

**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 2021**

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 year 1 September 2020 to 31 August 2021.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company'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 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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, including the guidance 'Public benefit: running a charity (PB2)'.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 12th 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 Essex Schools Food and Farming day.
- John Edgar Trust Management course – funding East Anglia applicants
- PhD vining peas Nottingham University
- NIAB CTP
- YEN Zero
- 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

**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.

**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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**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 2021 amounted to £30,001,140 (2020: £28,651,190). 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 2021 the group's free reserves amounted to £511,640 (2020: £704,670).

**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 £287,059 (2020: £295,920) as shown in the Consolidated Statement of Financial Activities on page 13. This includes net profit from the subsidiary company of £130,369 (2020: £165,398) prior to the elimination of inter group transactions and gains on investments.

There was a net increase in funds of £1,349,950 (2020: decrease in funds £479,824).

The charity's investment portfolio increased in value from £8,012,041 at the beginning of the year to £9,312,744 as at 31 August 2021. 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.

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**THE MORLEY AGRICULTURAL FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

**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 2021 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 2021**

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**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 12th 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.

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**THE MORLEY AGRICULTURAL FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 year. 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**

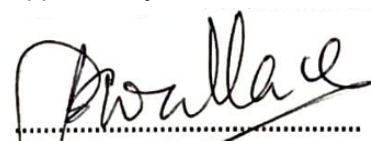
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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: 2 December 2021

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

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**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 2021 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 2021 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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**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.

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

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Due to the field in which the Charity operates, we identified the following areas as those most likely to have a material impact on the financial statements: healthy and safety; employment laws; GDPR, serious incident reporting and compliance with the UK Companies Act.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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

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**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.

Handwritten signature of Julie Grimmer in cursive, followed by "LLP".

**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

28 January 2022

**THE MORLEY AGRICULTURAL FOUNDATION**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                                | Note | Unrestricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|----------------------------------------------------------------|------|------------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                                            |      |                                    |                             |                             |
| Other trading activities                                       | 3    | 985,252                            | 985,252                     | 1,061,395                   |
| Investments                                                    | 4    | 355,051                            | 355,051                     | 369,725                     |
| Other income                                                   | 5    | 72,169                             | 72,169                      | 50,791                      |
| <b>Total income</b>                                            |      | <b>1,412,472</b>                   | <b>1,412,472</b>            | <b>1,481,911</b>            |
| <b>Expenditure on:</b>                                         |      |                                    |                             |                             |
| Raising funds                                                  | 6    | 774,380                            | 774,380                     | 805,456                     |
| Charitable activities                                          | 8    | 351,033                            | 351,033                     | 376,087                     |
| <b>Total expenditure</b>                                       |      | <b>1,125,413</b>                   | <b>1,125,413</b>            | <b>1,181,543</b>            |
| <b>Net income before net gains/(losses) on<br/>investments</b> |      | <b>287,059</b>                     | <b>287,059</b>              | <b>300,368</b>              |
| Net gains/(losses) on investments                              |      | 1,062,891                          | 1,062,891                   | (780,192)                   |
| <b>Net movement in funds</b>                                   |      | <b>1,349,950</b>                   | <b>1,349,950</b>            | <b>(479,824)</b>            |
| <b>Reconciliation of funds:</b>                                |      |                                    |                             |                             |
| Total funds brought forward                                    |      | 28,651,190                         | 28,651,190                  | 29,131,014                  |
| Net movement in funds                                          |      | 1,349,950                          | 1,349,950                   | (479,824)                   |
| <b>Total funds carried forward</b>                             |      | <b>30,001,140</b>                  | <b>30,001,140</b>           | <b>28,651,190</b>           |

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

The notes on pages 20 to 47 form part of these financial statements.

**THE MORLEY AGRICULTURAL FOUNDATION**  
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**CONSOLIDATED BALANCE SHEET  
FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                         | Note | 2021<br>£                | 2020<br>£                |
|---------------------------------------------------------|------|--------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                          |                          |
| Tangible assets                                         | 13   | 845,006                  | 602,729                  |
| Investments                                             | 15   | 9,312,744                | 8,012,041                |
| Investment property                                     | 14   | 19,331,750               | 19,331,750               |
|                                                         |      | <u>29,489,500</u>        | <u>27,946,520</u>        |
| <b>Current assets</b>                                   |      |                          |                          |
| Stocks                                                  | 16   | 321,573                  | 351,906                  |
| Debtors                                                 | 17   | 290,814                  | 272,415                  |
| Cash at bank and in hand                                |      | 1,344,494                | 1,424,231                |
|                                                         |      | <u>1,956,881</u>         | <u>2,048,552</u>         |
| Creditors: amounts falling due within one year          | 18   | (668,065)                | (613,861)                |
| <b>Net current assets</b>                               |      | <u>1,288,816</u>         | <u>1,434,691</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>30,778,316</u>        | <u>29,381,211</u>        |
| Creditors: amounts falling due after more than one year | 19   | (777,176)                | (730,021)                |
| <b>Total net assets</b>                                 |      | <u><u>30,001,140</u></u> | <u><u>28,651,190</u></u> |
| <b>Charity funds</b>                                    |      |                          |                          |
| Unrestricted funds                                      | 21   | 30,001,140               | 28,651,190               |
| <b>Total funds</b>                                      |      | <u><u>30,001,140</u></u> | <u><u>28,651,190</u></u> |

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**THE MORLEY AGRICULTURAL FOUNDATION**  
**(A company limited by guarantee)**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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**  
(Chair of Trustees)

Date: 2 December 2021

The notes on pages 20 to 47 form part of these financial statements.

**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                         | Note | 2021<br>£                | 2020<br>£                |
|---------------------------------------------------------|------|--------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                          |                          |
| Tangible assets                                         | 13   | 3,319                    | 4,044                    |
| Investments                                             | 15   | 9,700,081                | 8,399,378                |
| Investment property                                     | 14   | 19,331,750               | 19,331,750               |
|                                                         |      | <u>29,035,150</u>        | <u>27,735,172</u>        |
| <b>Current assets</b>                                   |      |                          |                          |
| Debtors                                                 | 17   | 212,222                  | 138,857                  |
| Cash at bank and in hand                                |      | 1,169,513                | 1,301,577                |
|                                                         |      | <u>1,381,735</u>         | <u>1,440,434</u>         |
| Creditors: amounts falling due within one year          | 18   | (508,665)                | (532,891)                |
| <b>Net current assets</b>                               |      | <u>873,070</u>           | <u>907,543</u>           |
| <b>Total assets less current liabilities</b>            |      | <u>29,908,220</u>        | <u>28,642,715</u>        |
| Creditors: amounts falling due after more than one year | 19   | (662,060)                | (698,143)                |
| <b>Total net assets</b>                                 |      | <u><u>29,246,160</u></u> | <u><u>27,944,572</u></u> |
| <b>Charity funds</b>                                    |      |                          |                          |
| Unrestricted funds                                      | 21   | 29,246,160               | 27,944,572               |
| <b>Total funds</b>                                      |      | <u><u>29,246,160</u></u> | <u><u>27,944,572</u></u> |

The Company's net movement in funds for the year was £1,301,588 (2020 - £(469,380)).

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**THE MORLEY AGRICULTURAL FOUNDATION**  
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**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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**  
(Chair of Trustees)

Date: 2 December 2021

The notes on pages 20 to 47 form part of these financial statements.

**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                            | 2021<br>£        | 2020<br>£        |
|------------------------------------------------------------|------------------|------------------|
| <b>Cash flows from operating activities</b>                |                  |                  |
| Net cash used in operating activities                      | 293,564          | 398,814          |
| <b>Cash flows from investing activities</b>                |                  |                  |
| Dividends, interests and rents from investments            | 110              | 2,794            |
| Proceeds from the sale of tangible fixed assets            | 79,200           | 42,745           |
| Purchase of tangible fixed assets                          | (355,595)        | (138,115)        |
| Proceeds from sale of investments                          | 976,302          | 1,532,662        |
| Purchase of investments                                    | (1,214,114)      | (1,389,778)      |
| <b>Net cash (used in)/provided by investing activities</b> | <b>(514,097)</b> | <b>50,308</b>    |
| <b>Cash flows from financing activities</b>                |                  |                  |
| Repayments of finance leases                               | 140,796          | (23,000)         |
| <b>Net cash provided by/(used in) financing activities</b> | <b>140,796</b>   | <b>(23,000)</b>  |
| <b>Change in cash and cash equivalents in the year</b>     | <b>(79,737)</b>  | <b>426,122</b>   |
| Cash and cash equivalents at the beginning of the year     | 1,424,231        | 998,109          |
| <b>Cash and cash equivalents at the end of the year</b>    | <b>1,344,494</b> | <b>1,424,231</b> |

The notes on pages 20 to 47 form part of these financial statements

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**THE MORLEY AGRICULTURAL FOUNDATION**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

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

**1.2 Going concern**

The directors have considered the Company's position at the time of signing the financial statements and in particular the continued operational and financial challenges caused by Covid-19. The directors have considered the Company's financial strength, together with an assessment of the potential impact 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.

**1.3 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.

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**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.4 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.

**1.5 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.

**1.6 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

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**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.7 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.

**1.8 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.

**1.9 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 charge 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.

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**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.10 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.

**1.11 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.

**1.12 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.

**1.13 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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**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.14 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.

**1.15 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.

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**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.16 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.

**1.17 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**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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 professional valuations and Trustees' assessment of recent market trends.

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.

**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**3. Income from other trading activities**

**Income from fundraising events**

|                | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|----------------|----------------------------------------------|---------------------------------------|
| Farming income | 985,252                                      | <b>985,252</b>                        |

|                | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|----------------|----------------------------------------------|---------------------------------------|
| Farming income | 1,061,395                                    | 1,061,395                             |

**4. Investment income**

|                                             | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|---------------------------------------------|----------------------------------------------|---------------------------------------|
| Rent received                               | 114,260                                      | <b>114,260</b>                        |
| Investment income                           | 240,681                                      | <b>240,681</b>                        |
| Interest receivable                         | 82                                           | <b>82</b>                             |
| Bank interest and other interest receivable | 28                                           | <b>28</b>                             |
|                                             | <b>355,051</b>                               | <b>355,051</b>                        |

**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**4. Investment income (continued)**

|                                             | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|---------------------------------------------|----------------------------------------------|---------------------------------------|
| Rent received                               | 118,564                                      | 118,564                               |
| Investment income                           | 248,367                                      | 248,367                               |
| Interest receivable                         | 1,769                                        | 1,769                                 |
| Bank interest and other interest receivable | 1,025                                        | 1,025                                 |
|                                             | <u>369,725</u>                               | <u>369,725</u>                        |

**5. Other incoming resources**

|                                           | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------------|----------------------------------------------|---------------------------------------|
| Profit/(loss) on disposal of fixed assets | 68,448                                       | <b>68,448</b>                         |
| Other incoming resources                  | 3,721                                        | <b>3,721</b>                          |
|                                           | <u>72,169</u>                                | <u><b>72,169</b></u>                  |

|                                           | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Restricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-------------------------------------------|----------------------------------------------|--------------------------------------------|---------------------------------------|
| 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                                 |
|                                           | <u>46,343</u>                                | <u>4,448</u>                               | <u>50,791</u>                         |

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**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**6. Investment management costs**

|                            | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|----------------------------|----------------------------------------------|---------------------------------------|
| Property Maintenance       | 29,167                                       | <b>29,167</b>                         |
| Investment management fees | 14,932                                       | <b>14,932</b>                         |
|                            | <hr/> 44,099 <hr/>                           | <hr/> <b>44,099</b> <hr/>             |
|                            | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
| Property Maintenance       | 26,297                                       | 26,297                                |
| Investment management fees | 19,484                                       | 19,484                                |
|                            | <hr/> 45,781 <hr/>                           | <hr/> 45,781 <hr/>                    |

**THE MORLEY AGRICULTURAL FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Analysis of arable research projects - other grants**

|                                                                                        | <b>Grants to<br/>individuals<br/>2021<br/>£</b> | <b>Grants to<br/>Institutions<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|----------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------------|
| NIAB - New Farming System                                                              | -                                               | 9,885                                            | <b>9,885</b>                          |
| Essex Schools Farming Day                                                              | -                                               | 3,000                                            | <b>3,000</b>                          |
| Nathan Morris Soil Project                                                             | -                                               | (8,250)                                          | <b>(8,250)</b>                        |
| AHDB/AFCP - Cabbage Stem Flea Beetle                                                   | -                                               | 250                                              | <b>250</b>                            |
| Clear Water Project                                                                    | -                                               | 1,510                                            | <b>1,510</b>                          |
| Morley PhD                                                                             | 110,713                                         | -                                                | <b>110,713</b>                        |
| J Nunns MRES                                                                           | 1,907                                           | -                                                | <b>1,907</b>                          |
| C Mumford Msc                                                                          | 1,396                                           | -                                                | <b>1,396</b>                          |
| UOHerts                                                                                | -                                               | 5,000                                            | <b>5,000</b>                          |
| YEN-ZERO                                                                               | -                                               | 5,000                                            | <b>5,000</b>                          |
| YIF 2021-24                                                                            | -                                               | 39,000                                           | <b>39,000</b>                         |
| NFS 1yr Extension                                                                      | -                                               | 48,485                                           | <b>48,485</b>                         |
| NIAB CTP                                                                               | -                                               | 42,000                                           | <b>42,000</b>                         |
| Minion Sequencing                                                                      | -                                               | 10,000                                           | <b>10,000</b>                         |
| PhD Vining Pea                                                                         | -                                               | 6,163                                            | <b>6,163</b>                          |
| Molecular Studies                                                                      | 8,600                                           | -                                                | <b>8,600</b>                          |
| UEA                                                                                    | -                                               | (4,071)                                          | <b>(4,071)</b>                        |
| Movement in the discounting of grants to present value (As per accounting policy 1.13) | -                                               | 4,042                                            | <b>4,042</b>                          |
|                                                                                        | <b>122,616</b>                                  | <b>162,014</b>                                   | <b>284,630</b>                        |

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 £418,398 (2020: £394,615) all of which was unrestricted.

**THE MORLEY AGRICULTURAL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

|                                                                                        | <i>Grants to<br/>individuals<br/>2020<br/>£</i> | <i>Grants to<br/>Institutions<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|----------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------------|
| 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>                        |

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                                           | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------------|----------------------------------------------|---------------------------------------|
| Grants payable - Arable research projects | 284,630                                      | <b>284,630</b>                        |
| Morley Business Centre                    | 66,403                                       | <b>66,403</b>                         |
|                                           | <u>351,033</u>                               | <u><b>351,033</b></u>                 |

**THE MORLEY AGRICULTURAL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

|                                           | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-------------------------------------------|----------------------------------------------|---------------------------------------|
| Grants payable - Arable research projects | 309,389                                      | 309,389                               |
| Morley Business Centre                    | 66,698                                       | 66,698                                |
|                                           | <u>376,087</u>                               | <u>376,087</u>                        |

**Summary by expenditure type**

|                                           | <b>Depreciation<br/>2021<br/>£</b> | <b>Other costs<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------------|------------------------------------|-----------------------------------|---------------------------------------|
| Grants payable - Arable research projects | -                                  | 284,630                           | <b>284,630</b>                        |
| Morley Business Centre                    | 725                                | 65,678                            | <b>66,403</b>                         |
|                                           | <u>725</u>                         | <u>350,308</u>                    | <u><b>351,033</b></u>                 |

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

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**9. Analysis of expenditure by direct and support costs**

|                                           | <b>Activities<br/>undertaken<br/>directly<br/>2021<br/>£</b> | <b>Support<br/>costs<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------------|--------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Grants payable - Arable research projects | 284,630                                                      | -                                       | <b>284,630</b>                        |
| Morley Business Centre                    | 21,558                                                       | 44,845                                  | <b>66,403</b>                         |
|                                           | <u>306,188</u>                                               | <u>44,845</u>                           | <u><b>351,033</b></u>                 |

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

**Analysis of direct costs**

|                       | <b>Grants<br/>payable<br/>2021<br/>£</b> | <b>Morley<br/>Business<br/>Centre<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-----------------------|------------------------------------------|------------------------------------------------------|---------------------------------------|
| Depreciation          | -                                        | 725                                                  | <b>725</b>                            |
| Grants payable        | 284,630                                  | -                                                    | <b>284,630</b>                        |
| Travel                | -                                        | 70                                                   | <b>70</b>                             |
| Office administration | -                                        | 2,298                                                | <b>2,298</b>                          |
| General insurance     | -                                        | 3,799                                                | <b>3,799</b>                          |
| Sundry expenses       | -                                        | 14,131                                               | <b>14,131</b>                         |
| Bank charges          | -                                        | 535                                                  | <b>535</b>                            |
|                       | <u>284,630</u>                           | <u>21,558</u>                                        | <u><b>306,188</b></u>                 |

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**9. Analysis of expenditure by direct and support costs (continued)**

**Analysis of direct costs (continued)**

|                       | <i>Grants<br/>payable<br/>2020<br/>£</i> | <i>Morley<br/>Business<br/>Centre<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-----------------------|------------------------------------------|------------------------------------------------------|---------------------------------------|
| 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                                   |
|                       | <u>309,389</u>                           | <u>13,837</u>                                        | <u>323,226</u>                        |

**Analysis of support costs**

|                              | <b>Governance<br/>&amp; other<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|------------------------------|--------------------------------------------------|---------------------------------------|
| Software maintenance         | 9,163                                            | <b>9,163</b>                          |
| Audit fees                   | 6,750                                            | <b>6,750</b>                          |
| Admin & accounting           | 17,484                                           | <b>17,484</b>                         |
| Legal fees                   | 2,104                                            | <b>2,104</b>                          |
| Bank charges                 | 156                                              | <b>156</b>                            |
| Partial exemption adjustment | 9,188                                            | <b>9,188</b>                          |
|                              | <u>44,845</u>                                    | <u><b>44,845</b></u>                  |

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**9. Analysis of expenditure by direct and support costs (continued)**

**Analysis of support costs (continued)**

|                              | <i>Governance<br/>&amp; other<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|------------------------------|--------------------------------------------------|---------------------------------------|
| Software maintenance         | 12,325                                           | 12,325                                |
| Audit fees                   | 7,360                                            | 7,360                                 |
| Admin & accounting           | 18,455                                           | 18,455                                |
| Legal fees                   | 3,307                                            | 3,307                                 |
| Bank charges                 | 248                                              | 248                                   |
| Partial exemption adjustment | 8,762                                            | 8,762                                 |
| Property management fees     | 2,404                                            | 2,404                                 |
|                              | <u>52,861</u>                                    | <u>52,861</u>                         |

**10. Staff costs**

|                                                      | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> |
|------------------------------------------------------|-----------------------------|-----------------------------|
| Wages and salaries                                   | <b>117,502</b>              | 134,502                     |
| Social security costs                                | <b>8,531</b>                | 10,185                      |
| Contribution to defined contribution pension schemes | <b>5,303</b>                | 7,242                       |
|                                                      | <u><b>131,336</b></u>       | <u>151,929</u>              |

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

|           | <b>Group<br/>2021<br/>No.</b> | <i>Group<br/>2020<br/>No.</i> |
|-----------|-------------------------------|-------------------------------|
| Employees | <b>4</b>                      | 4                             |

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 (2020: £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.

Following a review by the Financial Reporting Council corporate gift aid payments are now regarded as a distribution and it is no longer permissible to accrue for a future gift aid payment unless there is a binding legal obligation to make the payment at the year end.

In preparing the accounts of the 100% owned subsidiary, Morley Farms Limited, the directors have adopted provisions allowing no tax to be provided on the distributed profit where there is unlikely to be a tax liability as a result of an expected gift aid payment within nine months of the year end.

There were no factors that may affect future tax charges.

**12. Intangible assets**

**Group**

|                       | <b>Basic<br/>Payment<br/>Scheme<br/>Entitlements<br/>£</b> |
|-----------------------|------------------------------------------------------------|
| <b>Cost</b>           |                                                            |
| At 1 September 2020   | <b>134,872</b>                                             |
| At 31 August 2021     | <b>134,872</b>                                             |
| <b>Amortisation</b>   |                                                            |
| At 1 September 2020   | <b>134,872</b>                                             |
| At 31 August 2021     | <b>134,872</b>                                             |
| <b>Net book value</b> |                                                            |
| At 31 August 2021     | <b>-</b>                                                   |
| At 31 August 2020     | <b>-</b>                                                   |

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

**Group**

|                          | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|--------------------------|-----------------------------|------------------------|-------------------------------|--------------------------|------------|
| <b>Cost or valuation</b> |                             |                        |                               |                          |            |
| At 1 September 2020      | 504,000                     | 859,410                | 17,331                        | 10,283                   | 1,391,024  |
| Additions                | 15,595                      | 340,000                | -                             | -                        | 355,595    |
| Disposals                | (17,749)                    | (211,699)              | -                             | -                        | (229,448)  |
| At 31 August 2021        | 501,846                     | 987,711                | 17,331                        | 10,283                   | 1,517,171  |
| <b>Depreciation</b>      |                             |                        |                               |                          |            |
| At 1 September 2020      | 351,462                     | 413,483                | 13,287                        | 10,063                   | 788,295    |
| Charge for the year      | 27,592                      | 74,128                 | 725                           | 122                      | 102,567    |
| On disposals             | (6,998)                     | (211,699)              | -                             | -                        | (218,697)  |
| At 31 August 2021        | 372,056                     | 275,912                | 14,012                        | 10,185                   | 672,165    |
| <b>Net book value</b>    |                             |                        |                               |                          |            |
| At 31 August 2021        | 129,790                     | 711,799                | 3,319                         | 98                       | 845,006    |
| At 31 August 2020        | 152,538                     | 445,927                | 4,044                         | 220                      | 602,729    |

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**THE MORLEY AGRICULTURAL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**13. Tangible fixed assets (continued)**

**Company**

|                          | <b>Fixtures and<br/>fittings<br/>£</b> |
|--------------------------|----------------------------------------|
| <b>Cost or valuation</b> |                                        |
| At 1 September 2020      | 17,331                                 |
| At 31 August 2021        | <u>17,331</u>                          |
| <b>Depreciation</b>      |                                        |
| At 1 September 2020      | 13,287                                 |
| Charge for the year      | 725                                    |
| At 31 August 2021        | <u>14,012</u>                          |
| <b>Net book value</b>    |                                        |
| At 31 August 2021        | <u><u>3,319</u></u>                    |
| At 31 August 2020        | <u><u>4,044</u></u>                    |

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**THE MORLEY AGRICULTURAL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**14. Investment property**

**Group**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 September 2020

**19,331,750**

At 31 August 2021

**19,331,750**

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**Company**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 September 2020

**19,331,750**

At 31 August 2021

**19,331,750**

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The investment properties were valued in 2020 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.

The directors with reference to the professional valuation undertaken by T W Corfield and T S Evans from Arnold Keys LLP in 2020 have determined that valuation as at 31 August 2021 to remain appropriate.

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**15. Fixed asset investments**

| <b>Group</b>             | <b>Listed<br/>investments<br/>£</b>                          | <b>Unlisted<br/>investments<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|--------------------------------------------------------------|---------------------------------------|--------------------|
| <b>Cost or valuation</b> |                                                              |                                       |                    |
| At 1 September 2020      | 8,011,991                                                    | 50                                    | 8,012,041          |
| Additions                | 1,214,114                                                    | -                                     | 1,214,114          |
| Disposals                | (976,302)                                                    | -                                     | (976,302)          |
| Revaluations             | 1,062,891                                                    | -                                     | 1,062,891          |
| At 31 August 2021        | <u>9,312,694</u>                                             | <u>50</u>                             | <u>9,312,744</u>   |
| <b>Net book value</b>    |                                                              |                                       |                    |
| At 31 August 2021        | <u>9,312,694</u>                                             | <u>50</u>                             | <u>9,312,744</u>   |
| At 31 August 2020        | <u>8,011,991</u>                                             | <u>50</u>                             | <u>8,012,041</u>   |
|                          | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> | <b>Listed<br/>investments<br/>£</b>   | <b>Total<br/>£</b> |
| <b>Company</b>           |                                                              |                                       |                    |
| <b>Cost or valuation</b> |                                                              |                                       |                    |
| At 1 September 2020      | 387,387                                                      | 8,011,991                             | 8,399,378          |
| Additions                | -                                                            | 1,214,114                             | 1,214,114          |
| Disposals                | -                                                            | (976,302)                             | (976,302)          |
| Revaluations             | -                                                            | 1,062,891                             | 1,062,891          |
| At 31 August 2021        | <u>387,387</u>                                               | <u>9,312,694</u>                      | <u>9,700,081</u>   |
| <b>Net book value</b>    |                                                              |                                       |                    |
| At 31 August 2021        | <u>387,387</u>                                               | <u>9,312,694</u>                      | <u>9,700,081</u>   |
| At 31 August 2020        | <u>387,387</u>                                               | <u>8,011,991</u>                      | <u>8,399,378</u>   |

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**THE MORLEY AGRICULTURAL FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**15. Fixed asset investments (continued)**

**Principal subsidiaries**

The following was a subsidiary undertaking of the Company:

| <b>Name</b>          | <b>Company number</b> | <b>Registered office or principal place of business</b>                               | <b>Principal activity</b> |
|----------------------|-----------------------|---------------------------------------------------------------------------------------|---------------------------|
| Morely Farms Limited | 04873909              | Morley Business Centre,<br>Deopham Road, Morley St<br>Botolph, Wymondham, NR18<br>9DF | Arable farming            |

The financial results of the subsidiary for the year were:

| <b>Name</b>          | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Profit/(Loss)<br/>/ Surplus/<br/>(Deficit) for<br/>the year<br/>£</b> | <b>Net assets<br/>£</b> |
|----------------------|---------------------|--------------------------|--------------------------------------------------------------------------|-------------------------|
| Morely Farms Limited | <b>1,035,393</b>    | <b>(905,024)</b>         | <b>130,369</b>                                                           | <b>1,142,367</b>        |

**16. Stocks**

|                | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> |
|----------------|-----------------------------|-----------------------------|
| Consumables    | <b>41,158</b>               | 35,967                      |
| Growing crops  | <b>139,240</b>              | 100,438                     |
| Goods in store | <b>141,175</b>              | 215,501                     |
|                | <b>321,573</b>              | 351,906                     |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**17. Debtors**

|                                    | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Due within one year</b>         |                             |                             |                               |                               |
| Trade debtors                      | <b>61,063</b>               | 58,891                      | <b>9,710</b>                  | 3,773                         |
| Amounts owed by group undertakings | -                           | -                           | <b>181,675</b>                | 131,346                       |
| Other debtors                      | <b>63,608</b>               | 31,283                      | <b>644</b>                    | 3,738                         |
| Prepayments and accrued income     | <b>166,143</b>              | 182,241                     | <b>20,193</b>                 | -                             |
|                                    | <b>290,814</b>              | 272,415                     | <b>212,222</b>                | 138,857                       |

**18. Creditors: Amounts falling due within one year**

|                                                             | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|-------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors                                             | <b>157,689</b>              | 137,188                     | <b>93,226</b>                 | 70,926                        |
| Amounts owed to group undertakings                          | -                           | -                           | -                             | 25,114                        |
| Other taxation and social security                          | <b>5,008</b>                | -                           | <b>5,008</b>                  | -                             |
| Obligations under finance lease and hire purchase contracts | <b>89,437</b>               | 31,879                      | -                             | -                             |
| Other creditors                                             | <b>391,826</b>              | 411,445                     | <b>391,826</b>                | 411,445                       |
| Accruals and deferred income                                | <b>24,105</b>               | 33,349                      | <b>18,605</b>                 | 25,406                        |
|                                                             | <b>668,065</b>              | 613,861                     | <b>508,665</b>                | 532,891                       |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Creditors: Amounts falling due after more than one year**

|                                                                 | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Net obligations under finance lease and hire purchase contracts | <b>115,116</b>              | <i>31,878</i>               | -                             | -                             |
| Grants payable                                                  | <b>662,060</b>              | <i>698,143</i>              | <b>662,060</b>                | <i>698,143</i>                |
|                                                                 | <b>777,176</b>              | <i>730,021</i>              | <b>662,060</b>                | <i>698,143</i>                |

**20. Financial instruments**

|                                                                        | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Financial assets</b>                                                |                             |                             |                               |                               |
| Financial assets measured at fair value through income and expenditure | <b>9,312,694</b>            | <i>8,011,991</i>            | <b>9,312,694</b>              | <i>8,011,991</i>              |

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Statement of funds**

**Statement of funds - current year**

|                              | Balance at 1<br>September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2021<br>£ |
|------------------------------|----------------------------------------|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>    |                                        |                  |                    |                          |                         |                                      |
| General Funds                | 14,652,392                             | 657,649          | (418,952)          | 605,563                  | 76,762                  | 15,573,414                           |
| Revaluation reserve          | 10,717,056                             | -                | -                  | (605,563)                | 986,129                 | 11,097,622                           |
| Funds retained in subsidiary | 3,281,742                              | 754,823          | (706,461)          | -                        | -                       | 3,330,104                            |
|                              | <u>28,651,190</u>                      | <u>1,412,472</u> | <u>(1,125,413)</u> | <u>-</u>                 | <u>1,062,891</u>        | <u>30,001,140</u>                    |

**Statement of funds - prior year**

|                              | Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2020<br>£ |
|------------------------------|----------------------------------------|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>    |                                        |                  |                    |                          |                         |                                      |
| 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>                    |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|                                     | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------|----------------------------------------------|---------------------------------------|
| Tangible fixed assets               | 845,006                                      | <b>845,006</b>                        |
| Fixed asset investments             | 9,312,744                                    | <b>9,312,744</b>                      |
| Investment property                 | 19,331,750                                   | <b>19,331,750</b>                     |
| Current assets                      | 1,956,881                                    | <b>1,956,881</b>                      |
| Creditors due within one year       | (668,065)                                    | <b>(668,065)</b>                      |
| Creditors due in more than one year | (777,176)                                    | <b>(777,176)</b>                      |
| <b>Total</b>                        | <b>30,001,140</b>                            | <b>30,001,140</b>                     |

**Analysis of net assets between funds - prior year**

|                                     | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-------------------------------------|----------------------------------------------|---------------------------------------|
| 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)                             |
| <b>Total</b>                        | <b>28,651,190</b>                            | <b>28,651,190</b>                     |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

|                                                                                | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | <b>1,349,950</b>            | <i>(479,824)</i>            |
| <b>Adjustments for:</b>                                                        |                             |                             |
| Depreciation charges                                                           | <b>102,567</b>              | <i>84,171</i>               |
| Amortisation charges                                                           | <b>-</b>                    | <i>8,993</i>                |
| (Gains)/losses on investments                                                  | <b>(1,062,891)</b>          | <i>183,223</i>              |
| Dividends, interests and rents from investments                                | <b>(110)</b>                | <i>(2,794)</i>              |
| Profit on the sale of fixed assets                                             | <b>(68,449)</b>             | <i>(36,343)</i>             |
| Decrease/(increase) in stocks                                                  | <b>30,333</b>               | <i>(7,684)</i>              |
| Decrease/(increase) in debtors                                                 | <b>(18,399)</b>             | <i>89,954</i>               |
| Decrease in creditors                                                          | <b>(39,437)</b>             | <i>(37,851)</i>             |
| Loss on revaluation of investment property                                     | <b>-</b>                    | <i>596,969</i>              |
| <b>Net cash provided by operating activities</b>                               | <b>293,564</b>              | <i>398,814</i>              |

**24. Analysis of cash and cash equivalents**

|                                        | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> |
|----------------------------------------|-----------------------------|-----------------------------|
| Cash in hand                           | <b>1,181,485</b>            | <i>1,008,622</i>            |
| Cash held by investment broker         | <b>163,009</b>              | <i>415,609</i>              |
| <b>Total cash and cash equivalents</b> | <b>1,344,494</b>            | <i>1,424,231</i>            |

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**25. Analysis of changes in net debt**

|                          | At 1<br>September<br>2020<br>£ | Cash flows<br>£  | New finance<br>leases<br>£ | At 31<br>August 2021<br>£ |
|--------------------------|--------------------------------|------------------|----------------------------|---------------------------|
| Cash at bank and in hand | 1,424,231                      | (79,737)         | -                          | 1,344,494                 |
| Finance leases           | (63,757)                       | (31,879)         | (108,917)                  | (204,553)                 |
|                          | <u>1,360,474</u>               | <u>(111,616)</u> | <u>(108,917)</u>           | <u>1,139,941</u>          |

**26. Operating lease commitments**

At 31 August 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|                                              | Group<br>2021<br>£ | Group<br>2020<br>£ | Company<br>2020<br>£ |
|----------------------------------------------|--------------------|--------------------|----------------------|
| Not later than 1 year                        | 96,115             | 98,012             | -                    |
| Later than 1 year and not later than 5 years | 122,249            | 154,772            | -                    |
|                                              | <u>218,364</u>     | <u>252,784</u>     | <u>-</u>             |

**27. Related party transactions**

During the year ended 31 August 2021, rent was charged to Morley Farms Limited (a wholly owned subsidiary) of £237,000 (2020: £239,000) and a grant was paid to the company of £25,000 (2020: £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 (2020: £1,500). During the year subscription fees and other purchases paid to Agrifood Charities Partnership were £3,250 (2020: £330).

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 £4,581 (2020: £6,904). £Nil remained payable at the year end (2020: £5,057).

During the year, no directors received any remuneration or other benefits (2020: £Nil). No expenses were reimbursed to directors during the year (2020: £Nil).

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**28. Controlling party**

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