

Registered number: 01332670
Charity number: 274605

FARMLAND RESERVE UK LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

FARMLAND RESERVE UK LIMITED

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.

FARMLAND RESERVE UK LIMITED

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

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; <ul style="list-style-type: none"> • Equipment to help infants survive and mothers stay alive, • Training for hospital personnel on Helping Babies Breathe 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. <p>The local hospitals will install and maintain the equipment. The project anticipates 18,000 direct beneficiaries per year.</p>	\$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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

• 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.

FARMLAND RESERVE UK LIMITED

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

• 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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

**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:

.....
B M Conway
Trustee

Date: September 25, 2024

FARMLAND RESERVE UK LIMITED

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.

FARMLAND RESERVE UK LIMITED

**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.

FARMLAND RESERVE UK LIMITED

**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.

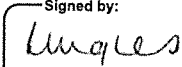
A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

FARMLAND RESERVE UK LIMITED

**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.

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).

FARMLAND RESERVE UK LIMITED

**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.

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
		<u>188,784</u>	<u>184,157</u>
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
		<u>33,111</u>	<u>52,069</u>
Creditors: amounts falling due within one year	18	(2,099)	(20,376)
Net current assets		<u>31,012</u>	<u>31,693</u>
Total assets less current liabilities		<u>219,796</u>	<u>215,850</u>
Deferred tax	19	(1,404)	(923)
Total net assets		<u><u>218,392</u></u>	<u><u>214,927</u></u>
Charity funds			
Unrestricted funds			
Share Capital		10,000	10,000
Unrestricted funds	21	208,392	204,927
Total unrestricted funds	21	<u>218,392</u>	<u>214,927</u>
Total funds		<u><u>218,392</u></u>	<u><u>214,927</u></u>

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

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

.....0390E1199F5F403.....

B M Conway
Trustee

Date: September 25, 2024

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 2023

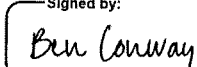
	Note	2023 £000	As restated 2022 £000
Fixed assets			
Tangible assets	14	183,977	178,420
Investments	15	9,450	9,450
		<u>193,427</u>	<u>187,870</u>
Current assets			
Debtors	17	4,904	24,449
Cash at bank and in hand	25	3,229	6,902
		<u>8,133</u>	<u>31,351</u>
Creditors: amounts falling due within one year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

FARMLAND RESERVE UK LIMITED
REGISTERED NUMBER: 01332670

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:

C390E11FPP3F4D9.....
B M Conway
Trustee

Date: September 25, 2024

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

FARMLAND RESERVE UK LIMITED

**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

FARMLAND RESERVE UK LIMITED

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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

FARMLAND RESERVE UK LIMITED

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
	<u>1,450</u>	<u>1,450</u>	<u>587</u>

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
	<u>9,540</u>	<u>9,540</u>	<u>6,482</u>

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	<u>1,787</u>	<u>1,746</u>	<u>6,007</u>	<u>9,540</u>	<u>6,482</u>
Total 2022	<u>1,545</u>	<u>1,211</u>	<u>3,726</u>	<u>6,482</u>	

FARMLAND RESERVE UK LIMITED

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

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	

FARMLAND RESERVE UK LIMITED

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

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

FARMLAND RESERVE UK LIMITED

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

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	-

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

12. Taxation

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

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	2022
	£000	£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	<u>658</u>	<u>350</u>

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.

FARMLAND RESERVE UK LIMITED

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

13. Intangible assets

Group

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

FARMLAND RESERVE UK LIMITED

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

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

FARMLAND RESERVE UK LIMITED

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

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

FARMLAND RESERVE UK LIMITED

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

15. Fixed asset investments

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

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

FARMLAND RESERVE UK LIMITED

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

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.

FARMLAND RESERVE UK LIMITED

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

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)

FARMLAND RESERVE UK LIMITED

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

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	<u><u>-</u></u>

FARMLAND RESERVE UK LIMITED

**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
	<u>214,927</u>	<u>13,663</u>	<u>(9,540)</u>	<u>(658)</u>	<u>218,392</u>

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).

FARMLAND RESERVE UK LIMITED

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

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
	<u>104,262</u>	<u>117,495</u>	<u>(6,481)</u>	<u>(349)</u>	<u>214,927</u>

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	<u>214,927</u>	<u>13,663</u>	<u>(9,540)</u>	<u>(658)</u>	<u>218,392</u>

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	<u>104,262</u>	<u>117,495</u>	<u>(6,481)</u>	<u>(349)</u>	<u>214,927</u>

FARMLAND RESERVE UK LIMITED

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

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	<u>218,392</u>	<u>218,392</u>

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	<u>214,927</u>	<u>214,927</u>

FARMLAND RESERVE UK LIMITED

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

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

FARMLAND RESERVE UK LIMITED

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

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

FARMLAND RESERVE UK LIMITED

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

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.