



The Penrith Farmers' and Kidd's Plc
Consolidated Unaudited Interim Abridged Financial Statements

For the six months ended 30 June 2023

Chairman's Statement

The directors present their consolidated, unaudited, interim, abridged financial statements of the trading results for the six months ending on 30 June 2023, together with comparative figures.

Overview & Outlook

The first six months of 2023 have delivered weaker than anticipated results but there are signs that the housing market is beginning to stabilise which is cause for genuine optimism.

The period was characterised by high inflation and further Bank of England interest rate rises which have had a direct and significant impact on the Company's performance. With an unstable mortgage market developing across all levels of lending, the Company saw a far higher proportion of agreed sales collapse, leaving long sale-chains broken and impacting the Company's revenue significantly.

Despite these sale-chain collapses, many of the properties involved returned to the market and as such the Company's housing-stock levels and pipeline of agreed sales were strong at the end of the period. We therefore anticipate some of the negative impact caused by these sale-breakdowns to be reversed throughout the rest of 2023.

There are also signs that inflation is coming under control with the inflation rate falling to 6.8% in the year to July 2023, down from 7.9% in June 2023. This is appearing to lead to lenders beginning to reduce mortgage rates after many months of increases which will also aid the market's stability.

As well as providing first class personal service, we are focusing our Estate Agency efforts to sell Mid and Up-market properties which are less affected by movements in interest rates due to the higher proportion of cash buyers.

There has been significant resource devoted to the integration of the Company's existing Land Agency operations with the business of Robson and Liddle (Rural) Limited which was acquired in December 2022. The integration has now been completed and the newly-named PFK Rural is fully operational out of its Edenhall base. The enlarged Company has retained the vast majority of its client base and there are encouraging signs that the new PFK Rural is gaining market share within the rural and agricultural sectors.

The agriculture-focused operations of PFK Rural and the residential-focused operations of our Estate Agency department will now be conducted within separate legal entities to enhance visibility for shareholders on the performance of the distinct areas of operation within our organisation. Whilst we are presenting fully-consolidated accounts within this interim statement, future interim statements, as well as full-year financial statements, will contain more detailed information about the trading companies.

With regard to our planning applications at Mile Lane and Lazonby, I regret that both applications have been moved backwards in the newly-formed Westmorland and Furness' council planning meetings calendar and we can only reassure shareholders that we will inform them of the results of those meetings as soon as we know them ourselves.

We have, however, now concluded new and improved leases with both Penrith and District Farmers Mart and Kier which should enhance the company's property income in future years.

Annual General Meeting Review

The Company's AGM took place at 10:30am on Tuesday 20 June 2023 at the Hired Lad, Agricultural Hall, Skirsgill, Penrith. The Board were delighted to see so many of the Company's shareholders in attendance and enjoyed the numerous, beneficial exchanges.

All resolutions were passed including the payment of a £0.50p per share final dividend, which was processed in July 2023, and the reappointment of Armstrong Watson as the Company's auditors.

The minutes from this meeting can be found in the news section on the Company's investor website.

Board of Director changes

The Company's AGM also saw 1 new appointment to the Board and the reappointment of 2 other directors. Robert Derek Calrow was appointed at the end of the meeting having had an ordinary resolution to appoint him approved by shareholders during the meeting and both Bernard Wharam and Robert Craig were both reappointed as non-executive directors by the same process.

The Chairmanship of the Company also changed hands at the end of meeting with Bernard Wharam stepping aside for myself to take over in this role. I, along with the rest of the Board, would like to thank Bernard for all his endeavours in Chairing the Company through some very testing times and we are delighted that he has agreed to remain on the Board to assist with an orderly handover of duties and responsibilities.

Process of Company Shares Trading

The first Company-administered share auction for many years took place on Friday 26 May 2023 at 1.00pm and was attended by both new and existing shareholders alike. A total of 3,247 shares were available for sale and of those, 1,917 were sold at an average price of £25.05. The remaining shares did not reach their reserve price.

Having observed this initial auction and listened to feedback, the Directors intend to make some changes to the staging of the auctions in the future. The proposed auction in September 2023 will be postponed and amalgamated with the other remaining, pre-announced auction in 2023, in November. In 2024 we will ensure that auctions do not take place on a Friday, to hopefully avoid the infamous Penrith traffic, and we will also conduct an auction following the conclusion of the AGM each year in an attempt to generate as high an attendance as possible.

Dividend

The Directors have resolved not to declare an interim dividend. We will of course consider the payment of a final dividend after the financial year end.

Ian Lancaster

Chairman

18 August 2023

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Income Statement (Profit and loss account)
for the six months to 30 June 2023

	2023	2022
	£	£
Turnover	1,024,328	1,009,448
Operating costs	(1,293,517)	(1,098,527)
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	(269,189)	(89,079)
Gross income from property investments	122,812	147,294
Cost of property investments	(38,326)	(29,406)
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Net property investment income	84,486	117,888
Other operating income	0	1,451
Profit on sale of investment properties	0	1,145
Loss on sale of tangible fixed assets	(7,320)	(13,941)
Profit on sale of financial investments	0	130
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Operating Profit / (loss)	(192,023)	17,594
Income from other financial assets	0	75
Net interest receivable	22,978	3,482
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Profit / loss before taxation	(169,045)	21,151
Taxation	0	(4,019)
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Retained profit / loss for the period	(169,045)	17,132
Profit and loss brought forward	4,688,451	4,672,366
	<hr/>	<hr/>
	4,519,406	4,689,498
Dividend paid	0	0
Transfer from fair value to retained earnings	0	6,839
Reclassification of operating property to investment property	0	232,917
Deferred tax on reclassification	0	(20,773)
Transfer reclassification increase to fair value reserve	0	(212,144)
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Profit and loss carried forward	<u>4,519,406</u>	<u>4,696,337</u>

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Statement of Financial Position (Balance sheet)
as at 30 June 2023

	2023	2022
	£	£
Fixed assets		
Goodwill	405,247	-
Tangible and other intangible assets	3,258,671	3,098,830
	<u>3,663,918</u>	<u>3,098,830</u>
Current assets		
Debtors	551,523	416,227
Cash at bank and in hand	2,567,005	3,524,461
	<u>3,118,528</u>	<u>3,940,688</u>
Current liabilities		
Creditors	365,257	533,826
	<u>2,753,271</u>	<u>3,406,862</u>
Net current assets		
	<u>6,417,189</u>	<u>6,505,692</u>
Total assets less current liabilities		
	6,417,189	6,505,692
Creditors - due after one year		
Deferred taxation	98,160	138,605
Other creditors due after one year	133,333	-
	<u>6,185,696</u>	<u>6,367,087</u>
Net Assets		
	<u>6,185,696</u>	<u>6,367,087</u>
Capital and Reserves		
Called up share capital	318,233	318,233
Share premium account	237,144	237,144
Revaluation reserve	1,110,913	1,115,373
Profit and loss account	4,519,406	4,696,337
	<u>6,185,696</u>	<u>6,367,087</u>
Shareholders' funds		
	<u>6,185,696</u>	<u>6,367,087</u>



Basis Of Preparation And Provision

The above financial statements:-

1. Are consolidated, unaudited, interim and abridged;
2. Have been prepared by the company and are provided to its current shareholders solely for the information only of such shareholders; and
3. Cannot and should not be relied upon by such shareholders as representing a true and fair view of the Company's financial position.

Consequently:-

(a) no decision to buy or sell the Company's shares should be made in reliance upon information contained in or referred to in the above financial statements or the content thereof nor based upon any omission therefrom; and

(b) no responsibility for loss to any person acting or refraining from acting as a result of any information in such statements can be accepted by the company or its directors.

The company and its directors do not, in sending out these financial statements to shareholders, accept or assume responsibility for any reliance on such statements by any shareholder or any other person.

Established 1876

Company No. 00010553