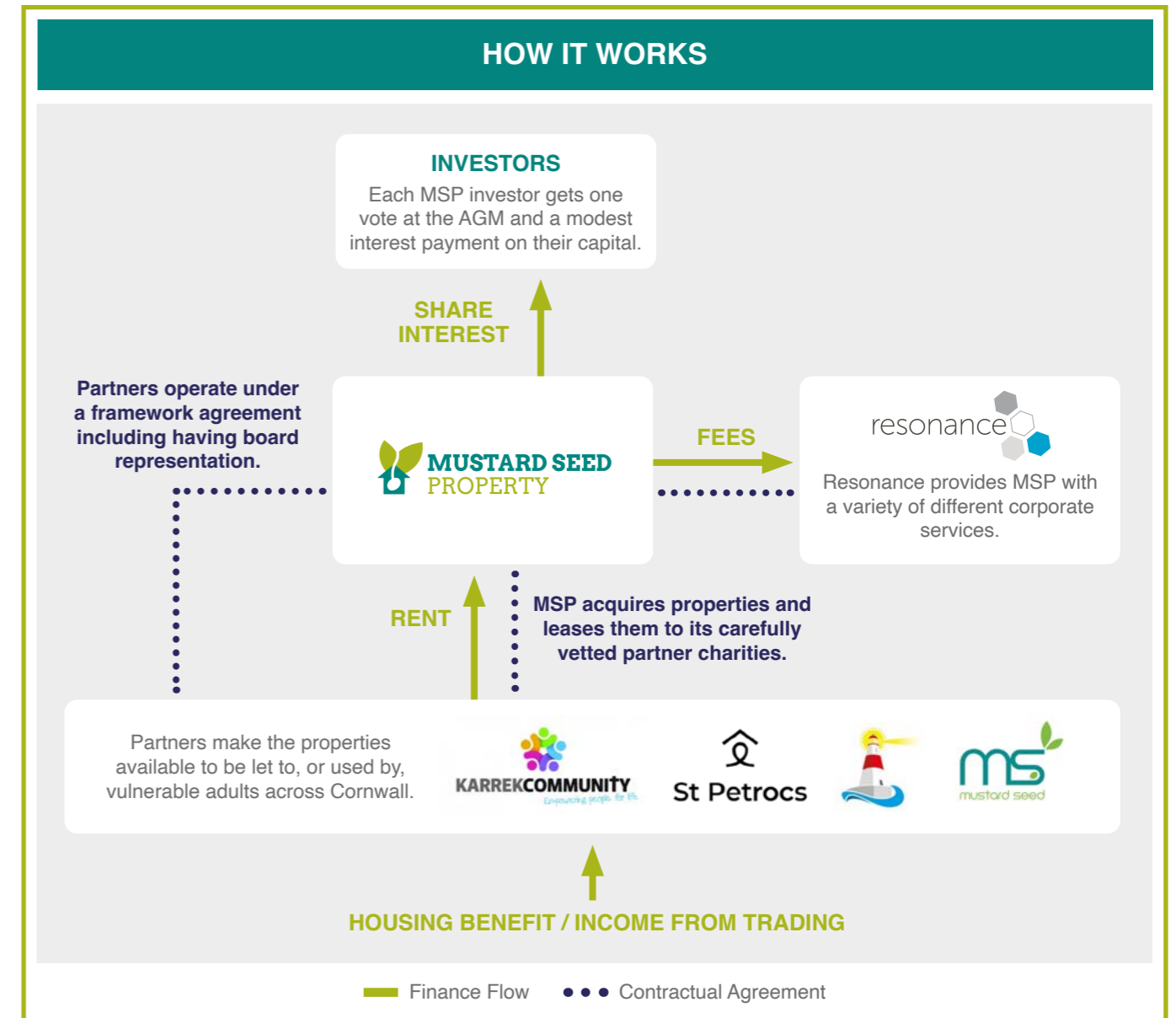
## MANAGEMENT

Corporate and property management services are provided by Resonance Limited on the basis of an arms-length contract; providing management accounting and property appraisal services and contracting with all the suppliers needed to manage the redevelopment or refurbishment of new properties.

MSP also uses local suppliers where needed for all professional services – solicitors, architects, Quantity Surveyors, builders, etc.

## OPERATIONAL STRUCTURE

The diagram below shows how MSP operates – working closely with its charity and social enterprise partners to make property available for vulnerable adults, and to generate a social and financial return for the community share investors.





# OPERATIONAL & HOUSING PARTNERS

## OPERATIONAL & HOUSING PARTNERS



### ST PETROCS SOCIETY

St Petrocs provides accommodation, support, advice, training, and resettlement services to single homeless people in Cornwall aged 16-65 years for whom no provision is made within the community, either statutory or otherwise.

St Petrocs currently leases **MSP's first house in Helston - Godolphin.**



### NEWQUAY LIGHTHOUSE PROJECT CIC

The Newquay Lighthouse Project CIC is a Community Interest Company that builds on the success of the Lighthouse Projects in Bideford and Plymouth. It provides supported accommodation for people seeking to maintain abstinence-based recovery from addiction using mutual aid networks. Support and housing management is provided by skilled and experienced staff in safe and high-quality environments for like-minded people to actively engage in maintaining and fostering a healthy community of mutual aid. The residents attend meetings of appropriate local mutual aid fellowships (e.g. Narcotics Anonymous and Alcoholics Anonymous) and are responsible for working their own recovery programme within their community. Lighthouse Projects operate a strict rule of complete abstinence from mind or mood-altering chemicals, but other than this encouraging a culture of self-responsibility. Newquay Lighthouse Project accommodates up to 11 men recovering from addiction at any one time in **MSP's second house in St George's Road, Newquay.**



### KARREK COMMUNITY CIC

Karrek works with people with learning and/or physical disabilities, mental health and/or behavioural challenges, autism, and people with certain forms of brain injury. Its vision is to "empower vulnerable people to have greater control over their lives and to enjoy their lives to the full."

Karrek has expanded its work across three areas:

Karrek Community (supporting adults with learning disabilities, mental health, and brain injury), Karrek Lifestyles (24/7 live in support for vulnerable individuals in their own homes), and Karrek Care (providing support to the older population and people with physical disabilities).

Karrek will support people living at **MSP's third house in Redruth – Alma Place.**

## OPERATIONAL & HOUSING PARTNERS



### UNITED RESPONSE

United Response is a charity that supports autistic people and adults with learning disabilities and mental health needs, at home and in the community.

United Response are going to be MSP's housing partner for the **third house in Redruth – Alma Place** – which will accommodate five people each year, with support and services provided by Karrek Community.



### MUSTARD SEED (SW)

Mustard Seed runs The Open Door Café from which the charity supports people to learn valuable work-related and life skills and provides 'suspended' meals for individuals who are unable to pay for meals. The Helston and Lizard Foodbank, an information advice and guidance provision, is also run out of Open Door. The support enables people to learn the skills to live independent lives, looking after themselves and others with whom they also come into contact.

The Mustard Seed team helps to foster an environment which enables people to gain self-confidence in the workplace after illness or circumstances that may have changed. Work experience placements are regularly taken up from schools, colleges, and external employment agencies with whom Mustard Seed works closely.

Mustard Seed was the first operational partner leasing a property from MSP. It does not currently have expansion opportunities that MSP can support, but they remain a partner.



# PROPERTY ACQUISITION STRATEGY

## MSP BUSINESS MODEL

MSP buys and refurbishes properties so that our operational partners (charities and social enterprises) can provide space for vulnerable people to flourish across Cornwall and the Isles of Scilly. MSP's acquisition strategy is to acquire existing properties which are then refurbished to a pre-agreed specification for its partners and to lease the properties to them on internally repairing and insuring leases.

Currently MSP owns three properties:

- 1. Godolphin;** Property number one - on behalf of St Petrocs; a six-bed property in Helston which has provided a stable rental income for over a decade.
- 2. St George's;** Property number two – on behalf of Newquay Lighthouse Project CIC; an 11-bed property in Newquay which has been operational (fully let) since June 2022.
- 3. Alma Place;** Property number three – on behalf of Karrek Community / United Response; a five-bed property in Redruth which is currently completing refurbishment and will be let from March 2024.

“ IF MSP CAN REDUCE THE UTILITY BILLS FOR OUR TENANTS AND SIMULTANEOUSLY GENERATE A RETURN FROM FEED-IN-TARIFFS AND/OR RENEWABLE HEAT INCENTIVES, MSP WILL LOOK TO INVEST IN LOW CARBON TECHNOLOGIES. ”



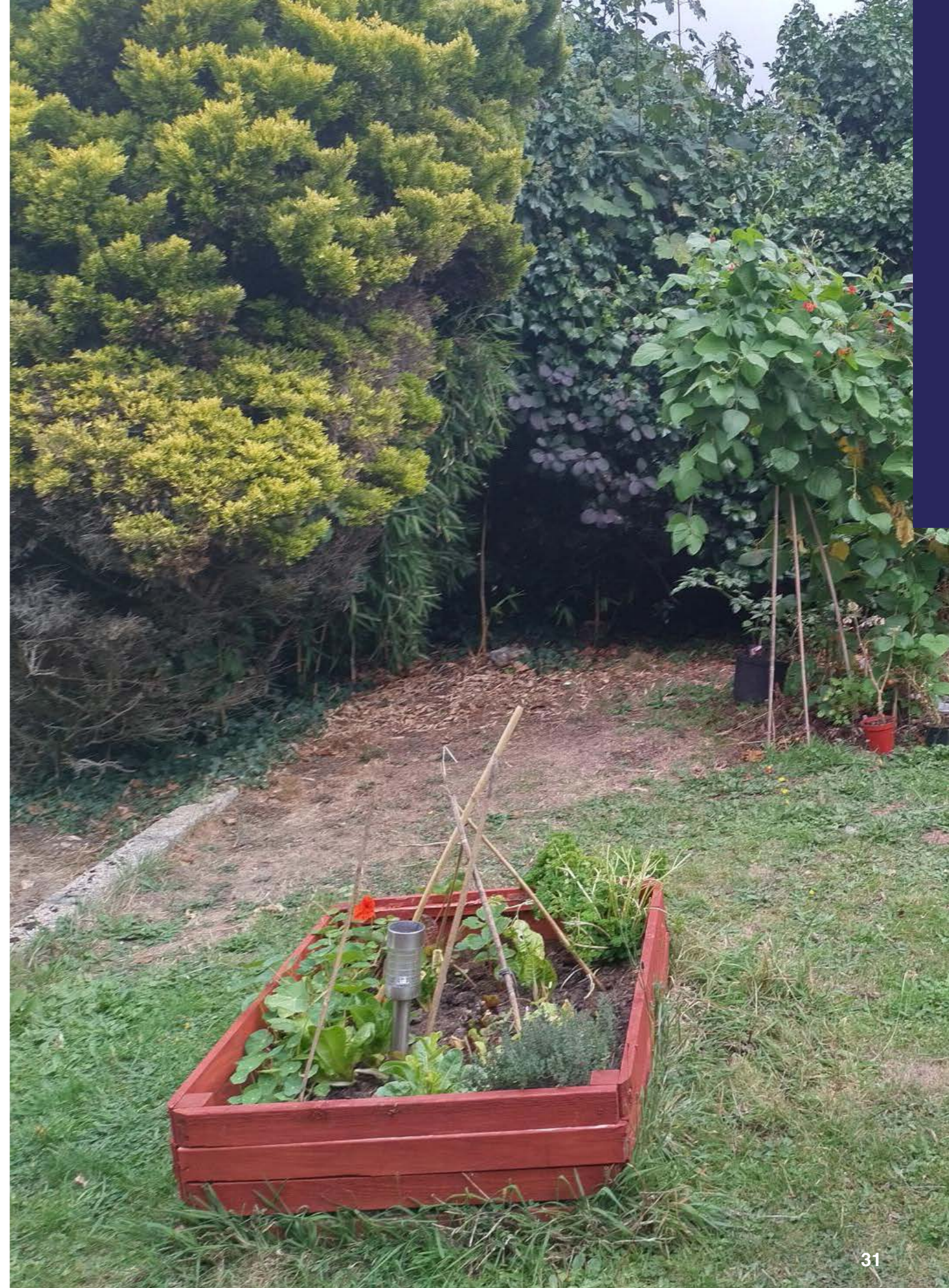
## NEW PROPERTIES

MSP is also actively looking for new properties for its operational partners:

- Each property is appraised by the MSP Board against both social impact and commercial criteria and independently valued (RICS Red Book valuation) ahead of purchase.
- Refurbishment is carried out to a high standard with particular thought to achieving both low maintenance and running costs where possible.
- If MSP can reduce the utility bills for our tenants and simultaneously generate a return from feed-in-tariffs and/or renewable heat incentives, MSP will look to invest in low-carbon technologies.
- Access to outside space, limiting the density of living, providing spacious communal areas and installing mechanical ventilation (with heat recovery to provide a permanent supply of clean warmed air) is standard for all our properties.

## PROPERTY RETURNS

Our target Net Initial Yield on all properties is 7.50% with a floor of 6.00% in order to provide a comfortable margin for operational costs, investor liquidity and financial returns to shareholders and lenders alike. The Return on Investment we seek for renewable energy installations (on our properties) is at least 8.00%. Please note that these are targets and are not guaranteed.





# FINANCE & INVESTMENT SUMMARIES

This section sets out a summary of MSP's track record in paying returns to community shareholders, historic financial performance and projected financial performance. The comprehensive operating and investment plans (including detailed financial forecasts and commentary) are set out in a separate document: MSP's 'Investment Plan' which is available on the MSP website at [www.mustardseedproperty.co.uk/invest](http://www.mustardseedproperty.co.uk/invest).

Please note that past performance is not a reliable indicator of future performance.

## TRACK RECORD: RETURNS TO COMMUNITY SHAREHOLDERS

The table below shows how much member share capital MSP manages and the return made to shareholders.

YEAR ENDING 30 SEPTEMBER		2020 A	2021 A	2022 A	2023 A
Member share capital at year end	£	587,975	1,198,111	1,202,761	1,195,977
Interest rate on (eligible) share capital	%	3.50%	0.00%	3.49%	3.50%
Actual interest paid	£	10,816	0	25,029	0
Share interest re-invested	£	9,765	0	16,953	42,097
Total interest on share capital (as shown in P&L account)	£	20,581	0	41,982	42,097
Withdrawals	£	6,066	0	450	6,784
Community benefit spend (community benefit societies only)	£	0	0	0	0
Net profit (loss)	£	(12,723)	(3,844)	(26,558)	2,522
Addition (reduction) to Society Reserves	£	(12,723)	(3,844)	(26,558)	2,522

Source: MSP unaudited annual accounts to 30 September 2020, 2021, 2022

Note: A = actual, E = expected, F = forecast

### Notes:

Whilst an investment in MSP should not primarily be seen as a finance first investment, the board has been diligent in recognising its commitment to MSP shareholders that their investment deserves a regular return. As such, investors have been paid a return every year for over a decade, except in the 2021 financial year; due to COVID-19 and the pressures that put on the enterprise.

The target interest rate was set at 3.50% for the last few years and was maintained at this rate for the last financial year (which ended 30 September 2023), albeit the interest was converted into additional shares. The directors have set a target rate of 4.00% for the current financial year ending 30 September 2024 and intend to increase the rate to 4.50% for the financial year ending 30 September 2025 and 5.00% for the financial year ending 30 September 2026 and thereafter. Please note that this is a target and is not guaranteed.

Shareholders regularly re-invest 40-45% of their share interest payment in new shares, providing more capital for MSP to invest. Withdrawals in the last few years have been fairly limited.

MSP generated losses in the historic financial years 2020-23, and a small profit in the last financial year to 30 September 2023. This was planned for and expected – as property was purchased and funds were spent on raising new capital.

The Board are committed to continuing to pay a return to community shareholders and consider this sensible given the growing revenues and the projected financial performance – see 'Investment Plan' – with healthy operational profits (the profit before any financial expenses are paid out) generated from October 2024 with all three properties fully let to operational partners.

## HISTORIC FINANCIAL PERFORMANCE

The table below shows MSP's historic financial performance; for the three financial years ending (FY) 30 September 2020, 2021, and 2022.

YEAR ENDING 30 SEPTEMBER		2020 A	2021 A	2022 A	2023 A
Revenue / total income (including revenue grants)	£	45,206	29,156	41,659	70,455
Operating profit (loss) before interest on capital and tax (EBIT)	£	10,939	(1,424)	22,995	67,289
<b>Net profit (loss) after depreciation, interest on capital and tax</b>	£	<b>(12,723)</b>	<b>(3,844)</b>	<b>(26,558)</b>	<b>2,522</b>
Fixed assets	£	555,724	645,756	1,302,455	2,048,622
Member share capital	£	587,975	1,198,111	1,202,761	1,219,691
Accumulated reserves (or losses)	£	(25,503)	(29,349)	(55,907)	(53,385)
Long term liabilities (loans)	£	(105,757)	(98,718)	(421,583)	(727,325)
<b>Net assets</b>	£	<b>562,472</b>	<b>1,168,763</b>	<b>1,146,854</b>	<b>1,166,305</b>

Source: MSP unaudited annual accounts to 30 September 2020, 2021, 2022, 2023

Note: A = actual, E = expected, F = forecast

### Notes:

Revenue has increased from £29k in FY21 to approximately £70k last year from the rents received from two properties. With three properties operational from March 2024, revenues will increase to £100k this year (FY24) and £140k next year (FY25).

The net losses over the three year period 2020-22 were largely due to legal and professional fees as capital was raised and new properties acquired. MSP generated a small surplus of £2.5k last year.

MSP now has fixed assets of nearly £2 million representing the value of the three properties (in terms of the amount spent to acquire and develop them).

The long-term liabilities at the end of the last financial year (September 2023) comprised a mortgage with Triodos on Goldolphin (Property number one) and short-term debt with NC Bailey; all subsequently repaid using the facility provided by RCD Ltd (see above).



## DEBT ARRANGEMENTS

### Resonance Community Developers Ltd (RCD Ltd):

- £1 million medium-term debt facility provided to fill potential funding gap and allow repayment of NC Bailey Limited and Triodos;
- Two-year term;
- Priced at a fixed rate of 8.00% with all capital repaid at the end of term.

RCD Ltd is a community asset fund managed by Resonance Limited which provides patient and flexible finance to enable communities to own and develop the assets they need locally. As such, it was able to support MSP at fairly short notice; filling the funding gap until community share capital can be raised to replace this debt.

### Forecast financial performance

YEAR ENDING 30 SEPTEMBER		2020 A	2021 A	2022 A	2023 A	2024 E	2025 F	2026 F	2027 F
Number of operational properties	#	1	1	2	2	3	3	4	5
Revenue / total income (including revenue grants)	£	45,206	29,156	41,659	70,455	103,430	142,063	190,343	238,842
Operating profit (loss) before interest on capital and tax (EBIT)	£	10,939	(1,424)	22,995	67,289	92,507	124,129	169,927	220,926
Interest paid	£	(23,662)	(2,420)	(49,553)	(64,767)	(135,276)	(144,840)	(161,191)	(135,816)
Tax	£	0	0	0	0	0	0	0	0
<b>Net profit (loss) after depreciation, interest on capital and tax</b>	<b>£</b>	<b>(12,723)</b>	<b>(3,844)</b>	<b>(26,558)</b>	<b>2,522</b>	<b>(42,769)</b>	<b>(20,711)</b>	<b>8,736</b>	<b>85,110</b>
Fixed assets (property & homes)	£	555,724	645,756	1,302,455	2,048,622	2,290,122	2,893,122	3,501,122	3,511,122
Member share capital	£	587,975	1,198,111	1,202,761	1,219,691	1,514,812	2,119,357	3,029,953	3,045,103
Debt	£	105,757	98,718	421,583	792,325	1,000,000	1,000,000	650,000	639,172
Share withdrawals	£	6,066	0	450	6,784	24,394	22,722	31,790	45,449
Share interest (paid / target)	£	20,581	0	41,982	33,891	29,273	40,900	63,581	90,899
Share interest (paid / target)	%	3.50%	0.00%	3.49%	3.50%	4.00%	4.50%	5.00%	5.00%

Source: MSP unaudited annual accounts to 30 September 2020, 2021, 2022.

Note: A = actual, E = expected, F = forecast

Revenue is expected to increase to approximately £140k from October 2024 with three properties fully let. Signed Heads of Terms are in place for the lease agreement for Alma with United Response and the formal legal documents are expected to be concluded imminently).

MSP is expected to make losses until 2025 in this continuing growth period as properties become fully operational and more are then added to the portfolio.

MSP is expected to generate a net deficit of c. £43k in the current financial year (FY24) and c. £21k in FY25 with additional debt and share capital raised and share interest continuing to be paid. MSP is expected to then generate net profits from 2026.

The forecasts are based on 40% of share interest being re-invested each year (and therefore not included in the P&L account – see below). From FY24 onwards, the reinvested element of the share interest (i.e., added to share capital rather than paid out as cash) is not recognised in the annual P&L but as a transfer between reserves in the Balance Sheet.

MSP expect to generate net profit of approximately £85k each year from 2027 with five operational properties let to charity and social enterprise partners with £3 million of member shareholder capital utilised and c. £3.5 million of fixed property assets. MSP's debt with RCD Ltd will be a maximum of £1 million (secured against existing properties) and will be repaid by 2026. Any further debt (raised after this point and alongside share capital to finance future properties) will be paid down using a mortgage type arrangement.

Please see the Investment Plan for detailed financial forecasts.

Should the three phases of the share offer only achieve the minimum raises this will necessarily limit the ambition to grow the property portfolio as quickly as planned. MSP will initially need to prioritise paying down medium-term debt to a sensible level (using long-term debt alongside share capital to achieve this).

In this scenario, MSP would generate healthy surpluses and cash flows but would not be able to expand as quickly as hoped and planned.

### Focus on withdrawals and liquidity

- The forecasts above project for approximately £45k of share capital to be withdrawn each year from FY27 (an estimated 1.5% of total shareholder capital each year). However, this is offset by the element of share capital effectively raised each year (40% of such amount reinvested in lieu of interest payments). Please note that these are estimates and are not guaranteed.
- With share capital projected to increase to £3 million from FY26 (assuming the success of this share offer raising an additional £1.8 million) a small level of withdrawals (as a proportion of a much larger level of member capital) can have a disproportionate effect.
- MSP notes that if 2% of share capital were withdrawn (i.e., £60k p.a.) and no share interest reinvested this would put pressure on net cash flows.
- As such, MSP is planning to introduce a policy when member share capital exceeds £2m of limiting withdrawals to a maximum of 2.00% each year.



# SHARE OFFER TERMS & CONDITIONS

This section should be read in conjunction with the Rules of MSP and the 2024 Investment Plan. Detailed terms and conditions are described in the 'Important Information' section below.

## SHARE OFFER TERMS & CONDITIONS

Share offer approved by Board of Mustard Seed Property Limited on	24 May 2023, with final 2023 share offer (including Standard Mark accreditation) approved by Board on 16 June 2023. The terms of the revised 2024 share offer approved by Board on 20 November 2024.
Initial Offer Period opened	6 February 2024
Initial Offer Period closes	29 March 2024 The Initial Offer Period (1st phase) closes on 29 March 2024 or whenever £300,000 is subscribed, whichever is sooner. <b>If the minimum raise of £100,000 is not achieved by 29 March 2024, the share offer will be closed, and all monies will be refunded.</b> If the minimum raise is achieved, the money invested at that stage (i.e., a minimum of £100,000) will be drawn down by MSP by 29 March 2024 and shareholders who have invested up to that point will earn interest from 1 April 2024. The initial phase of the offer will then continue to be open for further investment until 1 June 2024 to enable the optimum or maximum raise to be achieved. During the Initial Offer Period (assuming the Minimum raise has been achieved by 29 March 2024), the Board reserves the right to extend the Closing Date (for a further period of up to three (3) months) in order to: <ul style="list-style-type: none"> <li>• Achieve the Optimum raise should the Minimum raise be achieved; and/</li> <li>• Achieve the Maximum raise should the Optimum raise be achieved.</li> </ul>
Minimum raise – 1st phase	£100,000
Optimum raise – 1st phase	£300,000
Maximum raise – 1st phase	£600,000
Total Target Raise (all three phases)	£1,800,000 The Board reserves the right to close and re-open the offer periodically in order to reach the Total Target Raise. During any subsequent phase, the Board reserves the right to extend the Closing Date (for a further period of up to three (3) months) in order to: <ul style="list-style-type: none"> <li>• Achieve the Minimum raise;</li> <li>• Achieve the Optimum raise should the Minimum raise be achieved; and/or</li> <li>• Achieve the Maximum raise should the Optimum raise be achieved.</li> </ul>
Phased approach to offer periods	<ol style="list-style-type: none"> <li>1. £300k optimum target raise in period 6 February to 29 March 2024;</li> <li>2. £600k optimum target raise in period February to September 2025 (with minimum raise of £150k and maximum raise of £1 million); and</li> <li>3. £900k optimum target raise in period February to September 2026 (with minimum raise of £150k and maximum raise of £1 million).</li> </ol>

## SHARE OFFER TERMS & CONDITIONS

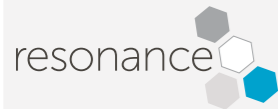
Investment type	Withdrawable community shares
Minimum investment	£250 £100 minimum investment for local people – living in Cornwall
Maximum investment	£100,000
Target interest rate	4.00% per annum, from 1 October 2023 4.50% per annum, from 1 October 2024 5.00% per annum, from 1 October 2025 (Please note that these are target rates and are not guaranteed)
Interest payment date	Paid annually within 90 days of the end of each financial year, subject to available funds
Re-investment of share interest	As per Rule 16, MSP's current policy is to re-invest all share interest as a new share issue for all members that have less than the maximum of £100,000 of share capital. Each year investors will receive an additional share certificate to the value of the re-invested amount, and they will earn share interest on those new shares in subsequent years. Members have the option to opt out of this every year so they can receive cash returns.
Date interest accrued on subscribed shares	First year's interest is due to be paid to shareholders from: <ul style="list-style-type: none"> <li>• 1 April 2024, for investments made up to 29 March 2024, or</li> <li>• For investments made from 1 April 2024, or thereafter, the first day of the month following the date of the investment.</li> </ul>
Interest calculation	Interest is calculated on an annual basis and payable on interest accrued through the relevant financial year (the current financial year being 1 October 2023 to 30 September 2024)
Voting	Membership of MSP is afforded to holders of community shares. MSP operates on a one member, one vote principle regardless of the size or value of the member's shareholding (see Rules 46-51)
Shareholders	The offer is open to individuals over the age of 18, trust funds and corporate entities, groups, and associations. The Ethex platform does not allow people aged under 18 to invest so the Board has resolved that children aged 16-17 may not become members as part of this share offer).
Withdrawal of shares	MSP's policy is that all new shares may not be withdrawn for 12 months (where the Board has resolved to suspend withdrawals for new shareholders (in this initial phase of the share offer) for a period of 12 months from 1 April 2024 to 31 March 2025, under Rule 30.4). The withdrawal of funds is then subject to six (6) months' notice (as per Rule 30). There is currently a suspension of all withdrawals until 1 May 2024. Directors reserve the right to suspend withdrawals, should there be insufficient funds to make repayments.
Tax advice	You should seek advice from a financial adviser or accountant on tax matters, as appropriate. Under current legislation interest on community shares is paid at a gross rate
Tax relief	This offer is not eligible for any tax relief
Nomination	In the event of the death of a shareholder, the repaid value of the shares will normally be added to the estate for probate purposes. For investments up to £5,000 you may elect to nominate a recipient for the value of the shares and thus (under current legislation) remove the value of the shares (up to £5,000) from your estate for probate (but not tax) purposes.



# ADVISORS & CONTACTS

## ADVISORS & CONTACTS

### Corporate Advisor



**Resonance Impact Investment Limited** (“RIIL”), a wholly owned subsidiary of Resonance Limited (“Resonance”)

The Great Barn, 5 Scarne Court, Hurdon Road, Launceston, PL15 9LR

Resonance is a social impact investment company working with social enterprises and charities to help them raise capital from like-minded investors. We also create and manage award winning impact investment funds, which deliver a financial return and a targeted social impact, and currently manage over £350m of investors' capital.

### Receiving Agent



**Ethex**

The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE

Ethex helps everyday people make ethical investments that fund extraordinary organisations. Make your money a powerful tool for change and get a fair return.

### Standard Mark Assessor

**Diana Moore**

Licensed Community Shares Practitioner and Social Enterprise Business Advisor

### Bankers



**Triodos**

Deanery Road, Bristol, BS1 5AS

Triodos' financial and banking services are for savers, investors and organisations who want to change the world for the better. Over 740,000 customers are already playing their part in their positive movement, making Triodos one of the world's most sustainable banks.

### Solicitors



**Parnalls Solicitors Limited**

15-19 Westgate Street, Launceston, Cornwall, PL15 7AB

Parnalls is a firm of solicitors based in Cornwall, providing broad and sensible advice, whether dealing with personal, private, or business problems. Their forte is to combine good commercial acumen, local knowledge, and old-fashioned values, at rates that are more competitive than the larger city-based firms. They act for a wider profile of clientele throughout the region and farther afield.

## FOR ALL ENQUIRIES CONTACT:

**Ethex**  
Tel: 01865 403304  
Email: help@ethex.org.uk

**Mustard Seed Property Limited**  
Daniel Brewer  
Tel: 07956 557485  
Email: daniel.brewer@resonance.ltd.uk

**Resonance Limited**  
Ben Wrigley  
Tel: 07701 007553  
Email: ben.wrigley@resonance.ltd.uk





# IMPORTANT INFORMATION

This section sets out how to invest and what you can expect from your investment. It also contains certain of the key terms and conditions of the share offer with references to the relevant Rules (i.e. the governing documents of MSP) which are available at [www.mustardseedproperty.co.uk/invest](http://www.mustardseedproperty.co.uk/invest).

## SHARE TYPE

These are 'withdrawable' shares that cannot be sold, traded or transferred between Members (see Rule 15), unlike the 'transferable' shares typical of a limited company, and only Mustard Seed Property Limited can repay them at the same value at which they were invested.

## WHO CAN INVEST?

Individuals over the age of 18, charities and other organisations may invest in this offer. The Board has resolved to suspend Rule 18.1 – that allows children aged 16-17 to become members – for the purposes of this share offer. Ethex does not allow people aged under 18 to invest via its platform.

## HOW MUCH CAN I INVEST?

We are offering £1 shares with a minimum investment of £250 (with a £100 minimum investment for local people – living in Cornwall) and maximum investment of £100,000. The maximum £100,000 includes any existing investment you may hold in Mustard Seed Property Limited, including any previously held on behalf of children.

## HOW DO I INVEST AS AN INDIVIDUAL?

Ethex is managing the share administration of this share offer. It is a not-for-profit investment platform, based in Oxford, which makes positive investing easy to understand and easy to do.

You can: Invest online at [www.ethex.org.uk/mustardseed2024](http://www.ethex.org.uk/mustardseed2024).

This will take you through to the Ethex website where our share offer is listed. This paperless process is the most efficient method for investing. You will need to complete various steps to register, where eligibility checks will apply, before you can invest. The final decision to approve each application is at the discretion of the directors of MSP. If you have any problems, or need help, then please call 01865 403304 or email [help@ethex.org.uk](mailto:help@ethex.org.uk).

Following your application on the Ethex platform, if you prefer not to make an online transfer, you can send a cheque to Ethex and they will process your investment (please contact them first to make the necessary arrangements).

All monies invested will be held by Ethex's platform provider, ShareIn, in a separate account. As such, investors are not exposed to any liabilities of MSP until such time as the offer is deemed a success; when the investors are allocated their shares and the monies are transferred to MSP.

## HOW DO I INVEST AS AN ORGANISATION?

Organisations are able to register and invest through the Ethex website. For more information on registering please contact Ethex at [help@ethex.org.uk](mailto:help@ethex.org.uk).

## DATA PROTECTION

Mustard Seed Property Limited is committed to maintaining the privacy of its members and investors. As data controller, MSP will hold your personal information (provided to MSP in the context of your membership and investment) only within the UK, and the General Data Protection Regulation will govern how MSP uses and stores your personal information. MSP will only contact you or send you information if you have expressed an interest in the general activities of Mustard Seed Property or a particular product or service that is offered. You can find more information at: [www.mustardseedproperty.co.uk/privacy-cookies/](http://www.mustardseedproperty.co.uk/privacy-cookies/).

Ethex will act as Data Controller for any information provided to them in the course of registering to use their site, until such time as you cancel your account. Their policy can be found here: [www.ethex.org.uk/legal/privacy](http://www.ethex.org.uk/legal/privacy).

## MONEY LAUNDERING

Money laundering regulations do not apply to the issue of withdrawable share capital as this is not a regulated activity. However, MSP adheres to best practice in terms of establishing the identity of investors and for any transfers of money (purchase or withdrawal of shares).

For this share offer, all applications for shares are being handled by the Ethex platform. Ethex may also require additional documents to be provided as part of their anti-money laundering processes.

## IS MY INVESTMENT SAFE?

You can be sure that your funds will make a positive difference to local communities but there is no guarantee of receiving a financial return on your investment. Investors may receive back less than their original investment and may not get it back at all. Please do not invest funds that you cannot afford to lose. You can read more about the risks of investing in the 'Key Risks' section (pages 37 - 40). By purchasing community shares issued by MSP you may lose some or all of the money you invest. Investors are not protected by the Financial Services Compensation Scheme (as you would be with a savings account), and do not have recourse to the Financial Ombudsman Service.

## WILL THE VALUE OF MY SHARES EVER INCREASE?

No, unlike company shares, shares in registered societies cannot go up in value, but they can go down, meaning that you could lose some or all of the money you invest.

## WHY DO I GET AN INTEREST PAYMENT, NOT A DIVIDEND?

Due to our structure as a Registered Society our shareholders can receive interest payments on their investment (rather than dividends, which are a share of profits) and these are limited under legislation to what is necessary to attract and retain the investment. Please also see 'Share Interest re-investment' below.

## WHAT IS A 'TARGET' INTEREST RATE?

The Board typically set a target interest rate a year in advance for withdrawable shares held in MSP; this is the rate we will strive to deliver, based on the anticipated performance of our business. MSP has previously set a target interest rate of 3.50% per annum and has increased this to 4.00% for the current financial year ending 30 September 2024 but this remains a target not a guarantee. The interest is paid for the year in question in December following year end on 30 September. This is at the discretion of the Board dependent on the financial performance of the business.





## SHARE INTEREST RE-INVESTMENT

It is MSP's current policy to re-invest all share interest as a new share issue for all members that have less than the maximum of £100,000 of share capital. This is a small but valuable source of capital expansion for MSP, but it is also a way for investors to experience the benefit of compound returns. Each year investors will receive an additional share certificate to the value of the re-invested amount, and they will earn share interest on those new shares in subsequent years (as per Rule 16).

The Board welcome re-investment because MSP is in a growth phase with a continuing demand for property from partners leading to a need for more capital. However, they are also aware of the risk of over-capitalisation and will monitor this policy should MSP decide not to add any new property at some point in the future.

We will give members the option to opt out of this every year so they can receive cash returns if that is preferable. This would not suit investors who require ongoing income.

## SHARE WITHDRAWALS

Individual requests to withdraw share capital will be at the discretion of the Board. The scope for being able to withdraw shares in the future will be dependent upon MSP holding cash for such withdrawals (which may be limited in an intense property redevelopment period), continuing to operate a successful business and hence generate cash flows, or contingent on MSP raising additional capital for the purpose of paying out share withdrawals. Please note that in this context also past performance is neither a guarantee nor a reliable indicator of future results.

Withdrawals are currently suspended for all shareholders until 1 May 2024. The Board has also resolved to suspend withdrawals for new shareholders (in this first phase of the share offer) under Rule 30.4. for a period of 12 months from 1 April 2024 to 31 March 2025.

Withdrawals will be allowed for existing shareholders from 1 May 2024 and for new shareholders from 1 April 2025. There is an annual process by which investors can apply to withdraw some or all of their equity. We will confirm if your application has been successful, with applicants having their capital returned within 6 months of notification of their success (as per Rule 30).

The Directors of Mustard Seed Property have the right to change the withdrawal facility, or to suspend withdrawals. Where there is a suspension of withdrawals in the future, the shareholders will be notified as per the Rules.

MSP has a policy to hold approximately £100,000 in cash in the normal course of business i.e., if possible and outside of more intense property refurbishment / re-development periods. As such, requests to withdraw capital will be met where possible and MSP has modelled for 1.50% of withdrawals each year in the financial forecasts. However, ultimately any withdrawal remains at the discretion of the Directors who have an obligation to put the overall financial wellbeing of Mustard Seed Property Limited first.

## SHARE VALUE

Shares will be repaid at the original value (subject to comments hereafter). Under Rule 29, the Directors have the right to "write down" the value of shares, if the liabilities of MSP (and its share capital) should exceed the value of its assets, by apportioning this excess proportionally amongst members and cancelling the shares of members on a pro-rata basis. Members who then withdraw their shares will only receive the reduced value of their remaining shares.

The value of your shares may fall and their value will not exceed the original value of £1.00 per share. Although shares are withdrawable, you may not be able to withdraw the full value you pay for them if MSP does not have funds available at the time you want to withdraw your shares.

## CAN I HOLD SHARES ON BEHALF OF CHILDREN?

You cannot and the Board has resolved to suspend the relevant Rule 18.1; meaning that members must be at least 18 years of age for the purposes of this share offer.

## CAN WE HOLD SHARES IN JOINT NAMES?

We have historically had very few people applying to hold shares in joint names, so we have decided to not offer this option at this stage. The relevant Rule 20 has been suspended for the purposes of this share offer.

## WHAT HAPPENS TO MY SHARES IF I DIE?

If a member dies, the repaid value of the shares will normally be added to the estate for probate purposes. The simplest way to ensure your shares will be transferred in line with your wishes is to nominate who should receive the value of the shares. You can name your nominee at the point of making your investment on the Ethex website.

## VOTING

Each member has one vote regardless of the size and value of their shareholding. Members will be kept informed of developments through the Mustard Seed Property website, by emails where the member so wishes, newsletters, surveys, annual reports, and Annual General Meetings. See section 46-51 of the Rules.

## WHAT HAPPENS IF THE SHARE OFFER IS UNDERSUBSCRIBED?

If we fail to meet our minimum target, we will not process applications and any monies received will be returned.

## WHAT HAPPENS IF THE SHARE OFFER IS OVERSUBSCRIBED?

Should the offer be oversubscribed, we will accept additional investment as we have sufficient property projects and partners in our pipeline to quickly make use of the additional capital so could comfortably over raise the Total Target Raise (of £1.8m) by at least £500,000. Should circumstances change, we will not exceed the Total Target Raise in order to avoid over capitalisation. In which case, we will prioritise investment in order of receipt of application.

## DISSOLUTION AND ASSET LOCK

In the event of the society being dissolved, after paying creditors any remaining surplus would then go to paying back initial investments on a pro-rata basis, plus any interest due. Should there be any surplus after this point, it will be distributed to other charitable organisations in Cornwall with similar objectives, as chosen by the members (see Rules 122-123).





# KEY RISKS

The list of Key Risks below is not necessarily comprehensive, and you should consider other risks that may impact the value of your investment.

RISKS FOR INVESTORS	COMMENTS
The money you pay for shares is not safeguarded by any depositor protection scheme such as the Financial Services Compensation Scheme (FSCS).	<ul style="list-style-type: none"> <li>This Share Offer is exempt from regulations under the Financial Services and Markets Act 2000 and Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 and therefore you do not have the protection provided by these acts. This means that there is no right to complain to an Ombudsman; and this share offer has not needed to be approved by an approved person under the Act.</li> <li>The shares are not tradable, and the full value may not be returned if certain risks described below are realised.</li> <li>The shares are an illiquid financial instrument which means you may not be able to get your capital back immediately or when needed.</li> <li>MSP provides for the withdrawal of share capital after a certain point - see 'Important Information' section of this document.</li> </ul>
Impact of financial crisis on property prices; should house prices fall this may reduce the equity available for borrowing (and make it more difficult to raise the required debt for refurbishment against properties) and potentially require MSP to write-down the value of the share capital.	<ul style="list-style-type: none"> <li>MSP will only seek a sensible amount of leverage in terms of mortgage finance from social banks, alongside a sensible blend of equity (community shares) and lending from other socially minded investors.</li> </ul>
The shares are illiquid, and the Board of Directors may not consider they are in a position to allow withdrawal if and when required, so you may not be able to have your money back when you request it.	<ul style="list-style-type: none"> <li>Over the past ten years MSP has been able to provide liquidity of approximately 2-6% in any given year. Please note that past performance is neither a guarantee nor a reliable indicator of future results.</li> <li>With share capital projected to increase to more than £3 million from FY26 (assuming the success of this share offer raising an additional £1.8 million) a small level of withdrawals (as a proportion of a much larger level of member capital) can have a disproportionate effect. MSP notes that if 2.00% of share capital were withdrawn (i.e., £60k p.a.) and no share interest reinvested this would put pressure on net cash flows.</li> <li>As such, MSP is planning to introduce a policy when member share capital exceeds £2m of limiting withdrawals to a maximum of 2.00% each year and the financial model provides for 1.50% of total share capital (at previous year end) being withdrawn each year.</li> </ul>

RISKS FOR INVESTORS	COMMENTS
That we become over capitalised, with member share capital increasing through this share offer and continued re-investment of share interest, meaning MSP would have more capital than it needs and may find it difficult to meet the target share interest payments it wants to deliver	<ul style="list-style-type: none"> <li>MSP is in a growth phase, with property required by its charity and social enterprise partners; meaning capital is required.</li> <li>Should MSP cease its growth plans this could become an issue so MSP will continue to monitor its capital requirements.</li> <li>Over-capitalisation can be mitigated by paying all share interest in cash and by relaxing the withdrawal policy or encouraging withdrawals.</li> </ul>
The value of the shares may be written down so you may not receive all, or any, of your money back.	<ul style="list-style-type: none"> <li>If the liabilities of MSP (and its share capital) should exceed the value of its assets, under Rule 29, the Directors have the right to "write down" the value of shares, by apportioning this excess proportionally amongst members and cancelling the shares of members on a pro-rata basis.</li> <li>Members who then withdraw their shares will only receive the reduced value of their remaining shares.</li> </ul>





OPERATIONAL RISKS	COMMENTS
That we have achieved a significant increase in the scale at which we operate, and the intention is to grow further.	<ul style="list-style-type: none"> <li>MSP has operated a successful business model for over a decade, generating net surpluses in years when capital not raised / property purchased.</li> <li>Strong evidence has been used to underpin the assumptions, in our business plan and forecast financial model, around the new properties – including capital costs and rental incomes - and the revenue growth that will drive.</li> <li>Current financial management processes (budgeting, accounting, etc.) and Board oversight are fit for purpose and able to scale.</li> <li>Shareholders are asked each year whether to apply the requirement for a formal audit.</li> <li>There is no legal obligation for an audit. Once thresholds for turnover and assets have been exceeded then in that financial year a qualified auditor will be appointed.</li> </ul>
Voids caused by residents either moving out or being slow to take up anticipated occupancy; some rooms may be left vacant for a time, putting pressure on the partners.	<ul style="list-style-type: none"> <li>MSP leases properties to partners on internally repairing and insuring leases, meaning this is a risk that is shouldered by the partner.</li> <li>Rents are set to allow for some level of voids as well as maintenance and management costs.</li> </ul>
That contracts under negotiation (i.e. with United Response for the Alma Place lease) may not be signed, or that contracts under lease (with other partners for Godolphin and St George's) may not be renewed.	<ul style="list-style-type: none"> <li>MSP has a very close relationship with its partners who also each provide a representative who sits on the Board.</li> <li>MSP and its partners/lessees are aligned in terms of property pricing and requirements.</li> <li>Planning for who leases the various properties can be undertaken well in advance.</li> </ul>
Property development; buying and developing property carries both cost and time overrun risk. Both affect the ability to deliver expected financial yields.	<ul style="list-style-type: none"> <li>Valuations and appropriate surveys by qualified personnel, including detailed costs reports for all significant refurbishment work, are carried out ahead of purchases.</li> </ul>
The business model is asset-rich, and for that reason expansion requires significant cash outlay, share capital and debt finance.	<ul style="list-style-type: none"> <li>MSP has successfully raised share capital to date and has also built solid relationships with lenders (including Triodos Bank, NC Bailey Limited and RCD Ltd). Please note that this is not guaranteed.</li> </ul>

COMMERCIAL RISKS	COMMENTS
Government policy change where revenues from leases are currently underpinned by housing benefit payments. Our partners also rely on support contracts, which are usually funded through Local Authority budgets. Changes in policy can affect the levels of funding.	<ul style="list-style-type: none"> <li>MSP leases properties to partners on internally repairing and insuring leases, meaning this is a risk that is shouldered by the partner.</li> <li>In most instances the alternative to existing support contracts is residential care or 'hospital', both of which are more expensive to the state.</li> </ul>
Our partners may get into financial difficulty or fail to provide appropriate support to individuals.	<ul style="list-style-type: none"> <li>MSP carefully assesses its partners based on quality and experience.</li> <li>Partners are required to share their annual accounts and provide an annual impact report for each property they lease.</li> <li>Operational partners are currently managing the financial challenges and cost of living crisis. The rents for the people they support (in properties provided by MSP) are paid for through Housing Benefit so this is not adjudged to present much risk to the business model.</li> </ul>
Interest rates where future lending requirements will likely be linked to base rates. MSP intends to take on additional senior debt (mortgage from a social bank) as it purchases and develops more properties. If the Bank of England raises interest rates the potential mortgage payments would increase, and this may begin to impact on the return available to investors.	<ul style="list-style-type: none"> <li>Our financial model and forecasts assume a base rate of 4.00% in the medium term, with a minimum overall rate for future lending with a social bank estimated to be 7.00% (4.00% base rate + c. 3.00% margin).</li> <li>Debt facility with RCD Ltd (until 2026) at fixed rate of 8.00%.</li> <li>Mustard Seed Property has a policy to maintain a sensible and affordable level of gearing (amount of debt relative to equity) which is not expected to exceed 40% over the forecast period.</li> </ul>







## TO APPLY FOR SHARES:

VISIT ETHEX WEBSITE

[www.ethex.org.uk/mustardseed2024](http://www.ethex.org.uk/mustardseed2024)

## TO CONTACT ETHEX:

Tel: 01865 403304

Email: [help@ethex.org.uk](mailto:help@ethex.org.uk)

## TO CONTACT RESONANCE:

**Ben Wrigley**

Tel: 07701 007553

Email: [ben.wrigley@resonance.ltd.uk](mailto:ben.wrigley@resonance.ltd.uk)

 @MSPCornwall

 @Mustard Seed Property

 @MSPCornwall

