

Directors' Report and
Audited Consolidated Financial Statements
for the Year Ended 31 December 2021
for
Rackham Group Ltd

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for the Year Ended 31 December 2021

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Rackham Group Ltd
Company Information
for the Year Ended 31 December 2021

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 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

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 (2020: £383,960).

The directors do not propose a final dividend. (2020: nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

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

POLITICAL DONATIONS AND EXPENDITURE

Donations made in the year totalling £1,746 (2020: £13,031) all related to charity donations.

There were no donations made in respect of political parties.

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.

Directors' Report
for the Year Ended 31 December 2021

DIRECTORS' RESPONSIBILITIES STATEMENT - continued

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.

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

30 June 2022

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 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, 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 2021 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

In auditing the financial statements, we have concluded that the directors' 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 and the parent 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 directors with respect to going concern are described in the relevant sections of this report.

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 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.

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 pages two and three, 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.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the companies operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- investigated the company's basis for making accounting estimates and tested the amounts presented for accuracy. This includes depreciation, valuation of traded investments, valuation of investment properties, and the revaluation of freehold property which took place in the financial year.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators [include details] and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

30 June 2022

Consolidated
Income Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	4	15,966,761	4,458,379
Cost of sales		<u>3,458,850</u>	<u>2,519,404</u>
GROSS PROFIT		12,507,911	1,938,975
Administrative expenses		<u>1,983,977</u>	<u>1,342,430</u>
OPERATING PROFIT	6	10,523,934	596,545
Interest receivable and similar income	7	<u>153,953</u>	<u>10,006</u>
		10,677,887	606,551
(Loss)/gain on revaluation of investments		<u>1,052</u>	<u>1,942</u>
		10,678,939	608,493
Interest payable and similar charges	8	<u>207,937</u>	<u>16,110</u>
PROFIT BEFORE TAXATION		10,471,002	592,383
Tax on profit	9	<u>2,036,497</u>	<u>112,709</u>
PROFIT FOR THE FINANCIAL YEAR		8,434,505	479,674
Profit attributable to:			
Owners of the parent		8,098,191	533,135
Non-controlling interests		<u>336,314</u>	<u>(53,461)</u>
		8,434,505	479,674

The notes on pages 15 to 29 form part of these financial statements

Consolidated
Other Comprehensive Income
for the Year Ended 31 December 2021

Notes	2021 £	2020 £
PROFIT FOR THE YEAR	8,434,505	479,674
OTHER COMPREHENSIVE INCOME		
Freehold property revaluation	-	14,052,565
Deferred tax on revaluation	(440,723)	(1,395,622)
Fixed asset investment	-	3,008
Income tax relating to components of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(440,723)	12,659,951
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>7,993,782</u>	<u>13,139,625</u>
Total comprehensive income attributable to:		
Owners of the parent	7,657,468	13,193,086
Non-controlling interests	<u>336,314</u>	(53,461)
	<u>7,993,782</u>	<u>13,139,625</u>

The notes on pages 15 to 29 form part of these financial statements

Consolidated Balance Sheet
31 December 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	12		(5,424,385)		(5,424,385)
Tangible assets	13		40,881,694		40,667,333
Investments	14		-		-
Investment property	15		6,727,551		6,727,551
			<u>42,184,860</u>		<u>41,970,499</u>
CURRENT ASSETS					
Stocks	16	9,127,232		7,798,387	
Debtors	17	12,091,800		1,710,966	
Investments	18	57,398		56,346	
Cash at bank		<u>1,273,539</u>		<u>568,856</u>	
		22,549,969		10,134,555	
CREDITORS					
Amounts falling due within one year	19	<u>13,693,795</u>		<u>8,617,416</u>	
NET CURRENT ASSETS			<u>8,856,174</u>		<u>1,517,139</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>51,041,034</u>		<u>43,487,638</u>
CREDITORS					
Amounts falling due after more than one year	20		(13,000)		(30,000)
PROVISIONS FOR LIABILITIES	23		<u>(2,131,746)</u>		<u>(1,626,549)</u>
NET ASSETS			<u>48,896,288</u>		<u>41,831,089</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		13,053,281		13,494,004
Retained earnings	25		<u>32,108,469</u>		<u>24,786,557</u>
SHAREHOLDERS' FUNDS			<u>47,613,547</u>		<u>40,732,358</u>
NON-CONTROLLING INTERESTS	26		<u>1,282,741</u>		<u>1,098,731</u>
TOTAL EQUITY			<u>48,896,288</u>		<u>41,831,089</u>

The notes on pages 15 to 29 form part of these financial statements

Consolidated Balance Sheet - continued
31 December 2021

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 30 June 2022 and were signed on its behalf by:

S R Stuteley - Director

Company Balance Sheet
31 December 2021

	Notes	2021 £	£	2020 £	£
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	<u>1,496</u>		<u>1,496</u>	
NET CURRENT ASSETS			<u>1,496</u>		<u>1,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,465,063</u>		<u>2,465,063</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>13,266</u>
SHAREHOLDERS' FUNDS			<u>2,465,063</u>		<u>2,465,063</u>
Company's profit for the financial year			<u>758,083</u>		<u>383,960</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 30 June 2022 and were signed on its behalf by:

S R Stuteley - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2020	113,776	22,538,610	2,338,021
Changes in equity			
Increase in share capital	-	20,173	-
Dividends	-	(383,960)	-
Total comprehensive income	-	536,143	-
Transfer between reserves	-	2,075,591	-
Balance at 31 December 2020	<u>113,776</u>	<u>24,786,557</u>	<u>2,338,021</u>
Changes in equity			
Increase in share capital	-	95,625	-
Dividends	-	(871,904)	-
Total comprehensive income	-	8,098,191	-
Balance at 31 December 2021	<u>113,776</u>	<u>32,108,469</u>	<u>2,338,021</u>

	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2020	2,912,652	27,903,059	1,183,120	29,086,179
Changes in equity				
Increase in share capital	-	20,173	(30,928)	(10,755)
Dividends	-	(383,960)	-	(383,960)
Total comprehensive income	12,656,943	13,193,086	(53,461)	13,139,625
Transfer between reserves	(2,075,591)	-	-	-
Balance at 31 December 2020	<u>13,494,004</u>	<u>40,732,358</u>	<u>1,098,731</u>	<u>41,831,089</u>
Changes in equity				
Increase in share capital	-	95,625	(152,304)	(56,679)
Dividends	-	(871,904)	-	(871,904)
Total comprehensive income	(440,723)	7,657,468	336,314	7,993,782
Balance at 31 December 2021	<u>13,053,281</u>	<u>47,613,547</u>	<u>1,282,741</u>	<u>48,896,288</u>

The notes on pages 15 to 29 form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	113,776	13,266	2,338,021	2,465,063
Changes in equity				
Dividends	-	(383,960)	-	(383,960)
Total comprehensive income	-	383,960	-	383,960
Balance at 31 December 2020	<u>113,776</u>	<u>13,266</u>	<u>2,338,021</u>	<u>2,465,063</u>
Changes in equity				
Dividends	-	(758,083)	-	(758,083)
Total comprehensive income	-	758,083	-	758,083
Balance at 31 December 2021	<u>113,776</u>	<u>13,266</u>	<u>2,338,021</u>	<u>2,465,063</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021

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 2021

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 measurement basis for freehold land and buildings is at fair value, on a revaluation basis.

Plant, machinery and all other tangible fixed assets are held at historic cost, less accumulated depreciation. 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 non-investment freehold property and the directors considered the values for all properties and have considered the valuation for each individual asset and that the revaluation method is the most appropriate recognition method going forward. Therefore these are recognised at current fair value.

The directors consider freehold land and buildings on a group basis for impairment, and should the recoverable amount be below valuation or cost an impairment review is carried out and recognised as required. 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 2021

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 2021

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:

	2021	2020
	£	£
Farming income	2,785,229	2,105,435
Property development and sales	10,211,105	-
Serviced warehousing income	1,236,125	1,014,017
Letting and lease income	1,350,012	1,118,737
Other operating income	384,290	220,190
	15,966,761	4,458,379

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2020 - 13) .

The average number of employees by undertakings that were proportionately consolidated during the year was 3 (2020 - 3) .

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

6. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	243,202	178,279
Depreciation - assets on hire purchase contracts	51,133	61,746
Audit fees for group companies	35,267	34,675
Other non- audit services	18,827	11,285

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Deposit account interest	4	6
Bank account interest	103,949	-
Other interest receivable	50,000	10,000
	153,953	10,006

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
Bank loan interest payable	207,937	210,478
Other interest	-	(194,368)
	207,937	16,110

9. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	1,972,020	314,196
Prior period tax adjustment	-	(262,453)
Total current tax	1,972,020	51,743
Deferred tax	64,477	60,966
Tax on profit	2,036,497	112,709

UK corporation tax has been charged at 19 % (2020 - 19 %).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

9. **TAXATION - continued**

Tax effects relating to effects of other comprehensive income

	2021		
	Gross £	Tax £	Net £
Freehold property revaluation			
Deferred tax on revaluation	(440,723)	-	(440,723)
Fixed asset investment			
	(440,723)	-	(440,723)

	2020		
	Gross £	Tax £	Net £
Freehold property revaluation	14,052,565	-	14,052,565
Deferred tax on revaluation	(1,395,622)	-	(1,395,622)
Fixed asset investment	3,008	-	3,008
	12,659,951	-	12,659,951

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 2021

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 (2020: £383,960).

In addition, a subsidiary of the group paid £nil to minority interests (2020: £nil)

After the balance sheet date and before the financial statements were approved, the directors proposed and paid interim dividends in respect of the year to 31 December 2022 of:

<u>Share class</u>	<u>Amount per share</u>
"A"	£nil
"B"	£nil
"C"	£1.145
"D"	£4.581

being a total distribution of £264,225 (2020: £758,083).

12. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 January 2021
and 31 December 2021

(5,424,385)

NET BOOK VALUE

At 31 December 2021
At 31 December 2020

(5,424,385)

(5,424,385)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

13. TANGIBLE FIXED ASSETS

Group

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 January 2021	39,760,684	2,651,202	42,411,886
Additions	358,406	244,239	602,645
Disposals	(43,296)	(133,383)	(176,679)
At 31 December 2021	40,075,794	2,762,058	42,837,852
DEPRECIATION			
At 1 January 2021	-	1,744,553	1,744,553
Charge for year	-	294,335	294,335
Eliminated on disposal	-	(82,730)	(82,730)
At 31 December 2021	-	1,956,158	1,956,158
NET BOOK VALUE			
At 31 December 2021	40,075,794	805,900	40,881,694
At 31 December 2020	39,760,684	906,649	40,667,333

Cost or valuation at 31 December 2021 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2019	11,975,031	-	11,975,031
Cost	28,100,763	2,762,058	30,862,821
	40,075,794	2,762,058	42,837,852

The directors consider that the most appropriate basis to included freehold land and buildings is on a revaluation basis.

Freehold land and buildings have therefore been revalued in the year.

Freehold land and buildings with a cost of £14,574,030 were valued on an open market basis on 30 June 2019 by Savills. Property additions since this valuation have been included as improvements increasing the net book value.

The directors have considered the market value of the remaining cost base not included in the Savills valuation and acquired before 30 June 2019 and considered the current valuation to be inline with cost.

Freehold land and buildings acquired in 2020 & since this valuation are included at cost, at the recent cost, this being the best estimate of current open market value.

The directors consider these valuations to be the current fair value on an open market basis.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

13. TANGIBLE FIXED ASSETS - continued

Group

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

	Plant and machinery etc £
COST OR VALUATION	
At 1 January 2021	223,000
Additions	98,000
At 31 December 2021	<u>321,000</u>
DEPRECIATION	
At 1 January 2021	78,050
Charge for year	51,133
At 31 December 2021	<u>129,183</u>
NET BOOK VALUE	
At 31 December 2021	<u>191,817</u>
At 31 December 2020	<u>144,950</u>

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2021 and 31 December 2021	<u>2,463,567</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,463,567</u>
At 31 December 2020	<u>2,463,567</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

14. FIXED ASSET INVESTMENTS - continued

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

	% holding
Class of shares:	
Ordinary	100.00

	2021 £	2020 £
Aggregate capital and reserves	35,470,604	34,775,489
Profit for the year	2,007,881	1,354,355

Property Recycling Group plc

Registered office: England & Wales

Nature of business: Property trading

	% holding
Class of shares:	
Ordinary	94.74

	2021 £	2020 £
Aggregate capital and reserves	24,184,500	17,785,230
Profit/(loss) for the year	6,399,131	(874,684)

15. INVESTMENT PROPERTY

Group

FAIR VALUE

At 1 January 2021

and 31 December 2021

NET BOOK VALUE

At 31 December 2021

At 31 December 2020

**Total
£**

6,727,551

6,727,551

6,727,551

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

15. INVESTMENT PROPERTY - continued

Group

Fair value at 31 December 2021 is represented by:

	£
Valuation in 2016	614,000
Valuation in 2017	144,537
Valuation in 2019	106,713
Cost	5,862,301
	<u>6,727,551</u>

16. STOCKS

	Group	
	2021	2020
	£	£
Livestock and valuation	680,911	730,671
Property stock	<u>8,446,321</u>	<u>7,067,716</u>
	<u>9,127,232</u>	<u>7,798,387</u>

17. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,989,224	927,017	-	-
Bad Debt Provision	(33,955)	(89,621)	-	-
Amounts owed by group undertakings	-	-	1,496	1,496
Amounts owed by associates	78,786	78,786	-	-
Other debtors	1,170,616	259,186	-	-
Corporation tax	-	208,466	-	-
VAT	23,204	-	-	-
Prepayments and accrued income	452,820	327,132	-	-
	<u>3,680,695</u>	<u>1,710,966</u>	<u>1,496</u>	<u>1,496</u>
Amounts falling due after more than one year:				
Trade debtors	<u>8,411,105</u>	-	-	-
Aggregate amounts	<u>12,091,800</u>	<u>1,710,966</u>	<u>1,496</u>	<u>1,496</u>

Included in the amount of debtors due in more than one year is £8,411,105 (2020: £nil) of deferred consideration in relation to a sale of a site this year. This amount becomes due on 30th August 2024.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

18. CURRENT ASSET INVESTMENTS

	Group	
	2021	2020
	£	£
Listed investments	4,092	3,040
Single farm payment entitlements	53,306	53,306
	<u>57,398</u>	<u>56,346</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2021	2020
	£	£
Bank loans and overdrafts (see note 21)	9,900,000	7,100,000
Hire purchase contracts	43,000	30,000
Trade creditors	343,172	208,657
Corporation tax	1,698,740	194,241
Social security and other taxes	8,097	62,450
VAT	-	106,870
Other creditors	769,860	233,038
Accruals and deferred income	930,926	682,160
	<u>13,693,795</u>	<u>8,617,416</u>

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

	Group	
	2021	2020
	£	£
Hire purchase contracts	<u>13,000</u>	<u>30,000</u>

21. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>9,900,000</u>	<u>7,100,000</u>

There is a revolving bank loan facility of £12 million which can be drawn down on demand.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£	£
Bank loans	<u>9,900,000</u>	<u>7,100,000</u>

Bank borrowings are secured by way of a Debenture incorporating a charge over commercial freehold property at Manor Farm, Bridgham, Norwich, Norfolk.

On 14 October 2019, the Company entered into a loan facility of £12,000,000 with Lloyds Banking Group, secured by legal charges over Manor Farm, Bridgham which is an Omnibus Guarantee and Set-Off Agreement between the company and Property Recycling Group Plc.

23. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	286,789	201,292
Other timing differences	8,612	29,635
Deferred tax on revaluations	<u>1,836,345</u>	<u>1,395,622</u>
	<u>2,131,746</u>	<u>1,626,549</u>

Group

	Deferred tax
	£
Balance at 1 January 2021	1,626,549
Provided during year	64,474
Recognised on revaluation	<u>440,723</u>
Balance at 31 December 2021	<u>2,131,746</u>

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
113,776	Ordinary	£1	<u>113,776</u>	<u>113,776</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

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

	2021	2020
£		
At 1 January	1,098,731	1,183,120
Acquisition of additional interest in Property Recycling Group plc	(152,304)	(30,928)
Total comprehensive income attributable to NCI	336,314	(53,461)
Dividend payable to NCI		
	<u>1,282,741</u>	<u>1,098,731</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 £6,549 (2020: £6,380). There were unpaid pension contributions at the year end showing in other creditors of £1,095 (2020: £1,764).

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021	2020
£	£	£
P A Rackham		
Balance outstanding at start of year	(195,990)	(195,990)
Amounts advanced	1,069,514	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>873,524</u>	<u>(195,990)</u>
P A Rackham Jnr		
Balance outstanding at start of year	1,199	(1,420)
Amounts advanced	43,738	3,724
Amounts repaid	(46,119)	(1,105)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(1,182)</u>	<u>1,199</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

The company is charging interest on overdrawn directors' accounts at HMRC approved rates.

29. RELATED PARTY DISCLOSURES

During the year costs of £nil were recharged to Paul Rackham Developments Limited, a company under common control but outside the group (2020: £60).

The balance owed by Paul Rackham Developments Limited at the year end was £78,786 (2020: £78,726).

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.