FARMLAND RESERVE UK LIMITED

England & Wales · Charity number 274605

Details

Other names	THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS (WELFARE), THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE)
Status	Registered
Legal form	Charitable company
Company number	01332670
Registered	1978-03-14
Register	View on the Charity Commission register

Contact

Address	Manor Farm Church End Woodwalton Huntingdon Cambridgeshire PE28 5YU
Phone	01487 831843
Email	bconway@agreserves.co.uk

Activities

Objects: A. TO PROMOTE AND FURTHER THE RELIGIOUS AND OTHER CHARITABLE WORK OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS. B. TO RELIEVE MEMBERS OF THE CHURCH AND OTHER PERSONS WHO ARE IN CONDITIONS OF NEED, HARDSHIP, SICKNESS OR DISTRESS.

Activities: To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the united Kingdom or elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

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Geography

- **Area of benefit:** THE UNITED KINGDOM OR ELSEWHERE
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£57,850,000	£12,249,000	£262,090,000	30
2023-12-31	£13,662,000	£9,540,000	£201,137,000	29
2022-12-31	£117,496,000	£6,481,000	£214,927,000	19
2021-12-31	£7,446,000	£7,210,000	£104,262,000	15
2020-12-31	£6,194,000	£4,855,000	£104,459,000	17

Trustees

Name	Role	Appointed
Benjamin Michael Conway		2015-09-10

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FARMLAND RESERVE UK LIMITED

England & Wales - Charity number 274605

Accounts

Registered number: 01332670
Charity number: 274605

FARMLAND RESERVE UK LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

FARMLAND RESERVE UK LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees	B M Conway, Trustee P A Tolman D L Rose
Company Registered Number	01332670
Charity Registered Number	274605
Registered Office	Manor Farm Church End Wood Walton Huntingdon Cambridgeshire PE28 5YU
Company Secretary	B J Garlick
Independent Auditors	MHA Chartered Accountants & Statutory Auditors The Pinnacle 150 Midsummer Boulevard Milton Keynes MK9 1FD
Bankers	NatWest 92 High Street Huntingdon PE29 3DT
Solicitors	Devonshires 30 Finsbury Circus London EC2M 7DT

REPORT OF THE TRUSTEES AND DIRECTORS (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees, who are also directors for the purposes of the Companies Act of the company (The Charity - Farmland Reserve UK Limited), present their annual report together with the audited financial statements of The Charity and its subsidiary (The Charity and The Group) for the year ended 31 December 2024. The Trustees confirm that the financial statements of The Charity and The Group comply with the current provisions of FRS 102 and the Charities SORP 2019.

Objectives and Activities

- **Objectives and principal activities**

The object of The Charity is:

To promote and further the religious and other charitable work of The Church Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

The Charity will support charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, through the provision of sponsorship, grants or other financial or in-kind contributions.

The Charity holds tangible investments in farming and their associated assets to generate funds for its objectives as previously stated. Details of their performance can be found in the “Financial Review” section and “Subsidiary Undertakings” subsection under the “Structure, Governance and Management” section.

The Trustees regularly interact with representatives of The Church of Jesus Christ of Latter-day Saints, a Utah Corporation Sole ("Church Corporation") (formerly known as The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints “CPB”) to discuss making significant donations to support Church Corporation’s international humanitarian and building projects for religious purpose buildings and other projects which both Church Corporation and the Church had approved around the world. It was decided that this would facilitate the Charity's objectives along with some individual donations to various charitable organisations within the UK and elsewhere.

The Trustees investigated the way in which these projects were identified and approved by internal Church committees, the type of projects and their religious, humanitarian and charitable purposes. Further, they were happy with the infrastructure and controls that Church Corporation had in place to ensure proper implementation of these projects.

• Achievements and Performance

Strategic Land Acquisitions in South Lincolnshire

Overview
In line with the Trustees’ strategic objective to expand and enhance the quality of the agricultural portfolio, two significant land acquisitions were completed in 2024. The **Gosberton Estate** and the **Donington Estate**, located in South Lincolnshire, were acquired in two separate transactions during the latter part of the year.

Details of the Acquisitions
The acquisitions add a combined total of **3,500 acres** of high-quality arable land to the existing portfolio. The land comprises predominantly **Grade 1 and Grade 2 soils**, which are among the most fertile and productive in the UK. These soils are capable of supporting intensive commercial agriculture, including high-yield cereal and vegetable cropping systems.

In particular, Grade 1 land facilitates the cultivation of **cash crops such as potatoes** and, in some instances, supports **double cropping** of vegetable rotations - enhancing both productivity and profitability. This strategic focus on premium agricultural land reflects the Trustees’ ongoing commitment to delivering strong financial and operational performance.

Regional Significance
South Lincolnshire is widely recognised as a hub for the UK fresh produce sector, characterised by its concentration of vertically integrated agribusinesses. These businesses are embedded within various stages of the food supply chain and serve major retailers and other high-volume markets. The region's agricultural capacity and infrastructure make it a highly attractive area for investment. These acquisitions also offer **geographic synergy** with The Charity's existing operations at **Coldham**, providing opportunities for operational integration and scale efficiencies.

Endorsement from Land Agent
The strategic value of the Gosberton Estate was underscored in the acquisition particulars, with the land agent, **Hub Rural**, stating:

"South Lincolnshire, in which the Gosberton Estate is located, is acknowledged as the centre of the UK fresh produce industry. The area is renowned for intensive food production carried out by typically large, complex and vertically integrated agribusinesses, all of which are embedded in various phases of the food supply chain, typically serving multiple retailers and other customers. The land that characterises the area underpins the ability for these businesses to operate within the supply chain and is a highly sought-after asset as a result. Rarely does an opportunity occur to buy such a large area of some of the most consistent and highest quality soils in the UK."

Forward Outlook
The Trustees are also pleased to report that a **further acquisition of 5,000 acres at the Sutton Bridge Estate** — also in South Lincolnshire — with completion in 2025. This transaction represents a continued investment in strategically located, high-quality farmland and reinforces The Charity's long-term commitment to sustainable land-based income generation and capital appreciation.

Donations and Charitable Activity
Although no donations were made during the year ended 31 December 2024, the Trustees remain committed to supporting charitable activities in line with the Charity's objectives. The Trustees continue to engage actively with **Church Corporation** to identify suitable projects to which the Charity may contribute.

A Donation for 2025 is currently under review; £0.5M has been set aside to support several projects.

• Public Benefit

The Trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties.

Financial Review

• Financial results

Each year, The Trustees carry out a detailed review of The Charity. They review the previous year's achievements, and review and approve the budgets for next year.

The end of the year saw a significant increase in Income during 2024 due to two donations from the "Church Corporation" to fund the acquisition of two farming estates. The Gosberton and Donington Estates were purchased in the last quarter of the year adding a further 3,500 acres of land to The Charity ownership.

Total Income improved during the year, increasing from £13,662k in 2023 to £57,850k in 2024. The £57,850k Total Income in 2024 includes the donation from "Church Corporation" totalling £42,550k.

Income from its trading subsidiary increased to £14,230k (2023: £12,049k) and investment income decreased to £138k (2023: £163k).

Total Income excluding donations increased during the year from £13,662k in 2023 to £15,300k in 2024.

Costs, excluding tax, increased during the year from £9,540k in 2023 to £12,249k in 2024. A donation to “Church Corporation” was made during 2023 totalling £900k. No donations were made to “Church Corporation” in 2024 due to the investment activities occurring at the end of the year.

The total Net movement in funds increased in the year by £43,698k. This is in contrast to 2023 where we increased by £3,464k. (Increases in 2024, excluding the donation total £1,148k).

Results of The Group were impacted by reduced yields due to adverse weather across the 2024 cropping season. Record rainfall fell across the UK, leading to crop failure in areas of the farm. Efforts were undertaken to redrill the areas worst effect with spring crops planted to replace the failed winter crops. A wet spring also delayed spring planting by 4 weeks. Conditions improved moving into the summer months, but yield performance was lower than average levels. The financial impact of this was 1) a higher production cost per tonne of sold crop and 2) additional stock valuation adjustments at the end of the year, as production costs outweighed the market value of the product on hand.

The wet summer period came with many challenges, leading to a stop-start harvest and additional handling / drying costs. The adverse weather continued into the later months of the year impacting winter plantings and crop establishment, with some crop failure where the weather impacted the hardest.

BPS delink payments continued to fall, with only £360k received in 2024, £490k less than was received during 2023. During the Autumn Budget 2024 an announcement was made to hasten the reduction of the BPS scheme, meaning no further BPS payments are expected in 2025.

Market prices for Cereals were still well above long term average prices during 2024 due to a number of global factors; a continuation of severe disruptions in the agricultural supply chain caused by the Covid-19 pandemic, Brexit and the impact of the war between Russia and the Ukraine threatening the supply of energy, fertiliser and the export of wheat to the world market.

• Investment policy and performance

Under the Articles of Association, the Charity has the authority to invest in any manner deemed to be in its best interests by the Trustees.

Despite receiving a significant donation in 2024, The Charity's cash reserves declined during the year. This reduction reflects The Charity’s continued strategic investment in agricultural assets and efforts to mitigate long-term operational risks.

The recent phasing out of the UK Basic Payment Subsidy Scheme has materially increased the financial risks associated with farming operations. As a result, The Charity’s future financial performance has been significantly impacted. In response, The Charity will continue to pursue opportunities to acquire additional farmland to improve operational efficiency and support expansion into higher-margin crop production. Alongside this, investment in residential property remains a key strategy to diversify income streams and reduce exposure to the inherent risks of agricultural activities.

In line with this strategy, The Charity completed two major farmland acquisitions during 2024:

In September 2024, 1,000 acres of Grade 1 land were acquired at the Gosberton Estate in South Lincolnshire.

In December 2024, a further 2,500 acres were acquired with the completion of the Donington Estate.

These acquisitions support the Charity’s long-term strategy of concentrating land holdings in South Lincolnshire, with further acquisitions planned into 2025. The Trustees are confident that these large, contiguous land blocks will drive future profitability, enhance operational efficiencies, and enable expansion into potato production.

The Trustees no longer consider the Charity's liquidity position to be high relative to the tangible assets held. However, they continue to manage liquidity prudently. At the year-end, the Charity had invested £5.9 million (2023: £7.3 million) of surplus funds in a high-security rated Instant Access Interest Bearing account, earning an average gross interest rate of 1.90% (2023: 1.90%).

Investment income is recognised on a receivable basis.

• Reserves policy

The Trustees have established the level of reserves (that is those funds that are freely available) to which The Charity and its subsidiary companies ought to have ready access. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and leasing of farmland.

The Trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months of operating budget in reserves.

The actual reserves reported at 31 December 2024 were £262,090 (2023: £218,392k) which is significantly above the Trustees' target due to retaining a portion for possible future agricultural acquisitions as part of its ongoing consolidation efforts.

It should be noted that of the £262,090 only £9,628k is freely available due to the rest of the reserves figure being held in farming related assets to generate investment income to make current and future donations. The current level of cash reserves held exceeds the 12 months expenditure policy stated, this is due to awaiting to reinvest cash generated from farm sales for redeployment on land assets within the designated area for consolidation, as described in the investment policy section.

In addition, the Trustees wish to observe that during 2024 plans have been made to make a significant charitable donation to causes that meet The Charity's objectives.

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

Structure, governance and management

• Governing document

The Charity continues to be both a limited company and a registered charity. In conjunction with this, The Charity is governed by its Memorandum and Articles of Association which were last amended on 22 November 2011.

The purpose of The Charity as set out in the government document is laid out in the Objectives and Activities section of this report, with the main activities undertaken in relation to those purposes.

• Appointment of Trustees

As set out in the Articles of Association, new or additional trustees are to be appointed by the shareholder (Farmland Reserve, Inc.) or by decision of the Trustees, providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

• Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of The Charity.

During the orientation day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Claims.

• Organisation

The sole shareholder of The Charity is Farmland Reserve, Inc. a Utah non-profit corporation based in Utah, USA.

Direction is channelled to The Charity via the shareholder and is reflected in the various department budgets/plans which are reviewed and approved by the Trustees annually.

Within this framework, the board of trustees administers the affairs of The Charity. The Trustees monitor progress and achievements throughout the year, and other trustee meetings are held as necessary. The trustees direct the Charity and the operation of the Charity on a day to day basis is delegated to the Senior Management Team. The pay of the Senior Management Team is reviewed annually by Trustees and is benchmarked against the pay of others in similar charitable roles.

• Related parties

The Charity holds 100% of the share capital of its subsidiary company, AgReserves Limited.

• Subsidiary undertakings

AgReserves Limited's principal activity continued to be that of arable farming and it operates a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology.

AgReserves Limited leases all of the farmland owned by Farmland Reserve UK Limited and then farms that land. The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around major farm centres in Cambridgeshire and Yorkshire.

This process of consolidation began in 2008 and has continued through to 2024.

The result for the year of the subsidiary AgReserves Limited included in the statement of financial activities was a loss of £790k (2023 Profit £2,066k). Profit before tax was £1,113k (2023: £2,724k).

• Risk management

The Trustees have assessed the major risks to which The Charity and the group are exposed, in particular those related to the operations and finances of The Charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The risk management strategy of the Trustees includes an annual review of the principal risks, The Trustees regularly review the procedures in place to mitigate risk.

• Employees

The Charity ensures that its employees are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

•Applications for new positions in The Charity are invited from anyone with the relevant qualifications - the key emphasis is on their ability to meet the requirements of the position although the application form requests the applicant mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.

•The Charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity and The Group.

•In addition to the above points, The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long-term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

• Key Management Personnel

The Charity does not have any employees, all employees of The Group are employed by the subsidiary of The Charity, AgReserves Ltd. During 2024, no Trustees of The Charity received any remuneration, benefits in kind or reimbursement of expenses from The Charity, nor incurred any expenses.

Of the three Trustees only one is a member of the Key Management Personnel of The Group and is employed by the subsidiary, AgReserves Ltd.

Key Management are paid within the banded salary structure of the subsidiary. Regular benchmarking and independent market reviews are conducted to ensure that pay remains reflective of fair market value and competitive enough to encourage retention of key staff. Benchmarking exercises occur on an annual basis, with an independent market review occurring every 5 to 10 years. During this process, a review is conducted not just for Key Management but all working staff of The Subsidiary.

Reference and administrative details

• Registered name and number

The registered name of The Charity is Farmland Reserve UK Limited. The Charity does not use any other names.

The charity registration number is 274605. The Charity is registered with the Charity Commission in England and Wales. The company registration number is 01332670.

• Office

The principal and registered office address is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

• Directors and trustees

The trustees who served during the year and subsequent to the year end and up to the date of signing the report were as follows:

D L Rose
B M Conway
P A Tolman

None of the trustees have qualifying third party indemnity insurance.

Funds held as custodian trustee on behalf of others

The Charity does not hold funds as custodian trustee on behalf of others.

Strategic Report

Principal risks and uncertainties

Financial risk and management

The main risk The Charity faces is that it relies on income from the leasing of all the farmland it owns to its subsidiary undertaking. The Charity has sufficient reserves to meet the needs of its charitable activities for the foreseeable future and has assurances of continuing support from the parent company.

Other forms of risks and the management of these risks are:

Price risk

Salary costs are communicated to staff of The Group during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.

As part of the nature of agriculture the company is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the company to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Credit risk

Credit risk on amounts owed to The Charity by its customers is low as the main debtor is AgReserves Limited which is a wholly owned subsidiary. During the acquisition of the tenanted estates Gosberton and Donington estates in 2024, credit risk has widened due to the sizeable nature of these parcels. Credit risks on amounts owed to the group are actively monitored.

The Group continues to make every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Liquidity risk

The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company, should this be needed.

Interest rate cash flow risk

The Charity is able to place surplus funds on short term deposit with the Charity's bankers. With the present banking interest rates being so low there is a risk that the Charity does not make the best use of surplus cash and therefore every effort is being made to review all options that would bring the highest rates possible.

Currency rate risk

As a result of Brexit, the 2024 BPS Subsidy received from the Rural Payments Agency was paid to the subsidiary in Pounds Sterling. It is therefore highly unlikely that there will be a need to enter into any future forward dealing facilities, this almost entirely eliminates any currency rate risk.

Key performance indicators (KPIs)

To measure the effectiveness of The Charity's strategy and its implementation The Trustees have identified the following KPIs:

	2024	2023	2022	2021	2020
Profitability of Farming Operations	£1.2M	£4.5M	£2.9M	£2.4M	£1.7M
Donations Received	£42.5M	£0.0M	£108.4M	£0.0M	£0.0M
Resources expended on charitable activities	(£0.9M)	(£0.9M)	(£0.7M)	(£2.6M)	(£0.5M)
Unrestricted Funds	£262.1M	£218.4M	£214.9M	£104.3M	£104.5M
Unrestricted Funds readily available	£9.6M	£10.8M	£17.1M	£25.3M	£26.5M

Plans for future periods

The goals for 2025 include plans to:

1. Continue to enhance the profitability and efficiency of the farms through well-reasoned acquisitions to achieve, over time, a concentration of land holdings around major farm locations. Any future acquisitions will be funded from retained reserves or if necessary, donations. Along with well-reasoned acquisitions, a regular operational review of currently held farms occurs. New technology and science are continually reviewed and vetted to see if it warrants integration with daily operations.

2. To carefully monitor the balance of unrestricted funds while striving to achieve the concentration efforts identified in goal one, so that funds can be put to the use of The Charity's objectives as swiftly as possible.

3. Identify other charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, to support through the provision of sponsorship, grants or other financial or in-kind contributions.

Trustees' responsibilities statement

The trustees (who are also directors of Farmland Reserve UK Limited for the purposes of company law) are responsible for preparing the report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

- The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors
The auditor, MHA, has indicated its willingness to continue in office. MHA, previously traded through the legal entity McIntyre Hudson LLP. In response to regulatory changes, McIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the strategic report, was approved by the Trustees, in their capacity as company directors and signed on their behalf by:

.....
B M Conway
Trustee

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED

Opinion

We have audited the Financial Statements of Farmland Reserve UK Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity 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 December 2024 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.

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 Auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's 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 Directors' Report included within 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Auditor's 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 Auditor's 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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor's 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.

Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor
Milton Keynes, United Kingdom

Date:

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:				
Donations	3	**42,550**	**42,550**	-
Other trading activities: Income from trading subsidiaries	4	**14,230**	**14,230**	12,049
Investments	5	**138**	**138**	163
Other income	6	**932**	**932**	1,450
Total income		**57,850**	**57,850**	13,662
Expenditure on:				
Raising funds:	7			
Trading activities		**11,084**	**11,084**	7,782
Other		**1,165**	**1,165**	858
Charitable donation		**-**	**-**	900
Total expenditure		**12,249**	**12,249**	9,540
Net income before taxation		**45,601**	**45,601**	4,122
Taxation	12	**(1,903)**	**(1,903)**	(658)
Net movement in funds		**43,698**	**43,698**	3,464
Reconciliation of funds:				
Total funds brought forward		**218,392**	**218,392**	214,928
Net movement in funds		**43,698**	**43,698**	3,464
Total funds carried forward	19	**262,090**	**262,090**	218,392

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 45 form part of these financial statements.

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £000		2023 £000
Fixed assets					
Tangible assets	13		**241,110**		188,784
			241,110		188,784
Current assets					
Stocks	15	**13,419**		13,609	
Debtors	16	**2,979**		8,705	
Cash at bank and in hand	23	**9,628**		10,797	
		26,026		33,111	
Creditors: amounts falling due within one year	17	**(1,739)**		(2,099)	
Net current assets			**24,287**		31,012
Total assets less current liabilities			**265,397**		219,796
Deferred tax	18		**(3,307)**		(1,404)
Total net assets			**262,090**		218,392
Charity funds					
Unrestricted funds					
Share Capital		**10,000**		10,000	
Unrestricted funds	19	**252,090**		208,392	
Total unrestricted funds	19		**262,090**		218,392
Total funds			**262,090**		218,392

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

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

.....
B M Conway
Trustee

Date:

The notes on pages 21 to 45 form part of these financial statements.

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £000		2023 £000
Fixed assets					
Tangible assets	13		**229,409**		183,978
Investments	14		**9,450**		9,450
			238,859		193,428
Current assets					
Debtors	16	**5,291**		4,904	
Cash at bank and in hand	23	**2,217**		3,229	
		7,508		8,133	
Creditors: amounts falling due within one year	17	**(741)**		(423)	
Net current assets			**6,767**		7,710
Total assets less current liabilities			**245,626**		201,138
Total net assets			**245,626**		201,138
Charity funds					
Unrestricted funds					
Share capital	19	**10,000**		10,000	
Unrestricted income funds	19	**235,626**		191,138	
Total unrestricted funds	19		**245,626**		201,138
Total funds			**245,626**		201,138

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

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

.....
B M Conway
Trustee

Date:

The notes on pages 21 to 45 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash used in operating activities	22	**53,683**	(646)
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**932**	2,348
Purchase of intangible assets		**-**	(14)
Purchase of tangible fixed assets	13	**(55,922)**	(8,131)
Interest received	5	**138**	163
Net cash used in investing activities		**(54,852)**	**(5,634)**
Change in cash and cash equivalents in the year		**(1,169)**	**(6,280)**
Cash and cash equivalents at the beginning of the year		**10,797**	17,077
Cash and cash equivalents at the end of the year	23	**9,628**	10,797

The notes on pages 21 to 45 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Company information

Farmland Reserve UK Limited is a charitable company limited by shares, incorporated in England and Wales in the United Kingdom, and the address of its registered office is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

2. Accounting policies

2.1 Basis of preparation of Financial Statements

Farmland Reserve UK Limited is an incorporated Charity registered with the Charity Commission for England and Wales registration number 274605. The Company is registered in the UK, registration number 01332670.

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

Farmland Reserve UK Limited 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 Charity 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 Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest £1,000.

The following principal accounting policies have been applied.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The budgeted income and expenditure is sufficient with the level of reserves for the Group to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 Income

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

Donations are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Income from subsidiaries represents revenue recognised in respect of goods and services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Charity and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from crop sales is recognised upon receipt of the goods by the customers. Whilst goods are in transit, the risk and reward of ownership remain with the Charity.

Single farm payments are receivable on an annual basis. The annual payment is recognised in the year that the application applies to. Due to the regular variation in when the payment occurs, this is recognised either by accrual or upon receipt of payment.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds: trading activities comprise the expenses of the trading subsidiary in undertaking its income generating activities.

Other expenditure represents the expenses of parent company in renting the tangible fixed assets. These expenses are not considered to be directly attributable to either costs of raising funds or charitable expenditure to further the Charity's aims.

Where costs cannot be reliably attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the Charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of the Charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability. An analysis of these costs is disclosed in note 8.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include finance, professional and governance costs which support the Charity's activities. As there is only one activity in the Charity, the support costs have been allocated there in full.

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 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.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax is payable on profits in the subsidiary company.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Land improvements	- over 10 to 40 years
Assets under construction	- not depreciated until brought into use
Plant and machinery	- over 3 to 10 years
Equipment fixtures and fittings	- over 5 to 10 years
Farm houses and farm buildings	- over 25 to 40 years

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 Investments

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

2.9 Stocks

Agriculture produce is held under cost model, being stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on an allocation of costs.

Cultivations cost is determined on an overhead allocation basis. Cultivations are in the early stages of growth at the year end and therefore their market value cannot be determined.

Crop in store are valued at the lower of cost and net realisable value, with reference to market value and contracted future sales.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in profit and loss.

2.10 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.

2.11 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.

2.12 Liabilities

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 Charity 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.

2. Accounting policies (continued)

2.13 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.14 Financial instruments

The Group also enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.16 Operating leases - lessor

Rental income is recognised on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected inflation, in which case the annual rental income equals the amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the income recognised over the lease term on a straight line basis.

2.17 Pensions

The Group is part of a defined benefit pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plan. The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made in the year or accrued at the year end, on a defined contribution basis, as requested by FRS 102 as the Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

The Group is not liable to the plan for other entities obligations under the terms and conditions of the multi employer pension plan.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Accounting policies (continued)

2.19 Critical accounting estimates and areas of judgment

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of The Group's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of the customer.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on an overhead allocation basis. Net realisable value is determined by management with reference to market value, consideration of contracted future sales. Certain factors could affect the net realisable value of The Group's stocks, including customer demand and market conditions.

Tangible and intangible assets

Depreciation and amortisation are provided on fixed assets based on the estimated useful economic life of those assets. This is based on management's knowledge of the business, assets and prior experience.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Income from donations

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Donations	42,550	**42,550**	-

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Trading subsidiary	14,230	**14,230**	12,049

In 2023, income from the trading subsidiary was unrestricted income.

5. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Interest receivable from interest bearing accounts	138	**138**	163

6. Other incoming resources

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Other incoming resources	792	**792**	656
Profit on disposal of tangible fixed assets	140	**140**	794
	932	**932**	1,450

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £000	Total 2024 £000	Total 2023 £000
Operating costs of parent company	1,165	**1,165**	858
Trading of subsidiary	11,084	**11,084**	7,782
Charitable donation	-	**-**	900
	12,249	**12,249**	9,540

Summary by expenditure type

	Staff costs 2024 £000	Depreciation 2024 £000	Other costs 2024 £000	Total 2024 £000	Total 2023 £000
Operating costs of parent company	-	901	264	**1,165**	858
Trading of subsidiary	2,135	1,879	7,070	**11,084**	7,782
Charitable donation	-	-	-	**-**	900
Total 2024	2,135	2,780	7,334	**12,249**	9,540
Total 2023	1,787	1,704	6,049	9,540	

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £000	Support costs 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Operating costs of parent company	1,151	14	**1,165**	858
Trading of subsidiary	11,056	28	**11,084**	7,782
Charitable donation	-	-	**-**	900
Total 2024	12,207	42	**12,249**	9,540
Total 2023	9,412	128	9,540	

Analysis of direct costs

	Operating costs of parent 2024 £000	Trading of subsidiary 2024 £000	Charitable donation 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Staff costs	-	2,135	-	**2,135**	1,787
Depreciation	901	1,879	-	**2,780**	1,704
Charitable donation	-	-	-	**-**	900
Trading activities	250	7,042	-	**7,292**	5,021
Total 2024	1,151	11,056	-	**12,207**	9,412
Total 2023	714	7,798	900	9,412	

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operating costs of parent 2024 £000	Trading of subsidiary 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Audit of Subsidiary	-	28	**28**	25
Legal	10	-	**10**	30
Audit of Parent	17	-	**17**	15
Settlement Expenses	(13)	-	**(13)**	58
Total 2024	14	28	**42**	128
Total 2023	103	25	128	

During the year ended 31 December 2024, the company incurred the following Governance costs:

The Charity only auditor remuneration - £17k (2023: £15k)
Subsidiary company auditor remuneration - £28k (2023: £25k)
Taxation services - £6k (2023: £3k)

9. Net income

This is stated after charging/(crediting):

	2024 £000	2023 £000
Depreciation of tangible fixed assets owned by the charitable Group	**2,780**	1,748
Amortisation of intangible assets	**-**	217
Auditor's remuneration - audit	**36**	32
Auditor's remuneration - other financial services	**15**	11
Operating lease rentals	**-**	-
Profit on disposal of fixed assets	**(140)**	(794)
Pension cost	**319**	298

10. Staff costs

	Group 2024 £000	Group 2023 £000
Wages and salaries	**1,632**	1,346
Social security costs	**184**	143
Other pension costs	**319**	298
	2,135	1,787

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

	Group 2024 No.	Group 2023 No.
Production and administration	**30**	29

The average headcount expressed as full-time equivalents was:

	Group 2024 No.	Group 2023 No.
Production and administration	**30**	29

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	**7**	-
In the band £70,001 - £80,000	**1**	-
In the band £90,001 - £100,000	**-**	1
In the band £100,001 - £110,000	**1**	1
In the band £120,001 - £130,000	**1**	-
In the band £130,001 - £140,000	**-**	1
In the band £160,001 - £170,000	**1**	-

11. Trustees' remuneration and expenses

One trustee who is also a director of the subsidiary company, received remuneration from the subsidiary company in relation to services provided as the general manager of the subsidiary company. No other Trustees received remuneration or pension contributions. The remuneration paid is outlined below:

		2024	2023
		£000	£000
B M Conway	Remuneration	**168**	135
	Company pension contributions to defined contribution pension schemes	**48**	39

Payment is made to the Trustee as agreed with the Charity Commission.

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023: £NIL).

Other related party transactions involving the Trustees are set out in note 30.

12. Taxation

	2024 £000	2023 £000
Corporation tax		
Tax charge	**-**	177
Total current tax	**-**	177
Deferred tax		
Origination and reversal of timing differences	**1,903**	481
Total deferred tax	**1,903**	481
Taxation on net income	**1,903**	658

The tax assessed for the year is higher than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 25%). The differences are explained below:

	2024 £000	2023 £000
Surplus on ordinary activities before tax - AgReserves Limited	**1,113**	2,724
Effects of:		
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2023: 25%)	**278**	681
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**233**	46
Capital allowances for year in excess of depreciation	**(1,921)**	(245)
Utilisation of tax losses	**-**	(137)
Adjustments to tax charge in respect of prior periods	**-**	(29)
Origination and reversal of timing differences	**1,903**	481
Other differences leading to an increase/(decrease) in the tax charge	**1,410**	(139)
Total tax charge for the year	**1,903**	658

There were no factors that may affect future tax charges.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Tangible fixed assets

Group

	Freehold land £000	Farm houses & Farm buildings £000	Plant and machinery £000	Land improv. Equipment and fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost						
At 1 January 2024	**156,471**	**29,801**	**8,129**	**1,369**	**2,532**	**198,302**
Additions	**-**	**-**	**9,562**	**-**	**46,360**	**55,922**
Disposals	**-**	**-**	**(1,453)**	**-**	**(25)**	**(1,478)**
Transfers between classes	**40,051**	**4,809**	**-**	**285**	**(45,145)**	**-**
At 31 December 2024	**196,522**	**34,610**	**16,238**	**1,654**	**3,722**	**252,746**
Depreciation						
At 1 January 2024	**-**	**5,824**	**3,343**	**351**	**-**	**9,518**
Charge for the year	**-**	**850**	**1,874**	**55**	**-**	**2,779**
On disposals	**-**	**-**	**(661)**	**-**	**-**	**(661)**
At 31 December 2024	**-**	**6,674**	**4,556**	**406**	**-**	**11,636**
Net book value						
At 31 December 2024	**196,522**	**27,936**	**11,682**	**1,248**	**3,722**	**241,110**
At 31 December 2023	156,471	23,977	4,786	1,018	2,532	188,784

13. Tangible fixed assets (continued)

Charity

	Freehold land £000	Farm houses & Farm buildings £000	Land improv. Equipment and fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost					
At 1 January 2024	**156,472**	**30,993**	**91**	**2,532**	**190,088**
Additions	**-**	**-**	**-**	**46,360**	**46,360**
Disposals	**-**	**-**	**-**	**(25)**	**(25)**
Transfers between classes	**40,051**	**3,531**	**1,563**	**(45,145)**	**-**
At 31 December 2024	**196,523**	**34,524**	**1,654**	**3,722**	**236,423**
Depreciation					
At 1 January 2024	**-**	**6,055**	**55**	**-**	**6,110**
Charge for the year	**-**	**553**	**351**	**-**	**904**
At 31 December 2024	**-**	**6,608**	**406**	**-**	**7,014**
Net book value					
At 31 December 2024	**196,523**	**27,916**	**1,248**	**3,722**	**229,409**
At 31 December 2023	156,472	24,938	36	2,532	183,978

14. Fixed asset investments

Charity	Investments in subsidiary companies £000
Cost	
At 1 January 2024	**9,450**
At 31 December 2024	**9,450**
Net book value	
At 31 December 2024	**9,450**
At 31 December 2023	9,450

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding
AgReserves Limited	02947030	Ordinary	100%

The financial results of the subsidiary for the period were:

Name	Income £000	Expenditure £000	Loss for the year £000	Net assets £000
AgReserves Limited	**14,451**	**15,241**	**790**	**25,914**

15. Stocks

	Group 2024 £000	Group 2023 £000
Cultivations	**5,752**	5,506
Crops	**7,667**	8,103
	13,419	13,609

An impairment write-back of £818,378 (2023: £578,964) was recognised against stock during the year.

16. Debtors

	Group 2024 £000	Group 2023 £000	**Charity 2024 £000**	Charity 2023 £000
Trade debtors	**1,990**	7,719	**168**	50
Amounts owed by Group undertakings	**-**	-	**4,595**	4,591
Other debtors	**388**	261	**159**	114
Prepayments and accrued income	**601**	725	**369**	149
	2,979	8,705	**5,291**	4,904

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Creditors: Amounts falling due within one year

	Group 2024 £000	Group 2023 £000	**Charity 2024 £000**	Charity 2023 £000
Trade creditors	**978**	296	**194**	57
Amounts owed to Group undertakings	**-**	-	**266**	239
Other taxation and social security	**131**	1,097	**-**	5
Other creditors	**51**	178	**-**	-
Accruals and deferred income	**579**	528	**281**	122
	1,739	2,099	**741**	423

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Deferred taxation

Group and Charity

	2024 £000	2023 £000
At the beginning of the period	**1,404**	923
Charge for the year (SOFA)	**1,903**	481
	3,307	1,404

The deferred tax liability is made up as follows:

	Group 2024 £000	Group 2023 £000
Accelerated capital allowances	**2,923**	1,200
Short term timing differences	**384**	204
	3,307	1,404

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2024 £000
Unrestricted funds					
Share capital	**10,000**	**-**	**-**	**-**	**10,000**
Reserves	**208,392**	**57,850**	**(12,249)**	**(1,903)**	**252,090**
	218,392	**57,850**	**(12,249)**	**(1,903)**	**262,090**

Unrestricted funds

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

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

The net income for the year dealt with in the accounts of the parent charitable company was £44.5m (2023: £1.4m).

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2023 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2023 £000
Unrestricted funds					
Share capital	10,000	-	-	-	10,000
Reserves	204,927	13,663	(9,540)	(658)	208,392
	214,927	13,663	(9,540)	(658)	218,392

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2024 £000	**Income £000**	**Expenditure £000**	**Taxation £000**	**Balance at 31 December 2024 £000**
General funds	**218,392**	**57,850**	**(12,249)**	**(1,903)**	**262,090**

Summary of funds - prior year

	Balance at 1 January 2023 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2023 £000
General funds	214,927	13,663	(9,540)	(658)	218,392

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	241,110	**241,110**
Current assets	26,026	**26,026**
Creditors due within one year	(1,739)	**(1,739)**
Deferred tax	(3,307)	**(3,307)**
Total 2023	262,090	**262,090**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	188,784	188,784
Current assets	33,111	33,111
Creditors due within one year	(2,099)	(2,099)
Deferred tax	(1,404)	(1,404)
Total 2022	218,392	218,392

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

	Group 2024 £000	Group 2023 £000
Net income for the period (as per Statement of Financial Activities)	**43,698**	3,464
Adjustments for:		
Depreciation charges (Note 13)	**2,779**	1,748
Amortisation of intangible assets	**-**	217
Decrease/(Increase) in stocks (Note 15)	**190**	(3,465)
Decrease in debtors (Note 16)	**5,726**	16,143
Decrease in creditors (Note 17)	**(265)**	(18,307)
Interest received (Note 5)	**(138)**	(163)
Profit on disposal of fixed assets (Note 9)	**(140)**	(794)
Taxation (Note 12)	**1,903**	658
Income taxes paid	**(70)**	(147)
Net cash provided by/(used in) operating activities	**53,683**	(646)

23. Analysis of cash and cash equivalents

	Group 2024 £000	Group 2023 £000
Cash in hand	**9,628**	10,797
Total cash and cash equivalents	**9,628**	10,797

24. Analysis of changes in net debt

	At 1 January 2024 £000	Cash flows £000	At 31 December 2024 £000
Cash at bank and in hand	**10,797**	**(1,169)**	**9,628**

25. Share capital

Allotted, called up and fully paid 10,000,000 Ordinary shares of £1 each.

26. Pension commitments

The Group participates in a pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The group has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

Contributions to the two schemes for the year were £319k (2023: £298k).

27. Financial risk management

The risks arising from financial instruments to which the entity is exposed at the year end are as follows:

Credit risk

In view of the recent economic downturn the Charity is making every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Price risk

As part of the nature of agriculture the Charity is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the Charity to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Market risk

The year end valuation, and resulting gain or loss in the Statement of Financial Activities, of financial instruments measured at fair value through income and expenditure, is subject to changes in the market value of the listed investments in which shares are held.

28. Unrestricted income funds - Charity

This reserve represents cumulative net income on unrestricted income streams. Please refer to note 20 for further details.

29. Turnover

All turnover arose within the United Kingdom.

30. Related party transactions

The Charity has taken advantage of disclosure exemptions available within FRS 102 section 33 and not included details of any transactions with wholly owned Group companies that are included in these consolidated accounts.

31. Post balance sheet events

After the balance sheet date, the Group has entered into a contract to acquire assets for consideration of £50.9m.

32. Controlling party

The immediate and ultimate parent company of the Group is Farmland Reserve Inc, a not for profit company incorporated in the United States of America. This is the largest and smallest Group of undertakings for which Group accounts are drawn up. The Charity is directed by Farmland Reserve Inc, through budgets and plans reviewed by the Charity Trustees.

FARMLAND RESERVE UK LIMITED

England & Wales - Charity number 274605

Accounts

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

Registered number: 01332670
Charity number: 274605

FARMLAND RESERVE UK LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

FARMLAND RESERVE UK LIMITED

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FARMLAND RESERVE UK LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	B M Conway, Trustee P A Tolman D L Rose
Company Registered Number	01332670
Charity Registered Number	274605
Registered Office	Manor Farm Church End Wood Walton Huntingdon Cambridgeshire PE28 5YU
Company Secretary	B J Garlic
Independent Auditors	MHA Chartered Accountants & Statutory Auditors 1 The Forum Minerva Business Park Lynch Wood Peterborough PE2 6FT
Bankers	NatWest 92 High Street Huntingdon PE29 3DT
Solicitors	Devonshires 30 Finsbury Circus London EC2M 7DT

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REPORT OF THE TRUSTEES AND DIRECTORS (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees, who are also directors for the purposes of the Companies Act of the company (The Charity - Farmland Reserve UK Limited), present their annual report together with the audited financial statements of The Charity and its subsidiary (The Charity and The Group) for the year ended 31 December 2023. The Trustees confirm that the financial statements of The Charity and The Group comply with the current provisions of FRS 102 and the Charities SORP 2019.

Objectives and Activities

- **Objectives and principal activities**

The object of The Charity is:

To promote and further the religious and other charitable work of The Church Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

The Charity will support charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, through the provision of sponsorship, grants or other financial or in-kind contributions.

The Charity holds tangible investments in farming and their associated assets to generate funds for its objectives as previously stated. Details of their performance can be found in the "Financial Review" section and "Subsidiary Undertakings" subsection under the "Structure, Governance and Management" section.

The Trustees regularly interact with representatives of The Church of Jesus Christ of Latter-day Saints, a Utah Corporation Sole ("Church Corporation") (formerly known as The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints "CPB") to discuss making significant donations to support Church Corporation's international humanitarian and building projects for religious purpose buildings and other projects which both Church Corporation and the Church had approved around the world. It was decided that this would facilitate the Charity's objectives along with some individual donations to various charitable organisations within the UK and elsewhere.

The Trustees investigated the way in which these projects were identified and approved by internal Church committees, the type of projects and their religious, humanitarian and charitable purposes. Further, they were happy with the infrastructure and controls that Church Corporation had in place to ensure proper implementation of these projects.

- **Achievements and Performance**

During 2023 the Trustees finalised plans to make another donation to Church Corporation. On 13th November 2023, a donation of £900,000 ($1,223,859) was transferred from The Charity, to sister charity, Church Corporation.

Church Corporation identified a number of specific projects for implementation internationally in pursuit of its purposes to the success of which The Charity has now had the opportunity to contribute £900,000 to these causes.

The following projects were identified by Church Corporation to utilise the donation.

Humanitarian Projects

Ukraine	Association of Neonatologists of Ukraine	Ukraine urgently needs oxygen support systems, patient monitors, and incubators. This equipment will be distributed to clinics in Lviv, Zhytomyr and Chernihiv.	$500,000
Turkey	Convoy of hope	Turkey needs relief supplies in several locations impacted by a February 2023 earthquake. Supplies will include food, hygiene, heating fuel, winter coats, shelter, among other items.	$300,000
Cabo Verde	Ministerio de Saude de Cabo Verde	Resources will be provided in Cabo Verde for neo-natal care in the following ways; • Equipment to help infants survive and mothers stay alive, • Training for hospital personnel on Helping Babies Brease and Helping Mothers Survive, and • Accommodation for fathers, companions, and family members to support mothers in Labor and Delivery in Praia plus isolating babies in Santo Antao. The local hospitals will install and maintain the equipment. The project anticipates 18,000 direct beneficiaries per year.	$223,859
Greece	Catholic Relief Services – Greece	This project intends to build language skills for asylum seekers and refugee children as well as increase their active participation in public school and contribute to their family's integration into Greek Society. The children's caregivers will receive support to build their own language capacities, better meet their children's social wellbeing, needs, and support their engagement in academic activities. The project will help 360 refugee and asylum-seeking families, including 200 children and 160 caregivers.	$200,000
			$1,223,859

A Donation for 2024 is currently under review, £1.0M has been set aside to support several projects

• Public Benefit

The Trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties.

Financial Review

• Financial results

Each year, The Trustees carry out a detailed review of The Charity. They review the previous year's achievements, and review and approve the budgets for next year.

Income during 2023 was significantly less than 2022 due to the receipt of a £108,450K donation from Church Corporation to fund the acquisition of The Coldham and Goole estates. Total Income in 2022 including the donation from Church Corporation was £117,496k. Income excluding the Church Corporation donation totalled £9,046K in 2022.

Total Income excluding donations increased during the year from £9,046k in 2022 to £13,662k in 2023. Income from its trading subsidiary increased to £12,049k (2022: £8,418k) and investment income increased to £163k (2022: £41k).

Costs, excluding tax, increased during the year from £6,481k in 2022 to £9,540k in 2023. A donation to "Church Corporation" was made during 2023 totalling £900k. A larger donation £1M is currently planned to be made during 2024.

The total net movement in funds in the year was £3,464k. This is in contrast to 2022 increased by £110,665k (£108,450 of the 2022 increase due to the donation).

Results of The Group were impacted by both favourable yields on winter crops and a continuation of improved market prices. During the 2021 autumn planting window, an initiative was implemented to shorten the planting window of the main winter wheat crop through purchasing and using an additional drill. Through planting in the optimal planting window, the expectation is to see an improvement on average yields.

Despite a very wet summer we experienced a second year of higher than average yields on the winter crops following favourable conditions in the spring. Winter Barley experienced a record high yield with winter wheat also performing well above the average. We had our first harvest at the Coldham and Goole Estates acquired during 2022. The additional 8,000 acres on these Estates meant that we harvested an additional 19,000 tonnes of cereals and legumes across the two sites. This additional crop lead to some increased sales in 2023, helping to further improve the financial position.

The wet summer period came with many challenges, leading to a stop-start harvest and additional handling / drying costs. The adverse weather continued into the later months of the year impacting winter plantings and crop establishment, with some crop failure where the weather impacted the hardest.

Market prices for Cereals were still well above long term average prices during 2023 due to a number of global factors; a continuation of severe disruptions in the agricultural supply chain caused by the Covid-19 pandemic, Brexit and the impact of the war between Russia and the Ukraine threatening the supply of energy, fertiliser and the export of wheat to the world market.

• Investment policy and performance

Under the Articles of Association, The Charity has the power to invest in any way the Trustees deem to be in the best interests of The Charity.

During 2023, The Charity continued to seek opportunity to invest in farm acquisitions. During the autumn period a further 116 acres of adjoining land was acquired at the Goole Estate. This acquisition was consistent with the strategy of achieving concentration of land holdings around major farm locations. The trustees are confident that these large land blocks will contribute towards advanced profitability and improved efficiencies across the operation which in turn will generate additional funds for future Charitable work.

The trustees no longer consider their liquidity position to be high relative to the tangible assets owned, but continue to wisely manage their liquidity position. To achieve this objective, The Charity by the year end had invested £7.3 million (2022: £10.7 million) of excess funds in an Instant Access Interest Bearing account with high security rating and achieved an average interest rate of 1.90% (2022: 0.85% gross) during 2023.

Investment income is recognised on a receivable basis.

• Reserves policy

The Trustees have established the level of reserves (that is those funds that are freely available) to which The Charity and its subsidiary companies ought to have ready access. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and leasing of farmland.

The Trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months of operating budget in reserves.

The actual reserves reported at 31 December 2023 were £218,392k (2022: £214,927k) which is significantly above the Trustees' target due to retaining a portion for possible future agricultural acquisitions as part of its ongoing consolidation efforts.

It should be noted that of the £218,392k only £10,797k is freely available due to the rest of the reserves figure being held in farming related assets to generate investment income to make current and future donations. The current level of cash reserves held exceeds the 12 months expenditure policy stated, this is due to awaiting to reinvest cash generated from farm sales for redeployment on land assets within the designated area for consolidation, as described in the investment policy section.

In addition, the Trustees wish to observe that during 2023 plans have been made to make a significant charitable donation to causes that meet The Charity's objectives.

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

Structure, governance and management

• Governing document

The Charity continues to be both a limited company and a registered charity. In conjunction with this, The Charity is governed by its Memorandum and Articles of Association which were last amended on 21 November 2011.

The purpose of The Charity as set out in the government document is laid out in the Objectives and Activities section of this report, with the main activities undertaken in relation to those purposes.

• Appointment of Trustees

As set out in the Articles of Association, new or additional trustees are to be appointed by the shareholder (Farmland Reserve, Inc.) or by decision of the Trustees, providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

• Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of The Charity.

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During the orientation day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Claims.

• Organisation

The sole shareholder of The Charity is Farmland Reserve, Inc. a Utah non-profit corporation based in Utah, USA.

Direction is channelled to The Charity via the shareholder and is reflected in the various department budgets/plans which are reviewed and approved by the Trustees annually.

Within this framework, the board of trustees administers the affairs of The Charity. The Trustees monitor progress and achievements throughout the year, and other trustee meetings are held as necessary. The trustees direct the Charity and the operation of the Charity on a day to day basis is delegated to the Senior Management Team. The pay of the Senior Management Team is reviewed annually by Trustees and is benchmarked against the pay of others in similar charitable roles.

• Related parties

The Charity holds 100% of the share capital of its subsidiary companies, AgReserves Limited.

• Subsidiary undertakings

AgReserves Limited's principal activity continued to be that of arable farming and it operates a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology.

AgReserves Limited leases all of the farmland owned by Farmland Reserve UK Limited and then farms that land. The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around major farm centres in Cambridgeshire and Yorkshire.

This process of consolidation began in 2008 and has continued through to 2023.

The profit for the year of the subsidiary AgReserves Limited included in the statement of financial activities was a profit of £2,067k (2022 £1,337k).

• Risk management

The Trustees have assessed the major risks to which The Charity and the group are exposed, in particular those related to the operations and finances of The Charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The risk management strategy of the Trustees includes an annual review of the principal risks, The Trustees regularly review the procedures in place to mitigate risk.

• Employees

The Charity ensures that its employees are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

• Applications for new positions in The Charity are invited from anyone with the relevant qualifications - the key emphasis is on their ability to meet the requirements of the position although the application form requests the applicant mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.

• The Charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity and The Group.

• In addition to the above points, The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long-term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

• Key Management Personnel

The Charity does not have any employees, all employees of The Group are employed by the subsidiary of The Charity, AgReserves Limited. During 2023, no Trustees of The Charity received any remuneration, benefits in kind or reimbursement of expenses from The Charity, nor incurred any expenses.

Of the three Trustees only one is a member of the Key Management Personnel of The Group and is employed by the subsidiary, AgReserves Limited.

Key Management are paid within the banded salary structure of the subsidiary. Regular benchmarking and independent market reviews are conducted to ensure that pay remains reflective of fair market value and competitive enough to encourage retention of key staff. Benchmarking exercises occur on an annual basis, with an independent market review occurring every 5 to 10 years. During this process, a review is conducted not just for Key Management but all working staff of The Subsidiary.

Reference and administrative details

• Registered name and number

The registered name of The Charity is Farmland Reserve UK Limited. The Charity does not use any other names.

The Charity registration number is 274605. The Charity is registered with the Charity Commission in England and Wales. The company registration number is 01332670.

• Office

The principal and registered office address is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

• Directors and trustees

The trustees who served during the year and subsequent to the year end and up to the date of signing the report were as follows:

B M Conway
P A Tolman
D L Rose

None of the trustees have qualifying third party indemnity insurance.

Funds held as custodian trustee on behalf of others

The Charity does not hold funds as custodian trustee on behalf of others.

Strategic Report

Principal risks and uncertainties

Financial risk and management

The main risk The Charity faces is that it relies on income from the leasing of all the farmland it owns to its subsidiary undertaking. The Charity has sufficient reserves to meet the needs of its charitable activities for the foreseeable future and has assurances of continuing support from the parent company.

Other forms of risks and the management of these risks are:

Price risk

Salary costs are communicated to staff of The Group during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.

As part of the nature of agriculture the company is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the company to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Credit risk

Credit risk on amounts owed to The Charity by its customers is low as the main debtor is AgReserves Limited which is a wholly owned subsidiary. Credit risks on amounts owed to the group are actively monitored.

The Group continues to make every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Liquidity risk

The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.

Interest rate cash flow risk

The Charity is able to place surplus funds on short term deposit with the Charity's bankers. With the present banking interest rates being so low there is a risk that the Charity does not make the best use of surplus cash and therefore every effort is being made to review all options that would bring the highest rates possible.

Currency rate risk

As a result of Brexit, the 2023 BPS Subsidy received from the Rural Payments Agency was paid to the subsidiary in Pounds Sterling. It is therefore highly unlikely that there will be a need to enter into any future forward dealing facilities, this almost entirely eliminates any currency rate risk.

Key performance indicators (KPIs)

To measure the effectiveness of The Charity's strategy and its implementation The Trustees have identified the following KPIs:

	2023	2022	2021	2020	2019
Profitability of Farming Operations	£4.5M	£2.9M	£2.4M	£1.7M	£2.0M
Donations Received	£0.0M	£108.4M	£0.0M	£0.0M	£0.0M
Resources expended on charitable activities	(£0.9M)	(£0.7M)	(£2.6M)	(£0.5M)	(£1.5M)
Unrestricted Funds	£218.4M	£214.9M	£104.3M	£104.5M	£103.3M
Unrestricted Funds readily available	£10.8M	£17.1M	£25.3M	£26.6M	£28.0M

Plans for future periods

The goals for 2024 include plans to:

1. Continue to enhance the profitability and efficiency of the farms through well-reasoned acquisitions to achieve, over time, a concentration of land holdings around major farm locations. Any future acquisitions will be funded from retained reserves or if necessary, donations.

   Along with well-reasoned acquisitions, a regular operational review of currently held farms occurs. New technology and science are continually reviewed and vetted to see if it warrants integration with daily operations.

2. To carefully monitor the balance of unrestricted funds while striving to achieve the concentration efforts identified in goal one, so that funds can be put to the use of The Charity's objectives as swiftly as possible.

3. Identify other charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, to support through the provision of sponsorship, grants or other financial or in-kind contributions.

Trustees' responsibilities statement

The trustees (who are also directors of Farmland Reserve UK Limited for the purposes of company law) are responsible for preparing the report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations.

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REPORT OF THE TRUSTEES AND DIRECTORS (INCORPORATING THE STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP and FRS 102;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

- The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors
The auditor, MHA, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the strategic report, was approved by the Trustees, in their capacity as company directors and signed on their behalf by:

Signed by:
Ben Conway
C390E11FFF5F4D5...
B M Conway
Trustee

Date: September 25, 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED

Opinion

We have audited the Financial Statements of Farmland Reserve UK Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity 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 December 2023 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.

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 Auditor's 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.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's 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 Directors' Report included within 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Auditor's 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 Auditor's 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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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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. 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 Auditor's 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.

Signed by:
7383947E11D9462...

Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor
Northampton, United Kingdom

Date: September 25, 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:				
Donations	3	-	-	108,450
Other trading activities: Income from trading subsidiaries	4	**12,049**	**12,049**	8,418
Investments	5	**163**	**163**	41
Other income	6	**1,450**	**1,450**	587
Total income		**13,662**	**13,662**	117,496
Expenditure on:				
Raising funds:	7			
Trading activities		**7,782**	**7,782**	5,734
Other		**858**	**858**	618
Charitable donation		**900**	**900**	130
Total expenditure		**9,540**	**9,540**	6,482
Net income before taxation		**4,122**	**4,122**	111,014
Taxation	12	**(658)**	**(657)**	(349)
Net movement in funds		**3,464**	**3,464**	110,665
Reconciliation of funds:				
Total funds brought forward		**214,927**	**214,927**	104,262
Net movement in funds		**3,464**	**3,464**	110,665
Total funds carried forward	21	**218,391**	**218,391**	214,927

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 47 form part of these financial statements.

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FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £000		2022 £000
Fixed assets					
Intangible assets	13		-		204
Tangible assets	14		188,784		183,953
			188,784		184,157
Current assets					
Stocks	16	13,609		10,144	
Debtors	17	8,705		24,848	
Cash at bank and in hand	25	10,797		17,077	
		33,111		52,069	
Creditors: amounts falling due within one year	18	(2,099)		(20,376)	
Net current assets			31,012		31,693
Total assets less current liabilities			219,796		215,850
Deferred tax	19		(1,404)		(923)
Total net assets			218,392		214,927
Charity funds					
Unrestricted funds					
Share Capital		10,000		10,000	
Unrestricted funds	21	208,392		204,927	
Total unrestricted funds	21		218,392		214,927
Total funds			218,392		214,927

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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

Signed by:
Ben Conway
C398E11FFF5F4D9...
B M Conway
Trustee

Date: September 25, 2024

The notes on pages 21 to 47 form part of these financial statements.

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £000		As restated 2022 £000
Fixed assets					
Tangible assets	14		**183,977**		178,420
Investments	15		**9,450**		9,450
			193,427		187,870
Current assets					
Debtors	17	**4,904**		24,449	
Cash at bank and in hand	25	**3,229**		6,902	
		8,133		31,351	
Creditors: amounts falling due within one year	18	**(423)**		(19,481)	
Net current assets			**7,710**		11,870
Total assets less current liabilities			**201,137**		199,740
Total net assets			**201,137**		199,740
Charity funds					
Unrestricted funds					
Share capital	21	**10,000**		10,000	
Unrestricted income funds	21	**191,137**		189,740	
Total unrestricted funds	21		**201,137**		199,740
Total funds			**201,137**		199,740

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CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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

Signed by:
Ben Conway
C390E11FPP3F4D9...

B M Conway
Trustee

Date: September 25, 2024

The notes on pages 21 to 47 form part of these financial statements.

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	24	**(646)**	106,568
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**2,348**	765
Purchase of intangible assets	13	**(14)**	(407)
Purchase of tangible fixed assets	14	**(8,131)**	(115,202)
Interest received	5	**163**	41
Net cash used in investing activities		**(5,634)**	**(114,803)**
Change in cash and cash equivalents in the year		**(6,280)**	**(8,235)**
Cash and cash equivalents at the beginning of the year		**17,077**	25,312
Cash and cash equivalents at the end of the year	25	**10,797**	17,077

The notes on pages 21 to 47 form part of these financial statements

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Company information

Farmland Reserve UK Limited is a charitable company limited by shares, incorporated in England and Wales in the United Kingdom, and the address of its registered office is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

2. Accounting policies

2.1 Basis of preparation of Financial Statements

Farmland Reserve UK Limited is an incorporated Charity registered with the Charity Commission for England and Wales registration number 274605. The Company is registered in the UK, registration number 01332670.

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

Farmland Reserve UK Limited 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 Charity 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 Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest £1,000.

The following principal accounting policies have been applied.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The budgeted income and expenditure is sufficient with the level of reserves for the Group to be able to continue as a going concern.

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2. Accounting policies (continued)

2.3 Income

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

Donations are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Income from subsidiaries represents revenue recognised in respect of goods and services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Charity and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from crop sales is recognised upon receipt of the goods by the customers. Whilst goods are in transit, the risk and reward of ownership remain with the Charity.

Single farm payments are receivable on an annual basis. The annual payment is recognised in the year that the application applies to. Due to the regular variation in when the payment occurs, this is recognised either by accrual or upon receipt of payment.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds: trading activities comprise the expenses of the trading subsidiary in undertaking its income generating activities.

Other expenditure represents the expenses of parent company in renting the tangible fixed assets. These expenses are not considered to be directly attributable to either costs of raising funds or charitable expenditure to further the Charity's aims.

Where costs cannot be reliably attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the Charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of the Charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability. An analysis of these costs is disclosed in note 8.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include finance, professional and governance costs which support the Charity's activities. As there is only one activity in the Charity, the support costs have been allocated there in full.

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2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 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.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax is payable on profits in the subsidiary company.

2.7 Intangible assets and amortisation

Intangible fixed assets represent purchased entitlements to receive the single farm payment subsidy. These are held at cost and amortised over their expected useful life.

The amortisation charge is included within expenditure on raising funds: trading activities line in the SOFA.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Single farm payment entitlements - % Straight line over two years

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Land improvements	- over 10 to 40 years
Assets under construction	- not depreciated until brought into use
Plant and machinery	- over 3 to 10 years
Equipment fixtures and fittings	- over 5 to 10 years
Farm houses and farm buildings	- over 25 to 40 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.9 Investments

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

2.10 Stocks

Agriculture produce is held under cost model, being stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on an allocation of costs.

Cultivations cost is determined on an overhead allocation basis. Cultivations are in the early stages of growth at the year end and therefore their market value cannot be determined.

Crop in store are valued at the lower of cost and net realisable value, with reference to market value and contracted future sales.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in profit and loss.

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2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.14 Financial instruments

The Group also enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.16 Operating leases - lessor

Rental income is recognised on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected inflation, in which case the annual rental income equals the amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the income recognised over the lease term on a straight line basis.

2.17 Pensions

The Group is part of a defined benefit pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plan. The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made in the year or accrued at the year end, on a defined contribution basis, as requested by FRS 102 as the Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

The Group is not liable to the plan for other entities obligations under the terms and conditions of the multi employer pension plan.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

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2. Accounting policies (continued)

2.18 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2.19 Critical accounting estimates and areas of judgment

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of The Group's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of the customer.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on an overhead allocation basis. Net realisable value is determined by management with reference to market value, consideration of contracted future sales. Certain factors could affect the net realisable value of The Group's stocks, including customer demand and market conditions.

Tangible and intangible assets

Depreciation and amortisation are provided on fixed assets based on the estimated useful economic life of those assets. This is based on management's knowledge of the business, assets and prior experience.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

3. Income from donations

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	-	-	108,450

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Trading subsidiary	12,049	**12,049**	8,418

In 2022, income from the trading subsidiary was unrestricted income.

5. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Interest receivable from interest bearing accounts	163	**163**	41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6. Other incoming resources

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Other incoming resources	656	**656**	115
Profit on disposal of tangible fixed assets	794	**794**	472
	1,450	**1,450**	587

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Total 2023 £000	Total 2022 £000
Operating costs of parent company	858	**858**	618
Trading of subsidiary	7,782	**7,782**	5,734
Charitable donation	900	**900**	130
	9,540	**9,540**	6,482

Summary by expenditure type

	Staff costs 2023 £000	Depreciation 2023 £000	Other costs 2023 £000	Total 2023 £000	Total 2022 £000
Operating costs of parent company	-	756	102	**858**	618
Trading of subsidiary	1,787	990	5,005	**7,782**	5,734
Charitable donation	-	-	900	**900**	130
Total 2023	1,787	1,746	6,007	**9,540**	6,482
Total 2022	1,545	1,211	3,726	6,482	

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8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Operating costs of parent company	756	103	**859**	618
Trading of subsidiary	7,757	25	**7,782**	5,734
Charitable donation	900	-	**900**	130
Total 2023	9,413	128	**9,540**	6,482
Total 2022	6,425	57	6,482	

Analysis of direct costs

	Operating costs of parent 2023 £000	Trading of subsidiary 2023 £000	Charitable donation 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff costs	-	1,787	-	**1,787**	1,545
Depreciation	756	990	-	**1,746**	1,211
Charitable donation	-	-	900	**900**	130
Trading activities	-	4,980	-	**4,980**	3,539
Total 2023	756	7,757	900	**9,413**	6,425
Total 2022	576	5,719	130	6,425	

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operating costs of parent 2023 £000	Trading of subsidiary 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Audit of Subsidiary	-	25	**25**	15
Legal	30	-	**30**	31
Audit of Parent	15	-	**15**	11
Settlement Expenses	58	-	**58**	-
Total 2023	103	25	**128**	57
Total 2022	42	15	57	

During the year ended 31 December 2023, the company incurred the following Governance costs:

The Charity only auditor remuneration - £15k (2022: £11k)
Subsidiary company auditor remuneration - £25k (2022: £15k)

9. Net income

This is stated after charging/(crediting):

	2023 £000	2022 £000
Depreciation of tangible fixed assets owned by the charitable Group	**1,748**	1,211
Amortisation of intangible assets	**217**	204
Auditor's remuneration - audit	**40**	25
Auditor's remuneration - other financial services	**5**	3
Operating lease rentals	**-**	4
Profit on disposal of fixed assets	**(794)**	(472)
Pension cost	**298**	277

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

10. Staff costs

	Group 2023 £000	Group 2022 £000
Wages and salaries	**1,346**	1,147
Social security costs	**143**	121
Other pension costs	**298**	277
	1,787	1,545

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

	Group 2023 No.	Group 2022 No.
Production and administration	**29**	19

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.
Production and administration	**29**	19

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	**-**	1
In the band £90,001 - £100,000	**1**	1
In the band £100,001 - £110,000	**1**	-
In the band £110,001 - £120,000	**-**	1
In the band £130,001 - £140,000	**1**	-

11. Trustees' remuneration and expenses

One trustee who is also a director of the subsidiary company, received remuneration from the subsidiary company in relation to services provided as a director of the subsidiary company. No other Trustees received remuneration or pension contributions. The remuneration paid is outlined below:

		2023	2022
		£000	£000
B M Conway	Remuneration	**135**	117
	Company pension contributions to defined contribution pension schemes	**39**	36

Payment is made to the Trustee as agreed with the Charity Commission.

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022: £NIL).

Other related party transactions involving the Trustees are set out in note 33.

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

12. Taxation

	2023 £000	2022 £000
Corporation tax		
Tax charge	**177**	30
Total current tax	**177**	30
Deferred tax		
Origination and reversal of timing differences	**481**	320
Total deferred tax	**481**	320
Taxation on net income	**658**	350

The tax assessed for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 25% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Surplus on ordinary activities before tax - AgReserves Limited	**2,724**	1,686
Effects of:		
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2022: 19%)	**681**	320
Other timing differences and disallowed expenditure	**(504)**	(290)
Origination and reversal of timing differences	**481**	320
Total tax charge for the year	**658**	350

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2023, the current weighted averaged tax rate was 23.5%.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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13. Intangible assets

Group

	Single farm payment entitlements £000
Cost	
At 1 January 2023	842
Additions	14
At 31 December 2023	856
Amortisation	
At 1 January 2023	639
Charge for the year	217
At 31 December 2023	856
Net book value	
At 31 December 2023	-
At 31 December 2022	203

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14. Tangible fixed assets

Group

	Freehold land £000	Farm houses & Farm buildings £000	Plant and machinery £000	Land improv. Equipment and fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost						
At 1 January 2023	**155,100**	**25,138**	**8,503**	**1,226**	**2,423**	**192,390**
Additions	**1,371**	**4,711**	**1,797**	**143**	**109**	**8,131**
Disposals	**-**	**(47)**	**(2,172)**	**-**	**-**	**(2,219)**
At 31 December 2023	**156,471**	**29,802**	**8,128**	**1,369**	**2,532**	**198,302**
Depreciation						
At 1 January 2023	**-**	**5,161**	**2,971**	**303**	**-**	**8,435**
Charge for the year	**-**	**710**	**990**	**48**	**-**	**1,748**
On disposals	**-**	**(45)**	**(620)**	**-**	**-**	**(665)**
At 31 December 2023	**-**	**5,826**	**3,341**	**351**	**-**	**9,518**
Net book value						
At 31 December 2023	**156,471**	**23,976**	**4,787**	**1,018**	**2,532**	**188,784**
At 31 December 2022	155,100	19,977	5,533	922	2,423	183,955

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14. Tangible fixed assets (continued)

Charity

	Restated Freehold land £000	Restated Farm houses & Farm buildings £000	Equipment fixtures and fittings £000	Assets in the course of construction £000	Restated Total £000
Cost					
At 1 January 2023	**155,101**	**26,207**	**91**	**2,423**	**183,822**
Additions	**1,371**	**4,833**	**-**	**109**	**6,313**
Disposals	**-**	**(47)**	**-**	**-**	**(47)**
At 31 December 2023	**156,472**	**30,993**	**91**	**2,532**	**190,088**
Depreciation					
At 1 January 2023	**-**	**5,356**	**46**	**-**	**5,402**
Charge for the year	**-**	**746**	**9**	**-**	**755**
On disposals	**-**	**(47)**	**-**	**-**	**(47)**
At 31 December 2023	**-**	**6,055**	**55**	**-**	**6,110**
Net book value					
At 31 December 2023	**156,472**	**24,938**	**36**	**2,532**	**183,978**
At 31 December 2022	155,101	20,851	45	2,423	178,420

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15. Fixed asset investments

Charity	Investments in subsidiary companies £000
Cost	
At 1 January 2023	**9,450**
At 31 December 2023	**9,450**
Net book value	
At 31 December 2023	**9,450**
At 31 December 2022	9,450

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding
AgReserves Limited	02947030	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit for the year £000	Net assets £000
AgReserves Limited	**12,247**	**10,181**	**2,066**	**26,704**

16. Stocks

	Group 2023 £000	Group 2022 £000
Cultivations	**5,506**	6,174
Crops	**8,103**	3,970
	13,609	10,144

An impairment write-back of £578,964 (2022: £144,338) was recognised against stock during the year.

17. Debtors

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade debtors	**7,719**	4,268	**50**	31
Amounts owed by Group undertakings	**-**	-	**4,591**	4,453
Other debtors	**261**	20,085	**114**	19,923
Prepayments and accrued income	**725**	85	**149**	42
Tax recoverable	**-**	410	**-**	-
	8,705	24,848	**4,904**	24,449

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	**296**	299	**57**	122
Amounts owed to Group undertakings	**-**	-	**239**	229
Amounts owed to participating interests	**-**	19,000	**-**	19,000
Other taxation and social security	**1,097**	92	**5**	-
Other creditors	**178**	142	**-**	-
Accruals and deferred income	**528**	843	**122**	130
	2,099	20,376	**423**	19,481

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

19. Deferred taxation

Group and Charity

	2023 £000	2022 £000
At the beginning of the year	**923**	604
Charge for the year (SOFA)	**481**	319
	1,404	923

The deferred tax liability is made up as follows:

	Group 2023 £000	Group 2022 £000
Accelerated capital allowances	**1,200**	878
Short term timing differences	**204**	45
	(1,404)	(923)

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20. Prior year adjustments

The Group have decided to adopt the recent change to FRS 102 section 16.4A, which allows investment properties rented to another Group entity to be accounted for either at fair value or by transferring them to property, plant and equipment and applying the cost model in accordance with section 17 of FRS 102.

The Group has decided to adopt the cost method, for the Company's own balance sheet, inline with Farmland Reserves Inc, the immediate and ultimate parent company of the Group.

In previous years the investment properties had been revalued each year and held at this valuation, with a resulting revaluation reserve.

A £73,346k prior year adjustment has been made to derecognise the revaluation reserve showing at 31 December 2022 in the Company balance sheet. Also, as a result of this adjustment, investment property has reduced from £249,165k to £nil and property, plant and equipment has increased from £2,600k to £178,420k. This adjustment has not had an impact on any other reserves figures.

The change to the Charity accounts in respect of the prior year adjustment is as follows:

	2022 £000
Summary of the prior year accounting impact	
Reduction in valuation of investment properties	(249,165)
Reduction of revaluation reserve	73,345
Increase in fixed assets	175,820
Movement in income and expenditure account	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2023 £000
Unrestricted funds					
Share capital	**10,000**	**-**	**-**	**-**	**10,000**
Reserves	**204,927**	**13,663**	**(9,540)**	**(658)**	**208,392**
	214,927	**13,663**	**(9,540)**	**(658)**	**218,392**

Unrestricted funds

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

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

The net income for the year dealt with in the accounts of the parent charitable company was £1.4m (2022: £116.2m).

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21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2022 £000
Unrestricted funds					
Share capital	10,000	-	-	-	10,000
Reserves	94,262	117,495	(6,481)	(349)	204,927
	104,262	117,495	(6,481)	(349)	214,927

22. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £000	**Income £000**	**Expenditure £000**	**Taxation £000**	**Balance at 31 December 2023 £000**
General funds	**214,927**	**13,663**	**(9,540)**	**(658)**	**218,392**

Summary of funds - prior year

	Balance at 1 January 2022 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2022 £000
General funds	104,262	117,495	(6,481)	(349)	214,927

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	188,784	**188,784**
Current assets	33,111	**33,111**
Creditors due within one year	(2,099)	**(2,099)**
Deferred tax	(1,404)	**(1,404)**
Total 2023	218,392	**218,392**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	183,953	183,953
Intangible fixed assets	204	204
Current assets	52,069	52,069
Creditors due within one year	(20,376)	(20,376)
Deferred tax	(923)	(923)
Total 2022	214,927	214,927

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

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

	Group 2023 £000	Group 2022 £000
Net income for the year (as per Statement of Financial Activities)	**3,464**	110,665
Adjustments for:		
Depreciation charges (Note 14)	**1,748**	1,211
Amortisation of intangible assets (Note 13)	**217**	204
Increase in stocks (Note 16)	**(3,465)**	(2,879)
Decrease/(increase) in debtors (Note 17)	**16,143**	(21,494)
(Decrease)/increase in creditors (Note 18)	**(18,307)**	19,425
Interest received (Note 5)	**(163)**	(41)
Profit on disposal of fixed assets (Note 9)	**(794)**	(472)
Taxation (Note 12)	**658**	349
Income taxes paid	**(147)**	(400)
Net cash provided by/(used in) operating activities	**(646)**	106,568

25. Analysis of cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash in hand	**10,797**	17,077
Total cash and cash equivalents	**10,797**	17,077

26. Analysis of changes in net debt

	At 1 January 2023 £000	Cash flows £000	At 31 December 2023 £000
Cash at bank and in hand	**17,077**	**(6,280)**	**10,797**

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

27. Share capital

Allotted, called up and fully paid 10,000,000 Ordinary shares of £1 each.

28. Pension commitments

The Group participates in a pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The group has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

Contributions to the two schemes for the year were £298k (2022: £277k).

29. Operating lease commitments

At 31 December 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £000	Group 2022 £000
Within 1 year	**-**	4

Docusign Envelope ID: 9EFD4AD5-EE5A-4F3D-8697-82B88E71A406

30. Financial risk management

The risks arising from financial instruments to which the entity is exposed at the year end are as follows:

Credit risk

In view of the recent economic downturn the Charity is making every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Price risk

As part of the nature of agriculture the Charity is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the Charity to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Market risk

The year end valuation, and resulting gain or loss in the Statement of Financial Activities, of financial instruments measured at fair value through income and expenditure, is subject to changes in the market value of the listed investments in which shares are held.

31. Unrestricted income funds - Charity

This reserve represents cumulative net income on unrestricted income streams. Please refer to note 21 for further details.

32. Turnover

All turnover arose within the United Kingdom.

33. Related party transactions

The Charity has taken advantage of disclosure exemptions available within FRS 102 section 33 and not included details of any transactions with wholly owned Group companies that are included in these consolidated accounts.

34. Controlling party

The immediate and ultimate parent company of the Group is Farmland Reserve Inc, a not for profit company incorporated in the United States of America. This is the largest and smallest Group of undertakings for which Group accounts are drawn up. The Charity is directed by Farmland Reserve Inc, through budgets and plans reviewed by the Charity Trustees.

FARMLAND RESERVE UK LIMITED

England & Wales - Charity number 274605

Accounts

Registered number: 01332670
Charity number: 274605

FARMLAND RESERVE UK LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FARMLAND RESERVE UK LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	B M Conway, Trustee P A Tolman, Trustee D L Rose
Company Registered Number	01332670
Charity Registered Number	274605
Registered Office	Manor Farm Church End Wood Walton Huntingdon Cambridgeshire PE28 5YU
Company Secretary	B J Garlic
Independent Auditors	MHA Chartered Accountants 1 The Forum Minerva Business Park Lynch Wood Peterborough PE2 6FT
Bankers	NatWest 92 High Street Huntingdon PE29 3DT
Solicitors	Devonshires 30 Finsbury Circus London EC2M 7DT

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also directors for the purposes of the Companies Act of the company (The Charity - Farmland Reserve UK Limited), present their annual report together with the audited financial statements of The Charity and its subsidiary (The Charity and The Group) for the year ended 31 December 2022. The Trustees confirm that the financial statements of The Charity and The Group comply with the current provisions of FRS 102 and the Charities SORP 2015.

Objectives and Activities

• Objectives and principal activities

The object of The Charity is:

To promote and further the religious and other charitable work of The Church Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

The Charity will support charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, through the provision of sponsorship, grants or other financial or in-kind contributions.

The Charity holds tangible investments in farming and their associated assets to generate funds for its objectives as previously stated. Details of their performance can be found in the "Financial Review" section and "Subsidiary Undertakings" subsection under the "Structure, Governance and Management" section.

The Trustees regularly interact with representatives of The Church of Jesus Christ of Latter-day Saints, Utah Corporation Sole ("Church Corporation") (formerly known as The Corporation of the Presiding Bishopric of The Church of Jesus Christ of Latter-day Saints "CPB") to discuss making significant donations to support Church Corporation's international building projects for religious purpose buildings and other projects which both Church Corporation and the Church had approved around the world. It was decided that this would be a better match (and easier to monitor) to the Charity's objectives rather than making individual donations to various charitable organisations within the UK and elsewhere.

The Trustees investigated the way in which these projects were identified and approved by internal Church committees, the type of projects and their religious and charitable purposes. Further, they were happy with the infrastructure and controls that Church Corporation had in place to ensure proper implementation of these projects.

• Achievements and Performance

During 2022 the Trustees finalised plans to make another donation to Church Corporation. On 29th December 2022, a donation of £130,000 ($157,728) was transferred from The Charity, to sister Charity, Church Corporation.

Church Corporation identified a number of specific projects for implementation internationally in pursuit of its purposes to the success of which The Charity has now had the opportunity to contribute £130,000 to these causes.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The following projects were identified by Church Corporation to utilise the donation.

Humanitarian Projects

UK	Canterbury Stake	Christmas food boxes and essentials to vulnerable/poor families	$1,643.83
UK	Billingham Stake	"Heat, Meet & Eat Week", a warm place, where people can meet and eat for a whole week for more than 1000 people	$7,397.27
UK	Sheffield Stake	Provide the needed items that are not regularly donated such as sleeping bags, winter coats, personal hygiene items	$3,150.69
UK	Wakefield District of Sanctury	Provide asylum seekers and refugees in the Wakefield area with educational materials for children and young people	$4,212.33
UK	Billingham Stake	Provide materials and supplies for the training of skills for refugees, and displaced persons	$1,095.89
UK	Cardiff Stake	Provide basic cooking/kitchen/household appliances/equipment	$18,328.77
UK	Sussex Aid for refugees	Provide for Asylum Seekers and Refugees winter clothing for the Crawley area, Winter coats, jumper, jogging bottoms	$28,890.41
UK	Jesuit Refugee Service	Distribute vital phone credit and internet data to 250 refugee friends who are at risk of digital exclusion	$12,328.77
UK	Welcome to English CIC	Refugee and asylum-seeking men in the Hull/Cottingham, UK area will have access to experiences and classroom activities with the goal of improving their ability to communicate in English.	$6,301.37
UK	Herts Welcomes Refugees HWR	Fifty Asylum seekers and Refugees in the Hertfordshire area of the United Kingdom will receive vouchers for purchasing warm clothing and essentials as winter and the school year approaches.	$7,123.29
UK	Hull Help for Refugees	Clothing and essential items will be provided to 87 asylum seekers in Hull/Cottingham area.	$14,250.00
UK	CREST UK Charity	Sixteen refugee and asylum seeking individuals will be involved in a sewing class for a period of six months.	$4,991.78
UK	Europe Area Presidency	Purchase items needed to assist refugees fleeing Ukraine.	$40,000.00
UK	Staines Stake	Provide funding for clothing kits for 380 children.	$8,013.70
			$157,728.10

A Donation for 2023 is currently under review, £1.0M has been set aside to support several projects.

- **Public Benefit**

The Trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties.

Financial Review

- **Financial results**

Each year, The Trustees carry out a detailed review of The Charity. They review the previous year's achievements, and review and approve the budgets for next year.

The end of the year saw a significant increase in Income during 2022 due to a large donation from the "Church Corporation" to fund the acquisition of two large farming estates. The Coldham and Goole Estate were purchased in the last quarter of the year from The Welcome Trust adding a further 8,000 acres of land to The Charity ownership.

Total Income saw an improvement during the year increasing from £7.5M in 2021 to £117.5M in 2022. The £117.5M Total Income in 2022 includes the donation from "Church Corporation" totalling £108.5M. Income from its trading subsidiary increased to £8.4M (2021: £7.2M) and investment income increased to £0.04M (2021: £0.01M).

Costs, excluding tax, decreased during the year from £7.2M in 2021 to £6.5M in 2022. A donation to "Church Corporation" was made during 2022 totalling £0.1M. A larger donation £1.0M is currently planned to be made during 2023.

The total Net movement in funds increased in the year by £110.7M. This is in contrast to 2021 where The Charity made a loss of (£0.2M).

Results of The Group were impacted by both favourable yields on winter crops and a continuation of improved market prices. During the 2021 autumn planting window, an initiative was implemented to shorten the planting window of the main winter crops to increase crop yield. The Summer of 2022 recorded high temperatures over a long and sustained period, whilst rainfall was extremely low. Yields on winter crops performed well above average levels even in the face of adverse weather conditions, crops planted in the spring of 2022 suffered from these drought conditions and achieved lower than expected yields.

Market prices for Cereals were still well above long term average prices during 2022 due to a number of global factors; a continuation of severe disruptions in the agricultural supply chain caused by the Covid-19 pandemic and Brexit, weather stories including drought in Brazil and the impact of the war between Russia and the Ukraine threatening the supply of energy, fertiliser and the export of wheat to the world market.

• Investment policy and performance

Under the Articles of Association, The Charity has the power to invest in any way the Trustees deem to be in the best interests of The Charity.

2022 provided the opportunity to acquire the Coldham and Goole Estates from the Welcome trust, prior to acquisition the Trustees assessed this opportunity and recognised it provided a unique opportunity to acquire assets that would contribute to the long-term goals of The Charity. Due to the historical low volume of land sales this opportunity enabled an opportunity to accelerate The Charities goals towards land assets. With The Charities' position on maintaining liquidity and maximum security combined with the value of these acquisitions necessitated a donation from "Church Corporation" to facilitate the transaction.

Due to both properties being approximately 4,000 acres each in a predominantly contiguous nature meant estates did not suffer from operational inefficiencies as some historical acquisitions (smaller more scattered parcels) and remained consistent with the strategy of achieving concentration of land holdings around major farm locations. The Trustees are confident that these land large blocks will contribute towards advanced profitability and improved efficiencies across the operation which in turn will generate additional funds for future charitable work.

Since these transactions have occurred the Trustees no longer consider their liquidity position to be high relative to the tangible assets owned but continue wisely manage their liquidity position. To achieve this objective, The Charity by the year end had invested £10.7 million (2021: £22.1 million) of excess funds in an Instant Access Interest Bearing account with high security rating and achieved an average interest rate of 0.85% (2021: 0.01% gross) during 2022.

Investment income is recognised on a receivable basis.

• **Reserves policy**

The Trustees have established the level of reserves (that is those funds that are freely available) to which The Charity and its subsidiary companies ought to have ready access. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and leasing of farmland.

The Trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months of operating budget in reserves.

The actual reserves reported at 31 December 2022 were £214.9M (2021: £104.3M) which is significantly above the Trustees' target due to retaining a portion for possible future agricultural acquisitions as part of its ongoing consolidation efforts.

It should be noted that of the £214.9M only £17.1M is freely available due to the rest of the reserves figure being held in farming related assets to generate investment income to make current and future donations. The current level of cash reserves held exceeds the 12 months expenditure policy stated, this is due to awaiting to reinvest cash generated from farm sales for redeployment on land assets within the designated area for consolidation, as described in the investment policy section.

In addition, the Trustees wish to observe that during 2022 plans have been made to make a significant charitable donation to causes that meet The Charity's objectives.

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

Structure, governance and management

• **Governing document**
The Charity continues to be both a limited company and a registered Charity. In conjunction with this, The Charity is governed by its Memorandum and Articles of Association which were last amended on 22 November 2011.

The purpose of The Charity as set out in the government document is laid out in the Objectives and Activities section of this report, with the main activities undertaken in relation to those purposes.

• **Appointment of Trustees**

As set out in the Articles of Association, new or additional trustees are to be appointed by the shareholder (Farmland Reserve, Inc.) or by decision of the Trustees, providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

• **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of The Charity.

During the orientation day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Claims.

• **Organisation**

The sole shareholder of The Charity is Farmland Reserve, Inc. a non-profit corporation based in Utah, USA.

Direction is channelled to The Charity via the shareholder and is reflected in the various department budgets/plans which are reviewed and approved by the Trustees annually.

Within this framework, the board of trustees administers the affairs of The Charity. The Trustees monitor progress and achievements throughout the year, and other trustee meetings are held as necessary. The trustees direct the Charity and the operation of the Charity on a day to day basis is delegated to the Senior Management Team. The pay of the Senior Management Team is reviewed annually by Trustees and is benchmarked against the pay of others in similar charitable roles.

• Related parties

The Charity holds 100% of the share capital of its subsidiary companies, AgReserves Limited.

• Subsidiary undertakings

AgReserves Limited's principal activity continued to be that of arable farming and it operates a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology.

AgReserves Limited leases and operates all of the farmland owned by Farmland Reserve UK Limited. The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around major farm centres in Cambridgeshire and Yorkshire.

This process of consolidation began in 2008 and has continued through to 2022.

The profit for the year of the subsidiary AgReserves Limited included in the statement of financial activities was a profit of £1.4M (2021: £1.2M).

• Risk management

The Trustees have assessed the major risks to which The Charity and the group are exposed, in particular those related to the operations and finances of The Charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The risk management strategy of the Trustees includes an annual review of the principal risks, The Trustees regularly review the procedures in place to mitigate risk.

• Employees

The Charity will ensure that any employees are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

• Applications for new positions in The Charity would be invited from anyone with the relevant qualifications - the key emphasis is on their ability to meet the requirements of the position although the application form requests the applicant mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.

• The Group utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity and The Group.

• In addition to the above points, The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they would be entitled to receive long-term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

• Key Management Personnel

The Charity does not have any employees, all employees of The Group are employed by the subsidiary of The Charity, AgReserves Limited. During 2022, no Trustees of The Charity received any remuneration, benefits in kind or reimbursement of expenses from The Charity, nor incurred any expenses.

Of the three Trustees only one is a member of the Key Management Personnel of The Group and is employed by the subsidiary, AgReserves Limited.

Key Management are paid within the banded salary structure of the subsidiary. Regular benchmarking and independent market reviews are conducted to ensure that pay remains reflective of fair market value and competitive enough to encourage retention of key staff. Benchmarking exercises occur on an annual basis, with an independent market review occurring every 5 to 10 years. During this process, a review is conducted not just for Key Management but all working staff of The Subsidiary.

Reference and administrative details

• Registered name and number

The registered name of The Charity is Farmland Reserve UK Limited. The Charity does not use any other names.

The Charity registration number is 274605. The Charity is registered with the Charity Commission in England and Wales. The company registration number is 1332670.

• Office

The principal and registered office address is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

• Directors and trustees

The trustees who served during the year and subsequent to the year end and up to the date of signing the report were as follows:

D L Rose
B M Conway
P A Tolman

None of the trustees have qualifying third party indemnity insurance.

Funds held as custodian trustee on behalf of others

The Charity does not hold funds as custodian trustee on behalf of others.

Strategic Report

Principal risks and uncertainties

Financial risk and management

The main risk The Charity faces is that it relies on income from the leasing of all the farmland it owns to its subsidiary undertaking. The Charity has sufficient reserves to meet the needs of its charitable activities for the foreseeable future and has assurances of continuing support from the parent company.

Other forms of risks and the management of these risks are:

Price risk

Salary costs are communicated to staff of The Group during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.

As part of the nature of agriculture the company is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the company to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Credit risk

Credit risk on amounts owed to The Charity by its customers is low as the main debtor is AgReserves Limited which is a wholly owned subsidiary. Credit risks on amounts owed to the group are actively monitored.

The Group continues to make every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Liquidity risk

The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.

Interest rate cash flow risk

The Charity is able to place surplus funds on short term deposit with the Charity's bankers. With the present banking interest rates being so low there is a risk that the Charity does not make the best use of surplus cash and therefore every effort is being made to review all options that would bring the highest rates possible.

Currency rate risk

As a result of Brexit, the 2022 BPS Subsidy received from the Rural Payments Agency was paid to the subsidiary in Pounds Sterling. It is therefore highly unlikely that there will be a need to enter into any future forward dealing facilities, this almost entirely eliminates any currency rate risk.

Key performance indicators (KPIs)

To measure the effectiveness of The Charity's strategy and its implementation The Trustees have identified the following KPIs:

	2022	2021	2020	2019	2018
Profitability of Farming Operations	£2.9M	£2.4M	£1.7M	£2.0M	£2.0M
Donations Received	£108.4M	£0.0M	£0.0M	£0.0M	£0.0M
Resources expended on charitable activities	(£0.7M)	(£2.6M)	(£0.5M)	(£1.5M)	(£0.8M)
Unrestricted Funds	£214.9M	£104.3M	£104.5M	£103.3M	£102.8M
Unrestricted Funds readily available	£17.1M	£25.3M	£26.6M	£28.0M	£28.7M

Plans for future periods

The goals for 2023 include plans to:

1. Continue to enhance the profitability and efficiency of the farms through well-reasoned acquisitions to achieve, over time, a concentration of land holdings around major farm locations. Any future acquisitions will be funded from retained reserves or if necessary, donations from the Church Corporation.

   Along with well-reasoned acquisitions, a regular operational review of currently held farms occurs. New technology and science are continually reviewed and vetted to see if it warrants integration with daily operations.

2. To carefully monitor the balance of unrestricted funds while striving to achieve the concentration efforts identified in goal one, so that funds can be put to the use of The Charity's objectives as swiftly as possible.

3. Identify other charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, to support through the provision of sponsorship, grants or other financial or in-kind contributions.

Trustees' responsibilities statement

The Trustees (who are also directors of Farmland Reserve UK Limited for the purposes of company law) are responsible for preparing the report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

- The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors
Following a rebranding exercise on 15 May 2023 the trading name of the charitable company's independent auditor changed from MHA MacIntyre Hudson to MHA. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporation the strategic report, was approved by the Trustees, in their capacity as company directors and signed on their behalf by:

.....
B M Conway
Trustee

Date: 22/9/23

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED

Opinion

We have audited the Financial Statements of Farmland Reserve UK Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity 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 December 2022 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

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 Directors' Report included within 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

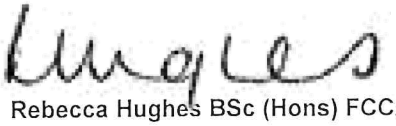
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Rebecca Hughes BSc (Hons) FCCA (Senior Statutory Auditor)

for and on behalf of
MHA

Chartered Accountants
Statutory Auditors

Northampton, United Kingdom

Date: 29 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:				
Donations	3	**108,450**	**108,450**	-
Other trading activities: Income from trading subsidiaries	4	**8,418**	**8,418**	7,233
Investments	5	**41**	**41**	2
Other income	6	**587**	**587**	211
Total income		**117,496**	**117,496**	7,446
Expenditure on:				
Raising funds:	7			
Trading activities		**5,733**	**5,733**	4,632
Other		**618**	**618**	559
Charitable donation		**130**	**130**	2,007
Raising funds		**-**	**-**	12
Total expenditure		**6,481**	**6,481**	7,210
Net income before taxation		**111,015**	**111,015**	236
Taxation	12	**(349)**	**(348)**	(433)
Net movement in funds		**110,666**	**110,666**	(197)
Reconciliation of funds:				
Total funds brought forward		**104,262**	**104,262**	104,459
Net movement in funds		**110,666**	**110,666**	(197)
Total funds carried forward		**214,928**	**214,928**	104,262

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 48 form part of these financial statements.

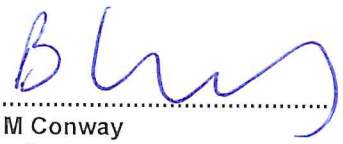
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Intangible assets	13		**204**		-
Tangible assets	14		**183,953**		70,256
			184,157		70,256
Current assets					
Stocks	17	**10,144**		7,265	
Debtors	18	**24,848**		3,192	
Cash at bank and in hand	25	**17,077**		25,312	
		52,069		35,769	
Creditors: amounts falling due within one year	19	**(20,376)**		(1,159)	
Net current assets			**31,693**		34,610
Total assets less current liabilities			**215,850**		104,866
Provisions for liabilities			**(923)**		(604)
Total net assets			**214,927**		104,262
Charity funds					
Unrestricted funds:					
Share capital	21	**10,000**		10,000	
Unrestricted funds	21	**204,927**		94,262	
Total unrestricted funds	21		**214,927**		104,262
Total funds			**214,927**		104,262

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Financial Statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....

B M Conway
Trustee

Date: 22/9/23

The notes on pages 21 to 48 form part of these Financial Statements.

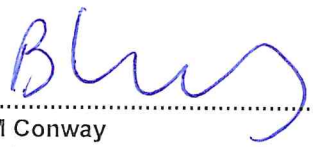
CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	14		**2,600**		623
Investments	16		**9,450**		9,450
Investment property	15		**249,165**		133,746
			261,215		143,819
Current assets					
Debtors	18	**24,449**		5,125	
Cash at bank and in hand	25	**6,902**		8,342	
		31,351		13,467	
Creditors: amounts falling due within one year	19	**(19,481)**		(434)	
Net current assets			**11,870**		13,033
Total assets less current liabilities			**273,085**		156,852
Total net assets			**273,085**		156,852
Charity funds					
Unrestricted funds					
Share capital	21	**10,000**		10,000	
Unrestricted income funds	21	**189,739**		80,412	
Revaluation reserves	21	**73,346**		66,440	
Total unrestricted funds	21		**273,085**		163,756
Total funds			**273,085**		163,756

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

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Financial Statements were approved and authorised for issue by the Trustees and signed on their behalf by:



B M Conway
Trustee

Date: 22/9/23

The notes on pages 21 to 48 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	24	**106,568**	(692)
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**765**	300
Purchase of intangible assets	13	**(407)**	-
Purchase of tangible fixed assets	14	**(115,202)**	(916)
Interest received	5	**41**	2
Net cash used in investing activities		**(114,803)**	**(614)**
Change in cash and cash equivalents in the year		**(8,235)**	**(1,306)**
Cash and cash equivalents at the beginning of the year		**25,312**	26,618
Cash and cash equivalents at the end of the year	25	**17,077**	25,312

The notes on pages 21 to 48 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Company information

Farmland Reserve UK Limited is a charitable company limited by shares, incorporated in England and Wales in the United Kingdom, and the address of its registered office is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

2. Accounting policies

2.1 Basis of preparation of Financial Statements

Farmland Reserve UK Limited is an incorporated Charity registered with the Charity Commission for England and Wales registration number 274605. The Company is registered in the UK, registration number 01332670.

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

Farmland Reserve UK Limited 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 Charity 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 Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest £1,000.

The following principal accounting policies have been applied.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The budgeted income and expenditure is sufficient with the level of reserves for the Group to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 Income

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

Donations are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Rental income is recognised on a straight line basis over the period of the lease.

Income from subsidiaries represents revenue recognised in respect of goods and services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Charity and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from crop sales is recognised upon receipt of the goods by the customers. Whilst goods are in transit, the risk and reward of ownership remain with the Charity.

Single farm payments are receivable on an annual basis. The annual payment is recognised in the year that the application applies to. Due to the regular variation in when the payment occurs, this is recognised either by accrual or upon receipt of payment.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds: trading activities comprise the expenses of the trading subsidiary in undertaking its income generating activities.

Other expenditure represents the expenses of parent company in renting the tangible fixed assets. These expenses are not considered to be directly attributable to either costs of raising funds or charitable expenditure to further the Charity's aims.

Where costs cannot be reliably attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the Charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of the Charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability. An analysis of these costs is disclosed in note 8.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include finance, professional and governance costs which support the Charity's activities. As there is only one activity in the Charity, the support costs have been allocated there in full.

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 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.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax is payable on profits in the subsidiary company.

2.7 Intangible assets and amortisation

Intangible fixed assets represent purchased entitlements to receive the single farm payment subsidy. These are held at cost and amortised over their expected useful life.

The amortisation charge is included within expenditure on raising funds: trading activities line in the SOFA.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Single farm payment entitlements -	Straight line over two years

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Land improvements	- over 10 to 40 years
Assets under construction	- not depreciated until bought into use
Plant and machinery	- over 5 to 10 years
Equipment fixtures and fittings	- over 5 to 10 years
Farm houses and farm buildings	- over 25 to 40 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.9 Investment Property

The freehold land, farm houses and farm buildings owned by The Charity are recognised as investment properties in The Charity's own Balance Sheet, and revalued to fair value at each balance sheet date. The valuation is based on management's assessment of the market value of land and buildings held as investment property at the year end. It takes into consideration market reports and their knowledge of the property and the local market. The property is carried at depreciated cost in the Group accounts.

Investment property held by the Charity is measured initially at cost and subsequently at fair value at each reporting date, with the gain or loss on revaluation going to the charitable company's net surplus for the year. The land and buildings rented to Group companies are held as investment property within the Financial Statements of the Charity but remain as tangible fixed assets in the Group consolidated Financial Statements at depreciated cost.

2.10 Investments

Fixed asset investments in listed securities are held at fair value and revalued annually with any gains or loss going to the Consolidated Statement of Financial Activities. 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.

2. Accounting policies (continued)

2.11 Stocks

Agriculture produce is held under cost model, being stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on an allocation of costs. Cultivations and crop in store include labour and attributable overheads.

Cultivations cost is determined on an overhead allocation basis. Cultivations are in the early stages of growth at the year end and therefore their market value cannot be determined.

Crop in store are valued at the lower of cost and net realisable value, with reference to market value and contracted future sales.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in profit and loss.

2.12 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.

2.13 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.

2.14 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 within interest payable and similar charges.

2.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Accounting policies (continued)

2.16 Financial instruments

The Group also enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.18 Operating leases - lessor

Rental income is recognised on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected inflation, in which case the annual rental income equals the amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the income recognised over the lease term on a straight line basis.

2. Accounting policies (continued)

2.19 Pensions

The Group is part of a defined benefit pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plan. The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made in the year or accrued at the year end, on a defined contribution basis, as requested by FRS 102 as the Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

The Group is not liable to the plan for other entities obligations under the terms and conditions of the multi employer pension plan.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.20 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Accounting policies (continued)

2.21 Critical accounting estimates and areas of judgment

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investment property

The investment property in the Charity is valued by the trustees at the balance sheet date. The Trustees consider the valuation to be appropriate having regard to the local market conditions.

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of The Group's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of the customer.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on an overhead allocation basis. Net realisable value is determined by management with reference to market value, consideration of contracted future sales. Certain factors could affect the net realisable value of The Group's stocks, including customer demand and market conditions.

Tangible and intangible assets

Depreciation and amortisation are provided on fixed assets based on the estimated useful economic life of those assets. This is based on management's knowledge of the business, assets and prior experience.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Income from donations

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	108,450	**108,450**	-

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Trading subsidiary	8,418	**8,418**	7,233

In 2021, income from the trading subsidiary was unrestricted income.

5. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Interest receivable from interest bearing accounts	41	**41**	2

6. Other incoming resources

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Other incoming resources	115	**115**	-
Profit on disposal of tangible fixed assets	472	**472**	211
	587	**587**	211

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £000	Total 2022 £000	Total 2021 £000
Operating costs of parent company	618	**618**	571
Trading of subsidiary	5,733	**5,733**	4,632
Charitable donation	130	**130**	2,007
	6,481	**6,481**	7,210

Summary by expenditure type

	Staff costs 2022 £000	Depreciation 2022 £000	Other costs 2022 £000	Total 2022 £000	Total 2021 £000
Operating costs of parent company	-	547	71	**618**	571
Trading of subsidiary	1,545	664	3,524	**5,733**	4,632
Charitable donation	-	-	130	**130**	2,007
Total 2022	1,545	1,211	3,725	**6,481**	7,210
Total 2021	1,089	1,087	5,034	7,210	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Operating costs of parent company	576	42	**618**	571
Trading of subsidiary	5,718	15	**5,733**	4,632
Charitable donation	130	-	**130**	2,007
Total 2022	6,424	57	**6,481**	7,210
Total 2021	7,145	65	7,210	

Analysis of direct costs

	Operating costs of parent 2022 £000	Trading of subsidiary 2022 £000	Charitable donation 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Staff costs	-	1,545	-	**1,545**	1,089
Depreciation	547	664	-	**1,211**	1,085
Charitable donation	-	-	130	**130**	2,007
Trading activities	29	3,509	-	**3,538**	2,913
Donations and other	-	-	-	**-**	51
Total 2022	576	5,718	130	**6,424**	7,145
Total 2021	519	4,619	2,007	7,145	

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operating costs of parent 2022 £000	Trading of subsidiary 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Audit of Subsidiary	-	15	**15**	13
Legal	31	-	**31**	44
Audit of Parent	11	-	**11**	8
Total 2022	42	15	**57**	65
Total 2021	52	13	65	

During the year ended 31 December 2022, the company incurred the following Governance costs:

The Charity only auditor remuneration - £11k (2021: £8k)
Subsidiary company auditor remuneration - £15k (2021: £13k)

9. Net (income)/expenditure

This is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of tangible fixed assets owned by the charitable Group	**1,211**	1,084
Amortisation of intangible assets	**204**	26
Auditor's remuneration - audit	**25**	20
Auditor's remuneration - other financial services	**3**	2
Operating lease rentals	**4**	4
Profit on disposal of fixed assets	**(472)**	(211)
Pension cost	277	260

10. Staff costs

	Group 2022 £000	Group 2021 £000
Wages and salaries	**1,147**	751
Social security costs	**121**	78
Other pension costs	**277**	260
	1,545	1,089

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

	Group 2022 No.	Group 2021 No.
Production and administration	**19**	17

The average headcount expressed as full-time equivalents was:

	Group 2022 No.	Group 2021 No.
Production and administration	**19**	17

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	**1**	-
In the band £90,001 - £100,000	**1**	1
In the band £100,001 - £110,000	**-**	1
In the band £110,001 - £120,000	**1**	-

11. Trustees' remuneration and expenses

One trustee who is also a director of the subsidiary company, received remuneration from the subsidiary company in relation to services provided as a director of the subsidiary company. No other Trustees received remuneration or pension contributions. The remuneration paid is outlined below:

		2022 £000	2021 £000
B M Conway	Remuneration	**117**	99
	Company pension contributions to defined contribution pension schemes	**36**	33

Payment is made to the Trustee as agreed with the Charity Commission.

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

Other related party transactions involving the Trustees are set out in note 34.

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Tax charge	**29**	324
Total current tax	**29**	324
Deferred tax		
Origination and reversal of timing differences	**320**	109
Total deferred tax	**320**	109
Taxation on net income	**349**	433

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Surplus on ordinary activities before tax - AgReserves Limited	**1686**	1,591
Effects of:		
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 -19%)	**320**	303
Other timing differences and disallowed expenditure	**(291)**	21
Origination and reversal of timing differences	**320**	109
Total tax charge for the year	**349**	433

There are no factors considered likely to affect future tax charges.

13. Intangible assets

Group

	Single farm payment entitlements £000
Cost	
At 1 January 2022	435
Additions	407
At 31 December 2022	843
Amortisation	
At 1 January 2022	435
Charge for the year	204
At 31 December 2022	639
Net book value	
At 31 December 2022	204
At 31 December 2021	-

14. Tangible fixed assets

Group

	Freehold land £000	Farm houses & Farm buildings £000	Plant and machinery £000	Land improv. Equipment and fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost or valuation						
At 1 January 2022	53,874	17,333	5,284	1,057	584	78,132
Additions	101,226	7,480	4,147	-	2,349	115,202
Disposals	-	-	(928)	-	(16)	(944)
Transfers between classes	-	325	-	169	(494)	-
At 31 December 2022	155,100	25,138	8,503	1,226	2,423	192,390
Depreciation						
At 1 January 2022	-	4,654	2,958	263	-	7,875
Charge for the year	-	507	664	40	-	1,211
On disposals	-	-	(651)	-	-	(651)
At 31 December 2022	-	5,161	2,971	303	-	8,435
Net book value						
At 31 December 2022	155,100	19,977	5,532	923	2,423	183,955
At 31 December 2021	53,874	12,678	2,326	794	584	70,256

14. Tangible fixed assets (continued)

Charity

	Farm houses & Farm buildings £000	Equipment fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At 1 January 2022	111	47	584	742
Additions	100	-	2,349	2,449
Disposals	-	-	(16)	(16)
Transfers between classes	-	44	(494)	(450)
At 31 December 2022	211	91	2,423	2,725
Depreciation				
At 1 January 2022	76	43	-	119
Charge for the year	3	3	-	6
At 31 December 2022	79	46	-	125
Net book value				
At 31 December 2022	132	45	2,423	2,600
At 31 December 2021	35	4	584	623

15. Investment property

Charity

	Freehold investment property £000
Valuation	
At 1 January 2022	**133,746**
Additions	**109,054**
Surplus on revaluation	**6,365**
At 31 December 2022	**249,165**

The fair value of investment property is based on a valuation by the Trustees, determined with reference to market reports and management's knowledge of the property and the local market.

The investment property is held by the Parent Charity and used only by the subsidiary Company, AgReserves Limited. It is carried at fair value in the Parent Company Financial Statements and at depreciated cost in the Group accounts,

The historical cost of the investment property is £174,628k (2021: £68,574k).

16. Fixed asset investments

Charity	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	9,450
At 31 December 2022	9,450
Net book value	
At 31 December 2022	9,450
At 31 December 2021	9,450

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding
AgReserves Limited	02947030	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit for the year £000	Net assets £000
AgReserves Limited	8,609	7,421	1,337	24,637

17. Stocks

	Group 2022 £000	Group 2021 £000
Cultivations	**6,174**	3,089
Crops	**3,970**	4,176
	10,144	7,265

An impairment loss of £144,338 (2021: £189,897) was recognised in cost of sales against stock during the year.

18. Debtors

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Due within one year				
Trade debtors	**4,268**	3,076	**31**	-
Amounts owed by Group undertakings	**-**	-	**4,453**	5,125
Other debtors	**20,085**	-	**19,923**	-
Prepayments and accrued income	**85**	116	**42**	-
Tax recoverable	**410**	-	**-**	-
	24,848	3,192	**24,449**	5,125

Amounts owed by Group undertakings are interest free and repayable on demand.

19. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade creditors	**299**	176	**122**	95
Amounts owed to Group undertakings	**-**	-	**229**	209
Amounts owed to participating interests	**19,000**	-	**19,000**	-
Corporation tax	**-**	210	**-**	-
Other taxation and social security	**92**	457	**-**	122
Other creditors	**142**	59	**-**	-
Accruals and deferred income	**843**	257	**130**	8
	20,376	1,159	**19,481**	434

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

20. Deferred taxation

Group and Charity

	2022 £000	2021 £000
At the beginning of the year	**604**	518
Charge for the year (SOFA)	**319**	86
	923	604

The deferred tax liability is made up as follows:

	Group 2022 £000	Group 2021 £000
Accelerated capital allowances	**878**	557
Tax losses carried forward	45	-
Other short term differences	**-**	47
	923	604

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2022 £000
Unrestricted funds					
Share capital	10,000	-	-	-	10,000
Reserves	94,262	117,495	(6,481)	(349)	204,927
	104,262	117,495	(6,481)	(349)	214,927

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

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

The net income for the year dealt with in the accounts of the parent charitable company was £116.2m (2021: £1.2m).

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2021 £000
Unrestricted funds					
Share capital	10,000	-	-	-	10,000
Reserves	94,459	7,446	(7,210)	(433)	94,262
	104,459	7,446	(7,210)	(433)	104,262

22. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £000	**Income £000**	**Expenditure £000**	**Taxation £000**	**Balance at 31 December 2022 £000**
General funds	**104,262**	**117,495**	**(6,481)**	**(349)**	**214,927**

Summary of funds - prior year

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2021 £000
General funds	104,459	7,446	(7,210)	(433)	104,262

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	183,953	**183,953**
Intangible fixed assets	204	**204**
Current assets	52,069	**52,069**
Creditors due within one year	(20,376)	**(20,376)**
Deferred tax	(923)	**(923)**
Total	214,927	**214,927**

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	70,256	70,256
Current assets	35,769	35,769
Creditors due within one year	(1,159)	(1,159)
Deferred tax	(604)	(604)
Total	104,262	104,262

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

	Group 2022 £000	Group 2021 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**110,666**	(197)
Adjustments for:		
Depreciation charges (Note 14)	**1,211**	1,084
Amortisation of intangible assets (Note 13)	**204**	26
Increase in stocks (Note 17)	**(2,879)**	(628)
Increase in debtors (Note 18)	**(21,494)**	(1,267)
Increase in creditors (Note 19)	**19,425**	147
Interest received (Note 5)	**(41)**	(2)
Profit on disposal of fixed assets (Note 9)	**(472)**	(211)
Taxation (Note 12)	**349**	433
Income taxes paid	**(401)**	(77)
Net cash provided by/(used in) operating activities	**106,568**	(692)

25. Analysis of cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash in hand	**17,077**	25,312
Total cash and cash equivalents	**17,077**	25,312

26. Analysis of changes in net debt

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	**25,312**	**(8,235)**	**17,077**

27. Share capital

Allotted, called up and fully paid 10,000,000 Ordinary shares of £1 each.

28. Pension commitments

The Group participates in a pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The group has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

Contributions to the two schemes for the year were £277k (2021: £260k).

Contributions totalling £nil (2021: £8.6k) were outstanding at the year end and this balance is included within other creditors.

29. Operating lease commitments

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £000	Group 2021 £000
Within 1 year	4	4

30. Financial risk management

The risks arising from financial instruments to which the entity is exposed at the year end are as follows:

Credit risk

In view of the recent economic downturn the Charity is making every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Price risk

As part of the nature of agriculture the Charity is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the Charity to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Market risk

The year end valuation, and resulting gain or loss in the Statement of Financial Activities, of financial instruments measured at fair value through income and expenditure, is subject to changes in the market value of the listed investments in which shares are held.

31. Unrestricted income funds - Charity

This reserve represents cumulative net income on unrestricted income streams. Every year a transfer is made to the revaluation reserve, representing the value of gains and losses of the investment property. Net income in the current year totalled £116.2m (2021: £1.2m) and the reserve transfer to the revaluation reserve totalled £6,906k (2021: £2,613k) representing the fair value gains on the investment property.

32. Revaluation reserve - Charity

The revaluation reserve represents cumulative gains and losses on the fair value movement of the investment properties since transition to FRS 102. In the current year fair value gains totalled £6,906k (2021: £2,613k) and this represents the movement on the reserve in the year.

33. Turnover

All turnover arose within the United Kingdom.

34. Related party transactions

The immediate and ultimate parent company of the Group is Farmland Reserve Inc, a not for profit company incorporated in the United States of America. This is the largest and smallest group of undertakings for which group accounts are drawn up. The Charity is directed by Farmland Reserve Inc, through budgets and plans reviewed by the Charity Trustees.

The Charity has taken advantage of disclosure exemptions available within FRS 102 section 33 and not included details of any transactions with wholly owned Group companies that are included in these consolidated accounts.

FARMLAND RESERVE UK LIMITED

England & Wales - Charity number 274605

Accounts

Registered number: 01332670
Charity number: 274605

FARMLAND RESERVE UK LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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FARMLAND RESERVE UK LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	D M Sleight, Trustee (resigned 31 January 2021) B M Conway, Trustee P A Tolman, Trustee D L Rose (appointed 31 January 2021)
Company Registered Number	01332670
Charity Registered Number	274605
Registered Office	Manor Farm Church End Wood Walton Huntingdon Cambridgeshire PE28 5YU
Company Secretary	B J Garlick
Independent Auditors	MHA MacIntyre Hudson Chartered Accountants 1 The Forum Minerva Business Park Lynch Wood Peterborough PE2 6FT
Bankers	NatWest 92 High Street Huntingdon PE29 3DT
Solicitors	Devonshires 30 Finsbury Circus London EC2M 7DT

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also directors for the purposes of the Companies Act of the company (The Charity - Farmland Reserve UK Limited), present their annual report together with the audited financial statements of The Charity and its subsidiary (The Charity and The Group) for the year ended 31 December 2021. The Trustees confirm that the financial statements of The Charity and The Group comply with the current provisions of FRS 102 and the Charities SORP.

Objectives and Activities

• Objectives and principal activities

The object of The Charity is:

To promote and further the religious and other charitable work of The Church Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

The Charity will support charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, through the provision of sponsorship, grants or other financial or in-kind contributions.

The Charity holds tangible investments in farming and their associated assets to generate funds for its objectives as previously stated. Details of their performance can be found in the "Financial Review" section and "Subsidiary Undertakings" subsection under the "Structure, Governance and Management" section.

The Trustees regularly interact with representatives of The Church of Jesus Christ of Latter-day Saints, Utah Corporation Sole ("Church Corporation") (formerly known as The Corporation of the Presiding Bishopric of The Church of Jesus Christ of Latter-day Saints "CPB") to discuss making significant donations to support Church Corporation's international building projects for religious purpose buildings and other projects which both Church Corporation and the Church had approved around the world. It was decided that this would be a better match (and easier to monitor) to the Charity's objectives rather than making individual donations to various charitable organisations within the UK and elsewhere.

The Trustees investigated the way in which these projects were identified and approved by internal Church committees, the type of projects and their religious and charitable purposes. Further, they were happy with the infrastructure and controls that Church Corporation had in place to ensure proper implementation of these projects.

• Achievements and Performance

During 2021 the Trustees finalised plans to make another donation to Church Corporation. On 20th December 2021, a donation of £2,000,000 ($2,644,000) was transferred from The Charity, to sister charity, Church Corporation.

Church Corporation identified a number of specific projects for implementation internationally in pursuit of its purposes to the success of which The Charity has now had the opportunity to contribute £2,000,000 to these causes.

The following projects were identified by Church Corporation to utilise the donation.

Humanitarian Projects

Country	Partner Organisation	Brief Description	Projected Costs (USD)
Slovakia	ADRA	6,000 Individuals from hard-to-reach areas will receive the COVID vaccine. Others will be trained; disadvantaged women will be provided with psychosocial activities	$100,000
Serbia, Albania, Bulgaria	ADRA	Vaccination to 4,600 Roma, homeless and socially vulnerable groups in 3 countries	$100,000
Cape Verde	Red Cross	Provide wheelchairs for the needy in Cabo Verde in co-operation with the Red Cross	$150,000
Kosovo	HandiKos	Provide wheelchairs for the needy in Kosovo in cooperation with the HandiKos	$70,000
Albania	ADRF	Provide wheelchairs for the needy in Albania in cooperation with the ADRF	$150,000
Romania	Motivation Romania	Provide wheelchairs for the needy in Romania in cooperation with the Motivation Romania	$70,000
Bosnia	Rehab Hospital in Banja Luka	Provide wheelchairs for the needy in Bosnia in cooperation with the Rehab Hospital in Banja Luka	$70,000
Cape Verde	AFOSOL	Clean drinking water for neighbourhood residence	$400,000
Germany	Red Cross	Support for Afghan Evacuees at Rhine Ordinance Barracks	$300,000
Albania	Red Cross	Mobility support for Albania (Wheelchairs, walkers, crutches, canes and prosthetics)	$178,657
Bosnia	Muslim Aid	Long term partnership with Muslim Aid to assist poor rural families in Bosnia and Herzegovina establish productive and sustainable greenhouses	$152,822
			$1,381,479

Renovation Projects

Facility	Project Detail	Projected Costs (GBP)
London Temple	Major Renovation works to London England LDS Temple	£563,988
Preston Temple	Major Renovation works to Preston England LDS Temple	£547,427
		£1,111,415

A Donation for 2022 is currently under review, £1.0M has been set aside to support several projects

• Public Benefit

The Trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties.

Financial Review

• Financial results

Each year, The Trustees carry out a detailed review of The Charity. They review the previous year's achievements, and review and approve the budgets for next year.

The end of the year saw a reduction in profitability during 2021, the variation in the net position is caused by a larger Charitable Donation made in 2021. Incoming resources saw an improvement during the year increasing from £6,194k in 2020 to £7,446k in 2021. Income from its trading subsidiary increased to £7,233k (2020: £6,014k) and investment income decreased to £2k (2020: £37k).

Costs, excluding tax, increased during the year from £4,873k in 2020 to £7,210k in 2021. A donation to "Church Corporation" was made during 2021 totalling £2M. This donation was a larger than expected due to no donation being made during 2020.

Incoming resources fell short of resources expended for the year by (£197k). This is in contrast to 2020 where we made a profit of £1,184k.

Results of The Group were impacted by both improved crop sales by a return to normalised yields and an improvement in market prices. During the 2019 autumn planting window, heavy rains fell consistently from October through December, followed by the wettest February on record. As a result, 50% of winter plantings were delayed until the spring of 2020. These late plantings were further impacted by drought like conditions during May and June. The combination of these adverse weather conditions led to a significant loss in yield across all crops. This reduced the volume of crop sales (revenue) during 2020, 2021 returned to normal levels.

Market prices for Cereals increased significantly during 2021 due to a number of global factors; a continuation of severe disruptions in the agricultural supply chain caused by the Covid-19 pandemic and Brexit, weather stories including drought in Brazil and rising tensions between Russia and the Ukraine threatening the supply of energy, fertiliser and the export of wheat to the world market.

• Investment policy and performance

Under the Articles of Association, The Charity has the power to invest in any way the Trustees deem to be in the best interests of The Charity.

The Charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return. This will help facilitate future farm acquisition as listed in the future plans section of this Trustee Report;

"The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around one major farm centre in Cambridgeshire. This process of consolidation began in 2008 and has continued through to 2021."

The current high liquidity position held by The Charity is a result of selling off some of these scattered land parcels over the last 13 years.

However, due to the low volume of Land sales in the designated geographical area for re-deployment, as such it has taken some time to make these Land Acquistions and this trend is expected to continue. When complete this will enable the running of a more efficient operation that will generate sustainable funds for future Charitable work.

To achieve this objective, The Charity by the year end had invested £22.1 million (2020: £24.1 million) of excess funds in an Instant Access Interest Bearing account with high security rating and achieved an average interest rate of 0.01% (2020: 0.01% gross) during 2021.

Investment income is recognised on a receivable basis.

• Reserves policy

The Trustees have established the level of reserves (that is those funds that are freely available) to which The Charity and its subsidiary companies ought to have ready access. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and leasing of farmland.

The Trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months of charitable expenditure in reserves.

The actual reserves reported at 31 December 2021 were £104,262k (2020: £104,459k) which is significantly above the Trustees' target due to retaining a portion for possible future agricultural acquisitions as part of its ongoing consolidation efforts.

It should be noted that of the £104,262k only £25,312k is freely available due to the rest of the reserves figure being held in farming related assets to generate investment income to make current and future donations. The current level of cash reserves held exceeds the 12 months expenditure policy stated, this is due to awaiting to reinvest cash generated from farm sales for redeployment on land assets within the designated area for consolidation, as described in the investment policy section.

In addition, the Trustees wish to observe that during 2022 plans have been made to make a significant charitable donation to causes that meet The Charity's objectives.

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

Structure, governance and management

• Governing document

The Charity continues to be both a limited company and a registered charity. In conjunction with this, The Charity is governed by its Memorandum and Articles of Association which were last amended on 22 November 2011.

The purpose of The Charity as set out in the government document is laid out in the Objectives and Activities section of this report, with the main activities undertaken in relation to those purposes.

• Appointment of Trustees

As set out in the Articles of Association, new or additional trustees are to be appointed by the shareholder (Farmland Reserve, Inc.) or by decision of the Trustees, providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

• Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of The Charity.

During the orientation day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Claims.

• Organisation

The sole shareholder of The Charity is Farmland Reserve, Inc. a non-profit corporation based in Utah, USA.

Direction is channelled to The Charity via the shareholder and is reflected in the various department budgets/plans which are reviewed and approved by the Trustees annually.

Within this framework, the board of trustees administers the affairs of The Charity. The Trustees monitor progress and achievements throughout the year, and other trustee meetings are held as necessary. The trustees direct the Charity and the operation of the Charity on a day to day basis is delegated to the Senior Management Team. The pay of the Senior Management Team is reviewed annually by Trustees and is benchmarked against the pay of others in similar charitable roles.

• Related parties

The Charity holds 100% of the share capital of its subsidiary companies, AgReserves Limited.

• Subsidiary undertakings

AgReserves Limited's principal activity continued to be that of arable farming and it operates a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology.

AgReserves Limited leases all of the farmland owned by Farmland Reserve UK Limited and then farms that land. The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around one major farm centre in Cambridgeshire.

This process of consolidation began in 2008 and has continued through to 2021.

The profit for the year of the subsidiary AgReserves Limited included in the statement of financial activities was a profit of £1,157k (2020: £592k).

• Risk management

The Trustees have assessed the major risks to which The Charity and the group are exposed, in particular those related to the operations and finances of The Charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The risk management strategy of the Trustees includes an annual review of the principal risks, The Trustees regularly review the procedures in place to mitigate risk.

• Employees

The Charity ensures that its employees are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

• Applications for new positions in The Charity are invited from anyone with the relevant qualifications - the key emphasis is on their ability to meet the requirements of the position although the application form requests the applicant mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.

• The Charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity and The Group.

• In addition to the above points, The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long-term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

• Key Management Personnel

The Charity does not have any employees, all employees of The Group are employed by the subsidiary of The Charity, AgReserves Ltd. During 2021, no Trustees of The Charity received any remuneration, benefits in kind or reimbursement of expenses from The Charity, nor incurred any expenses.

Of the three Trustees only one is a member of the Key Management Personnel of The Group and is employed by the subsidiary, AgReserves Ltd.

Key Management are paid within the banded salary structure of the subsidiary. Regular benchmarking and independent market reviews are conducted to ensure that pay remains reflective of fair market value and competitive enough to encourage retention of key staff. Benchmarking exercises occur on an annual basis, with an independent market review occurring every 5 to 10 years. During this process, a review is conducted not just for Key Management but all working staff of The Subsidiary.

Reference and administrative details

• Registered name and number

The registered name of The Charity is Farmland Reserve UK Limited. The Charity does not use any other names.

The charity registration number is 274605. The Charity is registered with the Charity Commission in England and Wales. The company registration number is 01332670.

• Office

The principal and registered office address is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

• Directors and trustees
The trustees who served during the year and subsequent to the year end and up to the date of signing the report were as follows:

D L Rose
B M Conway
P A Tolman

None of the trustees have qualifying third party indemnity insurance.

Funds held as custodian trustee on behalf of others

The Charity does not hold funds as custodian trustee on behalf of others.

Strategic Report

Principal risks and uncertainties

Financial risk and management

The main risk The Charity faces is that it relies on income from the leasing of all the farmland it owns to its subsidiary undertaking. The Charity has sufficient reserves to meet the needs of its charitable activities for the foreseeable future and has assurances of continuing support from the parent company.

Other forms of risks and the management of these risks are:

Price risk

Salary costs are communicated to staff of The Group during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.

As part of the nature of agriculture the company is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the company to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Credit risk

Credit risk on amounts owed to The Charity by its customers is low as the main debtor is AgReserves Limited which is a wholly owned subsidiary. Credit risks on amounts owed to the group are actively monitored.

The Group continues to make every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Liquidity risk

The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.

Interest rate cash flow risk

The Charity is able to place surplus funds on short term deposit with the Charity's bankers. With the present banking interest rates being so low there is a risk that the Charity does not make the best use of surplus cash and therefore every effort is being made to review all options that would bring the highest rates possible.

Currency rate risk
As a result of Brexit, the 2021 BPS Subsidy received from the Rural Payments Agency was paid to the subsidiary in Pounds Sterling. It is therefore highly unlikely that there will be a need to enter into any future forward dealing facilities, this almost entirely eliminates any currency rate risk.

Key performance indicators (KPI)

To measure the effectiveness of The Charity's strategy and its implementation The Trustees have identified the following KPI's:

	2021	2020	2019	2018	2017
Profitability of Farming Operations	£2.4M	£1.7M	£2.0M	£2.0M	£1.8M
Resources expended on charitable activities	£2.6M	£0.5M	£1.5M	£0.8M	£0.5M
Unrestricted Funds	£104.3M	£104.5M	£103.3M	£102.8M	£101.5M
Unrestricted Funds readily available	£25.3M	£26.6M	£28.0M	£28.7M	£29.1M

Plans for future periods

The goals for 2022 include plans to:

1. Continue to enhance the profitability and efficiency of the farms through well-reasoned acquisitions to achieve, over time, a concentration of land holdings around one major farm. Any future acquisitions will be funded from retained reserves.

   Along with well-reasoned acquisitions, a regular operational review of currently held farms occurs. New technology and science are continually reviewed and vetted to see if it warrants integration with daily operations.

2. To carefully monitor the balance of unrestricted funds while striving to achieve the concentration efforts identified in goal one, so that funds can be put to the use of The Charity's objectives as swiftly as possible.

3. Identify other charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, to support through the provision of sponsorship, grants or other financial or in-kind contributions.

Trustees' responsibilities statement

The trustees (who are also directors of Farmland Reserve UK Limited for the purposes of company law) are responsible for preparing the report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

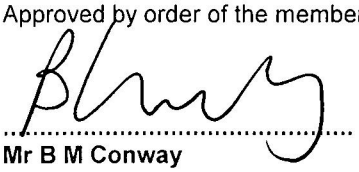
- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

- The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors

The Auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the Auditor at a meeting of the Trustees.

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



Mr B M Conway
Trustee

Date: 28/9/22

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED

Opinion

We have audited the Financial Statements of Farmland Reserve UK Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity 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 December 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

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 Directors' Report included within 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

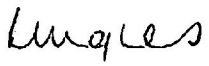
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Northampton

Date: 29 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:				
Other trading activities: Income from trading subsidiaries	3	**7,233**	**7,233**	6,014
Investments	4	**2**	**2**	37
Other income	5	**211**	**211**	143
Total income		**7,446**	**7,446**	6,194
Expenditure on:				
Raising funds:	6			
Trading activities		**4,632**	**4,632**	4,308
Other		**559**	**559**	547
Charitable donation		**2,007**	**2,007**	-
Raising funds		**12**	**12**	18
Total expenditure		**7,210**	**7,210**	4,873
Net income before taxation		**236**	**236**	1,321
Taxation	11	**(433)**	**(434)**	(137)
Net movement in funds		**(197)**	**(197)**	1,184
Reconciliation of funds:				
Total funds brought forward		**104,459**	**104,459**	103,275
Net movement in funds		**(197)**	**(197)**	1,184
Total funds carried forward		**104,262**	**104,262**	104,459

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 47 form part of these financial statements.

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		2020 £000
Fixed assets					
Intangible assets	12		-		26
Tangible assets	13		**70,256**		70,523
			70,256		70,549
Current assets					
Stocks	16	**7,265**		6,637	
Debtors	17	**3,192**		1,963	
Cash at bank and in hand	24	**25,312**		26,618	
		35,769		35,218	
Creditors: amounts falling due within one year	18	**(1,159)**		(814)	
Net current assets			**34,610**		34,404
Total assets less current liabilities			**104,866**		104,953
Provisions for liabilities	19		**(604)**		(494)
Total net assets			**104,262**		104,459
Charity funds					
Unrestricted funds:					
Share capital	20	**10,000**		10,000	
Unrestricted funds	20	**94,262**		94,459	
Total unrestricted funds	20		**104,262**		104,459
Total funds			**104,262**		104,459

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The Financial Statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr B M Conway
Trustee

Date: 28/9/22

The notes on pages 21 to 47 form part of these Financial Statements.

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

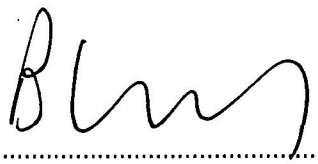
CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		2020 £000
Fixed assets					
Tangible assets	13		**623**		688
Investments	15		**9,450**		9,450
Investment property	14		**133,746**		130,944
			143,819		141,082
Current assets					
Debtors	17	**5,125**		4,436	
Cash at bank and in hand		**8,342**		10,447	
		13,467		14,883	
Creditors: amounts falling due within one year	18	**(434)**		(372)	
Net current assets			**13,033**		14,511
Total assets less current liabilities			**156,852**		155,593
Total net assets			**156,852**		155,593
Charity funds					
Unrestricted funds					
Share capital	20	**10,000**		10,000	
Unrestricted income funds	20	**80,412**		81,766	
Revaluation reserves	20	**66,440**		63,827	
Total unrestricted funds	20		**156,852**		155,593
Total funds			**156,852**		155,593

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

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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



.....

Mr B M Conway
Trustee

Date: 28/9/22

The notes on pages 21 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	23	**(692)**	2,282
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**300**	265
Purchase of intangible assets		**-**	(10)
Purchase of tangible fixed assets	13	**(916)**	(4,027)
Interest received	4	**2**	37
Net cash used in investing activities		**(614)**	**(3,735)**
Change in cash and cash equivalents in the year		**(1,306)**	**(1,453)**
Cash and cash equivalents at the beginning of the year		**26,618**	28,071
Cash and cash equivalents at the end of the year	24	**25,312**	26,618

The notes on pages 21 to 47 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Company information

Farmland Reserve UK Limited is a charitable company limited by shares, incorporated in England and Wales in the United Kingdom, and the address of its registered office is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

2. Accounting policies

2.1 Basis of preparation of Financial Statements

Farmland Reserve UK Limited is an incorporated Charity registered with the Charity Commission for England and Wales registration number 274605. The Company is registered in the UK, registration number 01332670.

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

Farmland Reserve UK Limited 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 Charity 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 Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest £1,000.

The following principal accounting policies have been applied.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The budgeted income and expenditure is sufficient with the level of reserves for the Group to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 Income

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

Rental income is recognised on a straight line basis over the period of the lease.

Income from subsidiaries represents revenue recognised in respect of goods and services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Charity and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from crop sales is recognised upon receipt of the goods by the customers. Whilst goods are in transit, the risk and reward of ownership remain with the Charity.

Single farm payments are receivable on an annual basis. The annual payment is recognised in the year that the application applies to. Due to the regular variation in when the payment occurs, this is recognised either by accrual or upon receipt of payment.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds: trading activities comprise the expenses of the trading subsidiary in undertaking its income generating activities.

Other expenditure represents the expenses of parent company in renting the tangible fixed assets. These expenses are not considered to be directly attributable to either costs of raising funds or charitable expenditure to further the Charity's aims.

Where costs cannot be reliably attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the Charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of the Charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability. An analysis of these costs is disclosed in note 7.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include finance, professional and governance costs which support the Charity's activities. As there is only one activity in the Charity, the support costs have been allocated there in full.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.5 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.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax is payable on profits in the subsidiary company.

2.7 Intangible assets and amortisation

Intangible fixed assets represent purchased entitlements to receive the single farm payment subsidy. These are held at cost and amortised over their expected useful life.

The amortisation charge is included within expenditure on raising funds: trading activities line in the SOFA.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Single farm payment entitlements -	%	Straight line over the remaining review period to 2021

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Land improvements	- over 10 to 40 years
Assets under construction	- not depreciated until bought into use
Plant and machinery	- over 5 to 10 years
Equipment fixtures and fittings	- over 5 to 10 years
Farm houses and farm buildings	- over 25 to 40 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.9 Investment Property

The freehold land, farm houses and farm buildings owned by The Charity are recognised as investment properties in The Charity's own Balance Sheet, and revalued to fair value at each balance sheet date. The valuation is based on management's assessment of the market value of land and buildings held as investment property at the year end. It takes into consideration market reports and their knowledge of the property and the local market. The property is carried at depreciated cost in the Group accounts.

Investment property held by the Charity is measured initially at cost and subsequently at fair value at each reporting date, with the gain or loss on revaluation going to the charitable company's net surplus for the year. The land and buildings rented to Group companies are held as investment property within the Financial Statements of the Charity but remain as tangible fixed assets in the Group consolidated Financial Statements at depreciated cost.

2. Accounting policies (continued)

2.10 Investments

Fixed asset investments in listed securities are held at fair value and revalued annually with any gains or loss going to the Consolidated Statement of Financial Activities. 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.

2.11 Stocks

Agriculture produce is held under cost model, being stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on an allocation of costs. Cultivations and crop in store include labour and attributable overheads.

Cultivations cost is determined on an overhead allocation basis. Cultivations are in the early stages of growth at the year end and therefore their market value cannot be determined.

Crop in store are valued at the lower of cost and net realisable value, with reference to market value and contracted future sales.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in profit and loss.

2.12 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.

2.13 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.

2.14 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 within interest payable and similar charges.

2. Accounting policies (continued)

2.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.16 Financial instruments

The Group also enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.18 Operating leases - lessor

Rental income is recognised on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected inflation, in which case the annual rental income equals the amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the income recognised over the lease term on a straight line basis.

2.19 Pensions

The Group is part of a defined benefit pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plan. The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made in the year or accrued at the year end, on a defined contribution basis, as requested by FRS 102 as the Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

The Group is not liable to the plan for other entities obligations under the terms and conditions of the multi employer pension plan.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.20 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Accounting policies (continued)

2.21 Critical accounting estimates and areas of judgment

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investment property

The investment property in the Charity is valued by the trustees at the balance sheet date. The Trustees consider the valuation to be appropriate having regard to the local market conditions.

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of The Group's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of the customer.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on an overhead allocation basis. Net realisable value is determined by management with reference to market value, consideration of contracted future sales. Certain factors could affect the net realisable value of The Group's stocks, including customer demand and market conditions.

Tangible and intangible assets

Depreciation and amortisation are provided on fixed assets based on the estimated useful economic life of those assets. This is based on management's knowledge of the business, assets and prior experience.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Trading subsidiary	7,233	**7,233**	6,014

In 2020, income from the trading subsidiary was unrestricted income.

4. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Interest receivable from interest bearing accounts	2	**2**	37

5. Other incoming resources

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Profit on disposal of tangible fixed assets	211	**211**	143

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Operating costs of parent company	571	**571**	565
Trading of subsidiary	4,632	**4,632**	4,308
Charitable donation	2,007	**2,007**	-
	7,210	**7,210**	4,873

6. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2021 £000	Depreciation 2021 £000	Other costs 2021 £000	**Total funds 2021 £000**	Total funds 2020 £000
Operating costs of parent company	-	491	81	**571**	565
Trading of subsidiary	1,089	596	2,946	**4,632**	4,308
Charitable donation	-	-	2,007	**2,007**	-
Total 2021	1,089	1,087	5,034	**7,210**	4,873
Total 2020	1,121	1,040	2,712	4,873	

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	**Total funds 2021 £000**	Total funds 2020 £000
Operating costs of parent company	519	52	**571**	565
Trading of subsidiary	4,619	13	**4,632**	4,308
Charitable donation	2,007	-	**2,007**	-
Total 2021	7,145	65	**7,210**	4,873
Total 2020	4,811	62	4,873	

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operating costs of parent 2021 £000	Trading of subsidiary 2021 £000	Charitable donation 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	-	1,089	-	**1,089**	1,121
Depreciation	489	596	-	**1,085**	1,040
Trading activities	(21)	2,934	-	**2,913**	2,606
Charitable donation	-	-	2,007	**2,007**	-
Donations and other	51	-	-	**51**	44
Total 2021	519	4,619	2,007	**7,145**	4,811
Total 2020	515	4,296	-	4,811	

Analysis of support costs

	Operating costs of parent 2021 £000	Trading of subsidiary 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Audit of Subsidiary	-	13	**13**	12
Legal	44	-	**44**	42
Audit of Parent	8	-	**8**	8
	52	13	**65**	62
Total 2020	50	12	62	

During the year ended 31 December 2021, the company incurred the following Governance costs:

The Charity only auditor remuneration - £8k (2020: £8k)
Subsidiary company auditor remuneration - £13k (2020: £12k)

8. Net income/(expenditure)

This is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets owned by the charitable group	**1,084**	1,040
Amortisation of intangible assets	**26**	26
Auditor's remuneration - audit	**20**	19
Auditor's remuneration - other financial services	**2**	1
Operating lease rentals	**4**	4
Profit on disposal of fixed assets	**(211)**	(143)
Pension cost	**260**	299

9. Staff costs

	Group 2021 £000	Group 2020 £000
Wages and salaries	**751**	737
Social security costs	**78**	85
Other pension costs	**260**	299
	1,089	1,121

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

	Group 2021 No.	Group 2020 No.
Production and administration	**17**	17

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.
Production and administration	**17**	17

9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	1

10. Trustees' remuneration and expenses

One trustee who is also a director of the subsidiary company, received remuneration from the subsidiary company in relation to services provided as a director of the subsidiary company. No other Trustees received remuneration or pension contributions. The remuneration paid is outlined below:

		2021 £000	2020 £000
B M Conway	Remuneration	99	106
	Company pension contributions to defined contribution pension schemes	33	21

Payment is made to the Trustee as agreed with the Charity Commission.

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

Other related party transactions involving the Trustees are set out in note 33.

11. Taxation

	2021 £000	2020 £000
Corporation tax		
Tax charge	**324**	24
Total current tax	**324**	24
Deferred tax		
Origination and reversal of timing differences	**109**	113
Total deferred tax	**109**	113
Taxation on net income	**433**	137

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Surplus on ordinary activities before tax - AgReserves Limited	**1,591**	729
Effects of:		
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020 -19%)	**303**	139
Other timing differences and disallowed expenditure	**21**	(115)
Orgination and reversal of timing differences	**109**	113
Total tax charge for the year	**433**	137

There are no factors considered likely to affect future tax charges.

12. Intangible assets

Group

	Single farm payment entitlements £000
Cost	
At 1 January 2021	**435**
At 31 December 2021	**435**
Amortisation	
At 1 January 2021	**409**
Charge for the year	**26**
At 31 December 2021	**435**
Net book value	
At 31 December 2021	-
At 31 December 2020	26

13. Tangible fixed assets

Group

	Freehold land £000	Farm houses & Farm buildings £000	Plant and machinery £000	Land improv. Equipment and fixtures and fittings £000	Assets in the course of constructio n £000	Total £000
Cost or valuation						
At 1 January 2021	**53,874**	**16,792**	**5,592**	**925**	**644**	**77,827**
Additions	**-**	**-**	**274**	**-**	**642**	**916**
Disposals	**-**	**-**	**(582)**	**-**	**(29)**	**(611)**
Transfers between classes	**-**	**541**	**-**	**132**	**(673)**	**-**
At 31 December 2021	**53,874**	**17,333**	**5,284**	**1,057**	**584**	**78,132**
Depreciation						
At 1 January 2021	**-**	**4,198**	**2,876**	**230**	**-**	**7,304**
Charge for the year	**-**	**456**	**595**	**33**	**-**	**1,084**
On disposals	**-**	**-**	**(513)**	**-**	**-**	**(513)**
At 31 December 2021	**-**	**4,654**	**2,958**	**263**	**-**	**7,875**
Net book value						
At 31 December 2021	**53,874**	**12,679**	**2,326**	**794**	**584**	**70,257**
At 31 December 2020	53,874	12,594	2,716	695	644	70,523

13. Tangible fixed assets (continued)

Charity

	Farm houses & Farm buildings £000	Equipment fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At 1 January 2021	**111**	**47**	**644**	**802**
Additions	**-**	**-**	**642**	**642**
Disposals	**-**	**-**	**(29)**	**(29)**
Transfers between classes	**-**	**-**	**(673)**	**(673)**
At 31 December 2021	**111**	**47**	**584**	**742**
Depreciation				
At 1 January 2021	**72**	**42**	**-**	**114**
Charge for the year	**4**	**1**	**-**	**5**
At 31 December 2021	**76**	**43**	**-**	**119**
Net book value				
At 31 December 2021	**35**	**4**	**584**	**623**
At 31 December 2020	39	5	644	688

14. Investment property

Charity

	Freehold investment property £000
Valuation	
At 1 January 2021	**130,944**
Surplus on revaluation	**2,129**
Transfers between classes	**673**
At 31 December 2021	**133,746**

The fair value of investment property is based on a valuation by the Trustees, determined with reference to market reports and management's knowledge of the property and the local market.

The investment property is held by the Parent Charity and used only by the subsidiary Company, AgReserves Limited. It is carried at fair value in the Parent Company Financial Statements and at depreciated cost in the group accounts.

The historical cost of the investment property is £68,574k (2020: £68,033k).

15. Fixed asset investments

Charity	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	**9,450**
At 31 December 2021	**9,450**
Net book value	
At 31 December 2021	**9,450**
At 31 December 2020	9,450

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding
AgReserves Limited	02947030	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit for the year £000	Net assets £000
AgReserves Limited	**7,407**	**6,028**	**1,157**	**23,300**

16. Stocks

	Group 2021 £000	Group 2020 £000
Cultivations	**3,089**	2,814
Crops	**4,176**	3,823
	7,265	6,637

An impairment loss of £189,897 (2020: £1,200,000) was recognised in cost of sales against stock during the year.

17. Debtors

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Due within one year				
Trade debtors	**3,076**	1,796	**-**	-
Amounts owed by group undertakings	**-**	-	**5,125**	4,315
Other debtors	**-**	122	**-**	121
Prepayments and accrued income	**116**	7	**-**	-
Tax recoverable	**-**	38	**-**	-
	3,192	1,963	**5,125**	4,436

Amounts owed by group undertakings are interest free and repayable on demand.

18. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Trade creditors	**176**	51	**95**	13
Amounts owed to group undertakings	**-**	-	**209**	200
Corporation tax	**210**	-	**-**	-
Other taxation and social security	**457**	471	**122**	151
Other creditors	**59**	19	**-**	-
Accruals and deferred income	**257**	273	**8**	8
	1,159	814	**434**	372

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

19. Deferred taxation

Group and Charity

	2021 £000	2020 £000
At the beginning of the year	**518**	381
Charge for the year (P&L)	**86**	113
	604	494

The deferred tax liability is made up as follows:

	Group 2021 £000	Group 2020 £000
Accelerated capital allowances	**557**	457
Other short term differences	**47**	37
	(604)	(494)

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2021 £000
Unrestricted funds					
Share capital	**10,000**	**-**	**-**	**-**	**10,000**
Reserves	**94,459**	**7,446**	**(7,210)**	**(433)**	**94,262**
	104,459	**7,446**	**(7,210)**	**(433)**	**104,262**

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

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

The net income for the year dealt with in the accounts of the parent charitable company was £1.2m (2020: £1.5m).

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2020 £000
Unrestricted funds					
Share capital	10,000	-	-	-	10,000
Reserves	93,275	6,194	(4,873)	(137)	94,459
	103,275	6,194	(4,873)	(137)	104,459

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £000	**Income £000**	**Expenditure £000**	**Taxation £000**	**Balance at 31 December 2021 £000**
General funds	**104,459**	**7,446**	**(7,210)**	**(433)**	**104,262**

Summary of funds - prior year

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2020 £000
General funds	103,275	6,194	(4,873)	(137)	104,459

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	70,256	**70,256**
Current assets	35,769	**35,769**
Creditors due within one year	(1,159)	**(1,159)**
Deferred tax	(604)	**(604)**
Total	104,262	**104,262**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	70,523	70,523
Intangible fixed assets	26	26
Current assets	35,218	35,218
Creditors due within one year	(814)	(814)
Deferred tax	(494)	(494)
Total	104,459	104,459

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

	Group 2021 £000	Group 2020 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	**(197)**	1,184
Adjustments for:		
Depreciation charges (Note 13)	**1,084**	1,040
Amortisation of intangible assets (Note 12)	**26**	26
Increase in stocks (Note 16)	**(628)**	(506)
(Increase)/decrease in debtors (Note 17)	**(1,267)**	812
Increase/(decrease) in creditors (Note 18)	**147**	(148)
Interest received (Note 4)	**(2)**	(37)
Profit on disposal of fixed assets (Note 8)	**(211)**	(143)
Taxation	**433**	137
Income taxes paid	**(77)**	(83)
Net cash provided by/(used in) operating activities	**(692)**	2,282

24. Analysis of cash and cash equivalents

	Group 2021 £000	Group 2020 £000
Cash in hand	**25,312**	26,618
Total cash and cash equivalents	**25,312**	26,618

25. Analysis of changes in net debt

	At 1 January 2021 £000	Cash flows £000	At 31 December 2021 £000
Cash at bank and in hand	**26,618**	**(1,306)**	**25,312**

26. Share capital

Allotted, called up and fully paid 10,000,000 Ordinary shares of £1 each.

27. Pension commitments

The Group participates in a pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The group has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

Contributions to the two schemes for the year were £260k (2020: £299k).

Contributions totalling £8.6k (2020: £6.7k) were outstanding at the year end and this balance is included within other creditors.

28. Operating lease commitments

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

	Group 2021 £000	Group 2020 £000
Within 1 year	**4**	4

29. Financial risk management

The risks arising from financial instruments to which the entity is exposed at the year end are as follows:

Credit risk

In view of the recent economic downturn the Charity is making every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Price risk

As part of the nature of agriculture the Charity is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the Charity to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Market risk

The year end valuation, and resulting gain or loss in the Statement of Financial Activities, of financial instruments measured at fair value through income and expenditure, is subject to changes in the market value of the listed investments in which shares are held.

30. Unrestricted income funds - Charity

This reserve represents cumulative net income on unrestricted income streams. Every year a transfer is made to the revaluation reserve, representing the value of gains and losses of the investment property. Net income in the current year totalled £1.2m (2020: £1.5m) and the reserve transfer to the revaluation reserve totalled £2,613k (2020: £917k) representing the fair value gains on the investment property.

31. Revaluation reserve - Charity

The revaluation reserve represents cumulative gains and losses on the fair value movement of the investment properties since transition to FRS 102. In the current year fair value gains totalled £2,613k (2020: £917k) and this represents the movement on the reserve in the year.

32. Turnover

All turnover arose within the United Kingdom.

33. Related party transactions

The immediate and ultimate parent company of the Group is Farmland Reserve Inc, a not for profit company incorporated in the United States of America. This is the largest and smallest group of undertakings for which group accounts are drawn up. The Charity is directed by Farmland Reserve Inc, through budgets and plans reviewed by the Charity Trustees.

The Charity has taken advantage of disclosure exemptions available within FRS 102 section 33 and not included details of any transactions with wholly owned Group companies that are included in these consolidated accounts.

34. Post balance sheet events

After the balance sheet date, the Group has entered into a contract to acquire assets for consideration of £104m, which will be funded through additional equity investment.

FARMLAND RESERVE UK LIMITED

England & Wales - Charity number 274605

Accounts

Financial Statements

Farmland Reserve UK Limited

For the year ended: 31 December 2020

Company registration number: 01332670
Charity number: 274605



FARMLAND RESERVE UK LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	D M Sleight, Trustee (resigned 31 January 2021) B M Conway, Trustee P A Tolman, Trustee D L Rose (appointed 31 January 2021)
Company registered number	01332670
Charity registered number	274605
Registered office	Manor Farm Church End Wood Walton Huntingdon Cambridgeshire PE28 5YU
Company secretary	B J Garlick
Independent auditors	MHA MacIntyre Hudson Chartered Accountants 1 The Forum Minerva Business Park Lynch Wood Peterborough PE2 6FT
Bankers	NatWest 92 High Street Huntingdon PE29 3DT
Solicitors	Devonshires 30 Finsbury Circus London EC2M 7DT

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also directors for the purposes of the Companies Act of the company (The Charity - Farmland Reserve UK Limited), present their annual report together with the audited financial statements of The Charity and its subsidiary (The Charity and The Group) for the year ended 31 December 2020. The Trustees confirm that the financial statements of The Charity and The Group comply with the current provisions of FRS 102 and the Charities SORP.

Objectives and Activities

• Objectives and principal activities

The object of The Charity is:

To promote and further the religious and other charitable work of The Church Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

The Charity will support charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, through the provision of sponsorship, grants or other financial or in-kind contributions.

The Charity holds tangible investments in farming and their associated assets to generate funds for its objectives as previously stated. Details of their performance can be found in the "Financial Review" section and "Subsidiary Undertakings" subsection under the "Structure, Governance and Management" section.

The Trustees regularly interact with representatives of The Church of Jesus Christ of Latter-day Saints, Church Corporation ("Church Corporation") (formerly known as The Corporation of the Presiding Bishopric of The Church of Jesus Christ of Latter-day Saints "CPB") to discuss making significant donations to support Church Corporation's international building projects for religious purpose buildings and other projects which both Church Corporation and the Church had approved around the world. It was decided that this would be a better match (and easier to monitor) to the Charity's objectives rather than making individual donations to various charitable organisations within the UK and elsewhere.

The Trustees investigated the way in which these projects were identified and approved by internal Church committees, the type of projects and their religious and charitable purposes. Further, they were happy with the infrastructure and controls that Church Corporation had in place to ensure proper implementation of these projects.

• Achievements and Performance

During 2019 the Trustees finalised plans to make another donation to Church Corporation. On 23rd December 2019, a donation of £1,000,000 ($1,291,000) was transferred from The Charity, to sister charity, Church Corporation.

Church Corporation identified a number of specific projects for implementation internationally in pursuit of its purposes to the success of which The Charity has now had the opportunity to contribute £1,000,000 to these causes.

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

The project identified by Church Corporation to utilise the donation is a Humanitarian project as listed below;

Latter-day Saint Charities, an affiliated entity to Church Corporation dedicated to humanitarian and charitable works globally, has worked with One Acre Fund (OAF) to support farmer families in Africa increase their crop production and farm income since 2015. During the 2019 calendar year, Church Corporation will utilize the Additional Grant by providing funds to Latter-day Saint Charities and directing it to provide OAF with a £1M donation to support farmers in Uganda, Kenya, Tanzania and Malawi.

In rural East Africa, one in ten children dies before the age of five, with most deaths due to malnutrition; 40% of those surviving become physically and/or mentally stunted, unable to reach their full potential at school or in life. One Acre Fund helps Africa's hardworking smallholder farm families grow their way out of hunger and build lasting pathways to prosperity. Rather than handouts, OAF provides farmers a comprehensive bundle of products and services, on credit, including financing, distribution, training and market facilitation. A one-year, £1M grant from Latter-day Saint Charities would fuel growth and impact in these countries, primarily via working capital to purchase inputs for new clients ahead of the 2020 growing season, benefitting 15,308 farmer families during the 2020 season, encompassing over 48,000 children.

The following excerpts are taken for the One Acre Fund Final 2020 project report relating to the 2019 Donation;

We remain deeply grateful for the humanitarian impact Latter-day Saint Charities continues to unlock for Africa's smallholder families. Through your support in 2020, we directly served over 16,000 hardworking families. This was particularly important support as we were helping our farmers stay open for business. As we close the 2020 project and look ahead in 2021, we are very eager to build upon the success of our partnership, serving an expanded number of farmers. On behalf of William and Scholastic Bwarige (featured in the appendix below), and all of the farmers we serve, thank you for your vital and steadfast support.

Appendix A: Meet the Bwariges

William and Scholastic Bwarige are proud farmers from Namalele Central in Kagoma Parish, Jinja District, Uganda...

He and Scholastic used to harvest only three bags of maize from an acre of land. This harvest would quickly be consumed by the family, forcing them to buy food with the little money they had, eat one meal a day or depend on generosity of kind neighbours willing to share their surplus harvest with them, until they get to another planting season, when they would grow their own food.

In their first-year planting with One Acre Fund, William and Scholastic were able to harvest 20 bags of 100kg from the very acre of land that used to produce three bags! "We were very happy and felt rich enough to accomplish our dreams!" laughs William.

Thanks to the modern methods of farming, the happy couple now has enough food to feed their extended family, share with their neighbours, and surplus to sell, which brings in money for school fees and other basic needs like health care, and clothes.

A Donation for 2021 is currently under review, £2.0M has been set aside to support several projects. This represents a 2020 donation of £1.0M delayed due to Covid-19 and a planned £1.0M for 2021. The planned donations will support the renovation of the London, England LDS Temple and various Humanitarian Projects.

Several Humanitarian projects have been identified by Church Corporation and are currently under consideration. Additional detail about the scope of these projects is detailed below.

1. "JRS Jesuit Refugee Service"
   - Assist refugees with food, shelter, education, legal support for seeking asylum, and employment with projects in Italy, Poland, Spain, France, UK, Bosnia, Croatia, Kosovo, Portugal, Greece.
2. "MEDU Medici per I Diritti Umani"
   - Provide medical and psychological care for refugees including mobile clinics to reach homeless and document human rights abuses to improve conditions for refugees in Italy.
3. "PRAXIS"
   - Provides food, shelter, support for unaccompanied minors as well as a medical centre and day centre for refugees and the homeless in Greece.
4. "Benson Food Project/Muslim Aid"
   - Major Initiative in Bosnia providing greenhouses in rural areas in cooperation with Muslim Aid.
5. "Merhamet (Bosnia)"
   - Bakery and food kitchen which will provide bread and meals for the hungry in city of Gorazde. Providing remodel of building and equipment for food preparation and bakery.

• Public Benefit

The Trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties.

Strategic Report

Financial Review

• Financial results

Each year, The Trustees carry out a detailed review of The Charity. They review the previous year's achievements, and review and approve the budgets for next year.

The end of the year saw similar profitability to 2019, the variation in the net position is caused by the large Charitable Donation made in 2019. Incoming resources saw a reduction during the year decreasing from £6,951k in 2019 to £6,194k in 2020. Income from its trading subsidiary decreased to £6,014k (2019: £6,696k) and investment income decreased to £37k (2019: £80k).

Costs, excluding tax, decreased during the year from £6,258k in 2019 to £4,873k in 2020. A donation to "The One Acre Fund" was made during 2019 totalling £1M.

Incoming resources exceeded resources expended for the year by £1,184k (2019: £510k).

Results of The Group were impacted by both the Covid-19 pandemic and extreme weather. During the 2019 autumn planting window, heavy rains fell consistently from October through December, followed by the wettest February on record. As a result, 50% of winter plantings were delayed until the spring of 2020. These late plantings were further impacted by drought like conditions during May and June. The combination of these adverse weather conditions led to a significant loss in yield across all crops.

Severe disruptions were expected in the agricultural supply chain due to the Covid-19 pandemic. Fortunately, due to Brexit many suppliers had stockpiled inventory to supply the agriculture sector in preparation for potential disruption. Many of these stockpiled inventories helped to ease the impact of the pandemic the supply chains servicing the agricultural sector.

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

• Investment policy and performance

Under the Articles of Association, The Charity has the power to invest in any way the Trustees deem to be in the best interests of The Charity.

The Charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return. This will help facilitate future farm acquisition as listed in the future plans section of this Trustee Report;

"The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around one major farm centre in Cambridgeshire. This process of consolidation began in 2008 and has continued through to 2020."

The current high liquidity position held by The Charity is a result of selling off some of these scattered land parcels over the last 13 years.

However, due to the low volume of Land sales in the designated geographical area for re-deployment, as such it has taken some time to make these Land Acquistions and this trend is expected to continue. When complete this will enable the running of a more efficient operation that will generate sustainable funds for future Charitable work.

To achieve this objective, The Charity by the year end had invested £24.1 million (2019: £26.3 million) of excess funds in an Instant Access Interest Bearing account with high security rating and achieved an average interest rate of 0.01% (2019: 0.25% gross) during 2020.

Investment income is recognised on a receivable basis.

• Reserves policy

The Trustees have established the level of reserves (that is those funds that are freely available) to which The Charity and its subsidiary companies ought to have ready access. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and leasing of farmland.

The Trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months of charitable expenditure in reserves.

The actual reserves reported at 31 December 2020 were £104,459k (2019: £103,275k) which is significantly above the Trustees' target due to retaining a portion for possible future agricultural acquisitions as part of its ongoing consolidation efforts.

It should be noted that of the £104,459k only £26,618k is freely available as cash, due to the rest of the reserves figure being held in farming related assets to generate investment income to make current and future donations. The current level of cash reserves held exceeds the 12 months expenditure policy stated, this is due to awaiting to reinvest cash generated from farm sales for redeployment on land assets within the designated area for consolidation, as described in the investment policy section.

In addition, the Trustees wish to observe that during 2021 plans have been made to make a significant charitable donation to causes that meet The Charity's objectives.

It is the Trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

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

Structure, governance and management

• Governing document

The Charity continues to be both a limited company and a registered charity. In conjunction with this, The Charity is governed by its Memorandum and Articles of Association which were last amended on 22 November 2011.

The purpose of The Charity as set out in the government document is laid out in the Objectives and Activities section of this report, with the main activities undertaken in relation to those purposes.

• Appointment of Trustees

As set out in the Articles of Association, new or additional trustees are to be appointed by the shareholder (Farmland Reserve, Inc.) or by decision of the Trustees, providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

• Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of The Charity.

During the orientation day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Claims.

• Organisation

The sole shareholder of The Charity is Farmland Reserve, Inc. a non-profit corporation based in Utah, USA.

Direction is channelled to The Charity via the shareholder and is reflected in the various department budgets/ plans which are reviewed and approved by the Trustees annually.

Within this framework, the board of trustees administers the affairs of The Charity. The Trustees monitor progress and achievements throughout the year, and other trustee meetings are held as necessary. The trustees direct the Charity and the operation of the Charity on a day to day basis is delegated to the Senior Management Team. The pay of the Senior Management Team is reviewed annually by Trustees and is benchmarked against the pay of others in similar charitable roles.

• Related parties

The Charity holds 100% of the share capital of its subsidiary companies, AgReserves Limited.

• Subsidiary undertakings

AgReserves Limited's principal activity continued to be that of arable farming and it operates a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology.

AgReserves Limited leases all of the farmland owned by Farmland Reserve UK Limited and then farms that land. The Trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The Trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around one major farm centre in Cambridgeshire.

This process of consolidation began in 2008 and has continued through to 2020.

The profit for the year of the subsidiary AgReserves Limited included in the statement of financial activities was a profit of £592k (2019: £857k).

• Risk management

The Trustees have assessed the major risks to which The Charity and the group are exposed, in particular those related to the operations and finances of The Charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The risk management strategy of the Trustees includes an annual review of the principal risks, The Trustees regularly review the procedures in place to mitigate risk.

• Employees

The Charity ensures that its employees are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

• Applications for new positions in The Charity are invited from anyone with the relevant qualifications - the key emphasis is on their ability to meet the requirements of the position although the application form requests the applicant mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.

• The Charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity and The Group.

• In addition to the above points, The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long-term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

There is no fundraising activity and no professional fundraisers are used by the charity.

• Key Management Personnel

The Charity does not have any employees. During 2020, no Trustees of The Charity received any remuneration, benefits in kind or reimbursement of expenses from The Charity, nor incurred any expenses.

Of the three Trustees only one is a member of the Key Management Personnel of the group who is employed by the Subsidiary, AgReserves Ltd.

Key Management are paid within the banded salary structure of the subsidiary. Regular benchmarking and independent market reviews are conducted to ensure that pay remains reflective of fair market value and competitive enough to encourage retention of key staff. Benchmarking exercises occur on an annual basis, with an independent market review occurring every 5 to 10 years. During this process, a review is conducted not just for Key Management but all working staff of The Subsidiary.

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

Reference and administrative details

• Registered name and number

The registered name of The Charity is Farmland Reserve UK Limited. The Charity does not use any other names.

The charity registration number is 274605. The Charity is registered with the Charity Commission in England and Wales. The company registration number is 1332670.

• Office

The principal and registered office address is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

• Directors and trustees

The trustees who served during the year, subsequent to the year end and up to the date of signing the report were as follows:

D M Sleight (resigned 31 January 2021)
B M Conway
P A Tolman
D L Rose (appointed 31 January 2021)

None of the trustees have qualifying third party indemnity insurance.

Funds held as custodian trustee on behalf of others

The Charity does not hold funds as custodian trustee on behalf of others.

Strategic Report

Principal risks and uncertainties

Financial risk and management

The main risk The Charity faces is that it relies on income from the leasing of all the farmland it owns to its subsidiary undertaking. The Charity has sufficient reserves to meet the needs of its charitable activities for the foreseeable future and has assurances of continuing support from the parent company.

Other forms of risks and the management of these risks are:

Price risk

Salary costs are communicated to staff of The Group during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.

As part of the nature of agriculture the company is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the company to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Credit risk

Credit risk on amounts owed to The Charity by its customers is low as the main debtor is AgReserves Limited which is a wholly owned subsidiary. Credit risks on amounts owed to the group are actively monitored.

The Group continues to make every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Liquidity risk

The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.

Interest rate cash flow risk

The Charity is able to place surplus funds on short term deposit with the Charity's bankers. With the present banking interest rates being so low there is a risk that the Charity does not make the best use of surplus cash and therefore every effort is being made to review all options that would bring the highest rates possible.

Currency rate risk

As a result of Brexit, the 2020 BPS Subsidy received from the Rural Payments Agency was paid to the subsidiary in Pounds Sterling. It is therefore highly unlikely that there will be a need to enter into any future forward dealing facilities, this almost entirely eliminates any currency rate risk.

Key performance indicators (KPI)

To measure the effectiveness of The Charity's strategy and its implementation The Trustees have identified the following KPIs:

	2020	2019	2018	2017	2016
Profitability of Farming Operations	£1.7M	£2.0M	£2.0M	£1.8M	£1.1M
Resources expended on charitable activities	£0.5M	£1.5M	£0.8M	£0.5M	£0.4M
Unrestricted Funds	£104.5M	£103.3M	£102.8M	£101.5M	£100.4M
Unrestricted Funds readily available	£26.6M	£28.0M	£28.7M	£29.1M	£33.5M

Plans for future periods

The goals for 2021 include plans to:

1. Continue to enhance the profitability and efficiency of the farms through well-reasoned acquisitions to achieve, over time, a concentration of land holdings around one major farm. Any future acquisitions will be funded from retained reserves.

   Along with well-reasoned acquisitions, a regular operational review of currently held farms occurs. New technology and science are continually reviewed and vetted to see if it warrants integration with daily operations.

2. To carefully monitor the balance of unrestricted funds while striving to achieve the concentration efforts identified in goal one, so that funds can be put to the use of The Charity's objectives as swiftly as possible.

3. Identify other charitable organisations, trusts, associations or institutions formed for any of the charitable purposes included in the Objects, to support through the provision of sponsorship, grants or other financial or in kind contributions.

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

Trustees' responsibilities statement

The trustees (who are also directors of Farmland Reserve UK Limited for the purposes of company law) are responsible for preparing the report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and

- The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors

The auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the strategic report, was approved by the Trustees, in their capacity as company directors, on 20th September 2021 and signed on their behalf by:

.....

B M Conway
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED

Opinion

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

In our opinion the financial statements:

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 including the Strategic 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMLAND RESERVE UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

MHA MacIntyre Hudson

Ian Jacobs FCA (Senior statutory auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditor

Peterborough
United Kingdom
Date: 29/9/21

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds As restated 2019 £000*
Income from:				
Other trading activities: Income from trading subsidiaries	3	**6,014**	**6,014**	*6,696*
Investments	4	**37**	**37**	*80*
Other income	5	**143**	**143**	*175*
Total income		**6,194**	**6,194**	*6,951*
Expenditure on:				
Raising funds	6			
Trading activities		**4,308**	**4,308**	*4,672*
Other		**547**	**547**	*527*
Charitable donation		**-**	**-**	*1,005*
Raising funds		**18**	**18**	*54*
Total expenditure		**4,873**	**4,873**	*6,258*
Net income before net gains on investments		**1,321**	**1,321**	*693*
Other recognised gains/(losses)		**-**	**-**	*59*
Net income before taxation		**1,321**	**1,321**	*752*
Taxation	11	**(137)**	**(137)**	*(242)*
Net movement in funds		**1,184**	**1,184**	*510*
Reconciliation of funds:				
Total funds brought forward		**103,275**	**103,275**	*102,765*
Net movement in funds		**1,184**	**1,184**	*510*
Total funds carried forward		**104,459**	**104,459**	*103,275*

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

The notes on pages 21 to 49 form part of these financial statements.

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

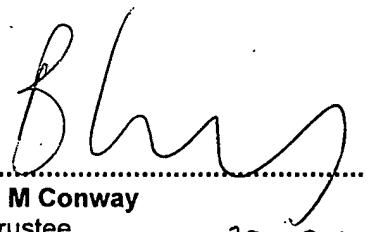
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		*As restated 2019 £000*
Fixed assets					
Intangible assets	12		**26**		*42*
Tangible assets	13		**70,523**		*67,658*
			70,549		*67,700*
Current assets					
Stocks	16	**6,637**		*6,131*	
Debtors	17	**1,963**		*2,737*	
Cash at bank and in hand		**26,618**		*28,071*	
		35,218		*36,939*	
Creditors: amounts falling due within one year	18	**(814)**		*(983)*	
Net current assets			**34,404**		*35,956*
Total assets less current liabilities			**104,953**		*103,656*
Provisions for liabilities	20		**(494)**		*(381)*
Total net assets			**104,459**		*103,275*
Charity funds					
Unrestricted funds:					
Share capital	22	**10,000**		*10,000*	
Unrestricted funds	22	**94,459**		*93,275*	
Total unrestricted funds	22		**104,459**		*103,275*
Total funds			**104,459**		*103,275*

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 were approved and authorised for issue by the Trustees on 20/09/2021 and signed on their behalf by:

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020



B M Conway
Trustee

20.09.21

The notes on pages 21 to 49 form part of these financial statements.

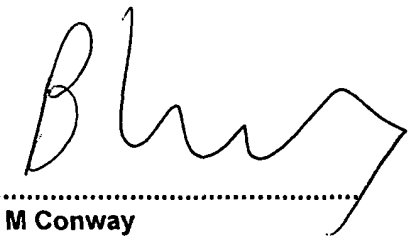
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		As restated 2019 £000
Fixed assets					
Tangible assets	13		**688**		*376*
Investments	15		**9,450**		*9,450*
Investment property	14		**130,944**		*127,948*
			141,082		*137,774*
Current assets					
Debtors	17	**4,436**		*4,411*	
Cash at bank and in hand		**10,447**		*12,301*	
		14,883		*16,712*	
Creditors: amounts falling due within one year	18	**(372)**		*(401)*	
Net current assets			**14,511**		*16,311*
Total assets less current liabilities			**155,593**		*154,085*
Total net assets			**155,593**		*154,085*
Charity funds					
Restricted funds					
Unrestricted funds					
Share capital	28	**10,000**		*10,000*	
Unrestricted income funds	32	**81,766**		*81,176*	
Revaluation reserve	33	**63,827**		*62,909*	
Total unrestricted funds			**155,593**		*154,085*
Total funds			**155,593**		*154,085*

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 were approved and authorised for issue by the Trustees on 20/09/2021 and signed on their behalf by:

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020



B M Conway
Trustee 20.09.21

The notes on pages 21 to 49 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	*As restated 2019 £000*
Cash flows from operating activities		
Net cash used in operating activities (Note 25)	**2,282**	*718*
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**265**	*243*
Purchase of intangible assets	**(10)**	*-*
Purchase of tangible fixed assets	**(4,027)**	*(1,678)*
Proceeds from the sale of investments	**-**	*21*
Interest received	**37**	*80*
Net cash used in investing activities	**(3,735)**	**(1,334)**
Change in cash and cash equivalents in the year	**(1,453)**	**(616)**
Cash and cash equivalents at the beginning of the year	**28,071**	*28,687*
Cash and cash equivalents at the end of the year	**26,618**	*28,071*

The notes on pages 21 to 49 form part of these financial statements

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

1. Company information

Farmland Reserve UK Limited is a charitable company limited by shares, incorporated in England and Wales in the United Kingdom, and the address of its registered office is Manor Farm, Church End, Wood Walton, Huntingdon, Cambridgeshire, PE28 5YU.

2. Accounting policies

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

Farmland Reserve UK Limited 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 prepared in £ sterling, the functional currency, rounded to the nearest £1,000.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

The budgeted income and expenditure is sufficient with the level of reserves for the Group to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 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.

Rental income is recognised on a straight line basis over the period of the lease.

Income from subsidiaries represents revenue recognised in respect of goods and services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from crop sales is recognised upon receipt of the goods by the customers. Whilst goods are in transit, the risk and reward of ownership remain with the company.

Single farm payments are receivable on an annual basis. The annual payment is recognised in the year that the application applies to. Due to the regular variation in when the payment occurs, this is recognised either by accrual or upon receipt of payment.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds: trading activities comprise the expenses of the trading subsidiary in undertaking its income generating activities.

Other expenditure represents the expenses of parent company in renting the tangible fixed assets. These expenses are not considered to be directly attributable to either costs of raising funds or charitable expenditure to further the charity's aims.

Where costs cannot be reliably attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of The Charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of The Charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows The Charity to operate and to generate the information required for public accountability. An analysis of these costs is disclosed in note 7.

Support costs are those functions that assist the work of The Charity but do not directly undertake charitable activities. Support costs include finance, professional and governance costs which support The Charity's activities. As there is only one activity in The Charity, the support costs have been allocated there in full.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.5 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.

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax is payable on profits in the subsidiary company.

2.7 Intangible assets and amortisation

Intangible fixed assets represent purchased entitlements to receive the single farm payment subsidy. These are held at cost and amortised over their expected useful life.

The amortisation charge is included within expenditure on raising funds: trading activities line in the SOFA.

The estimated useful lives are as follows:

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Single farm payment entitlements -	Straight line over the remaining review period to 2021

2.8 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis, on the following bases:

Freehold land	- not depreciated
Land improvements	- over 10 to 40 years
Assets under construction	- not depreciated until bought into use
Plant and machinery	- over 5 to 10 years
Equipment fixtures and fittings	- over 5 to 10 years
Farm houses and farm buildings	- over 25 to 40 years

2. Accounting policies (continued)

2.9 Investment Property

The freehold land, farm houses and farm buildings owned by The Charity are recognised as investment properties in The Charity's own balance sheet, and revalued to fair value at each balance sheet date. The valuation is based on management's assessment of the market value of land and buildings held as investment property at the year end. It takes into consideration market reports and their knowledge of the property and the local market. The property is carried at depreciated cost in the group accounts.

Investment property held by the Charity is measured initially at cost and subsequently at fair value at each reporting date, with the gain or loss on revaluation going to the charitable company's net surplus for the year. The land and buildings rented to group companies are held as investment property within the financial statements of the Charity but remain as tangible fixed assets in the group consolidated financial statements at depreciated cost.

2.10 Investments

Fixed asset investments in listed securities are held at fair value and revalued annually with any gains or loss going to the Consolidated Statement of Financial Activities. 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.

2.11 Stocks

Agriculture produce is held under cost model, being stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on an allocation of costs. Cultivations and crop in store include labour and attributable overheads.

Cultivations cost is determined on an overhead allocation basis. Cultivations are in the early stages of growth at the year end and therefore their market value cannot be determined.

Crop in store are valued at the lower of cost and net realisable value, with reference to market value and contracted future sales.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in profit and loss.

2.12 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.

2. Accounting policies (continued)

2.13 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.

2.14 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 within interest payable and similar charges.

2.15 Derivative financial instruments

The Group enters into non-basic financial instrument transactions such as forward foreign currency contracts, that result in the recognition of financial assets and liabilities. Derivative financial instruments are recognised at fair value through profit and loss, and are revalued to fair value at the end of each reporting period using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

2.16 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.17 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

2. Accounting policies (continued)

2.18 Financial instruments

The Group also enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Statement of Comprehensive Income.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.20 Operating leases - lessor

Rental income is recognised on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected inflation, in which case the annual rental income equals the amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the income recognised over the lease term on a straight line basis.

2. Accounting policies (continued)

2.21 Pensions

The Group is part of a defined benefit pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plan. The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made in the year or accrued at the year end, on a defined contribution basis, as requested by FRS 102 as the company is unable to identify its share of the underlying assets and liabilities of the scheme. Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

The Group is not liable to the plan for other entities obligations under the terms and conditions of the multi employer pension plan.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.22 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Accounting policies (continued)

2.23 Critical accounting estimates and areas of judgment

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Investment property

The investment property in the Parent Charity is valued by the trustees at the balance sheet date. The Trustees consider the valuation to be appropriate having regard to the local market conditions.

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of The Group's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of the customer.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on an overhead allocation basis. Net realisable value is determined by management with reference to market value, consideration of contracted future sales. Certain factors could affect the net realisable value of The Group's stocks, including customer demand and market conditions.

Tangible and intangible assets

Depreciation and amortisation are provided on fixed assets based on the estimated useful economic life of those assets. This is based on management's knowledge of the business, assets and prior experience.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Trading subsidiary	6,014	**6,014**	*6,696*

In 2019, income from the trading subsidiary was unrestricted income.

4. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Interest receivable from interest bearing accounts	37	**37**	*80*

5. Other incoming resources

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Profit on disposal of tangible fixed assets	143	**143**	*190*
Loss on foreign exchange	-	**-**	*(15)*
	143	**143**	*175*

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds As restated 2019 £000*
Operating costs of parent company	565	**565**	*1,586*
Trading of subsidiary	4,308	**4,308**	*4,672*
	4,873	**4,873**	*6,258*

6. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2020 £000	Depreciation 2020 £000	Other costs 2020 £000	**Total funds 2020 £000**	*Total funds As restated 2019 £000*
Operating costs of parent company	-	471	94	**565**	*1,586*
Trading of subsidiary	1,121	569	2,618	**4,308**	*4,672*
	1,121	1,040	2,712	**4,873**	*6,258*
Total 2019	*1,053*	*983*	*4,222*	*6,258*	

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	**Total funds 2020 £000**	*Total funds As restated 2019 £000*
Operating costs of parent company	515	50	**565**	*1,586*
Trading of subsidiary	4,296	12	**4,308**	*4,672*
	4,811	62	**4,873**	*6,258*
Total 2019	*6,160*	*98*	*6,258*	

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operating costs of parent 2020 £000	Trading of subsidiary 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Staff costs	-	1,121	**1,121**	*1,053*
Depreciation	471	569	**1,040**	*984*
Trading activities	-	2,606	**2,606**	*3,079*
Donations and other	44	-	**44**	*1,044*
	515	4,296	**4,811**	*6,160*
Total 2019	*1,499*	*4,661*	*6,160*	

Analysis of support costs

	Operating costs of parent 2020 £000	Trading of subsidiary 2020 £000	Total funds 2020 £000	*Total funds As restated 2019 £000*
Audit of Subsidiary	-	12	**12**	*11*
Legal	42	-	**42**	*71*
Audit of Parent	8	-	**8**	*7*
Outside services - other	-	-	**-**	*9*
	50	12	**62**	*98*
Total 2019	*87*	*11*	*98*	

During the year ended 31 December 2020, the company incurred the following Governance costs:

The Charity only auditor remuneration - £8k (2019: £7k)
Subsidiary company auditor remuneration - £12k (2019: £11k)

8. Net income/(expenditure)

This is stated after charging/(crediting):

	2020 £000	2019 £000
Depreciation of tangible fixed assets owned by the charitable group	1,040	984
Amortisation of intangible assets	26	21
Auditor's remuneration - audit	19	17
Auditor's remuneration - other financial services	1	2
Operating lease rentals	4	4
Profit on disposal of fixed assets	(143)	(172)
Profit on disposal of land	-	(18)
Changes in the fair value of investments	-	-
Changes in the fair value of derivatives	-	(52)
Pension cost	299	232
Loss on foreign exchange	-	(15)

9. Staff costs

	Group 2020 £000	Group 2019 £000
Wages and salaries	737	742
Social security costs	85	79
Other pension costs	299	232
	1,121	1,053

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

	Group 2020 No.	Group 2019 No.
Production and administration	17	17

The average headcount expressed as full-time equivalents was:

	Group 2020 No.	Group 2019 No.
Production and administration	17	17

9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	*Group 2019 No.*
In the band £60,001 - £70,000	**1**	*1*
In the band £90,001 - £100,000	**-**	*1*
In the band £100,001 - £110,000	**1**	*1*
In the band £110,001 - £120,000	**1**	*-*

The Charity does not have any employees. During both 2020 and 2019, no Trustees of The Charity received any remuneration, benefits in kind or reimbursement of expenses from The Charity, nor incurred any expenses. Trustees remuneration by the Group is disclosed in note 10.

Key management personnel of the group are the trustees of the Parent Charity and the senior managers of the subsidiary, AgReserves Limited. The total of employee benefits received by key management personnel of the group was £270k (2019: £257k).

10. Trustees' remuneration and expenses

One trustee who is also a director of the subsidiary company, received remuneration from the subsidiary company in relation to services provided as a director of the subsidiary company. No other Trustees received remuneration or pension contributions. The remuneration paid is outlined below:

		2020 £000	*2019 £000*
B M Conway	Remuneration	**106**	*98*
	Company pension contributions to defined contribution pension schemes	**21**	*20*

Payment is made to the Trustee as agreed with the Charity Commission.

During the year ended 31 December 2020, no Trustee expenses have been incurred *(2019 - £NIL).*

11. Taxation

	2020 £000	*2019 £000*
Corporation tax	**24**	*123*
Deferred tax	**-**	*-*
Origination and reversal of timing differences	**113**	*119*
Taxation on net income	**137**	*242*

The tax assessed for the year is lower than (*2019 - higher than*) the standard rate of corporation tax in the UK of 19% (*2019 - 19%*). The differences are explained below:

	2020 £000	*2019 £000*
Surplus on ordinary activities before tax - Agreserves Limited	**729**	*1,099*
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	**139**	*209*
Other timing differences and disallowed expenditure	**(115)**	*(86)*
Origination and reversal of timing differences	**113**	*119*
Total tax charge for the year	**137**	*242*

12. Intangible assets

Group

	Single farm payment entitlements £000
Cost	
At 1 January 2020	**425**
Additions	**10**
At 31 December 2020	**435**
Amortisation	
At 1 January 2020	**383**
Charge for the year	**26**
At 31 December 2020	**409**
Net book value	
At 31 December 2020	**26**
At 31 December 2019	*42*

13. Tangible fixed assets

Group

	Freehold land £000	Farm houses & Farm buildings £000	Plant and machinery £000	Land improv. Equipment and fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost or valuation						
At 1 January 2020	**51,804**	**16,476**	**4,848**	**766**	**327**	**74,221**
Additions	**2,070**	**-**	**1,135**	**-**	**822**	**4,027**
Disposals	**-**	**-**	**(391)**	**-**	**(30)**	**(421)**
Transfers between classes	**-**	**316**	**-**	**159**	**(475)**	**-**
At 31 December 2020	**53,874**	**16,792**	**5,592**	**925**	**644**	**77,827**
Depreciation						
At 1 January 2020	**-**	**3,751**	**2,609**	**203**	**-**	**6,563**
Charge for the year	**-**	**447**	**566**	**27**	**-**	**1,040**
On disposals	**-**	**-**	**(299)**	**-**	**-**	**(299)**
At 31 December 2020	**-**	**4,198**	**2,876**	**230**	**-**	**7,304**
Net book value						
At 31 December 2020	**53,874**	**12,594**	**2,716**	**695**	**644**	**70,523**
At 31 December 2019	*51,804*	*12,725*	*2,239*	*563*	*327*	*67,658*

The tangible fixed assets are held for the direct furtherance of the group's objects.

13. Tangible fixed assets (continued)

Company

	Farm houses & Farm buildings £000	Equipment fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At 1 January 2020	**111**	**47**	**327**	**485**
Additions	**-**	**-**	**822**	**822**
Disposals	**-**	**-**	**(30)**	**(30)**
Transfers between classes	**-**	**-**	**(475)**	**(475)**
At 31 December 2020	**111**	**47**	**644**	**802**
Depreciation				
At 1 January 2020	**68**	**40**	**-**	**108**
Charge for the year	**4**	**2**	**-**	**6**
At 31 December 2020	**72**	**42**	**-**	**114**
Net book value				
At 31 December 2020	**39**	**5**	**644**	**688**
At 31 December 2019	*43*	*7*	*327*	*377*

The tangible fixed assets are held for the direct furtherance of the group's objects.

14. Investment property

Company

	Freehold investment property £000
Valuation	
At 1 January 2020	**127,948**
Additions	**2,545**
Surplus on revaluation	**451**
At 31 December 2020	**130,944**

The fair value of investment property is based on a valuation by the Trustees, determined with reference to market reports and management's knowledge of the property and the local market.

The investment property is held by the Parent Charity and used only by the subsidiary Company, AgReserves Limited. It is carried at fair value in the Parent Company financial statements and at depreciated cost in the group accounts.

The historical cost of the investment property is £68,033k (2019: £65,488k).

15. Fixed asset investments

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	**9,450**
At 31 December 2020	**9,450**
Net book value	
At 31 December 2020	**9,450**
At 31 December 2019	*9,450*

Principal subsidiaries

The following was a subsidiary undertaking of the Company, with a registered office as that of the parent company:

Name	Company number	Class of shares	Holding
AgReserves Limited	02947030	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit for the year £000	Net assets £000
AgReserves Limited	**6,180**	**5,614**	**592**	**22,143**

16. Stocks

	Group 2020 £000	*Group 2019 £000*
Cultivations	**2,814**	*2,689*
Crops	**3,823**	*3,442*
	6,637	*6,131*

An impairment loss of £1,243k (2019: £626k) was recognised against stock during the year due to damaged stock, and to ensure that stock is stated at the lower of cost and net realisable value.

17. Debtors

	Group	*Group As restated*	Company	*Company As restated*
	2020	*2019*	**2020**	*2019*
	£000	*£000*	**£000**	*£000*
Due within one year				
Trade debtors	**1,796**	*2,520*	**-**	*-*
Amounts owed by group undertakings	**-**	*-*	**4,315**	*4,289*
Other debtors	**122**	*174*	**121**	*122*
Prepayments and accrued income	**7**	*43*	**-**	*-*
Tax recoverable	**38**	*-*	**-**	*-*
	1,963	*2,737*	**4,436**	*4,411*

Amounts owed by group undertakings are interest free and repayable on demand.

18. Creditors: Amounts falling due within one year

	Group	*Group As restated*	Company	*Company As restated*
	2020	*2019*	**2020**	*2019*
	£000	*£000*	**£000**	*£000*
Trade creditors	**51**	*178*	**13**	*43*
Amounts owed to group undertakings	**-**	*-*	**200**	*191*
Corporation tax	**-**	*21*	**-**	*-*
Other taxation and social security	**471**	*447*	**151**	*136*
Other creditors	**19**	*21*	**-**	*-*
Accruals and deferred income	**273**	*316*	**8**	*31*
	814	*983*	**372**	*401*

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

19. Financial instruments

	Group 2020 £000	*Group 2019 £000*
Financial assets		
Financial assets measured at fair value	-	*52*

Last year financial assets measured at fair value through income and expenditure comprised the gain recognised on the fair value of forward contracts for foreign currency.

20. Deferred taxation

	2020 £000	*2019 £000*
Group and Company		
At the beginning of the year	**381**	*263*
Charge for the year (P&L)	**113**	*118*
	494	*381*

The deferred tax balance is made up as follows:

	Group 2020 £000	*Group 2019 £000*
Accelerated capital allowances	**457**	*352*
Other short term differences	**37**	*29*
	494	*381*

21. Prior year adjustments

A correction has been put through the financial statements to restate the prior period figures in order to account for irrecovable VAT of the parent entity.

As a result of this restatement, the VAT debtor as at the year ending 31 December 2019 has increased from £39k to £121k. In addition, a VAT creditor of £136k is now being recognised. This has therefore decreased the year ending 31 December 2019 net movement in funds from £564k to £510k and has also resulted in a decrease to the total funds carried forward at 1 January 2020 from £103,329k to £103,275k.

22. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2020 £000	Income £000	Expenditure £000	Taxation £000	Balance at 31 December 2020 £000
Unrestricted funds					
Share capital	**10,000**	**-**	**-**	**-**	**10,000**
Reserves	**93,275**	**6,194**	**(4,873)**	**(137)**	**94,459**
	103,275	**6,194**	**(4,873)**	**(137)**	**104,459**

The funds are held for the purpose of furthering the aims of the charitable Company.

There are no trust law restrictions imposed on the unrestricted funds.

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

The net income for the year dealt with in the accounts of the parent charitable company was £1.5m (2019: £1.7m).

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £000	*Income £000*	*Expenditure £000*	*Taxation £000*	*Gains/ (Losses) £000*	*As restated Balance at 31 December 2019 £000*
Unrestricted funds						
Share capital	*10,000*	-	-	-	-	*10,000*
Reserves	*92,765*	*6,951*	*(6,258)*	*(242)*	*59*	*93,275*
	102,765	6,951	(6,258)	(242)	*59*	*103,275*

23. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2020 £000	**Income £000**	**Expenditure £000**	**Taxation £000**	**Balance at 31 December 2020 £000**
General funds	**103,275**	**6,194**	**(4,873)**	**(137)**	**104,459**

Summary of funds - prior year

	Balance at 1 January 2019 £000	*Income £000*	*Expenditure £000*	*Taxation £000*	*Gains/ (Losses) £000*	*As restated Balance at 31 December 2019 £000*
General funds	*102,765*	*6,951*	*(6,258)*	*(242)*	*59*	*103,275*

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	70,523	**70,523**
Intangible fixed assets	26	**26**
Current assets	35,218	**35,218**
Creditors due within one year	(813)	**(813)**
Deferred tax	(494)	**(494)**
Total	104,459	**104,459**

Analysis of net assets between funds - prior period

	As restated Unrestricted funds 2019 £000	*As restated Total funds 2019 £000*
Tangible fixed assets	67,658	*67,658*
Intangible fixed assets	-42	*-42*
Current assets	36,939	*36,939*
Creditors due within one year	(983)	*(983)*
Deferred tax	(381)	*(381)*
Total As restated	103,275	*103,275*

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

	Group 2020 £000	*Group As restated 2019 £000*
Net income for the period (as per Statement of Financial Activities)	**1,184**	*510*
Adjustments for:		
Depreciation charges	**1,040**	*984*
Amortisation of intangible assets	**26**	*21*
Increase in stocks	**(506)**	*(525)*
Decrease/(increase) in debtors	**812**	*(475)*
Increase/(decrease) in creditors	**(148)**	*437*
Interest received	**(37)**	*(80)*
Profit on disposal of fixed assets	**(143)**	*(190)*
Taxation	**137**	*242*
Income taxes paid	**(83)**	*(214)*
Profit on disposal of investments	**-**	*(7)*
Loss on foreign exchange	**-**	*15*
Net cash provided by operating activities	**2,282**	*718*

26. Analysis of cash and cash equivalents

	Group 2020 £000	*Group 2019 £000*
Cash in hand	**26,618**	*28,071*
Total cash and cash equivalents	**26,618**	*28,071*

27. Analysis of changes in net debt

	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	**28,071**	**(1,453)**	**26,618**

28. Share capital

Allotted, called up and fully paid 10,000,000- Ordinary shares of £1 each

29. Pension commitments

The group participates in a pension scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The group has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members.

The Group also operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

Contributions to the two schemes for the year were £299k (2019: £232k).

30. Operating lease commitments

At 31 December 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	*Group 2019 £000*
Within 1 year	**4**	*4*

31. Financial risk management

The risks arising from financial instruments to which the entity is exposed at the year end are as follows:

Credit risk

In view of the recent economic downturn the company is making every effort to minimise exposure to customer credit risks and all appropriate steps are taken to reduce this risk.

Price risk

As part of the nature of agriculture the company is subject to price variations, but active efforts are made to manage this risk by taking advantage of regular market information, forward contracts, and owning sufficient storage. These storage facilities allow the company to price and deliver products away from the harvest window which is well known to be a period of depressed prices.

Market risk

The year end valuation, and resulting gain or loss in the Statement of Financial Activities, of financial instruments measured at fair value through income and expenditure, is subject to changes in the market value of the listed investments in which shares are held.

32. Unrestricted income funds - Company

This reserve represents cumulative net income on unrestricted income streams. Every year a transfer is made to the revaluation reserve, representing the value of gains and losses of the investment property. Net income in the current year totalled £1.5m (2019: £1.7m) and the reserve transfer to the revaluation reserve totalled £917k (2019: £2.0m) representing the fair value gains on the investment property.

33. Revaluation reserve - Company

The revaluation reserve represents cumulative gains and losses on the fair value movement of the investment properties since transition to FRS 102. In the current year fair value gains totalled £917k (2019: £2.0m) and this represents the movement on the reserve in the year.

34. Turnover

All turnover arose within the United Kingdom.

35. Related party transactions

The immediate and ultimate parent company of the Group is Farmland Reserve Inc, a not for profit company incorporated in the United States of America. This is the largest and smallest group of undertakings for which group accounts are drawn up. The Charity is directed by Farmland Reserve Inc, through budgets and plans reviewed by the Charity trustees.

The Company has taken advantage of disclosure exemptions available within FRS 102 section 33 and not included details of any transactions with wholly owned group companies that are included in these consolidated accounts.