

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

FINANCIAL STATEMENTS

31 DECEMBER 2022

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

COMPANY INFORMATION

Directors	Mr B P H Wharam	7 (7)
	Mrs K M Milbourn (resigned 20 September 2022)	5 (6)
	Mr S G Dunn (resigned 10 June 2022)	4 (4)
	Mr A M Green	7 (7)
	Mrs L M Lancaster	7 (7)
	Mr J W Webb	7 (7)
	Mr I C Lancaster (appointed 17 February 2022)	6 (6)
	Mrs J Liddle (appointed 1 December 2022)	0 (0)
	Mr J D H Robson (appointed 1 December 2022)	0 (0)
	Mr R K Craig (appointed 3 April 2023)	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 plc
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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PENRITH FARMERS' AND KIDD'S PUBLIC LIMITED COMPANY (THE)

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The chairman presents his statement for the period.

Having taken advantage of the buoyancy in the housing market throughout 2021, 2022 brought about significant challenges for the company which have directly impacted upon the performance of the business. Turnover has reduced whilst at the same time there has been a consistent upward pressure on costs throughout the whole of the economy which we have not been immune to.

2022 was a year that saw three Prime Ministers, four Chancellors, five Housing Ministers and eight increases in base rate and it is therefore perhaps unsurprising that 2022 was particularly traumatic for the UK housing market.

With optimism of a return to more 'normal' market conditions beginning to build throughout the Spring and Summer of 2022, the disastrous mini Budget on 23 September led to one of the sharpest contractions in activity that we have seen for many years and resulted in mortgage interest rates rising from circa 2% to circa 6% within a matter of weeks. Customer demand responded quickly to this uncertainty and we witnessed a significant decrease in enquiries across all of our operating regions.

The Board have continued to focus on the cost-base of the business with further restructuring completed in the latter half of 2022 and the first few months of 2023 and we will continue to focus on driving these costs down as much as we can in order to stabilise future performance, whilst seeking out all opportunities for future revenue-enhancing initiatives.

My thanks go, as always, to all the dedicated members of staff and associated stakeholders who have continued to work hard and perform diligently throughout the year. The continued support of our customers and shareholders is also greatly appreciated from all here at PFK.

I have been a director of PFK for over 6 years and whilst I am seeking re-election to the Board at the upcoming annual general meeting, it is my intention to hand over the chairmanship of the company to Ian Lancaster on conclusion of the AGM and then to remain on the Board for no more than one year. This is in order to facilitate an orderly handover to Ian and to aid the new directors as they familiarise themselves with the company.

Mr B P H Wharam
Chairman

Date: 19 April 2023

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

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Financial overview and review of operating departments

Despite incurring an overall loss of £48,385 after tax (compared with a profit of £416,263 after tax in the previous year), shareholders' funds have grown from £6,191,968 to £6,354,740 at the 31 December 2022.

The average share price for the year was £25.94 (2021: £23.50).

Turnover from our trading operations has reduced 17% from £2,486,290 to £2,058,728 and whilst there has been a fall in related cost of sales, the administrative expenses incurred in running the business have increased. These costs have, however, been adversely distorted by exceptional costs in the year including restructuring the land agency department, purchasing and subsequently marketing a newly acquired business and maintaining our property portfolio, all of which have cost in excess of £200,000.

The Estate Agency department suffered from a downward shift in the housing market which saw the number of transactions across the whole of the UK, as well as in our operating regions, decline significantly. Despite this, we were able to maintain, and in some cases increase, our average fees and hold our strong market position amongst our competitors albeit within a shrinking market.

The market environment impacting on Estate Agency was not as forcefully felt within our agricultural operations and an opportunity to acquire a complementary and growing land agency business, Robson and Liddle (Rural) Limited, was taken towards the end of the year. This gives the enlarged business greater resources and an enhanced client base to achieve further profitable growth in future years.

The coming together of these two operations also allowed for changes to be made within the senior management of the department with John Robson and Julie Liddle now in charge of all our rural operations after the departure of the former head of PFK Land Agency, David Stout, on 31 December 2022.

Investment Property Portfolio

Our investment property portfolio has produced a lower level of income this year mainly due to the Sale Room remaining empty for most of the year but we are hopeful of securing a major tenant for this space in the near future and will be updating you about this at the annual general meeting.

A planning application for a commercial development on owned-land off Mile Lane, near our Skirsgill site, was made in October 2022 and we await a decision from the planning committee which we believe to be imminent. We will, again, update you with any further information through our news portal on the investors website and at the annual general meeting.

A planning application was also made in April 2023 on owned-land in Lazonby for a residential development of 9 houses. The application has been submitted to the new Westmorland and Furness Council planning authority and can be viewed on their planning portal under reference 23/0254. We will be providing further information regarding this development through our news portal at the appropriate time and at the upcoming annual general meeting.

2023 Group Restructure

The Board has been discussing for some time the restructure of the operations of the company and the purchase of the share capital of Robson and Liddle (Rural) Limited has been the catalyst for the restructure's execution. From 1 July 2023, a new wholly-owned subsidiary company, PFK Estate Agency Limited, will begin running the operations of the residential Estate Agency side of the business and from the same date Robson and Liddle (Rural) Limited, a wholly owned subsidiary company since its acquisition, will manage the newly merged Rural and Land Agency operations, having had its name changed to PFK Rural Limited.

The parent company, Penrith Farmers' and Kidd's PLC, will continue to own and operate all of the group's land and property assets and will continue to collect rents from its investment properties. It will charge rents for the Group's operating properties and other relevant charges to the subsidiary companies accordingly.

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

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The reasons for this decision to restructure the Group are numerous. As a single, publicly-owned, company, it has been historically difficult to retain senior and valued members of staff as their pathways to success have been limited simply by the availability of places on the company's Board. This restructure provides the opportunity, as is common in similar organisations, for those valued members of staff to become directors of the companies they operate within, increasing their responsibility for that company and allowing many operating decisions of the group to be removed from the parent company's Board who can now spend more time focusing on strategy.

In addition to this, the newly-formed group structure provides the right platform for any future acquisitions, joint ventures or divestments to be more easily accomplished and, very importantly, allows for future operating performance to be far more transparent, an issue relevant for all stakeholders in the organisation.

Board and Corporate Activity

Stephen Dunn's departure from the company at the conclusion of the 2022 AGM was followed later in the year by Katie Milbourn's decision to step down from the Board of Directors. Katie had already served 6 years when re-elected at the AGM in 2021 but, much to her credit, did not feel it was appropriate to leave the business during such tumultuous times. The Board would like to thank Katie for her contribution during her many years of direct association with the company and all here at PFK wish her all the very best for her future endeavors.

In April 2023 the Board were delighted to announce the appointment of Robert Craig to the Board of Directors. Robert is a partner in 3 dairy farms and is the past county chairman of Cumbria NFU as well as being a Nuffield scholar. In 2012, he became chairman of Penrith and the Border Conservative Association and in 2014 he jointly won the Farmers Weekly Dairy Farmers of the Year award. Robert is a Non-Executive Director and vice chairman of First Milk Ltd, a wholly British farmer-owned dairy co-operative, and a trustee and vice chairman of the Royal Association of British Dairy Farmers, the sole UK charity focused on the unique needs of milk producers. Robert's commercial and agricultural experience will no doubt prove to be a huge asset to PFK and we hope you will all join us in welcoming Robert to the team and vote for his re-election to the Board at the AGM.

The Board have also made a unanimous, collective decision to propose Robert Derek Calrow as a non-executive director to be voted on by shareholders at the upcoming annual general meeting.

Since shareholders voted narrowly to not appoint Mr. Calrow to the Board at a General Meeting in November 2021 we have been in contact with him and developed a far more positive relationship and believe now that our objectives are more aligned in key areas. Mr. Calrow is a substantial shareholder and has a significant amount to contribute to the Board as well as being able to be a strong conduit for communication between the Board and shareholders. Mr. Calrow has consented to serve on the Board, but we have agreed with him that his appointment will not occur until ratified by shareholders at the AGM but the current Board do stress that we support this resolution and urge you to do the same.

The remaining additions to the Board have come through the appointments of John Robson and Julie Liddle who it was agreed would become executive directors of the Board upon the acquisition of the share capital of their company, Robson and Liddle (Rural) Limited.

The Board believe we are making forward strides with recent appointments and propositions. General feedback of a lack of representation of company shareholding at Board level has been addressed through the appointment of Ian Lancaster and the proposition of Derek Calrow and a perceived deficiency in the representation of our agricultural stakeholders has also been addressed at both non-executive and executive level with Robert Craig and Ian Lancaster both well known in farming and rural fraternities and John Robson and Julie Liddle both dedicated to representing and supporting this area of PFK's business.

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

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Proposed Shareholder Forum

The Board are pleased to announce that we will be aiming to facilitate a separate 'shareholders forum', should there be an appetite from individual shareholders to step forward and participate. Whilst the Board's aim is for the forum's structure and objectives to be dictated by those on the forum itself, we understand that we can, and should, be part of its inception. We foresee the forum's creation as being an opportunity for interested shareholders to be able to spend some time with company directors, possibly twice a year, to ask questions and air opinions outside of the formal setting of General Meetings and then have the opportunity to report back to the remainder of the shareholder base. If you are interested in being involved in this new initiative, please contact Joseph Webb by email at josephwebb@pfk.co.uk who will be the main representative of the wider PFK Board.

Outlook and Principal Risks Facing the Business

The effects of the turbulence of 2022 will continue to be felt in to 2023 but there does now appear to be a move towards greater stability within Government which will hopefully enable a return to a more stable operating environment.

Within our agricultural departments, the successful merging of PFK Land Agency and Robson and Liddle (Rural) Limited is paramount to take advantage of the cost reductions and shared resources which will help to make this decision a success and provide an enhanced service for our clients.

The Board continues to look for ways to grow the business both organically and through acquisitions should they be perceived to add significant value to the group and freehold land in our ownership is under regular review to find ways to enhance its future earnings potential.

Inflation remains at its highest level for a generation impacting particularly on energy prices and wage-inflation whilst the UK base rate continues to rise leading to further uncertainty around mortgage rates for potential property buyers. These increased rates do mean, however, that better returns are available on cash deposits.

Share Trading Information

Communication has already been distributed relating to the change in how the company will provide a service to trade its shares amongst potential buyers and willing sellers and for further information on this, please see the company's investor website. The website also includes information on the dates and times of the upcoming 2023 share auctions.

Dividend

It has been recommended a dividend of 50 pence per share shall be paid.

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 2022 is shown below, together with the twelve months to 31 December 2021 for comparative purposes.

	2022	2021
Turnover	£2,058,728	2,486,290
Turnover (decline)/growth	(17.2%)	2.2%
Net (loss)/profit after taxation	(£48,385)	£416,263
Earnings per share for the period	(15p)	131p
Return on capital employed	(1.1%)	9.1%

Shareholders' funds at 31 December 2022 amounted to £6,354,740 (2021 - £6,191,968) and the directors consider this to be satisfactory.

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

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022 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.

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 A M Green
Managing Director

Date: 19 April 2023

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £48,385 (2021 - profit £416,263).

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

During the year dividends of £nil (2021: £954,699) were paid.

Director

The directors who served during the year were:

Mr B P H Wharam
Mrs K M Milbourn (resigned 20 September 2022)
Mr S G Dunn (resigned 10 June 2022)
Mr A M Green
Mrs L M Lancaster
Mr J W Webb
Mr I C Lancaster (appointed 17 February 2022)
Mrs J Liddle (appointed 1 December 2022)
Mr J D H Robson (appointed 1 December 2022)

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 and the Group'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 and the Group's auditors are aware of that information.

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.

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

Mr B P H Wharam
Director

Date: 19 April 2023

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

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss 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 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 Group's or 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.

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

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

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.

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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 7, 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 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.

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

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 Group 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.

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

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
Date: 19 April 2023

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	As restated 2021 £
Turnover	4	2,058,728	2,486,290
Cost of sales		(254,474)	(270,405)
Gross profit		1,804,254	2,215,885
Administrative expenses		(2,158,458)	(2,052,275)
Other operating income	5	255,319	399,699
Operating (loss)/profit	6	(98,885)	563,309
Interest receivable and similar income		30,828	2,215
Other gains and losses		-	7
(Loss)/profit before tax		(68,057)	565,531
Tax on (loss)/profit	12	19,672	(149,268)
(Loss)/profit for the financial year		(48,385)	416,263
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		211,157	-
Total comprehensive income for the year		162,772	416,263
Profit for the year attributable to:			
Owners of the parent company		(48,385)	416,263
		(48,385)	416,263

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	<i>As restated</i> 2021 £
Fixed assets			
Intangible assets	14	451,644	39,973
Tangible assets	15	686,995	869,703
Investments	16	-	3,886
Investment property	17	2,516,436	2,116,680
		3,655,075	3,030,242
Current assets			
Debtors	18	657,008	806,002
Cash at bank and in hand	19	3,073,589	3,393,289
		3,730,597	4,199,291
Creditors: amounts falling due within one year	20	(799,438)	(919,733)
		2,931,159	3,279,558
Net current assets			
		2,931,159	3,279,558
Total assets less current liabilities			
		6,586,234	6,309,800
Creditors: amounts falling due after more than one year	21	(133,334)	-
Provisions for liabilities			
Deferred tax	23	(98,160)	(117,832)
		(98,160)	(117,832)
Net assets			
		6,354,740	6,191,968
Capital and reserves			
Called up share capital	24	318,233	318,233
Share premium account	25	237,144	237,144
Fair value reserve	25	1,110,912	910,067
Profit and loss account	25	4,688,451	4,726,524
		6,354,740	6,191,968

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: 19 April 2023

The notes on pages 21 to 43 form part of these financial statements.

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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	<i>As restated</i> 2021 £
Fixed assets			
Intangible assets	14	30,140	39,973
Tangible assets	15	665,011	869,703
Investments	16	585,361	3,886
Investment property	17	2,516,436	2,116,680
		3,796,948	3,030,242
Current assets			
Debtors due within 1 year	18	443,634	806,002
Cash at bank and in hand	19	3,047,384	3,393,289
		3,491,018	4,199,291
Creditors: amounts falling due within one year	20	(679,898)	(919,733)
		2,811,120	3,279,558
Net current assets			
		6,608,068	6,309,800
Total assets less current liabilities			
Other creditors > 1 yr	21	(133,334)	-
Provisions for liabilities			
Deferred taxation	23	(98,500)	(117,832)
		(98,500)	(117,832)
Net assets			
		6,376,234	6,191,968
Capital and reserves			
Called up share capital	24	318,233	318,233
Share premium account	25	237,144	237,144
Fair value reserve	25	1,110,912	910,067
Profit and loss account	25	4,709,945	4,726,524
		6,376,234	6,191,968

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: 19 April 2023

The notes on pages 21 to 43 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	318,233	237,144	910,067	4,726,524	6,191,968
Comprehensive income for the year					
Loss for the year	-	-	-	(48,385)	(48,385)
Surplus on revaluation of freehold property	-	-	211,157	-	211,157
Other comprehensive income for the year	-	-	211,157	-	211,157
Total comprehensive income for the year	-	-	211,157	(48,385)	162,772
Transfer to/from profit and loss account	-	-	(10,312)	10,312	-
Total transactions with owners	-	-	(10,312)	10,312	-
At 31 December 2022	318,233	237,144	1,110,912	4,688,451	6,354,740

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

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	318,233	237,144	1,964,348	4,210,679	6,730,404
Comprehensive income for the year					
Profit for the year	-	-	-	416,263	416,263
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	416,263	416,263
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	4,726,524	6,191,968

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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	318,233	237,144	910,067	4,726,524	6,191,968
Comprehensive income for the year					
Loss for the year	-	-	-	(26,890)	(26,890)
Surplus on revaluation of freehold property	-	-	211,157	-	211,157
Other comprehensive income for the year	-	-	211,157	-	211,157
Total comprehensive income for the year	-	-	211,157	(26,890)	184,267
Transfer to/from profit and loss account	-	-	(10,312)	10,312	-
Total transactions with owners	-	-	(10,312)	10,312	-
At 31 December 2022	318,233	237,144	1,110,912	4,709,946	6,376,235

The notes on pages 21 to 43 form part of these financial statements.

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

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	318,233	237,144	1,964,348	4,210,679	6,730,404
Comprehensive income for the year					
Profit for the year	-	-	-	416,263	416,263
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	416,263	416,263
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(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	4,726,524	6,191,968

The notes on pages 21 to 43 form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	<i>As restated</i>
	£	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(48,385)	416,263
Adjustments for:		
Amortisation and impairment of intangible assets	10,214	6,614
Depreciation and impairment of tangible assets	30,063	87,797
Loss on disposal of tangible assets	10,200	1,794
Loss on write off of fixed assets	-	22,693
Investment income	(30,828)	(2,140)
Taxation charge	(19,672)	149,269
Decrease/(increase) in debtors	495,467	(408,827)
(Decrease)/increase in creditors	(276,415)	148,349
Other gains	-	(25,155)
Corporation tax (paid)	(317,230)	(45,045)
Gain on disposal of investment property	(854)	(90,402)
Gain on disposal of investments	(131)	-
Net cash generated from operating activities	(147,571)	261,210
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(26,990)
Purchase of tangible fixed assets	(112,129)	(10,878)
Proceeds on disposal of tangible fixed assets	68,000	1,875
Purchase of investment properties	(66,756)	(34,348)
Proceeds on disposal of investment property	87,854	1,010,000
Proceeds on disposal of other investments	4,017	-
Other investment income received	-	75
Interest received	30,828	2,140
Investment property debtors	-	420,000
On acquisition of subsidiary	(183,943)	-
Net cash from investing activities	(172,129)	1,361,874
Cash flows from financing activities		
Dividends paid	-	(954,699)
Net cash used in financing activities	-	(954,699)
Net (decrease)/increase in cash and cash equivalents	(319,700)	668,385

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	<i>As restated</i> 2021 £
Cash and cash equivalents at beginning of year	3,393,289	2,724,904
Cash and cash equivalents at the end of year	3,073,589	3,393,289
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,073,589	3,393,289
	3,073,589	3,393,289

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	Acquisition of subsidiaries £	At 31 December 2022 £
Cash at bank and in hand	3,393,289	(181,730)	(137,970)	3,073,589
Bank overdrafts	-	60,835	(60,835)	-
	3,393,289	(120,895)	(198,805)	3,073,589

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 principal activities and nature of its operations are disclosed in the Directors Report.

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.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

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 strong 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. 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 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 September 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 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.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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

2.6 Tangible fixed assets

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated 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 & 15 - 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 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.

2.8 Fixed asset investments

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 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.

2.10 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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 assets original effective interest rate. The impairment loss is recognised in profit or loss.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 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.

2.13 Leases

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.

2.14 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.

2.15 Leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 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 principal activity of the company.

All turnover arose within the United Kingdom.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022	<i>As restated</i>
	£	2021 £
Renewable energy income	1,528	5,113
Rental income	252,646	260,073
Coronavirus Job Retention Scheme grant income	-	19,039
Fair value uplift of investment property	-	25,072
Profit on disposal of investment property	1,145	90,402
	255,319	399,699
	255,319	399,699

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2022	<i>2021</i>
	£	£
Coronavirus Job Retention Scheme grant income	-	(19,039)
Depreciation of owned tangible fixed assets	30,063	72,190
Other operating lease rentals	20,113	31,694
Impairment of owned tangible fixed assets	-	15,607
(Profit)/Loss on disposal of investment property	(1,145)	(90,402)
Loss on disposal of tangible fixed assets	14,551	1,794
Amortisation of intangible assets	10,214	6,614
Loss on write off of tangible fixed assets	-	22,693
(Profit)/Loss on disposal of investments	(130)	-
	(130)	-
	(130)	-

Included within Cost of Sales are the costs of marketing properties and the incentive-based commissions paid to staff for generating sales, which would be expected to fluctuate with overall sales activity. Costs, such as the fixed salaries of staff and expenses relating to the running of the offices, which do not fluctuate significantly with sales activity, are included within administrative expenses.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Interest receivable and similar income

	2022 £	2021 £
Interest Income		
Interest on bank deposits	19,500	2,140
Other interest income	11,328	-
Total interest revenue	<u>30,828</u>	<u>2,140</u>
Income from fixed asset investments		
Income from other fixed asset investments	-	75
Total income	<u>30,828</u>	<u>2,215</u>

8. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2022 £	2021 £
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	17,985	11,350

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	1,296,362	<i>1,209,040</i>	1,269,803	<i>1,209,040</i>
Social security costs	133,893	<i>131,077</i>	133,056	<i>131,077</i>
Cost of defined contribution pension scheme	89,568	<i>100,316</i>	89,340	<i>100,316</i>
	<u>1,519,823</u>	<i><u>1,440,433</u></i>	<u>1,492,199</u>	<i><u>1,440,433</u></i>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
Office, sales and management	46	<i>47</i>	46	<i>47</i>

10. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	278,261	<i>281,967</i>
Group contributions to defined contribution pension schemes	13,461	<i>14,511</i>
	<u>291,722</u>	<i><u>296,478</u></i>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £90,049 (2021 - £101,004).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,508 (2021 - £1,506).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Other gains and losses

	2022	2021
	£	£
Fixed asset investments		
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit and loss	-	7
	-	7

12. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	317,230
Adjustments in respect of previous periods	-	(3,723)
	-	313,507
	-	313,507
Total current tax	-	313,507
Deferred tax		
Origination and reversal of timing differences	(19,672)	(192,519)
Changes to tax rates	-	28,280
	(19,672)	(164,239)
Total deferred tax	(19,672)	(164,239)
Taxation on (loss)/profit on ordinary activities	(19,672)	149,268

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(68,057)	565,532
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(12,866)	107,451
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation, depreciation and impairments	6,655	772
Effects of capital allowances, depreciation and impairments	(10,134)	17,759
Disallowable amortisation	1,938	360
Non-taxable income	(218)	(18,356)
Capital gains - current tax	-	212,864
Capital gains - deferred tax	-	(196,064)
Changes to tax rates	(5,047)	24,482
Total tax charge for the year	(19,672)	149,268

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022	2021
	£	£
Dividends paid	-	954,699
	-	954,699
	-	954,699

14. Intangible assets

Group

	Software	Other intangibles	Total
	£	£	£
Cost			
At 1 January 2022	26,431	22,738	49,169
Additions	-	411,225	411,225
On acquisition of subsidiaries	-	140,000	140,000
At 31 December 2022	26,431	573,963	600,394
Amortisation			
At 1 January 2022	7,301	1,895	9,196
Charge for the year on owned assets	5,286	4,928	10,214
On acquisition of subsidiaries	-	129,341	129,341
At 31 December 2022	12,587	136,164	148,751
Net book value			
At 31 December 2022	13,844	437,799	451,643
At 31 December 2021	19,130	20,843	39,973

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Intangible assets (continued)

Company

	Software £	Other intangibles £	Total £
Cost			
At 1 January 2022	26,431	22,738	49,169
At 31 December 2022	<u>26,431</u>	<u>22,738</u>	<u>49,169</u>
Amortisation			
At 1 January 2022	7,301	1,895	9,196
Charge for the year	5,286	4,548	9,834
At 31 December 2022	<u>12,587</u>	<u>6,443</u>	<u>19,030</u>
Net book value			
At 31 December 2022	<u><u>13,844</u></u>	<u><u>16,295</u></u>	<u><u>30,139</u></u>
At 31 December 2021	<u><u>19,130</u></u>	<u><u>20,843</u></u>	<u><u>39,973</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets

Group

	Freehold property £	Leasehold improvements £	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 January 2022	1,216,612	6,125	455,994	-	-	1,678,731
Additions	-	-	112,129	-	-	112,129
Acquisition of subsidiary	-	25,934	32,281	9,495	21,028	88,738
Disposals	(122,730)	-	(80,768)	-	-	(203,498)
Transfers between classes	93,785	-	(93,785)	-	-	-
Reclassified to investment property	(420,000)	-	-	-	-	(420,000)
Revaluations	7,604	-	-	-	-	7,604
At 31 December 2022	<u>775,271</u>	<u>32,059</u>	<u>425,851</u>	<u>9,495</u>	<u>21,028</u>	<u>1,263,704</u>
Depreciation						
At 1 January 2022	457,480	2,989	348,559	-	-	809,028
Charge for the year on owned assets	9,133	1,225	19,605	-	100	30,063
Acquisition of subsidiary	-	25,934	23,627	3,124	13,785	66,470
Disposals	(44,530)	-	(80,769)	-	-	(125,299)
Transfers between classes	58,540	-	(58,540)	-	-	-
On revalued assets	(203,553)	-	-	-	-	(203,553)
At 31 December 2022	<u>277,070</u>	<u>30,148</u>	<u>252,482</u>	<u>3,124</u>	<u>13,885</u>	<u>576,709</u>
Net book value						
At 31 December 2022	<u>498,201</u>	<u>1,911</u>	<u>173,369</u>	<u>6,371</u>	<u>7,143</u>	<u>686,995</u>
At 31 December 2021	<u>759,132</u>	<u>3,136</u>	<u>107,435</u>	<u>-</u>	<u>-</u>	<u>869,703</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets (continued)

Company

	Freehold property £	Leasehold improvements £	Plant and equipment £	Total £
Cost or valuation				
At 1 January 2022	1,216,612	6,125	455,994	1,678,731
Additions	-	-	112,129	112,129
Disposals	(122,730)	-	(80,768)	(203,498)
Transfers between classes	93,785	-	(93,785)	-
Reclassified to investment property	(420,000)	-	-	(420,000)
Revaluations	7,604	-	-	7,604
At 31 December 2022	<u>775,271</u>	<u>6,125</u>	<u>393,570</u>	<u>1,174,966</u>
Depreciation				
At 1 January 2022	457,480	2,989	348,559	809,028
Charge for the year on owned assets	9,133	1,225	19,421	29,779
Disposals	(44,530)	-	(80,769)	(125,299)
Transfers between classes	58,540	-	(58,540)	-
On revalued assets	(203,553)	-	-	(203,553)
At 31 December 2022	<u>277,070</u>	<u>4,214</u>	<u>228,671</u>	<u>509,955</u>
Net book value				
At 31 December 2022	<u>498,201</u>	<u>1,911</u>	<u>164,899</u>	<u>665,011</u>
At 31 December 2021	<u>759,132</u>	<u>3,136</u>	<u>107,435</u>	<u>869,703</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Fixed asset investments

Group

	Unlisted investments £
At 1 January 2022	3,886
Disposals	(3,886)
At 31 December 2022	<u>-</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2022	-	3,886	3,886
Additions	585,362	-	585,362
Disposals	-	(3,886)	(3,886)
At 31 December 2022	<u>585,362</u>	<u>-</u>	<u>585,362</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Robson & Liddle (Rural) Limited	10 The Courtyard Edenhall, Penrith, Cumbria, England, CA11 8ST	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the 9 month period ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Robson & Liddle (Rural) Limited	152,644	71,881

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2022	2,116,680
Additions at cost	66,756
Disposals	(87,000)
Transfers from fixed assets	420,000
	2,516,436
At 31 December 2022	2,516,436

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:

	2022 £	2021 £
Historic cost	1,609,075	1,212,220
Accumulated depreciation and impairments	(903,747)	(675,261)
	705,328	536,959
	705,328	536,959

Company

	Freehold investment property £
Valuation	
At 1 January 2022	2,116,680
Additions at cost	66,756
Disposals	(87,000)
Transfers from fixed assets	420,000
	2,516,436
At 31 December 2022	2,516,436

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade debtors	381,474	217,624	218,535	217,624
Amounts owed by group undertakings	-	-	18,456	-
Other debtors	-	420,000	-	420,000
Prepayments and accrued income	275,534	168,378	206,642	168,376
	657,008	806,002	443,633	806,000

19. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Cash at bank and in hand	3,073,589	3,393,289	3,047,384	3,393,289
	3,073,589	3,393,289	3,047,384	3,393,289

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 £41,582 (2021 - £56,646). This has been omitted 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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	195,266	14,786	167,014	14,786
Corporation tax	48,771	317,230	-	317,230
Other taxation and social security	146,628	408,209	122,056	408,209
Other creditors	292,383	12,310	287,795	12,310
Accruals and deferred income	116,390	167,198	103,032	167,198
	799,438	919,733	679,897	919,733

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Other creditors	133,334	-	133,334	-
	<u>133,334</u>	<u>-</u>	<u>133,334</u>	<u>-</u>

22. Financial instruments

	Group 2022	<i>Group 2021</i>
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	3,073,589	3,397,175
	<u>3,073,589</u>	<u>3,397,175</u>

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

23. Deferred taxation

Group

	2022
	£
At beginning of year	(117,832)
Utilised in year	19,672
At end of year	<u>(98,160)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Deferred taxation (continued)

Company

	2022
	£
At beginning of year	(117,832)
Utilised in year	19,332
At end of year	(98,500)

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Accelerated capital allowances	(34,893)	<i>(37,525)</i>	(35,233)	<i>(37,525)</i>
Capital gains	(80,307)	<i>(80,307)</i>	(80,307)	<i>(80,307)</i>
Tax losses carried forward	17,040	<i>-</i>	17,040	<i>-</i>
	(98,160)	<i>(117,832)</i>	(98,500)	<i>(117,832)</i>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
318,233 (2021 - 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.

25. 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.

26. Prior year adjustment

An adjustment has been made to the prior year comparative figures in these financial statements. The effect of this adjustment was as follows:

- Increase the brought forward profit & loss account balance by £34,167
- Increase other operating income by £19,991
- Increase accrued income by £54,158

This adjustment has been made as, in the opinion of the directors, it better presents a true and fair view of the underlying transactions and the company's financial position as at the prior year end date.

27. 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 £89,340 (2021 - £100,316). Contributions of £13,250 (2021 - £29,235) remained outstanding at the balance sheet date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Group		
Not later than 1 year	45,328	13,655
Later than 1 year and not later than 5 years	22,945	-
	68,273	13,655
	68,273	13,655

29. Investment property profit & loss

	2022	2021
	£	£
Gross rental income	252,646	260,073
Directly attributable costs	(109,750)	(47,356)
Net rental income	142,896	212,717
	142,896	212,717

Other operating income within the consolidated statement of comprehensive income and related note 5 detail only the gross rental income received from the investment property portfolio and does not take in to account the significant, directly attributable costs related to generating this income. These include necessary upgrades to properties, marketing and legal costs on changes of tenants and the costs associated with vacant properties.

30. Acquisition of subsidiary

The company acquired 100% of the share capital of Robson & Liddle (Rural) Limited on 1 December 2022.

The consideration payable was £547,582, and additional, directly attributable costs associated with the acquisition totalled £37,780. The following balances were acquired:

Fixed assets - £32,927
 Debtors due less than 1 year - £346,472
 Cash at bank - (£60,835)
 Creditors due less than 1 year - (£144,427)
 Goodwill - £411,225

The goodwill is being amortised over 10 years as this is the management's best estimate of its useful economic life.

31. Controlling party

The Directors consider there to be no ultimate controlling party.