

Mustard Seed Property Limited

**Annual Report and Unaudited Financial Statements
Year Ended 30 September 2024**

Registration number: IP30293R

Mustard Seed Property Limited

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Mustard Seed Property Limited

Society Information

Directors E James
S Clague
S Ackford
A Langer
C Lewis
R May

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

Mustard Seed Property Limited

Directors' Report for the Year Ended 30 September 2024

The directors present their report and the financial statements for the year ended 30 September 2024. 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:

D J Brewer (ceased 21 February 2024)

E James

S Clague

S Ackford

A Langer

C Lewis

S Maxey (ceased 20 August 2024)

R May

Mustard Seed Property Limited

Directors' Report for the Year Ended 30 September 2024

Business Review

Our Helston and Newquay properties in partnership with St Petrocs and Newquay Lighthouse continue to provide much needed accommodation and support to some of Cornwall's most vulnerable people whilst at the same time the financial performance of these continues on target.

Unfortunately, our third property in Redruth has still not been completed. Unexpected complications and issues with the contractor resulted in a further 12 months delay. We continue to have confidence in the capability of the building to deliver quality homes for our partners and, are looking forward to seeing them in the property in early 2025.

We believe that with interest rates coming down, the demand for our quality housing increasing, and refinancing of our debt at a lower interest rate in 2025 we will be in a position to look at new properties to fulfil the ever-increasing demand for supported housing in Cornwall.

Audit Status

At its most recent Annual General Meeting, the society voted under section 84 of the Co-Operative and Community Benefit Societies Act 2014 to disapply the need for an audit (which can be done as the society meets the required thresholds). As a result, these accounts are not audited.

Going concern

The directors acknowledge that the company has accumulated losses of £126,522 to date. The focus for the directors is to complete the 3rd property refurbishment works during the next financial year which will then begin generating an operational profit monthly, with the understanding that this will begin to reduce the above-mentioned accumulated losses over time.

The existing loan of £1m is due for repayment in October 2025 and is planned to be refinanced over a longer period of time, incurring a lower interest rate which will also assist in the reduction of the accumulated losses. The directors have outline terms in place from an alternative lender and are therefore satisfied that the original loan will be able to be repaid or refinanced as necessary.

This combined with three operational properties, each generating annual surpluses, will improve the overall position of Mustard Seed Property.

Approved and authorised by the Board on and signed on its behalf by:

.....
Director

Mustard Seed Property Limited

Profit and Loss Account

Year Ended 30 September 2024

	2024 £	2023 £
Turnover	75,869	70,455
Cost of sales	<u>(3,622)</u>	<u>(3,313)</u>
Gross profit	72,247	67,142
Administrative expenses	(34,204)	(24,557)
Gain on revaluation of investment properties	<u>3,316</u>	<u>24,664</u>
Operating profit	<u>41,359</u>	<u>67,249</u>
Other interest receivable and similar income	1,006	1,929
Interest payable and similar expenses	<u>(115,502)</u>	<u>(66,656)</u>
	<u>(114,496)</u>	<u>(64,727)</u>
(Loss)/profit before tax	<u>(73,137)</u>	<u>2,522</u>
(Loss)/profit for the financial year	<u><u>(73,137)</u></u>	<u><u>2,522</u></u>

The notes on pages 8 to 14 form an integral part of these financial statements.

Mustard Seed Property Limited

Statement of Comprehensive Income

Year Ended 30 September 2024

	2024	2023
	£	£
(Loss)/profit for the year	<u>(73,137)</u>	<u>2,522</u>
Total comprehensive income for the year	<u><u>(73,137)</u></u>	<u><u>2,522</u></u>

Mustard Seed Property Limited

Balance Sheet

30 September 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	2	2,351,407	2,048,622
Current assets			
Debtors	3	8,776	14,860
Cash at bank and in hand		<u>28,208</u>	<u>20,739</u>
		36,984	35,599
Creditors: Amounts falling due within one year	4	<u>(54,221)</u>	<u>(839,673)</u>
Net current liabilities		<u>(17,237)</u>	<u>(804,074)</u>
Total assets less current liabilities		2,334,170	1,244,548
Creditors: Amounts falling due after more than one year	4	<u>(1,000,000)</u>	<u>(78,242)</u>
Net assets		<u>1,334,170</u>	<u>1,166,306</u>
Capital and reserves			
Called up share capital		1,460,692	1,219,691
Profit and loss account		<u>(126,522)</u>	<u>(53,385)</u>
Shareholders' funds		<u>1,334,170</u>	<u>1,166,306</u>

Approved and authorised by the Board on and signed on its behalf by:

.....

Company secretary

.....

Director

.....

Director

The notes on pages 8 to 14 form an integral part of these financial statements.

Mustard Seed Property Limited

Statement of Changes in Equity

Year Ended 30 September 2024

	Share capital £	Profit and loss account £	Total £
At 1 October 2023	1,219,691	(53,385)	1,166,306
Loss for the year	-	(73,137)	(73,137)
Purchase of own share capital	(518)	-	(518)
Other share capital movements	241,519	-	241,519
At 30 September 2024	<u>1,460,692</u>	<u>(126,522)</u>	<u>1,334,170</u>

	Share capital £	Profit and loss account £	Total £
At 1 October 2022	1,202,761	(55,907)	1,146,854
Profit for the year	-	2,522	2,522
Purchase of own share capital	(6,784)	-	(6,784)
Other share capital movements	23,714	-	23,714
At 30 September 2023	<u>1,219,691</u>	<u>(53,385)</u>	<u>1,166,306</u>

The notes on pages 8 to 14 form an integral part of these financial statements.

Mustard Seed Property Limited

Notes to the Unaudited Financial Statements

Year Ended 30 September 2024

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 Co-Operative and Community Benefit Societies Act 2014.

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.

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

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.

Mustard Seed Property Limited

Notes to the Unaudited Financial Statements

Year Ended 30 September 2024

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 Unaudited Financial Statements

Year Ended 30 September 2024

2 Tangible assets

	Investment properties £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 October 2023	2,048,622	7,963	2,056,585
Revaluations	3,316	-	3,316
Additions	299,469	-	299,469
At 30 September 2024	<u>2,351,407</u>	<u>7,963</u>	<u>2,359,370</u>
Depreciation			
At 1 October 2023	-	7,963	7,963
At 30 September 2024	-	7,963	7,963
Carrying amount			
At 30 September 2024	<u>2,351,407</u>	<u>-</u>	<u>2,351,407</u>
At 30 September 2023	<u>2,048,622</u>	<u>-</u>	<u>2,048,622</u>

In the Directors' opinion the current market value of the investment property was assessed at £2,351,407 (2023: £2,046,622), taking into account tenancies and property maintenance / improvements.

3 Debtors

	2024 £	2023 £
Trade debtors	3,654	2,896
Prepayments	4,975	4,374
Other debtors	147	7,590
	<u>8,776</u>	<u>14,860</u>

Mustard Seed Property Limited

Notes to the Unaudited Financial Statements

Year Ended 30 September 2024

4 Creditors

Creditors: amounts falling due within one year

	Note	2024 £	2023 £
Due within one year			
Loans and borrowings	5	-	714,083
Trade creditors		9,131	3,012
Accruals and deferred income		45,090	122,578
		<u>54,221</u>	<u>839,673</u>

Creditors: amounts falling due after more than one year

	Note	2024 £	2023 £
Due after one year			
Loans and borrowings	5	<u>1,000,000</u>	<u>78,242</u>
		2024 £	2023 £
Due after more than five years			
After more than five years by instalments		<u>-</u>	<u>54,263</u>

5 Loans and borrowings

	2024 £	2023 £
Loans and borrowings due after one year		
Bank borrowings	-	78,242
Other borrowings	1,000,000	-
	<u>1,000,000</u>	<u>78,242</u>

Mustard Seed Property Limited

Notes to the Unaudited Financial Statements

Year Ended 30 September 2024

Current loans and borrowings

	2024	2023
	£	£
Bank borrowings	-	7,083
Other borrowings	-	707,000
	<u>-</u>	<u>714,083</u>

Bank borrowings

A charge was in place over the property at 19 Godolphin Road, Helston, Cornwall. The charge was satisfied in full on 16 November 2023.

Other borrowings

A charge has been placed over the property Avondale at 28 St George's Road, Newquay, Cornwall.

Mustard Seed Property Limited

Notes to the Unaudited Financial Statements

Year Ended 30 September 2024

6 Related party transactions

Summary of transactions with other related parties

The board has accrued £42,870 in shareholder interest for the year ended 30 September 2024.

E James (Director)

Through her shareholding E James was entitled to receive interest in the year of £293, however, this was waived (2023: waived). At the balance sheet date the amount due to E James was £nil (2023: waived).

S Ackford (Director)

Through her shareholding S Ackford was entitled to receive interest in the year of £233, however, this was waived (2023: n/a). At the balance sheet date the amount due to S Ackford was £nil (2023: n/a).

S Ackford is a Trustee of Mumme-Ackford Charitable Trust. Through the shareholding Mumme-Ackford Charitable Trust was entitled to receive interest in the year of £4,000, however, this was waived (2023: waived). At the balance sheet date the amount due to Mumme-Ackford Charitable Trust was £nil (2023: waived).

Resonance Limited

(D Brewer, director of Mustard Seed Property limited is a director / shareholder of Resonance Limited) Through the shareholding Resonance Limited was entitled to receive interest of £180, however, this was waived (2023: £152). At the balance sheet date the amount due to Resonance Limited was £nil (2023: £152).

During the year Mustard Seed Property Ltd received a £1,000,000 loan from Resonance Community Developers Ltd (a subsidiary of Resonance Ltd).

In addition there were the following short term loan transactions during the year with Company Directors;

S Ackford (Director) - Total amount loaned to the company as at 30 September 2024 was £nil (2023: £50,000).

This was a short term, unsecured, interest free loan in the respect of the conversion & refurbishment of the Alma Place property in Cornwall.

R May (Director) - Total amount loaned to the company as at 30 September 2024 was £nil (2023: £15,000).

This was a short term, unsecured, interest free loan in the respect of the conversion & refurbishment of the Alma Place property in Cornwall.

Mustard Seed Property Limited

Notes to the Unaudited Financial Statements

Year Ended 30 September 2024

7 Share capital

Allotted, called up and fully paid shares

	No.	2024 £	No.	2023 £
Withdrawable interest bearing shares of £1 each	<u>1,460,692</u>	<u>1,460,692</u>	<u>1,219,691</u>	<u>1,219,691</u>

New Shares allotted

During the year, share capital has increased by a net aggregate nominal value of £241,001, for a net aggregate consideration of £241,001. This is as a result of share interest being converted into share capital of £33,914, new shares purchased of £207,605 less capital withdrawn of £518.

Mustard Seed Property Limited

Detailed Profit and Loss

Year Ended 30 September 2024

	2024	2023
	£	£
Turnover		
Feed in tariff	-	305
Rent receivable	75,351	70,150
Donations	518	-
	<u>75,869</u>	<u>70,455</u>
Cost of sales		
Property management	<u>(3,622)</u>	<u>(3,313)</u>
Gross profit	72,247	67,142
Gross profit (%)	95.23%	95.3%
Administrative expenses		
Administrative expenses	(34,204)	(24,557)
Other operating income		
Other operating income	<u>3,316</u>	<u>24,664</u>
Operating profit	<u>41,359</u>	<u>67,249</u>
Other interest receivable and similar income		
Interest income on bank deposits	1,006	1,929
Interest payable and similar charges		
Interest on bank and other borrowings	(72,632)	(32,765)
Shareholder interest	<u>(42,870)</u>	<u>(33,891)</u>
	<u>(115,502)</u>	<u>(66,656)</u>
(Loss)/profit before tax	<u>(73,137)</u>	<u>2,522</u>

Mustard Seed Property Limited

Detailed Profit and Loss

Year Ended 30 September 2024

	2024	2023
	£	£
Administration costs		
Travelling	-	137
Water rates	365	283
Light, heat and power	654	2,118
Insurance	4,404	4,199
Trade subscriptions	424	275
Sundry expenses	12	7
Council Tax	-	(2,979)
Accountancy	3,100	2,975
Legal and professional	15,206	17,301
Bank charges and loan arrangement fees	10,039	40
Depreciation of other property, plant and equipment	-	201
	<u>34,204</u>	<u>24,557</u>

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

Year Ended 30 September 2024

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 2024 as set out on pages 4 to 14 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/regulation>.

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
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Cornwall
TR1 2NA

Date:.....