

Directors' Report and
Audited Consolidated Financial Statements
for the Year Ended 31 December 2019
for
Rackham Group Ltd

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for the Year Ended 31 December 2019

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Rackham Group Ltd
Company Information
for the Year Ended 31 December 2019

DIRECTORS:

P A Rackham
S A Rackham
S R Stuteley
P A Rackham Jnr
J Williams

SECRETARY:

S R Stuteley

REGISTERED OFFICE:

Manor Farm
122 The Street
Bridgham
Norwich
Norfolk
NR16 2RX

REGISTERED NUMBER:

05388109 (England and Wales)

INDEPENDENT AUDITORS:

Knights Lowe Limited
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

Directors' Report
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of agriculture, property investment and property dealing and development.

DIVIDENDS

Interim dividends were paid during the year on each class of share at different rates as follows:

<u>Share class</u>	<u>Amount per share</u>
"A"	£18.349
"B"	£4.070
"C"	£5.215
"D"	£4.581

In aggregate the amount paid during the year was £872,043 (2018: £1,274,158).

The directors do not propose a final dividend. (2018: nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

P A Rackham
S A Rackham
S R Stuteley
P A Rackham Jnr
J Williams

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

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

Directors' Report
for the Year Ended 31 December 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Knights Lowe Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S R Stuteley - Director

31 July 2020

Report of the Independent Auditors to the Members of
Rackham Group Ltd

Opinion

We have audited the financial statements of Rackham Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, 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 company affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Rackham Group Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors 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 directors determine 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Knights ACA BSc (Senior Statutory Auditor)
for and on behalf of Knights Lowe Limited
Eldo House
Kempson Way
Suffolk Business Park
Bury St Edmunds
Suffolk
IP32 7AR

31 July 2020

Consolidated Income Statement
for the Year Ended 31 December 2019

	Notes	2019 £	£	2018 £	£
TURNOVER	4		7,190,936		12,321,316
Cost of sales			2,760,973		5,992,930
GROSS PROFIT			4,429,963		6,328,386
Administrative expenses			1,296,771		1,255,454
			3,133,192		5,072,932
Other operating income			(485)		(13)
OPERATING PROFIT	6		3,132,707		5,072,919
Income from shares in group undertakings		30,000		-	
Income from fixed asset investments		-		15,163	
Interest receivable and similar income	7	79,537		104,626	
			109,537		119,789
			3,242,244		5,192,708
Gain/loss on revaluation of assets			113,081		(18,460)
			3,355,325		5,174,248
Interest payable and similar charges	8		334,311		341,757
PROFIT BEFORE TAXATION			3,021,014		4,832,491
Tax on profit	9		560,721		455,904
PROFIT FOR THE FINANCIAL YEAR			2,460,293		4,376,587
Profit attributable to:					
Owners of the parent			2,394,531		4,146,326
Non-controlling interests			65,762		230,261
			2,460,293		4,376,587

The notes on pages 12 to 24 form part of these financial statements

Consolidated Balance Sheet
31 December 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	12		(5,424,385)		(5,424,385)
Tangible assets	13		16,386,439		15,615,985
Investments	14		-		-
Investment property	15		6,725,634		6,593,041
			<u>17,687,688</u>		<u>16,784,641</u>
CURRENT ASSETS					
Stocks	16	17,074,883		16,611,930	
Debtors	17	1,336,305		1,559,763	
Investments	18	54,404		48,037	
Cash at bank		710,478		11,680,105	
		<u>19,176,070</u>		<u>29,899,835</u>	
CREDITORS					
Amounts falling due within one year	19	7,547,618		18,903,648	
NET CURRENT ASSETS			<u>11,628,452</u>		<u>10,996,187</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,316,140</u>		<u>27,780,828</u>
CREDITORS					
Amounts falling due after more than one year	20		(60,000)		(20,096)
PROVISIONS FOR LIABILITIES	23		(169,961)		(160,732)
NET ASSETS			<u>29,086,179</u>		<u>27,600,000</u>
CAPITAL AND RESERVES					
Called up share capital	24	113,776		113,776	
Share premium	25	2,338,021		2,338,021	
Fair value reserve	25	2,912,652		2,805,169	
Retained earnings	25	22,538,610		21,060,797	
SHAREHOLDERS' FUNDS		<u>27,903,059</u>		<u>26,317,763</u>	
NON-CONTROLLING INTERESTS	26	1,183,120		1,282,237	
TOTAL EQUITY		<u>29,086,179</u>		<u>27,600,000</u>	

The notes on pages 12 to 24 form part of these financial statements

Consolidated Balance Sheet - continued
31 December 2019

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

The financial statements were approved by the Board of Directors and authorised for issue on 31 July 2020 and were signed on its behalf by:

S R Stuteley - Director

Company Balance Sheet
31 December 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		2,463,567		2,463,567
Investment property	15		-		-
			<u>2,463,567</u>		<u>2,463,567</u>
CURRENT ASSETS					
Debtors	17		1,496		-
CREDITORS					
Amounts falling due within one year	19		-		28,504
NET CURRENT ASSETS/(LIABILITIES)			<u>1,496</u>		<u>(28,504)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,465,063</u>		<u>2,435,063</u>
CAPITAL AND RESERVES					
Called up share capital	24		113,776		113,776
Share premium			2,338,021		2,338,021
Retained earnings			<u>13,266</u>		<u>(16,734)</u>
SHAREHOLDERS' FUNDS			<u>2,465,063</u>		<u>2,435,063</u>
Company's profit for the financial year			<u>902,043</u>		<u>1,270,858</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 31 July 2020 and were signed on its behalf by:

S R Stuteley - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2018	113,776	16,826,496	2,338,021
Changes in equity			
Dividends	-	(1,273,540)	-
Total comprehensive income	-	4,146,326	-
Transfer between reserves	-	1,361,515	-
Balance at 31 December 2018	<u>113,776</u>	<u>21,060,797</u>	<u>2,338,021</u>
Changes in equity			
Increase in share capital	-	92,809	-
Dividends	-	(902,044)	-
Total comprehensive income	-	2,394,531	-
Transfer between reserves	-	(107,483)	-
Balance at 31 December 2019	<u>113,776</u>	<u>22,538,610</u>	<u>2,338,021</u>

	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2018	4,166,684	23,444,977	1,077,772	24,522,749
Changes in equity				
Dividends	-	(1,273,540)	(25,796)	(1,299,336)
Total comprehensive income	-	4,146,326	230,261	4,376,587
Transfer between reserves	(1,361,515)	-	-	-
Balance at 31 December 2018	<u>2,805,169</u>	<u>26,317,763</u>	<u>1,282,237</u>	<u>27,600,000</u>
Changes in equity				
Increase in share capital	-	92,809	(141,509)	(48,700)
Dividends	-	(902,044)	(23,370)	(925,414)
Total comprehensive income	-	2,394,531	65,762	2,460,293
Transfer between reserves	107,483	-	-	-
Balance at 31 December 2019	<u>2,912,652</u>	<u>27,903,059</u>	<u>1,183,120</u>	<u>29,086,179</u>

Company Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2018	113,776	(13,434)	2,338,021	2,438,363
Changes in equity				
Dividends	-	(1,274,158)	-	(1,274,158)
Total comprehensive income	-	1,270,858	-	1,270,858
Balance at 31 December 2018	113,776	(16,734)	2,338,021	2,435,063
Changes in equity				
Dividends	-	(872,043)	-	(872,043)
Total comprehensive income	-	902,043	-	902,043
Balance at 31 December 2019	113,776	13,266	2,338,021	2,465,063

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Rackham Group Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There were no material departures from those standards. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of the investee entity. Minority interest are accounted for in accordance with section 9 of Financial Reporting Standard 102 whereby the results and net assets of an investee are wholly consolidated and minority interests are disclosed on the profit and loss account and balance sheet in proportion to the share of the equity held in the investee.

Upon acquisition, adjustments are made as required to subsidiaries financial statements so as to align accounting policies with those of the Group. Goodwill is recognised and treated as stated below.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover represents amounts receivable derived from the Group's ordinary activities, net of discounts and excluding value added tax. Revenue is recognised as follows:

Rental and similar income is accrued on a time basis in the period to which it relates by reference to underlying contracts.

Income from the sale of land and buildings is recognised at the date of unconditional exchange of contract.

Livestock and produce revenue is recognised at the point legal title to stock passes to the customer, normally at collection or delivery.

Interest income is accrued on a time basis by reference to the underlying capital sum and applicable interest rate.

Dividend income from investments is recognised at the date of receipt.

Goodwill

Goodwill arising on consolidation is included in the accounts based on the fair value of net assets of the subsidiary acquired at the date of acquisition. Amortisation is charged over the estimated life of goodwill.

Negative goodwill is written back to the profit and loss account upon disposal of the underlying investment in the subsidiary.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Plant and machinery	- 5 years straight line
Fixtures and fittings	- 5 years straight line
Motor vehicles	- 4 years straight line

The directors estimate residual values on an asset by asset basis and apply depreciation accordingly. During the year a full review has been made of estimated residual values of non-investment freehold property and the directors consider that such values for all properties are likely to be at, or above, book value. Accordingly, no depreciation has been charged during the year on freehold property. The position will be reviewed annually.

Investment property

Investment property held to earn rental income and/or capital appreciation is included in the balance sheet at fair value where such value can be measured reliably without undue cost or effort on an ongoing basis. Fair value adjustments are taken to the profit and loss account. The property is not depreciated which is a treatment contrary to the Companies Act 2006 however in the opinion of the Directors the policy adopted by the Company provides a true and fair view.

The majority of such properties are on the main farming estate and are thus difficult to independently value. In accordance with Section 16 of FRS 102 such properties are accounted for under the principles applying to property plant and equipment as described above.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

For stock properties, cost comprises the cost of acquisition of property, professional and planning fees and construction and infrastructure costs, but excludes overheads. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling the properties.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative reasons.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the profit or loss depends on the nature of the hedge relationship.

The best evidence of fair value is quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Current asset investments

Investments comprise current asset investments which are originally recognised at cost. Where the fair value can be reliably determined, the investments are subsequently stated at fair value at each balance sheet date with change to values being recognised in the profit and loss account. Those current investments where fair values cannot be reliably determined are stated at cost.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if revision affects only that and future periods.

The following are critical judgements including those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Depreciation of tangible fixed assets - property, plant and machinery

Tangible fixed assets are recognised at cost and depreciated on the basis appropriate to charge to the profit and loss the economic consumption of those assets during the accounting period. The charge is calculated as described below and is based on the directors knowledge of the reduction in the residual value of trading assets and estate property on average over the investment cycle of each class of asset. The rates of depreciation are kept under review such that assets are written down to residual value at the end of the economic lives of the assets.

Revaluation of investment properties

The Group carries investment properties at fair value, with changes in fair value being recognised in the profit or loss. The Directors have determined fair values on a property by property basis at open market value based on assumptions on expected yield given the location and nature of the property comparable to other known sales or potential sales in the region. Where considered appropriate, the directors seek formal or informal valuations by land and estate agents.

4. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Farming income	2,052,496	1,559,129
Property development and sales	2,680,000	8,103,407
Letting and lease income	2,229,800	2,510,782
Other operating income	228,640	147,998
	7,190,936	12,321,316

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 14 (2018 - 14) .

The average number of employees by undertakings that were proportionately consolidated during the year was 3 (2018 - 3) .

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

6. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	196,848	273,019
Depreciation - assets on hire purchase contracts	78,173	44,723
Audit fees for group companies	32,356	33,742
Other non- audit services	<u>12,739</u>	<u>10,895</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Deposit account interest	67,694	102,495
Bank account interest	11,392	75
Other interest receivable	<u>451</u>	<u>2,056</u>
	<u>79,537</u>	<u>104,626</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£	£
Bank loan interest payable	334,311	348,557
SWAP interest and fair value adjustments	-	(8,381)
Interest payable	<u>-</u>	<u>1,581</u>
	<u>334,311</u>	<u>341,757</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	551,492	953,223
Prior period tax adjustment	-	(433)
Total current tax	<u>551,492</u>	<u>952,790</u>
Deferred tax	9,229	(496,886)
Tax on profit	<u>560,721</u>	<u>455,904</u>

UK corporation tax has been charged at 19% (2018 - 19%).

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

11. DIVIDENDS

Interim dividends were paid during the year on each class of share at different rates as follows:

<u>Share class</u>	<u>Amount per share</u>
"A"	£18.349
"B"	£4.070
"C"	£5.215
"D"	£4.581

In aggregate the amount paid during the year was £872,043 (2018: £1,274,158).

In addition, a subsidiary of the group paid £23,370 to minority interests (2018: £25,178).

After the balance sheet date and before the financial statements were approved, the directors proposed and paid an interim dividend in respect of the year to 31 December 2020 of £10.983 per share on the "A" shares, being a total distribution of £270,000 (2018: £270,000).

12. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 January 2019
and 31 December 2019

(5,424,385)

NET BOOK VALUE

At 31 December 2019
At 31 December 2018

(5,424,385)

(5,424,385)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

13. TANGIBLE FIXED ASSETS

Group

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2019	17,074,064	2,308,579	19,382,643
Additions	724,124	331,107	1,055,231
Disposals	-	(282,920)	(282,920)
At 31 December 2019	17,798,188	2,356,766	20,154,954
DEPRECIATION			
At 1 January 2019	2,077,534	1,689,124	3,766,658
Charge for year	-	275,021	275,021
Eliminated on disposal	-	(273,164)	(273,164)
At 31 December 2019	2,077,534	1,690,981	3,768,515
NET BOOK VALUE			
At 31 December 2019	15,720,654	665,785	16,386,439
At 31 December 2018	14,996,530	619,455	15,615,985

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 January 2019	223,613
Additions	223,000
At 31 December 2019	446,613
DEPRECIATION	
At 1 January 2019	59,710
Charge for year	78,173
At 31 December 2019	137,883
NET BOOK VALUE	
At 31 December 2019	308,730
At 31 December 2018	163,903

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

14. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2019
and 31 December 2019

2,463,567

NET BOOK VALUE

At 31 December 2019
At 31 December 2018

2,463,567

2,463,567

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Paul Rackham Limited

Registered office: Manor Farm Bridgham Norwich Norfolk
Nature of business: Agriculture and property investment

Class of shares:
Ordinary

%
holding
100.00

2019 2018
£ £

Aggregate capital and reserves
Profit for the year

21,041,437 20,344,465
1,599,015 **1,514,435**

Property Recycling Group plc

Registered office: England & Wales
Nature of business: Property trading

Class of shares:
Ordinary

%
holding
92.93

2019 2018
£ £

Aggregate capital and reserves
Profit for the year

18,659,914 17,974,104
1,047,555 **3,227,745**

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

14. FIXED ASSET INVESTMENTS - continued

Brorack Limited

Registered office: Malta

Nature of business: Property investment

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	99.90		
Aggregate capital and reserves		(30,500)	(308,235)
Profit/(loss) for the year		<u>277,735</u>	<u>(25,864)</u>

Property Recycling Group plc and Brorack Limited are subsidiaries of Paul Rackham Limited.

15. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2019	6,593,041
Additions	25,880
Revaluations	106,713
At 31 December 2019	<u>6,725,634</u>
NET BOOK VALUE	
At 31 December 2019	<u>6,725,634</u>
At 31 December 2018	<u>6,593,041</u>

Fair value at 31 December 2019 is represented by:

	£
Valuation in 2016	614,000
Valuation in 2017	144,537
Valuation in 2019	106,713
Cost	<u>5,860,384</u>
	<u>6,725,634</u>

16. STOCKS

	Group	
	2019 £	2018 £
Livestock and valuation	607,390	740,284
Property stock	<u>16,467,493</u>	<u>15,871,646</u>
	<u>17,074,883</u>	<u>16,611,930</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	749,916	1,147,332	-	-
Amounts owed by group undertakings	-	-	1,496	-
Amounts owed by associates	78,726	78,213	-	-
Other debtors	202,128	20,319	-	-
VAT	-	80,834	-	-
Prepayments and accrued income	305,535	233,065	-	-
	1,336,305	1,559,763	1,496	-

Debtors amounting to £nil (2018: £nil) are due after more than one year.

18. CURRENT ASSET INVESTMENTS

	Group	
	2019	2018
	£	£
Listed investments	1,098	1,127
Single farm payment entitlements	53,306	46,910
	54,404	48,037

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 21)	5,900,000	17,000,000	-	-
Hire purchase contracts	50,096	61,716	-	-
Trade creditors	105,944	362,021	-	-
Amounts owed to group undertakings	-	-	-	28,504
Corporation tax	296,404	333,618	-	-
Social security and other taxes	74,105	58,795	-	-
VAT	5,185	-	-	-
Other creditors	428,123	404,376	-	-
Accruals and deferred income	687,761	683,122	-	-
	7,547,618	18,903,648	-	28,504

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2019	2018
	£	£
Hire purchase contracts	60,000	20,096

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

21. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank loans	5,900,000	17,000,000

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Bank loans	5,900,000	17,000,000

23. PROVISIONS FOR LIABILITIES

	Group	
	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	143,492	106,700
Other timing differences	26,469	54,032
	169,961	160,732

Group

	Deferred tax
	£
Balance at 1 January 2019	160,732
Charge to Income Statement during year	9,229
Balance at 31 December 2019	169,961

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
113,776	Ordinary	£1	113,776	113,776

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

25. RESERVES

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Fair value reserve - Non-distributable reserve

This reserve is used to record movements in the fair value of investment property and other traded investments, which as unrealised is not distributable

26. NON-CONTROLLING INTERESTS

	2019	2018
£	£	
At 1 January	1,282,237	1,077,772
Acquisition of additional interest in Property Recycling Group plc	(141,509)	-
Total comprehensive income attributable to NCI	65,762	230,261
Dividend payable to NCI	(23,370)	(25,178)
	<u>1,183,120</u>	<u>1,282,237</u>

27. PENSION COMMITMENTS

The group operates a defined contribution scheme on behalf of its employees. The scheme and its assets are held by independent managers.

The pension charge represents contributions due from the group and amount to £3,212 (2018: £1,851). There were unpaid pension contributions at the year end showing in other creditors of £413 (2018: £375).

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2019 and 31 December 2018:

	2019	2018
	£	£
P A Rackham Jnr		
Balance outstanding at start of year	1,489	1,489
Amounts advanced	158,143	156,310
Amounts repaid	(161,052)	(156,310)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(1,420)</u>	<u>1,489</u>

The company does not charge interest on overdrawn directors' accounts and none was charged in 2018.

29. RELATED PARTY DISCLOSURES

During the year costs of £513 were recharged to Paul Rackham Developments Limited, a company under common control but outside the group (2018: £500).

The balance owed by Paul Rackham Developments Limited at the year end was £78,726 (2018: £78,213).

30. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is considered to be the extended Rackham family with no single majority shareholder.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.