

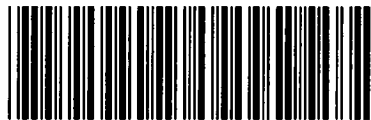
MORLEY FARMS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2019

MONDAY



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MORLEY FARMS LIMITED
REGISTERED NUMBER: 04873909

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	8,993	35,967
Tangible assets	6	486,499	561,903
Investments	7	50	50
		<u>495,542</u>	<u>597,920</u>
Current assets			
Stocks	8	344,222	374,426
Debtors: amounts falling due within one year	9	482,060	426,325
Cash at bank and in hand		96,271	271,561
		<u>922,553</u>	<u>1,072,312</u>
Creditors: amounts falling due within one year	10	(313,646)	(481,658)
Net current assets		<u>608,907</u>	<u>590,654</u>
Total assets less current liabilities		<u>1,104,449</u>	<u>1,188,574</u>
Creditors: amounts falling due after more than one year	11	-	(23,000)
Net assets		<u><u>1,104,449</u></u>	<u><u>1,165,574</u></u>

MORLEY FARMS LIMITED
REGISTERED NUMBER: 04873909

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital		387,387	387,387
Other reserves	12	8,993	35,967
Profit and loss account	12	708,069	742,220
		<u>1,104,449</u>	<u>1,165,574</u>

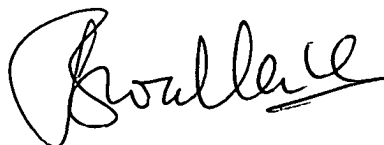
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J S Wallace
Director



Date: 5 December 2019

The notes on pages 4 to 13 form part of these financial statements

MORLEY FARMS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2018	387,387	35,967	742,220	1,165,574
Profit for the year	-	-	61,345	61,345
Fair value adjustments	-	-	26,974	26,974
Dividends: Equity capital	-	-	(122,470)	(122,470)
Fair value movement	-	(26,974)	-	(26,974)
At 31 August 2019	<u>387,387</u>	<u>8,993</u>	<u>708,069</u>	<u>1,104,449</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2018**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2017	387,387	62,941	555,579	1,005,907
Profit for the year	-	-	159,667	159,667
Fair value adjustments	-	-	26,974	26,974
Fair value movement	-	(26,974)	-	(26,974)
At 31 August 2018	<u>387,387</u>	<u>35,967</u>	<u>742,220</u>	<u>1,165,574</u>

The notes on pages 4 to 13 form part of these financial statements.

MORLEY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

Morley Farms Limited is a private company limited by shares and incorporated in England and Wales, registration number 04873909. The registered office is Deopham Road, Morley St Botolph, Wymondham, Norfolk, NR18 9DF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange gains and losses are recognised in the Profit and Loss Account.

MORLEY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Intangible assets

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

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

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

2.6 Operating leases: the Company as lessor

Rental income from operating leases is credited to the Income Statement on a straight line basis over the term of the relevant lease.

2.7 Interest Income

Interest income is recognised in the Income Statement using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

MORLEY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The estimated useful lives range as follows:

Plant and machinery	- 10%
Vehicles	- 10/20%
Office equipment	- 20%

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 Income Statement.

2.11 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 immediately in profit or loss.

MORLEY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument 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.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees during the year was 4 (2018 - 4).

4. Taxation

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

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

MORLEY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Intangible assets

	Basic Payment Scheme Entitlements £
Cost	
At 1 September 2018	134,872
At 31 August 2019	<u>134,872</u>
Amortisation	
At 1 September 2018	98,905
Charge for the year	26,974
At 31 August 2019	<u>125,879</u>
Net book value	
At 31 August 2019	<u><u>8,993</u></u>
At 31 August 2018	<u><u>35,967</u></u>

MORLEY FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. Tangible fixed assets

	Plant and machinery £	Vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 September 2018	491,760	785,251	10,283	1,287,294
Additions	20,445	-	-	20,445
Disposals	(3,740)	-	-	(3,740)
At 31 August 2019	<u>508,465</u>	<u>785,251</u>	<u>10,283</u>	<u>1,303,999</u>
Depreciation				
At 1 September 2018	300,853	414,898	9,640	725,391
Charge for the year on owned assets	37,251	55,665	61	92,977
Disposals	(868)	-	-	(868)
At 31 August 2019	<u>337,236</u>	<u>470,563</u>	<u>9,701</u>	<u>817,500</u>
Net book value				
At 31 August 2019	<u>171,229</u>	<u>314,688</u>	<u>582</u>	<u>486,499</u>
At 31 August 2018	<u>190,907</u>	<u>370,353</u>	<u>643</u>	<u>561,903</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Motor vehicles	83,325	194,494
Plant and machinery	<u>-</u>	<u>25,766</u>

MORLEY FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 September 2018	50
At 31 August 2019	50

8. Stocks

	2019 £	2018 £
Consumables	26,109	27,683
Growing crops	78,925	112,321
Crops in store	239,188	234,422
	344,222	374,426

9. Debtors

	2019 £	2018 £
Trade debtors	71,312	124,191
Amounts owed by group undertakings	202,373	115,848
Other debtors	14,038	4,771
Prepayments and accrued income	194,337	181,515
	482,060	426,325

MORLEY FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	64,615	106,076
Amounts owed to group undertakings	191,717	284,820
Other taxation and social security	5,758	9,556
Obligations under finance lease and hire purchase contracts	23,000	54,268
Accruals and deferred income	28,556	26,938
	313,646	481,658

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

	2019	2018
	£	£
Net obligations under finance leases and hire purchase contracts	-	23,000

Net obligations under hire purchase contracts are secured on the related assets.

12. Reserves

Other reserves

The other reserves represents the balance of the fair value of the Basic Payment Scheme entitlements.

Profit and loss account

The profit and loss account represents the balance of the company's accumulated profits which are available for distribution to members.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £6,146 (2018 - £4,067). No amounts were payable at the year end.

MORLEY FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

14. Commitments under operating leases

At 31 August 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	236,063	240,242
Between 1 and 5 years	19,667	255,730
	<u>255,730</u>	<u>495,972</u>

In accordance with the Farm Business Tenancy agreement, the company is also committed to pay 50% of letting income at Burfield Hall Farm to The Morley Agricultural Foundation. It is estimated that this will give rise to an annual commitment of £25,000. The lease expires between two and five years.

At 31 August 2018 the Company was due to receive future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts receivable:		
Within 1 year	53,548	45,423
Between 1 and 5 years	77,622	14,725
	<u>131,170</u>	<u>60,148</u>

15. Related party transactions

Consultancy work was completed by Irelands, Arnolds Keys. A trustee of The Morley Agricultural Foundation is a partner at Irelands, Arnolds Keys, Chartered Surveyors. During the year, professional fees paid to Irelands, Arnolds Keys by Morley Farms Limited were £2,853 (2018: £2,112). No amounts remained payable at the year end (2018: £nil).

During the prior year Subscription fees were paid to The Aylsham Agricultural Show Association of £100. A trustee of The Morley Agricultural Foundation is also a trustee of The Aylsham Agricultural Show Association. No such transaction occurred this year.

The company has taken advantage of the exemption conferred by FRS 102, allowing 100% subsidiaries to depart from the requirements to disclose transactions with other group companies where group accounts are prepared.

MORLEY FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 August 2019 was unqualified.

The audit report was signed on *23 Jan 2020* by Julie Grimmer (Senior Statutory Auditor) on behalf of Larking Gowen LLP.