Company Registration Number 00010553

PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE)

FINANCIAL STATEMENTS

31 DECEMBER 2021

PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE)

COMPANY INFORMATION

Directors	Mr B P H Wharam	8 (8)
	Mrs K M Milbourn	7 (8)
	Mr J D Rowlands (resigned 24 June 2021)	4 (4)
	Mr S G Dunn	8 (8)
	Mr A M Green	8 (8)
	Mrs L M Lancaster	8 (8)
	Mr J W Webb	7 (8)
	Mr J S R Wilson (resigned 19 February 2021)	1 (1)
	Mr I C Lancaster (appointed 17 February 2022)	0 (0)

Attendance at directors' meetings are shown opposite the name of the director, with the maximum number possible shown in brackets.

Company secretary Mr J W Webb

Registered number 00010553

Registered office
Agricultural Hall
Skirsgill
Penrith
Cumbria
CA11 0DN

Independent auditors
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

Bankers
Handelsbanken
1 Merchant's Drive
Parkhouse
Carlisle
Cumbria
CA3 0JW

Solicitors
Baines Wilson LLP
2 Merchants Drive
Carlisle
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PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE)

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Chairman’s statement and business review

Whilst still very much against the backdrop of the pandemic, the Company began 2021 with more clarity having navigated the worst of the uncertainty that had been experienced throughout 2020. The swift and decisive changes that had been made during 2020 alleviated certain pressures and allowed focus to be placed on the success of the ongoing operations. The financial results of the year demonstrate a significant accomplishment in this area and the Board are delighted with the results that they are able to present to you, the shareholders.

The buoyancy of the housing market created opportunities that were maximised by our reputation for the quality of the professional service we deliver. We completed on a significantly increased number of transactions in 2021 which, at times, pushed all members of the PFK team to their limits and I am proud of the resilience and dedication shown by staff members that I have witnessed throughout the period.

We do, however, remain in precarious times with new threats replacing those we hope to never see the light of again. The property market has undoubtedly slowed in 2022, with the supply of housing stock for sale reaching a lower level than anticipated. Focus, therefore, remains on operating the business profitably, within the market’s constraints, whilst maximising the returns on existing assets, through investment, being paramount.

Board and corporate activity

After the Board-level changes in 2020 and early 2021, the newly appointed executive directors and slimmed-down, non-executive element of the Board were developing into a very stable team. We were working together effectively and efficiently and were able to focus on the key operational and strategic decision-making of the Company.

This stability and progression was partially destabilised by the requisitioning of a General Meeting of the Company in the latter part of the year. Resolutions were proposed to alter the make-up of the Board and the process generated significant uncertainty for many of our stakeholders and we did suffer in the market-place because of this.

However, whilst the resolutions were defeated, we did learn from shareholder feedback that there were some issues which needed addressing at Board level and we feel we have listened to those concerns. On 17 February 2022 we appointed Mr Ian Lancaster as a non-executive Board member. Mr Lancaster fulfils significant elements of the criteria that the Board had previously identified as being key to its success. His appointment will complement the skills of the other remaining Board members very well. Mr Lancaster is local to the area, a significant shareholder and has a wealth of experience, including within property, gained within a long and varied career. He is also a practising Chartered Accountant and is well known throughout the agricultural and wider community. We are delighted to welcome Ian on to the Board and hope our sentiments will be shared by all shareholders.

Ian will be replacing Mr Stephen Dunn who will not be seeking reappointment to the Board at the 2022 Annual General Meeting where he is due to retire by rotation. Stephen has been an essential asset to the Company since his appointment in 2018, helping to provide stability and focus through the turbulent times of the pandemic and assisting the Company to improve its corporate and social responsibilities. The Board are united in wishing Stephen all the very best for the future and thank him for all his hard work over the past three and a half years. Stephen’s departure will mean that the Chair of the Audit Committee will pass to Mr Ian Lancaster from the closure of the AGM, should Mr Lancaster be re-elected to the Board.

Overview of 2021

The enclosed financial statements show a profit before tax of £545,540 (2020: £590,830). This result is particularly encouraging since it has been generated, predominantly, by the ongoing, operational areas of the business.

Prior to the effect of property revaluations and disposals, the Company generated a profit before tax of £430,066 (2020: £125,120). Revenue has seen a rise of 2.2% from the previous year (2020: decrease of 4.3%) and this is despite no revenue being generating from the operations of the sale room which closed in August 2020. The majority of the comparable revenue rise has been within estate agency but all departments have contributed accordingly.

Whilst cost of sales have increased due to more commissions being paid on higher estate agency turnover and discounts received in 2020 from major advertising partners not being relevant in 2021, the overall cost base of the business has reduced significantly. This has primarily been achieved through the restructure of the executive board, the closure of the sale room and the consolidation of the estate agency branch network and a new focus on our digital offerings to clients. Costs are under constant review and will remain so through what will be a leaner first half of 2022. It is particularly pleasing that overall revenue has not suffered as a result of these significant cost reductions.

Gross rental income for the period increased from £182,898 to £240,082, largely due to the letting of the former sale room site as a vaccination centre. This increase in income replaced a very small amount of contribution that was being generated from the operations of the sale room over recent years and, once again, justified the decision made in 2020 to close these operations. The remainder of our property portfolio performed well and we continue to monitor all these assets closely to ensure we are maximising our return on them.

Review of the operating departments

All trading departments exceeded expectations in 2021 and, in fact, when combined have not performed to such a level for a considerable number of years. This performance has gone a long way in justifying the difficult decisions we made when reorganising the business in 2020.

The Estate Agency department has undoubtedly been the main success story of 2021 with its reduced cost base and consolidated branch network delivering an increase in departmental revenue and a vast improvement in profitability. The measures put in place to manage the operational impact of the pandemic were very successful and maintained our ability to produce outstanding results through this difficult time.

The development of our business model with an enhanced focus on our digital offering has been implemented across all covered regions and the department is now well placed to focus on maintaining its market share through what will almost certainly be leaner times in the first half of 2022.

Within our other professional service departments, we made the decision to internally merge our Land Agency and Planning consultancies to simplify our offering to clients and to provide them with a more unified one-stop-shop for all other land and property related services. This internal restructure also enabled a more efficient allocation of our support staff and a more effective use of our office network. The department performed well throughout 2021 and investment in staff towards the end of the year should allow more time for senior members of the team to focus on commercial activities and growing the business further.

The sale of Eden Business Park at Stoneybeck, the profit of which was largely recognised in the 2020 financial statements, completed during the year and we also sold an historic land asset in Dalton in Furness for a significant profit. All sale funds have now been received and we continue to look for opportunities to invest this surplus liquidity, based on our strategic plan.

Outlook and principal risks facing the business

As the social and trading restrictions caused by the pandemic subside, we are being faced with new challenges and it is clear that a stable operating environment will not be returning in the near future.

2022 is seeing high levels of inflation and rises in the cost of living that have not been experienced for many years. The pressure on interest rates to rise has already been realised and this pressure will continue into the foreseeable future, causing ripples into the housing market as lenders reassess their positions.

Although house prices remain high, there has been a levelling off experienced across the country. The low supply of housing stock, however, continues to generate competition amongst potential buyers which is keeping the market stable, certainly for the time being, and despite recent house price rises, analysts are not predicting any major market slumps such as those experienced during the recession of 2008.

Regulations within the property industry continue to be enhanced with ongoing debate around the energy efficiency of homes and the unknown impacts of Brexit, which have been overshadowed in the past 2 years by the pandemic. These regulations should be seen as an opportunity for the Company, as a service provider, but understanding them and their impacts as other events continue to dictate the government’s focus, is becoming increasingly difficult.

Despite these uncertainties, the changes implemented within the trading arm of the business over the past 2 years have put us in a strong position to continue recent growth. With the new operating model now fully up and running, senior management's time has been, and will continue to be, focused on other, more strategic undertakings which we hope to provide more detail on through a presentation at the forthcoming AGM. Discussions to support our agricultural stakeholders by developing the auction mart site in to more of an agricultural hub for the community are ongoing plus we still own various land assets which we feel, through time and financial investment, can potentially be better utilised.

At the time of writing this statement, the world is once again entering unprecedented times with the events in the Ukraine and the world's reaction to them developing on a daily basis. The consequences of these events are impossible to predict but will be closely monitored and reacted to as best we can so that we can strive to continue to deliver a stable and growing investment for our shareholders.

Dividend

In recent years the dividend has been stable at 25p per share and as we have previously advised, the total dividend for 2021 has been doubled to 50p per share, which has already been paid. We are, therefore, not proposing any further dividend for the financial period ending 31 December 2021.

The Board also communicated our intentions to pass back to shareholders, as special dividends, funds from asset realisations not required for investment in the development of the business. Accordingly, the Board approved a dividend of £2 per share which was paid in October 2021.

Measurement of performance
Measurement of performance against targets and the achievement of business objectives are by means of key performance indicators.

The actual performance against key performance indicators for the twelve months to 31 December 2021 is shown below, together with the twelve months to 31 December 2020 for comparative purposes.

	2021	**2020**
Turnover	£2,486,290	£2,432,417
Turnover (decline)/growth	2.2%	(4.3%)
Net profit after taxation	£396,272	£407,593
Earnings per share for the period	125p	128p
Return on capital employed	8.9%	8.8%

Shareholders' funds at 31 December 2021 amounted to £6,137,810 (2020 – £6,696,237) and the directors consider this to be satisfactory.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of directors of Penrith Farmers' and Kidd's PLC consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021 and in the decisions regarding the operational and strategic plans going forward.

Our decisions are designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering a high quality, professional service in the sectors in which we operate. We will continue to operate our business within tight budgetary controls and in line with regulatory standards.

Our employees are fundamental to the delivery of the decisions which are made. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Our duties as a ‘Regulated by RICS’ company provide customers with confidence and security in relation to the services we provide. Adherence to this accreditation assures both existing and potential clients that the Company behaves ethically and acts with integrity and honesty and has the required skills and competencies to do the job.

We aim to act responsibly and fairly in how we engage with our suppliers, our advisors and bankers and always aim to co-operate with our regulators in an efficient and timely manner. These stakeholders are integral to the successful delivery of the decisions which are made.

Penrith Farmers’ and Kidd’s PLC has a long and established history in the local and wider Cumbrian community and, as such, we take into account the impact of the Company’s operations on the community, the environment and our wider, societal responsibilities. As a Board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours.

As the Board of directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally so they too may benefit from the decisions that are made and the delivery of them.

On behalf of the board.

Mr B P H Wharam
Director

Date:14 April 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activity

The principal activities of the company continued to be that of the professional services, property ownership and carrying on the business of land and estate agents.

Directors

The directors who served during the year were:

Mr B P H Wharam
Mrs K M Milbourn
Mr J D Rowlands (resigned 24 June 2021)
Mr S G Dunn
Mr A M Green
Mrs L M Lancaster
Mr J W Webb
Mr J S R Wilson (resigned 19 February 2021)

Results and dividends

The results for the year are set out in the statement of comprehensive income.

Ordinary dividends were paid amounting to £79,558 (2020: £nil) in respect of the previous financial years. An interim dividend of 25p per share was paid on 31 March 2021 and 2 further interim dividends of 25p per share were paid on 10 September 2021 and 29 October 2021. A special dividend of £2.00 per share was paid 29 October 2021. The directors do not recommend any further dividend payment in respect of the financial year to 31 December 2021.

Strategic Report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and outlook and the statement of how directors have paid regard to the need to foster the company's business relationships with supplier, customers and others, and the effect of that, including on the principal decisions taken by the company during the financial year.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.

Mr B P H Wharam
Director

Date:14 April 2022

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE)

Opinion

We have audited the financial statements of Penrith Farmers' and Kidd's Public Limited Company (The) (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE) (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE) (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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, such as the Health & Safety at Work Act 1974, Money Laundering and RICS Regulations and Companies Act 2006;

• we identified the laws and regulations applicable to the company through discussions with directors and other management;

• we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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; and

• 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 as a risk assessment tool to identify any unusual or unexpected relationships; and

• tested journal entries to identify unusual transactions; and

• reviewed the application of accounting policies including the application of capitalisation of intangible assets.

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; and

• enquiring of management as to actual and potential litigation and claims.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE) (CONTINUED)

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

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

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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Gray (Senior Statutory Auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Carlisle

26 April 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	**2,486,290**	*2,432,417*
Cost of sales		**(270,405)**	*(188,029)*
Gross profit		**2,215,885**	*2,244,388*
Administrative expenses		**(2,052,275)**	*(2,568,268)*
Other operating income	5	**379,708**	*903,959*
Operating profit	6	**543,318**	*580,079*
Interest receivable and similar income	7	**2,215**	*9,994*
Other gains and losses	11	**7**	*757*
Profit before tax		**545,540**	*590,830*
Tax on profit	12	**(149,268)**	*(183,237)*
Profit for the financial year		**396,272**	*407,593*

There was no other comprehensive income for 2021 (2020:£NIL).

PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE)
REGISTERED NUMBER: 00010553

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		**39,973**		*19,596*
Tangible assets	15		**869,703**		*970,849*
Investments	16		**3,886**		*3,879*
Investment property	17		**2,116,680**		*3,398,994*
			3,030,242		*4,393,318*
Current assets					
Debtors: amounts falling due within one year	18	**751,844**		*363,006*	
Cash at bank and in hand	19	**3,393,289**		*2,724,904*	
		4,145,133		*3,087,910*	
Creditors: amounts falling due within one year	20	**(919,733)**		*(502,921)*	
Net current assets			**3,225,400**		*2,584,989*
Total assets less current liabilities			**6,255,642**		*6,978,307*
Provisions for liabilities					
Deferred tax	22	**(117,832)**		*(282,070)*	
			(117,832)		*(282,070)*
Net assets			**6,137,810**		*6,696,237*
Capital and reserves					
Called up share capital	23		**318,233**		*318,233*
Share premium account	24		**237,144**		*237,144*
Fair value reserve	24		**910,067**		*1,964,348*
Profit and loss account	24		**4,672,366**		*4,176,512*
			6,137,810		*6,696,237*

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

Mr B P H Wharam
Director

Date:14 April 2022

The notes on pages 17 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	**318,233**	**237,144**	**1,964,348**	**4,176,512**	**6,696,237**
Comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**396,272**	**396,272**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**396,272**	**396,272**
Dividends	**-**	**-**	**-**	**(954,699)**	**(954,699)**
Transfer to/from profit and loss account	**-**	**-**	**(1,054,281)**	**1,054,281**	**-**
Total transactions with owners	**-**	**-**	**(1,054,281)**	**99,582**	**(954,699)**
At 31 December 2021	**318,233**	**237,144**	**910,067**	**4,672,366**	**6,137,810**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	**318,233**	**237,144**	**1,497,881**	**4,235,386**	**6,288,644**
Comprehensive income for the year					
Profit for the year	**-**	**-**	**-**	**407,593**	**407,593**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**407,593**	**407,593**
Transfer to/from profit and loss account	**-**	**-**	**466,467**	**(466,467)**	**-**
Total transactions with owners	**-**	**-**	**466,467**	**(466,467)**	**-**
At 31 December 2020	**318,233**	**237,144**	**1,964,348**	**4,176,512**	**6,696,237**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	**396,272**	*407,593*
Adjustments for:		
Amortisation and impairment of intangible assets	**6,614**	*2,582*
Depreciation and impairment of tangible fixed assets	**87,797**	*107,444*
Loss on disposal of tangible fixed assets	**1,794**	*60,486*
Gain on disposal of investment property	**(90,402)**	-
Loss on write off of fixed assets	**22,693**	*22,501*
Investment income	**(2,140)**	*(9,994)*
Taxation charge	**149,269**	*183,237*
(Increase)/decrease in debtors	**(388,836)**	*58,949*
Increase in creditors	**148,349**	*91,387*
Other gains	**(25,155)**	*(466,467)*
Corporation tax (paid)/received	**(45,045)**	*28,677*
Net cash generated from operating activities	**261,210**	*486,395*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(26,990)**	*(22,178)*
Purchase of tangible fixed assets	**(10,878)**	*(48,097)*
Proceeds on disposal of tangible fixed assets	**1,875**	*1,249*
Purchase of investment properties	**(34,348)**	*(20,491)*
Proceeds on disposal of investment property	**1,010,000**	-
Investment property debtors	**420,000**	-
Other investment income received	**75**	*37*
Interest received	**2,140**	*9,957*
Net cash from investing activities	**1,361,874**	*(79,523)*
Cash flows from financing activities		
Dividends paid	**(954,699)**	-
Net cash used in financing activities	**(954,699)**	-
Net increase in cash and cash equivalents	**668,385**	*406,872*
Cash and cash equivalents at beginning of year	**2,724,904**	*2,318,032*
Cash and cash equivalents at the end of year	**3,393,289**	*2,724,904*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**3,393,289**	*2,724,904*
	3,393,289	*2,724,904*

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	**2,724,904**	**668,385**	**3,393,289**
	2,724,904	**668,385**	**3,393,289**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Penrith Farmers' and Kidd's plc is a public company limited by shares and is registered and incorporated in England and Wales. The registered office is Agricultural Hall, Skirsgill, Penrith, Cumbria, CA11 0DN.

The company's prinicipal activities and nature of its operations are disclosed in the Directors Report on page 5.

2. Accounting policies

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized companies (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are round to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

The directors believe that the Company is in a strong position to withstand both foreseeable and unforeseeable changes to the economic outlook.

The Company holds significant, liquid assets to service current liabilities and the potential for losses whilst holding an investment property portfolio which generates stong rents and which are marketable assets for sale should that be necessary. The executive team are continually monitoring and updating future projections on a rolling 12-month basis and producing monthly, department-level management accounts which are compared to projections and prior periods, to ensure the Board are in a strong position to react swiftly to any changes in the economic environment. The changes implemented throughout 2020 to reduce the Company's fixed cost-base safeguards our assets further. Accordingly, the directors do not believe there is any significant uncertainty over the Company's ability to trade as a going concern and that the preparation of the financial statements on a going concern basis remains appropriate.

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account discounts.

Turnover from estate agency and land agency commissions earned, stated net of VAT, in the connection with sale of land and properties is recognised on exchange of contracts.

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets acquired seperately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation.

Amortisation, recognised in administrative expenses, is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software	-	20 %
Brands	-	20 %
Other intangibles	-	20 %

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual value over their useful lives, on the following basis:

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold improvements	- Straight line over the life of the lease
Plant and machinery	- 10 - 20% straight line

Land is not depreciated.

No depreciation is charged on assets disposed of during the year.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

2.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

2.7 Fixed asset investments

Interests in unlisted investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

2. Accounting policies (continued)

2.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

2.9 Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

2.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets
Basic financial assets, which include trade debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets
Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assetss original effective interest rate. The impairment loss is recognised in profit or loss.

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risk and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2. Accounting policies (continued)

2.11 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits, as such deferred tax assets on fair value losses on investment properties have not been recognised.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation of investment properties
At 31 December 2021 Carigiet Cowen (a third party chartered surveyors) carried out a formal valuation of the investment property based on open market value for existing use basis, with reference to rental yield, incorporating the perceived risks that the commercial property market may experience in the near and distant future.

4. Turnover

The whole of the turnover is attributable to the prinicipal activity of the company.

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Other operating income

	2021 £	2020 £
Renewable energy income	**5,113**	*4,254*
Rental income	**240,082**	*182,898*
Coronavirus Job Retention Scheme grant income	**19,039**	*122,235*
Other government grants	**-**	*128,862*
Fair value uplift of investment property	**25,072**	*465,710*
Profit on disposal of investment property	**90,402**	*-*
	379,708	*903,959*

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Coronavirus Job Retention Scheme grant income	**(19,039)**	*(122,235)*
Other government grants	**-**	*(128,862)*
Depreciation of owned tangible fixed assets	**72,190**	*86,770*
Other operating lease rentals	**31,694**	*68,338*
Impairment of owned tangible fixed assets	**15,607**	*20,674*
(Profit)/Loss on disposal of investment property	**(90,402)**	*-*
Loss on disposal of tangible fixed assets	**1,794**	*60,486*
Amortisation of intangible assets	**6,614**	*2,582*
Loss on write off of tangible fixed assets	**22,693**	*15,926*
Loss on write off of intangible fixed assets	**-**	*6,575*

7. Interest receivable and similar income

	2021 £	2020 £
Interest Income		
Interest on bank deposits	**2,140**	*9,800*
Other interest income	**-**	*157*
Total interest revenue	**2,140**	*9,957*
Income from fixed asset investments		
Income from other fixed asset investments	**75**	*37*
Total income	2,215	9,994

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**11,350**	*20,750*

Fees payable to the Company's auditor and its associates in respect of:

	2021 £	2020 £
Taxation compliance services	**1,850**	*3,675*
All other non-audit services	**1,750**	*2,625*
	3,600	*6,300*

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	**1,209,040**	*1,479,296*
Social security costs	**131,077**	*138,261*
Cost of defined contribution scheme	**100,316**	*101,972*
	1,440,433	*1,719,529*

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Office, sales and management	**47**	*58*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Directors' remuneration

	2021 £	*2020* £
Remuneration for qualifying services	**281,967**	*280,807*
Company contributions to defined contribution pension schemes	**14,511**	*12,834*
	296,478	*293,641*

During the year retirement benefits were accruing to 3 directors *(2020 - 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £101,004 *(2020 - £75,658)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,506 *(2020 - £4,270)*.

The total remuneration of non-executive directors included in the above emoluments during the year was £29,729 (2020 - £31,100). The number of non-executive directors at the year end was 3 (2020 - 5).

11. Other gains and losses

	2021 £	*2020* £
Fixed asset investments		
Fair value gains/(losses) on financial instruments		
Change in value of financial assests held at fair value through profit and loss	**7**	*757*
	7	*757*

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	**317,230**	*48,768*
Adjustments in respect of previous periods	**(3,723)**	*-*
	313,507	*48,768*
Total current tax	**313,507**	*48,768*
Deferred tax		
Origination and reversal of timing differences	**(192,519)**	*134,469*
Changes to tax rates	**28,280**	*-*
Total deferred tax	**(164,239)**	*134,469*
Taxation on profit on ordinary activities	**149,268**	*183,237*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	**545,541**	*590,830*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**103,653**	*112,258*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation, depreciation and impairments	**772**	*461*
Effects of capital allowances, depreciation and impairments	**17,759**	*21,575*
Disallowable amortisation	**360**	*-*
Non-taxable income	**(18,356)**	*(88,629)*
Capital gains - current tax	**212,864**	*-*
Capital gains - deferred tax	**(196,064)**	*137,578*
Changes to tax rates	**28,280**	*-*
Exempt ABGH distributions	**-**	*(6)*
Total tax charge for the year	**149,268**	*183,237*

12. Taxation (continued)

Factors that may affect future tax charges

In May 2021 the UK Parliament substantively enacted an increase in the rate of corporation tax to 25%, which will apply from 1 April 2023. A 19% rate will continue to apply for companies with taxable profits under £50,000, and a marginal rate will apply for companies with taxable profits of between £50,000 and £250,000.

13. Dividends

	2021 **£**	*2020* *£*
Dividends paid	**954,699**	-
	954,699	-

14. Intangible assets

	Software **£**	**Other intangibles** **£**	**Total** **£**
Cost			
At 1 January 2021	**22,179**	**-**	**22,179**
Additions	**4,252**	**22,738**	**26,990**
At 31 December 2021	**26,431**	**22,738**	**49,169**
Amortisation			
At 1 January 2021	**2,582**	**-**	**2,582**
Charge for the year on owned assets	**4,719**	**1,895**	**6,614**
At 31 December 2021	**7,301**	**1,895**	**9,196**
Net book value			
At 31 December 2021	**19,130**	**20,843**	**39,973**
At 31 December 2020	*19,596*	*-*	*19,596*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Tangible fixed assets

	Freehold property £	Leasehold improvements £	Plant and equipment £	Total £
Cost or valuation				
At 1 January 2021	1,229,092	6,125	480,097	1,715,314
Additions	-	-	10,878	10,878
Disposals	(12,480)	-	(34,981)	(47,461)
At 31 December 2021	1,216,612	6,125	455,994	1,678,731
Depreciation				
At 1 January 2021	419,971	1,764	322,730	744,465
Charge for the year on owned assets	24,096	1,225	46,869	72,190
Disposals	(2,194)	-	(21,040)	(23,234)
Impairments	15,607	-	-	15,607
At 31 December 2021	457,480	2,989	348,559	809,028
Net book value				
At 31 December 2021	759,132	3,136	107,435	869,703
At 31 December 2020	*809,121*	*4,361*	*157,367*	*970,849*

16. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2021	3,879
Revaluations	7
At 31 December 2021	3,886

This represents holdings of 440 £0.50 (2020: 440 £0.50) Ordinary shares at par value and 306 £0.01 (2020: 306 £0.01) Ordinary A Shares in L&K Group plc at par value.

17. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	**3,398,994**
Additions at cost	**34,348**
Disposals	**(1,341,734)**
Surplus on revaluation	**25,072**
At 31 December 2021	**2,116,680**

The 2021 valuations were made by Carigiet Cowen, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2021 £	*As restated 2020* £
Historic cost	**1,212,220**	*1,438,109*
Accumulated depreciation and impairments	**(675,261)**	*(687,884)*
	536,959	*750,225*

18. Debtors

	2021 £	*2020* £
Trade debtors	**217,626**	*213,381*
Debtors related to the disposal of investment property	**420,000**	-
Prepayments and accrued income	**114,218**	*149,625*
	751,844	*363,006*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Cash and cash equivalents

	2021 **£**	*2020* *£*
Cash at bank and in hand	**3,393,289**	*2,724,904*
	3,393,289	*2,724,904*

There is a separate bank account called the dividend bank account which is also under the Company's control. This account is used to hold the cash payable to shareholders in respect of unclaimed dividend payments. The balance of this account at the year end date was £56,646 (2020 - £22,144). This has been ommitted from the above cash at bank and in hand balance on the basis that the company has no rights to the funds.

20. Creditors: Amounts falling due within one year

	2021 **£**	*2020* *£*
Trade creditors	**14,786**	*42,948*
Corporation tax	**317,230**	*48,768*
Other taxation and social security	**408,209**	*294,064*
Other creditors	**12,310**	*13,557*
Accruals and deferred income	**167,198**	*103,584*
	919,733	*502,921*

21. Financial instruments

	2021 **£**	*2020* *£*
Financial assets		
Financial assets measured at fair value through profit or loss	**3,397,175**	*2,728,783*

Financial assets measured at fair value through profit or loss comprise of cash at bank and investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. Deferred taxation

	2021
	£
At beginning of year	**(282,070)**
Charged to profit or loss	**164,238**
At end of year	**(117,832)**

The provision for deferred taxation is made up as follows:

	2021	*2020*
	£	*£*
Accelerated capital allowances	**(37,525)**	*(24,314)*
Capital gains	**(80,307)**	*(257,756)*
	(117,832)	*(282,070)*

23. Share capital

	2021	*2020*
	£	*£*
Allotted, called up and fully paid		
318,233 *(2020 - 318,233)* Ordinary share capital shares of £1.00 each	**318,233**	*318,233*

All shares have full voting, distribution and capital rights and are non-redeemable.

24. Reserves

Share premium account

Records amounts received above the nominal value of the shares allotted, less any transaction costs incurred.

Fair value reserve

This reserve records asset revaluations and fair value movements on assets recognised in other operating income.

Any gains or losses on fair value adjustments that are recognised in the Statement of Comprehensive Income are transferred to the fair value reserve in the year that they arise. Upon realisation of the fair value gains or losses due to disposals of related assets the relevant amount is transferred into profit and loss reserves.

Profit and loss account

Records accumulated profits and losses, net of distributions to owners.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Pension commitments

The company operates a defined contribution 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 £100,316 (2020 - £101,972). Contributions of £29,235 (2020 - £11,735) remained outstanding at the balance sheet date.

26. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	*2020*
	£	*£*
Not later than 1 year	**13,655**	*31,694*
Later than 1 year and not later than 5 years	**-**	*13,655*
	13,655	*45,349*

27. Controlling party

The Directors consider there to be no ultimate controlling party.