

THE MORLEY AGRICULTURAL FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE MORLEY AGRICULTURAL FOUNDATION
(A company limited by guarantee)

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THE MORLEY AGRICULTURAL FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	J S Wallace, Chair S Rawsthorne C E A P Hill P E Richardson R J Salmon R Wilbourn N J Steed T S Evans B W R Hadingham (appointed 5 February 2020) S E Lord (appointed 5 February 2020)
Company registered number	04712419
Charity registered number	1097174
Registered office	Morley Business Centre Deopham Road Morley St Botolph Norfolk NR18 9DF
Company secretary	M Canham
Independent auditors	Larking Gowen LLP Chartered Accountants Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
Solicitors	Birketts LLP Kingfisher House 1 Gilders Way Off Barrack Street Norwich NR3 1UB
Investment Managers	Barratt & Cooke 5 Opie Street Norwich Norfolk NR1 3DW

THE MORLEY AGRICULTURAL FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of the Group and the Company The Morley Agricultural Foundation for the 1 September 2019 to 31 August 2020.

The trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Foundation exists to promote for public benefit the study and knowledge of agricultural science and the application of modern techniques to agriculture and husbandry in all their branches, including the breeding, feeding and management of livestock and poultry, horticulture and silviculture.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

Grant commitments were made during the course of the year to:

- NIAB, two main grants, one to continue funding the New Farm Systems project, now in its 11th year and the other to Morley Long Term Trial Series (LoTS). This is a collection of initiatives which a) maintain long term experiments at Morley, b) collaborate with education providers to support undergraduate and postgraduate opportunities associated with TMAF, c) test and evaluate new innovations and technologies and report on this to students and farmers in the region, d) communicate and collaborate with TMAF to host, deliver and demonstrate impartial research in the region.
- Morley Soil and Agronomic Monitoring Study (SAMS)
- British Beet Research Organisation INSPIRE project monitoring spatial crop variabilities throughout crop rotation
- Harper Adams Controlled Research into reducing field traffic intensity.
- MRes Agricultural Systems Management Course Nottingham University
- An AHDB soil and cover crop interaction project.
- Agri Tech East's Young Innovators Forum.
- The Royal Norfolk Agricultural Association/Food and Farming Discovery Trust.
- The Suffolk Agricultural Association
- The Essex Schools Food and Farming day.
- The John Forrest Memorial Award.
- EARS3 Funding Newcastle University.
- Morley PhD studying the effects of legume rotations on soil microbial populations (in tandem with NIAB and Cambridge University).
- Morley clean water project
- Our Bursaries fund for students.

c. Grant-making policies

The Foundation accepts applications for funding from both individuals and institutions. Applications are reviewed to ensure compliance with the charity's objectives and for suitability by the trustees before any grants are made. Total grant commitments are determined in line with the projected investment income for the period.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

d. Volunteers

The Foundation relies on the professional expertise of its trustees, all of whom provide their services on a voluntary basis, in order to fulfil the charity's objectives. The Foundation is grateful for the unstinting efforts of its volunteers.

Achievements and performance

a. Review of activities

The Foundation's policy contributes to the funding of independent research and education in all aspects of farming and husbandry, preferably within East Anglia.

To that end:

- a) Funding for the two proposals from NIAB, one for five years and one for three years.
- b) The Foundation continues to make funds available for relevant research by PhD students.
- c) Providing funding to Morley Farms Ltd in support of the ancillary research and educational activities it conduct.

b. Fundraising activities

Neither the Charity, nor anyone acting on its behalf, undertakes conventional charitable fundraising activities.

c. Investment policy and performance

The trustees continue to believe the current mix of property assets and investment portfolio provide the best long term strategy for the creation of income to support its grants programme. Together with portfolio managers, the trustees review investment performance against objectives set.

Morley Farms Limited continues to pay a commercial rent to the Foundation.

The foundation is in a consortium of landowners seeking a planning permission in order to sell a parcel of land in its ownership

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Reserves policy

The trustees regard the charity's property & investment assets as permanent funds. The trustees' policy is that these funds should be maintained in real terms, in order to generate income to finance current and future grant giving in accordance with the Foundation's objectives to:

Promote the study & knowledge of agricultural science & the application of modern scientific techniques to agriculture & husbandry in all their branches.

As part of these objectives, the trustees remain committed to funding significant agricultural research projects. Funding commitments for such projects routinely extend to a period of between 3 5 years. The trustees therefore take account of these longer term commitments when considering the level of reserves to be retained by the Foundation.

General funds of the charity at 31 August 2020 amounted to £28,651,190 (2019: 29,131,014). In determining the level of resources the board is mindful of the need to maintain a contingency fund in order to meet any unexpected repair costs in relation to the charity's property assets. Similarly reserves are required to fund ongoing working capital requirements of Morley Farms Limited. After taking account of these issues and retaining a suitable level of funds to cover these aspects, the trustees' policy is to use substantially all of the charity's surplus investment income over a 3 5 year time frame in order to fund the Foundation's grant making activity over the same period.

At 31 August 2020 the group's free reserves amounted to £704,670 (2019: £373,048).

c. Financial review

Income from the portfolio, rent from properties and farming profit from Morley Farms Limited enable the Foundation to maintain its grants' programme and cover its overheads.

The Foundation's net incoming resources amounted to £295,920 (2019: £42,639) as shown in the Consolidated Statement of Financial Activities on page 11. This includes net profit from the subsidiary company of £165,398 (2019: £61,345) prior to the elimination of inter group transactions and gains on investments.

There was a net decrease in funds of £479,824 (2019: increase in funds £357,664).

The charity's investment portfolio decreased in value from £8,338,148 at the beginning of the year to £8,012,041 as at 31 August 2020. This is a reflection of the general market conditions.

In order to help the trustees to consider funding projects beyond its current financial period, a budget process that extends four years beyond the current one is in operation.

Structure, governance and management

a. Constitution

The Morley Agricultural Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 23 April 2003 and is a registered charity number 1097174.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The charity is controlled by its trustees. Under the company's Articles of Association, the trustees are elected at the AGM. At each AGM, one third of the elected trustees will retire. If a vacancy is not filled, a retiring trustee, if willing, is deemed to be re-elected. All trustees except an elected trustee retiring by rotation, must be nominated in writing to the chairman by at least three members, two of which must already be trustees. The trustees may appoint a person who is willing to act to be an elected trustee either to fill a vacancy or as an additional trustee but he shall hold office only until the next AGM where he may be reappointed.

Members of the Council, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2020 was 509.

Annually, prior to the AGM, the chairman writes to all members seeking proposals to be considered at the AGM to fill any trustee or Council vacancies.

The trustees each contribute their professional expertise in different specific areas and as such no additional training is deemed necessary in those areas. However, the trustees consider and attend any relevant training opportunities which enhance their knowledge of the generic role and responsibilities of a trustee.

c. Organisational structure and decision-making policies

The day to day management of The Foundation has been delegated to the company secretary, M Canham, who is contracted by The Foundation on an annual basis. Decisions relating to the acquisition or disposal of assets are made by the trustees at one of their regular meetings.

The Foundation's subsidiary trading company carries out commercial farming activities, historically with a view to profits generated being paid by gift aid to The Foundation. Morley Farms Ltd continues to carry out and support various ancillary research and educational activities for the benefit of the Foundation. The farm management works closely with a regional agricultural educational organisation to develop training schemes for its students.

The capital base of Morley Farms will need to expand to finance these activities. This is likely to be through programme related loan funding from The Foundation but also from the retention of some future commercial farming profits. Where profits are retained in future this may give rise to a liability to corporation tax within Morley Farms Limited.

d. Pay policy for key management personnel

There are no such arrangements for setting pay and remuneration as key management consists of the trustees, all of whom are unpaid.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Risk management

The Trustees have assessed the major risks to which the parent company and the group is exposed, in particular those related to the operations and finances of the parent company and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The trustees keep under review the major risks to which the Charity is exposed.

A management committee, under the chairmanship of a Foundation trustee, has been established for Morley Farms Limited and meets regularly to review performance as well as communicating relevant matters to the foundation board. An independent consultant has been employed to assist the farm manager in preparing budgets and reviewing procedures and controls against industry benchmarks.

The major risks to the income of the Foundations are the level of the dividend stream from its portfolio currently managed by Barratt and Cooke, and the volatility of farm income.

Plans for future periods

The Morley Agricultural Foundation will continue to fund research conducted by NIAB, providing grants for the New Farming Systems programme (now in its 11th year) and for the Morley Long Term Trial Series (LoTS) programme which includes, a) continuing long term field experiments, b) collaborating with education providers, c) providing and evaluating new technologies with stakeholders and d) providing NIAB and TMAF research at events at Morley and elsewhere. We also continue to host NIAB trials with other funders and we have become a demonstration farm and trials site for The British Beet Research Organisation (BBRO).

A further portion of available funds will be used to support PhD students researching topics relevant to TMAF's aims; informing the public about the techniques and science used in modern agriculture; supporting the communication between young farmers and young scientists and providing bursaries to students who need monetary assistance with their courses.

A final portion will be devoted specifically to the study of soil. Funding is being provided for 1) a Harper Adams PhD examining controlled traffic farming and soil compaction issues and 2) a University of East Anglia project investigating the impacts of cover crops and reduced tillage regimes on water, soil and crop yields. BBRO has started research entitled "Interpreting and managing the spatial performance of crops". NIAB is also carrying out the Morley Soil and Agronomic Monitoring Study (SAMS). And finally a partnership has been struck up between Cambridge University, NIAB and The Morley Agricultural Foundation to fund a PhD student on a topic chosen by the Foundation (Morley PhD)

Information on fundraising practices

The Charity does not undertake conventional charitable fundraising activities such as soliciting of donations or the conducting of direct mailings, telephone or street-based campaigns

THE MORLEY AGRICULTURAL FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Larking Gowen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

J S Wallace, Chair
(Chair of Trustees)



Date: 3 December 2020

THE MORLEY AGRICULTURAL FOUNDATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORLEY AGRICULTURAL
FOUNDATION**

Opinion

We have audited the financial statements of The Morley Agricultural Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE MORLEY AGRICULTURAL FOUNDATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORLEY AGRICULTURAL
FOUNDATION (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE MORLEY AGRICULTURAL FOUNDATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORLEY AGRICULTURAL
FOUNDATION (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE MORLEY AGRICULTURAL FOUNDATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORLEY AGRICULTURAL
FOUNDATION (CONTINUED)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP
Chartered Accountants
Statutory Auditors
King Street House
15 Upper King Street
Norwich
NR3 1RB

25 January 2021

THE MORLEY AGRICULTURAL FOUNDATION
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Other trading activities	3	1,061,395	-	1,061,395	998,135
Investments	4	369,725	-	369,725	406,877
Other income	5	46,343	4,448	50,791	(376)
Total income		1,477,463	4,448	1,481,911	1,404,636
Expenditure on:					
Raising funds	6	805,456	-	805,456	806,045
Charitable activities	8	376,087	-	376,087	555,952
Total expenditure		1,181,543	-	1,181,543	1,361,997
Net (losses)/gains on investments	14,15	(780,192)	-	(780,192)	315,025
Net (expenditure)/income		(484,272)	4,448	(479,824)	357,664
Transfers between funds	21	4,448	(4,448)	-	-
Net movement in funds		(479,824)	-	(479,824)	357,664
Reconciliation of funds:					
Total funds brought forward		29,131,014	-	29,131,014	28,773,350
Net movement in funds		(479,824)	-	(479,824)	357,664
Total funds carried forward		28,651,190	-	28,651,190	29,131,014

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 43 form part of these financial statements.

THE MORLEY AGRICULTURAL FOUNDATION
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CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	8,993
Tangible assets	13	602,729	491,430
Investments	15	8,012,041	8,338,148
Investment property	14	19,331,750	19,919,395
		<u>27,946,520</u>	<u>28,757,966</u>
Current assets			
Stocks	16	351,906	344,222
Debtors	17	272,415	362,369
Cash at bank and in hand		1,424,231	998,109
		<u>2,048,552</u>	<u>1,704,700</u>
Creditors: amounts falling due within one year	18	(613,861)	(546,175)
Net current assets		<u>1,434,691</u>	<u>1,158,525</u>
Total assets less current liabilities		<u>29,381,211</u>	<u>29,916,491</u>
Creditors: amounts falling due after more than one year	19	(730,021)	(785,477)
Total net assets		<u><u>28,651,190</u></u>	<u><u>29,131,014</u></u>

THE MORLEY AGRICULTURAL FOUNDATION
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CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

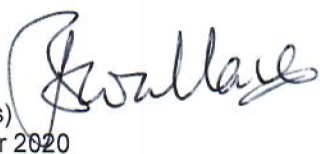
	Note	2020 £	2019 £
Charity funds			
Unrestricted funds	21	28,651,190	29,131,014
Total funds		<u>28,651,190</u>	<u>29,131,014</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J S Wallace
(Chair of Trustees)
Date: 3 December 2020



The notes on pages 18 to 43 form part of these financial statements.

THE MORLEY AGRICULTURAL FOUNDATION
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**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	4,044	4,931
Investments	15	8,399,378	8,725,485
Investment property	14	19,331,750	19,919,395
		<u>27,735,172</u>	<u>28,649,811</u>
Current assets			
Debtors	17	138,857	274,399
Cash at bank and in hand		1,301,577	901,838
		<u>1,440,434</u>	<u>1,176,237</u>
Creditors: amounts falling due within one year	18	(532,891)	(626,619)
Net current assets		<u>907,543</u>	<u>549,618</u>
Total assets less current liabilities		<u>28,642,715</u>	<u>29,199,429</u>
Creditors: amounts falling due after more than one year	19	(698,143)	(785,477)
Total net assets		<u><u>27,944,572</u></u>	<u><u>28,413,952</u></u>
Charity funds			
Unrestricted funds	21	27,944,572	28,413,952
Total funds		<u><u>27,944,572</u></u>	<u><u>28,413,952</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J S Wallace, Chair

Date: 3 December 2020



The notes on pages 18 to 43 form part of these financial statements.

THE MORLEY AGRICULTURAL FOUNDATION
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	398,814	281,292
Cash flows from investing activities		
Dividends, interests and rents from investments	2,794	(120)
Proceeds from the sale of tangible fixed assets	42,745	2,600
Purchase of tangible fixed assets	(138,115)	(300,954)
Proceeds from sale of investments	1,532,662	648,975
Purchase of investments	(1,389,778)	(488,331)
Net cash provided by/(used in) investing activities	50,308	(137,830)
Cash flows from financing activities		
Repayments of finance leases	(23,000)	(54,268)
Net cash used in financing activities	(23,000)	(54,268)
Change in cash and cash equivalents in the year	426,122	89,194
Cash and cash equivalents at the beginning of the year	998,109	908,915
Cash and cash equivalents at the end of the year	1,424,231	998,109

The notes on pages 18 to 43 form part of these financial statements

THE MORLEY AGRICULTURAL FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Company has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

The Morley Agricultural Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Company alone as permitted by section 408 of the Companies Act 2006. The Foundation's net incoming resources were £46,073, excluding the results of the subsidiary company.

The financial statements are presented in Sterling (£), which is the functional currency of the Company, and rounded to the nearest £.

1.2 Company status

The Morley Agricultural Foundation is a private company limited by guarantee and incorporated in England and Wales, registration number 04712419. The registered office is Morley Business Centre, Deopham Road, Morley St Botolph, Norfolk, NR18 9DF.

The members of the company are the Trustees named on page 1. In the event of the Morley Agricultural Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Morley Agricultural Foundation.

1.3 Basis of consolidation

The financial statements consolidate the accounts of The Morley Agricultural Foundation and its subsidiary undertaking ('subsidiary').

The Company has taken advantage of the exemption contained with section 408 of the Companies Act 2006 not to present its own income and expenditure account.

THE MORLEY AGRICULTURAL FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Going concern

The directors have considered the Company's position at the time of signing the financial statements, and in particular the additional operational and financial challenges caused by Covid-19. The Company continues to operate under lockdown. The directors have considered the Company's financial strength, together with an assessment of the potential impact of the disease on its operations and its finances and the measures available to mitigate ongoing costs.

Based on this, the directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They continue to adopt the going concern basis of accounting in preparing these financial statements.

1.5 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.8 Intangible assets and amortisation

Intangible assets relate to the Basic Payment Scheme entitlements held by the company. The entitlements have been recognised at their fair value at the date of transition to FRS 102.

The entitlements are being amortised on a straight line basis over the shorter of the remaining term of the contract or to the end of 2020 when the scheme ends.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Plant and machinery	- 10% straight line
Motor vehicles	- 10/20% straight line
Fixtures and fittings	- 15% reducing balance/20% straight line
Office equipment	- 20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. Fair value is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided.

Investment properties are subject to annual valuations by the directors with a professional valuation considered on a 5 yearly basis. The properties are stated at their open market value based on such valuations.

1.12 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Cost is based on the cost of purchase on a first in, first out basis.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.16 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

THE MORLEY AGRICULTURAL FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.17 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.18 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

1.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Critical accounting estimates and areas of judgment

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

The annual depreciation for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset.

Investment property valuations have been based upon recent professional valuations.

Fixed asset investment valuations are based on the stock market rates as at the year end. These rates are subject to constant fluctuation, based on a number of factors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Farming income	1,061,395	1,061,395	998,135

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Rent received	118,564	118,564	131,745
Investment income	248,367	248,367	275,252
Interest receivable	1,769	1,769	(978)
Bank interest and other interest receivable	1,025	1,025	858
Total 2020	369,725	369,725	406,877

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Other incoming resources

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Profit/(loss) on disposal of fixed assets	36,343	-	36,343
Small Business Grant	10,000	-	10,000
Coronavirus Job Retention Scheme income	-	4,448	4,448
Total 2020	46,343	4,448	50,791

During the year the Group received exceptional government funding as part of the Coronavirus Job Retention Scheme. Funding represents the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis.

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Profit/(loss) on disposal of fixed assets	(2,241)	(2,241)
Other incoming resources	1,865	1,865
<i>Total 2019</i>	<i>(376)</i>	<i>(376)</i>

6. Investment management costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Property Maintenance	26,297	26,297	31,929
Investment management fees	19,484	19,484	7,506
Total 2020	45,781	45,781	39,435

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of arable research projects - other grants

	Grants to Individuals 2020 £	Grants to Institutions 2020 £	Total funds 2020 £
Essex Schools Farming Day	-	3,000	3,000
AgriFood Charities Partnership	-	13,000	13,000
AHDB/AFCP Award	-	1,000	1,000
Soil Health Project - SAMS	-	20,000	20,000
Clear Water Project	-	2,492	2,492
YEN Paper	-	10,000	10,000
Outreach Project	-	3,000	3,000
Morley PhD	221,426	-	221,426
IAgrM Course Ollie Scott	2,000	-	2,000
Remember what we forgot about weeds	-	2,500	2,500
JET Management Course	13,200	-	13,200
BCPC Project	-	2,000	2,000
Movement in the discounting of grants to present value (As per accounting policy 1.14)	-	15,771	15,771
	<u>236,626</u>	<u>72,763</u>	<u>309,389</u>

The recognition of these amounts reflects the unconditional obligation by The Morley Agricultural Foundation for this funding and is in accordance with the treatment required by the Statement of Recommended Practice (FRS 102).

Expenditure on charitable activities was £394,615 (2019: £555,952) all of which was unrestricted.

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	<i>Grants to Individuals 2019 £</i>	<i>Grants to Institutions 2019 £</i>	<i>Total funds 2019 £</i>
Suffolk Agricultural Association	-	3,000	3,000
J Forrest Memorial Fund	-	221	221
TAG - Agronomy / Mentor	-	(9,888)	(9,888)
AgriFood Charities Partnership	-	13,000	13,000
Essex Schools Farming Day	-	3,000	3,000
EOC Collision Report	-	(7,000)	(7,000)
Bursaries	400	-	400
Debbie Sparks - Statistics Course	-	250	250
Morley Long Term Studies	-	436,105	436,105
David Purdey PhD	25,035	-	25,035
Gaina Dunsire LEAF	-	2,000	2,000
BBRO PhD Studentship	-	48,228	48,228
EARS 3 - Newcastle University PhD	-	8,000	8,000
AHDB/AFCP - Cabbage Stem Flea Beetle	-	8,100	8,100
Movement in the discounting of grants to present value (As per accounting policy 1.14)	-	(18,442)	(18,442)
Total 2019	25,435	486,574	512,009

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Grants payable - Arable research projects	309,389	309,389	512,009
Morley Business Centre	66,698	66,698	43,943
Total 2020	376,087	376,087	555,952
Total 2019	555,952	555,952	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Grants payable - Arable research projects	-	309,389	309,389
Morley Business Centre	887	65,811	66,698
Total 2020	887	375,200	376,087

	<i>Depreciation 2019 £</i>	<i>Other costs 2019 £</i>	<i>Total funds 2019 £</i>
Grants payable - Arable research projects	-	512,009	512,009
Morley Business Centre	1,012	42,931	43,943
	1,012	554,940	555,952

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Grants payable - Arable research projects	309,389	-	309,389
Morley Business Centre	13,837	52,861	66,698
Total 2020	323,226	52,861	376,087

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Grants payable - Arable research projects	512,009	-	512,009
Morley Business Centre	18,199	25,744	43,943
<i>Total 2019</i>	<u>530,208</u>	<u>25,744</u>	<u>555,952</u>

Analysis of direct costs

	Grants payable 2020 £	Morley Business Centre 2020 £	Total funds 2020 £
Depreciation	-	887	887
Grants payable	309,389	-	309,389
Travel	-	180	180
Office administration	-	2,809	2,809
General insurance	-	2,483	2,483
Sundry expenses	-	6,970	6,970
Bank charges	-	508	508
Total 2020	<u>309,389</u>	<u>13,837</u>	<u>323,226</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Grants payable 2019 £</i>	<i>Morley Business Centre 2019 £</i>	<i>Total funds 2019 £</i>
Depreciation	-	1,012	1,012
Grants payable	512,009	-	512,009
Travel	-	316	316
Office administration	-	2,739	2,739
General insurance	-	4,085	4,085
Sundry expenses	-	9,307	9,307
Irrecoverable VAT	-	108	108
Bank charges	-	632	632
Total 2019	512,009	18,199	530,208

Analysis of support costs

	Governance 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Software maintenance	12,325	12,325	1,887
Audit fees	7,360	7,360	6,225
Admin & accounting	18,455	18,455	15,038
Legal fees	3,307	3,307	2,282
Bank charges	248	248	312
Partial exemption adjustment	8,762	8,762	-
Property management fees	2,404	2,404	-
Total 2020	52,861	52,861	25,744

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

	Group 2020 £	<i>Group 2019 £</i>
Wages and salaries	134,502	131,153
Social security costs	10,185	15,177
Contribution to defined contribution pension schemes	7,242	6,146
	<u>151,929</u>	<u>152,476</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2020	<i>Group 2019</i>
Employees	<u>4</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

The charity's key management personnel are the trustees, all of whom are unpaid. Key management compensation is therefore nil (2019: £nil)

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation

The charitable company is exempt from corporation tax on its charitable activities under section 466 to 493 Corporation Tax Act 2010.

All taxable profits of the 100% owned subsidiary, Morley Farms Limited, are paid under gift aid to the parent charity, The Morley Agricultural Foundation, hence no tax liability arises in the subsidiary.

There were no factors that may affect future tax charges.

12. Intangible assets

Group

	Basic Payment Scheme Entitlements £
Cost	
At 1 September 2019	134,872
At 31 August 2020	<u>134,872</u>
Amortisation	
At 1 September 2019	125,879
Charge for the year	8,993
At 31 August 2020	<u>134,872</u>
Net book value	
At 31 August 2020	<u>-</u>
At 31 August 2019	<u>8,993</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 September 2019	508,465	785,251	17,331	10,283	1,321,330
Additions	19,954	181,918	-	-	201,872
Disposals	(24,419)	(82,075)	-	-	(106,494)
At 31 August 2020	504,000	885,094	17,331	10,283	1,416,708
Depreciation					
At 1 September 2019	337,236	470,563	12,400	9,701	829,900
Charge for the year	32,243	50,679	887	362	84,171
On disposals	(18,017)	(82,075)	-	-	(100,092)
At 31 August 2020	351,462	439,167	13,287	10,063	813,979
Net book value					
At 31 August 2020	152,538	445,927	4,044	220	602,729
At 31 August 2019	171,229	314,688	4,931	582	491,430

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

Company

	Fixtures and fittings £
Cost or valuation	
At 1 September 2019	17,331
At 31 August 2020	17,331
Depreciation	
At 1 September 2019	12,400
Charge for the year	887
At 31 August 2020	13,287
Net book value	
At 31 August 2020	4,044
<i>At 31 August 2019</i>	4,931

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 September 2019	19,919,395
Additions	9,324
Deficit on revaluation	(596,969)
At 31 August 2020	19,331,750

Company

	Freehold investment property £
Valuation	
At 1 September 2019	19,919,395
Additions	9,324
Deficit on revaluation	(596,969)
At 31 August 2020	19,331,750

The 2020 valuations were made by T W Corfield and T S Evans, both RICS registered valuers from Arnolds Keys LLP. The valuations were performed on an open market value basis.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments

Group	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 September 2019	8,338,098	50	8,338,148
Additions	1,389,778	-	1,389,778
Disposals	(1,532,662)	-	(1,532,662)
Revaluations	(183,223)	-	(183,223)
At 31 August 2020	8,011,991	50	8,012,041
Net book value			
At 31 August 2020	8,011,991	50	8,012,041
<i>At 31 August 2019</i>	<i>8,338,098</i>	<i>50</i>	<i>8,338,148</i>
Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2019	387,387	8,338,098	8,725,485
Additions	-	1,389,778	1,389,778
Disposals	-	(1,532,662)	(1,532,662)
Revaluations	-	(183,223)	(183,223)
At 31 August 2020	387,387	8,011,991	8,399,378
Net book value			
At 31 August 2020	387,387	8,011,991	8,399,378
<i>At 31 August 2019</i>	<i>387,387</i>	<i>8,338,098</i>	<i>8,725,485</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Stocks

	Group 2020 £	<i>Group 2019 £</i>
Consumables	35,967	26,109
Growing crops	100,438	78,925
Goods in store	215,501	239,188
	351,906	344,222

17. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due within one year				
Trade debtors	58,891	113,326	3,773	42,014
Amounts owed by group undertakings	-	-	131,346	191,717
Other debtors	31,283	54,706	3,738	40,668
Prepayments and accrued income	182,241	194,337	-	-
	272,415	362,369	138,857	274,399

18. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	137,188	116,570	70,926	51,955
Amounts owed to group undertakings	-	-	25,114	202,373
Other taxation and social security	-	5,758	-	-
Obligations under finance lease and hire purchase contracts	31,879	23,000	-	-
Other creditors	411,445	358,646	411,445	358,646
Accruals and deferred income	33,349	42,201	25,406	13,645
	613,861	546,175	532,891	626,619

Obligations under finance lease and hire purchase are secured on the underlying assets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Net obligations under finance lease and hire purchase contracts	31,878	-	-	-
Grants payable	698,143	785,477	698,143	785,477
	730,021	785,477	698,143	785,477

20. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	8,011,991	8,338,098	8,011,991	8,338,098
Financial assets that are debt instruments measured at amortised cost	90,174	246,395	138,857	233,731
	8,102,165	8,584,493	8,150,848	8,571,829
	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	(1,343,882)	(1,325,894)	(1,231,034)	(1,412,096)

Financial assets measured at fair value through income and expenditure comprise listed investments valued at the stock market price at the year end.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise creditors less deferred income, taxation and social security.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	14,225,621	752,984	(446,620)	291,199	(170,792)	14,652,392
Revaluation reserve	11,613,207	-	-	(286,751)	(609,400)	10,717,056
Funds retained in subsidiary	3,292,186	724,479	(734,923)	-	-	3,281,742
	<u>29,131,014</u>	<u>1,477,463</u>	<u>(1,181,543)</u>	<u>4,448</u>	<u>(780,192)</u>	<u>28,651,190</u>
Restricted funds						
Government Grants	-	4,448	-	(4,448)	-	-
	<u>-</u>	<u>4,448</u>	<u>-</u>	<u>(4,448)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>29,131,014</u>	<u>1,481,911</u>	<u>(1,181,543)</u>	<u>-</u>	<u>(780,192)</u>	<u>28,651,190</u>

The transfer between unrestricted and restricted funds Government Grants reflects the CJRS government funding being applied to fund the costs of furloughed staff.

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21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	14,162,923	723,839	(637,867)	(1,459)	(21,815)	14,225,621
Revaluation reserve	11,274,908	-	-	1,459	336,840	11,613,207
Funds retained in subsidiary	3,335,519	680,797	(724,130)	-	-	3,292,186
	<u>28,773,350</u>	<u>1,404,636</u>	<u>(1,361,997)</u>	<u>-</u>	<u>315,025</u>	<u>29,131,014</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	602,729	602,729
Fixed asset investments	8,012,041	8,012,041
Investment property	19,331,750	19,331,750
Current assets	2,048,552	2,048,552
Creditors due within one year	(613,861)	(613,861)
Creditors due in more than one year	(730,021)	(730,021)
Total	<u>28,651,190</u>	<u>28,651,190</u>

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	491,430	491,430
Intangible fixed assets	8,993	8,993
Fixed asset investments	8,338,148	8,338,148
Investment property	19,919,395	19,919,395
Current assets	1,704,700	1,704,700
Creditors due within one year	(546,175)	(546,175)
Creditors due in more than one year	(785,477)	(785,477)
Total	29,131,014	29,131,014

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net income for the period (as per Statement of Financial Activities)	(479,824)	357,664
Adjustments for:		
Depreciation charges	84,171	93,989
Amortisation charges	8,993	26,974
(Gains)/losses on investments	183,223	(315,025)
Dividends, interests and rents from investments	(2,794)	120
Loss/(profit) on the sale of fixed assets	(36,343)	2,241
Decrease/(increase) in stocks	(7,684)	30,204
Decrease/(increase) in debtors	89,954	(51,157)
Increase/(decrease) in creditors	(37,851)	136,282
Loss on revaluation of investment property	596,969	-
Net cash provided by operating activities	398,814	281,292

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24. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	1,008,622	706,017
Cash held by investment broker	415,609	292,092
Total cash and cash equivalents	1,424,231	998,109

25. Analysis of Net Debt

	At 1 September 2019 £	Cash flows £	New finance leases £	At 31 August 2020 £
Cash at bank and in hand	998,109	426,122	-	1,424,231
Finance leases	(23,000)	23,000	(63,757)	(63,757)
	975,109	449,122	(63,757)	1,360,474

26. Operating lease commitments

At 31 August 2020 the Group and the Company were due to receive future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	98,012	86,580	-	322,580
Later than 1 year and not later than 5 years	154,772	165,996	-	184,663
	252,784	252,576	-	507,243

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27. Related party transactions

During the year ended 31 August 2020, rent was charged to Morley Farms Limited (a wholly owned subsidiary) of £239,000 (2019: £239,000), loan interest was charged of £Nil (2019: £3,983) and a grant was paid to the company of £25,000 (2019: £25,000).

The following directors were trustees of a charity with which the Group had transactions in the year:

PE Richardson is a director of Agrifood Charities Partnership. At the year end the grant payment outstanding to Agrifood Charities Partnership amounted to £1,500 (2019: £1,500). During the year subscription fees paid to Agrifood Charities Partnership were £330 (2019: £300).

TS Evans is a partner at Arnolds Keys LLP, Chartered Surveyors. During the year, professional fees payable to Arnolds Keys LLP by The Morley Agricultural Foundation were £6,904 (2019: £2,853). £5,057 remained payable at the year end (2019: £Nil).

28. Controlling party

The company is controlled by the trustees who are listed on page 1.

29. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Holding
Morley Farms Limited	04873909	Morley Business Centre, Deopham Road, Morley St Botolph, Wymondham, NR18 9DF	Arable farming	100%

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the period £	Net assets £
Morley Farms Limited	1,127,928	962,580	165,398	1,094,005

