

Company Registration Number 00010553

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

**FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

THURSDAY



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COMPANIES HOUSE

**ArmstrongWatson<sup>®</sup>**

Accountants, Business & Financial Advisers

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

**COMPANY INFORMATION**

<b>Directors</b>	Mr B P H Wharam	7 (7)
	Mr A M Green	7 (7)
	Mrs L M Lancaster	7 (7)
	Mr J W Webb (resigned 17 November 2023)	6 (6)
	Mr I C Lancaster	7 (7)
	Mrs J Liddle	6 (7)
	Mr J D H Robson	7 (7)
	Mr R K Craig (appointed 3 April 2023)	5 (5)
	Mr R D Calrow OBE (appointed 20 June 2023)	3 (3)
<b>Company secretary</b>	Mr A M Green	
<b>Registered number</b>	00010553	
<b>Registered office</b>	Agricultural Hall Skirsgill Penrith Cumbria CA11 0DN	
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors James Watson House Montgomery Way Rosehill Industrial Estate Carlisle Cumbria CA1 2UU	
<b>Bankers</b>	Handelsbanken plc 1 Merchant's Drive Parkhouse Carlisle Cumbria CA3 0JW	
<b>Solicitors</b>	Knights PLC 2 Merchants Drive Carlisle Cumbria CA3 0JW	

**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 2023**

The chairman presents his statement for the period.

I am pleased to report that the Group's net assets have increased in 2023 by £410,298 to £6,765,038 which is an increase of 6.5% on the previous year.

This has been achieved as a result of the active management of our property portfolio which is reflected in the latest revaluation of our investment property assets and is despite the difficult trading conditions experienced during the year, particularly by our Estate Agency business.

In what has been very challenging times in the residential housing market, exacerbated by continuing lengthy delays in our sales pipeline and the adverse effects of substantial and rapid increases in mortgage rates, our Estate Agency business has, nevertheless, been able to generate a positive contribution towards group costs. We have addressed the slowdown in the housing market by focusing on reducing our costs where possible but without affecting our level of service which we believe will result in greater market share and profitability during the current year.

It is pleasing to report that the integration of our Rural Land Agency business with Robson and Liddle (Rural) Limited has gone well and this is now operating as a separate subsidiary, trading as PFK Rural Limited.

The success of this integration can be measured from the fact that the combined business has retained nearly all of its clients and gained new business during the year. Our aim of increasing professional staff will allow more work to be undertaken thereby generating increased fee income during the current year.

The active management of our property portfolio should result in further revaluations in 2024, particularly at our Penrith Auction Mart site now that a new lease has been agreed and with ongoing repair expenditure being significantly reduced.

Your Board is utilising the skills of both our Estate Agency and Land Agency businesses to develop new property assets, in particular our proposed office development at Mile Lane, Skirsgill and a proposed housing development in Lazonby.

Regulatory constraints have resulted in progress on those developments being slower than we would wish but we will update shareholders on any significant developments when they happen.

Many thanks go to all our dedicated staff whose continued hard work has helped the Group during the challenging trading conditions experienced during 2023.

I would also wish to thank my fellow Board members for their continuing support and am delighted that our past Chairman, Bernard Wharam, has agreed to continue serving as a Director. His knowledge and the support of our new Non-Executive Directors has been invaluable, and I look forward with confidence to reporting further growth for this current year.



**Mr I C Lancaster**  
Chairman

Date: 7 May 2024

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

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **Financial overview and review of operating departments**

An overall profit of £413,279 after tax has been generated in 2023 (compared with an overall loss of £48,385 after tax in the previous year) and shareholder's funds have grown from £6,354,740 to £6,765,038 at the 31 December 2023. The average share price for the year was £24.07 (2022: £25.94).

Turnover from our trading operations has increased 5.0% from £2,058,728 to £2,162,616. Whilst this increase does include a full year of turnover from the newly acquired business of Robson and Liddle (Rural) Limited, the level of turnover was considered satisfactory by the directors given the difficult trading conditions.

The impact of inflation, the newly acquired business and continued expenditure on repairing and improving the auction mart site has increased costs both within costs of sales and administrative expenses but the Board are confident that the cost-base of the business is appropriate and is as lean as can be to produce the level of turnover required to generate trading profits.

2023 proved to be a more challenging year for the UK housing market, as successive interest rate rises put pressure on prices and constrained transaction levels. Across the market as a whole, transaction levels fell by 19% on the back of a fall of 23% in mortgage approvals with activity becoming more weighted to cash and equity-rich buyers.

A weaker housing market coincided with the ending of the 'help-to-buy' scheme and significant planning uncertainty, caused by the continuing frustrations created by Central Government and their problematic scheme surrounding Nutrient Neutrality meaning housebuilders faced significant headwinds. That fed through into a softer development land market.

Correspondingly, values of greenfield development land ended the year down 8.7% on their peak of September 2022. Though activity levels remained relatively buoyant, we also saw a progressive slowing in rental growth at the top end of the UK housing market. Rents rose by around 4.5%, as the acute demand-supply imbalance eased over the course of 2023 and the Renter's Reform Bill made slow progress through parliament.

Other operating income has increased significantly which is due to an increase in rents from investment properties and the increase in market value of those properties themselves. The reasoning and significance of this is discussed in further detail below.

#### **Investment Property Portfolio**

Our investment property portfolio has produced an increased rental income in 2023 despite the sale of the Agricultural Hotel in the middle of the year. Our old Saleroom premises on the Skirsgill site is now fully let to KIER Highways and rents from the auction mart continue to increase as their operations continue to grow.

As part of the tenancy agreement with KIER Highways, the old Saleroom site has been significantly improved. Externally, a newly-laid car parking area with improved lighting and electric car charge points compliment a fully fitted modern and vibrant office facility, internally. This work has been at the cost of the tenant but has ultimately increased the future viability and value of the premises for PFK substantially.

A planning application for a commercial development on owned-land off Mile Lane, near our Skirsgill site, was approved by the newly formed planning department at Westmorland and Furness Council in November 2023 and work continues internally to ascertain the optimal way of moving this project forward.

A planning application made in April 2023 on owned-land in Lazonby for a residential development of 9 houses is still pending a decision without a known committee meeting date. We will update shareholders of any developments in this process as soon as we possibly can.

A number of small land and property acquisitions have been made in the period, all of which have aimed to enhance our existing portfolio. A small parcel of land adjacent to the site already owned at Lazonby was purchased to compliment the existing site in its entirety. In addition to this, 7 Devonshire Street, Penrith and 25 Little Dockray, Penrith (completed in early 2024) were acquired to enhance rental income and to extend the ownership of the building in which our Estate Agency operates.

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

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 2023 Group Restructure

It was announced in the prior period's annual report that a restructure of the Company would be taking place to create a new group structure consisting of a holding company owning investment assets and 2 trading subsidiaries, wholly owned by the parent Company.

This process has now been completed, albeit taking slightly longer than expected. The trade and assets of PFK's Rural Land Agency department were hived down in to PFK Rural Limited (formally Robson and Liddle (Rural) Limited) on the 1 July 2023 and the trade and assets of PFK's Estate Agency department were hived down in to the newly-formed PFK Estate Agency Limited on 1 January 2024. Therefore, as from the 1 January 2024 the new group structure is fully operational.

The advantages of this restructure are numerous and are already paying dividend, particularly with the retention and recruitment of key individuals. Michael Hewitt and Jo Edwards, both experienced, valued and long-standing members of the PFK team, were promoted to their relevant trading subsidiary's Board, allowing them to have more of a direct influence on the operations of their department and to organically grow within their roles. A Director-level position was also instrumental in the recruitment of James Pyrah, an experienced land agent who was appointed to the PFK Rural Board in April 2024.

#### Board and Corporate Activity

Following the approval at the 2023 Annual General Meeting of Robert Craig and Derek Calrow as Non-Executive Directors, there have been no new proposals or appointments of Directors made. The only other change in 2023 to the main PFK Board was the departure of Joseph Webb from the executive team in November 2023 and there are currently no plans to replace this position.

The Board do feel that there is currently an appropriate balance between the non-executive and executive teams and that the experience of the Board as a whole is the strongest it has been for many years.

A particular concern of shareholders over recent years has been the specific shareholding of the individuals on the Board and, in particular, the transparency of it. The below table shows this information both at the end of the current period and the prior period and we aim to present this in all annual reports going forward.

Director Name	Shareholding at 31 December 2023	Shareholding at 31 December 2022
Ian Lancaster	7,737	7,437
Bernard Wharam	802	612
Robert Craig	200	0
Derek Calrow OBE	4,064	4,064
Andrew Green	443	0
Lynne Lancaster	0	0
John Robson	150	0
Julie Liddle	47	0
<b>Total</b>	<b>13,443</b>	<b>12,113</b>

#### Proposed Shareholder Forum

In the prior period's annual report, the creation of a shareholder forum was mentioned, offering the opportunity for existing shareholders to discuss issues outside of the formal setting of General Meetings. There was, unfortunately, no appetite whatsoever for this to happen and therefore the idea will not be being facilitated by the Board at this time.

Shareholders continue to have the opportunity to attend General Meetings to ask questions and discuss general issues and are always welcome to write to the Chairman or the Managing Director to highlight specific issues individually.

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

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Outlook and Principal Risks Facing the Business**

Towards the end of 2023 and throughout the beginning of 2024, the economic environment was undoubtedly becoming more settled with general inflation coming under control and interest rates stabilising. Central government has also appeared to have settled to a large extent having had far less ministerial changes and shocks.

However, a general election is likely in 2024, the outcome of which will have major ramifications on the land and property sectors and in particular the residential and agricultural sectors in which we operate.

Also, despite interest rates stabilising they remain at their highest rate for many years, seriously impacting upon people's ability to borrow and subsequently become active in the housing market. The impact of rising inflation has already impacted our cost-base and this is not always easy to pass on to clients.

In addition, the full effects of Brexit, particularly in the agricultural sector, are yet to be fully realised and this situation continues to be monitored closely by everyone in the organisation.

The Board are, however, optimistic that 2024 will generate an improved trading performance based on the changes that have been implemented internally and that organic growth remains probable. Potential acquisitions, both of trading businesses and other land and property-based assets, are regularly being assessed and evaluated for their potential to add value to the Group.

**Share Trading Information**

There were 2 share sales in 2023 under the new format of in-house managed auctions. The next is scheduled to occur after the conclusion of the Annual General Meeting, the details of which accompany these financial statements. We would welcome any shareholder feedback on this new format of share sales and hope for it to be a point of discussion at the upcoming AGM.

**Dividend**

It has been recommended a dividend of £0.50p 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 2023 is shown below, together with the twelve months to 31 December 2022 for comparative purposes.

	<b>2023</b>	<b>2022</b>
Turnover	£2,162,616	£2,058,728
Turnover (decline)/growth	5.0%	(17%)
Net (loss)/profit after taxation	£413,279	(£48,385)
Earnings per share for the period	£1.30	(15p)
Return on capital employed	6.2%	(1.1%)

Shareholders' funds at 31 December 2023 amounted to £6,765,038 (2022 - £6,354,740) 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 2023**

**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 2023 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: 7 May 2024

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

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

**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 profit for the year, after taxation, amounted to £413,279 (2022 - loss £48,385).

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

During the year dividends of £159,117 (2022: £nil) were paid.

**Director**

The directors who served during the year were:

Mr B P H Wharam  
Mr A M Green  
Mrs L M Lancaster  
Mr J W Webb (resigned 17 November 2023)  
Mr I C Lancaster  
Mrs J Liddle  
Mr J D H Robson  
Mr R K Craig (appointed 3 April 2023)  
Mr R D Calrow OBE (appointed 20 June 2023)

**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 I C Lancaster**  
Director

Date: 7 May 2024

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

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the 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 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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](http://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.

*Armstrong Watson Audit Limited*

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

10 May 2024

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
Turnover	4	2,162,616	2,058,728
Cost of sales		<u>(282,331)</u>	<u>(254,474)</u>
<b>Gross profit</b>		<b>1,880,285</b>	<b>1,804,254</b>
Administrative expenses		<u>(2,493,605)</u>	<u>(2,158,458)</u>
Other operating income	5	970,402	255,319
<b>Operating profit/(loss)</b>	6	<b>357,082</b>	<b>(98,885)</b>
Interest receivable and similar income		60,608	30,828
<b>Profit/(loss) before tax</b>		<b>417,690</b>	<b>(68,057)</b>
Tax on profit/(loss)	11	<u>(4,411)</u>	<u>19,672</u>
<b>Profit/(loss) for the financial year</b>		<b>413,279</b>	<b>(48,385)</b>
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of tangible fixed assets		156,136	211,157
<b>Other comprehensive income for the year</b>		<b>156,136</b>	<b>211,157</b>
<b>Total comprehensive income for the year</b>		<b>569,415</b>	<b>162,772</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		413,279	(48,385)
		<u>413,279</u>	<u>(48,385)</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13	431,986	451,644
Tangible assets	14	565,272	686,995
Investment property	16	3,390,001	2,516,436
		4,387,259	3,655,075
<b>Current assets</b>			
Debtors	17	681,224	657,008
Cash at bank and in hand	18	2,203,322	3,073,589
		2,884,546	3,730,597
Creditors: amounts falling due within one year	19	(258,070)	(799,438)
<b>Net current assets</b>		2,626,476	2,931,159
<b>Total assets less current liabilities</b>		7,013,735	6,586,234
Creditors: amounts falling due after more than one year	20	(133,334)	(133,334)
<b>Provisions for liabilities</b>			
Deferred tax	22	(115,363)	(98,160)
		(115,363)	(98,160)
<b>Net assets</b>		6,765,038	6,354,740
<b>Capital and reserves</b>			
Called up share capital	23	318,233	318,233
Share premium account	24	237,144	237,144
Fair value reserve	24	1,512,559	1,110,912
Profit and loss account	24	4,697,102	4,688,451
		6,765,038	6,354,740

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

  
 .....  
**Mr I C Lancaster**  
 Director

Date: 7 May 2024

The notes on pages 21 to 40 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 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible fixed assets	13	16,260	30,140
Tangible assets	14	495,534	665,011
Fixed asset investments	15	586,167	585,361
Investment property	16	3,390,001	2,516,436
		4,487,962	3,796,948
<b>Current assets</b>			
Debtors	17	641,047	443,635
Cash at bank and in hand	18	2,128,764	3,047,384
		2,769,811	3,491,019
Creditors: amounts falling due within one year	19	(184,286)	(679,898)
		2,585,525	2,811,121
<b>Net current assets</b>			
		2,585,525	2,811,121
<b>Total assets less current liabilities</b>			
		7,073,487	6,608,069
Creditors: amounts falling due after more than one year	20	(133,334)	(133,334)
<b>Provisions for liabilities</b>			
Deferred tax	22	(117,260)	(98,500)
		(117,260)	(98,500)
<b>Net assets</b>			
		6,822,893	6,376,235
<b>Capital and reserves</b>			
Called up share capital	23	318,233	318,233
Share premium	24	237,144	237,144
Revaluation reserve	24	1,512,559	1,110,912
Profit and loss account	24	4,754,957	4,709,946
		6,822,893	6,376,235

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

  
 .....  
**Mr I C Lancaster**  
 Director

Date: 7 May 2024

The notes on pages 21 to 40 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 2023**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Fair value reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 January 2023	318,233	237,144	1,110,912	4,688,451	6,354,740
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	413,279	413,279
Surplus on revaluation of freehold property	-	-	156,136	-	156,136
<b>Other comprehensive income for the year</b>	-	-	156,136	-	156,136
<b>Total comprehensive income for the year</b>	-	-	156,136	413,279	569,415
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(159,117)	(159,117)
Transfer to/from profit and loss account	-	-	245,511	(245,511)	-
<b>Total transactions with owners</b>	-	-	245,511	(404,628)	(159,117)
<b>At 31 December 2023</b>	<b>318,233</b>	<b>237,144</b>	<b>1,512,559</b>	<b>4,697,102</b>	<b>6,765,038</b>

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

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

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

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

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 January 2023	318,233	237,144	1,110,912	4,709,946	6,376,235
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	449,639	449,639
Surplus on revaluation of freehold property	-	-	156,136	-	156,136
<b>Other comprehensive income for the year</b>	-	-	156,136	-	156,136
<b>Total comprehensive income for the year</b>	-	-	156,136	449,639	605,775
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(159,117)	(159,117)
Transfer to/from profit and loss account	-	-	245,511	(245,511)	-
<b>Total transactions with owners</b>	-	-	245,511	(404,628)	(159,117)
<b>At 31 December 2023</b>	<b>318,233</b>	<b>237,144</b>	<b>1,512,559</b>	<b>4,754,957</b>	<b>6,822,893</b>

The notes on pages 21 to 40 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 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
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(26,890)	(26,890)
Surplus on revaluation of freehold property	-	-	211,157	-	211,157
<b>Other comprehensive income for the year</b>	-	-	211,157	-	211,157
<b>Total comprehensive income for the year</b>	-	-	211,157	(26,890)	184,267
Transfer to/from profit and loss account	-	-	(10,312)	10,312	-
<b>Total transactions with owners</b>	-	-	(10,312)	10,312	-
<b>At 31 December 2022</b>	<b>318,233</b>	<b>237,144</b>	<b>1,110,912</b>	<b>4,709,946</b>	<b>6,376,235</b>

The notes on pages 21 to 40 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 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	413,279	(48,385)
<b>Adjustments for:</b>		
Amortisation of intangible assets	43,443	10,214
Depreciation of tangible assets	57,318	30,063
Loss on disposal of tangible assets	10,658	10,200
Investment income	(60,608)	(30,828)
Taxation charge	4,411	(19,672)
(Increase)/decrease in debtors	(24,213)	495,467
(Decrease) in creditors	(541,372)	(276,415)
Fair value uplift of investment property	(746,968)	-
Corporation tax received/(paid)	12,792	(317,230)
(Gain)/loss on disposal of investment property	15,000	(854)
(Gain)/loss on disposal of investments	-	(131)
<b>Net cash generated from operating activities</b>	<b>(816,260)</b>	<b>(147,571)</b>
 <b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(23,785)	-
Purchase of tangible fixed assets	(31,716)	(112,129)
Proceeds on disposal of tangible fixed assets	1,600	68,000
Purchase of investment properties	(251,597)	(66,756)
Proceeds on disposal of investment property	350,000	87,854
Proceeds on disposal of other investments	-	4,017
Interest received	60,608	30,828
On acquisition of subsidiary	-	(183,943)
<b>Net cash from investing activities</b>	<b>105,110</b>	<b>(172,129)</b>
 <b>Cash flows from financing activities</b>		
Dividends paid	(159,117)	-
<b>Net cash used in financing activities</b>	<b>(159,117)</b>	<b>-</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
<b>Net (decrease) in cash and cash equivalents</b>	<u>(870,267)</u>	<u>(319,700)</u>
Cash and cash equivalents at beginning of year	3,073,589	3,393,289
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,203,322</u></u>	<u><u>3,073,589</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,203,322	3,073,589
	<u><u>2,203,322</u></u>	<u><u>3,073,589</u></u>

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	3,073,589	(870,267)	2,203,322
Bank overdrafts	-	-	-
	<u><u>3,073,589</u></u>	<u><u>(870,267)</u></u>	<u><u>2,203,322</u></u>

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

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 are 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 of 5 - 10 years.

**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.

Amortisation is provided on the following bases:

Software	-	20 % straight line
Other intangibles	-	20 % straight line

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. Accounting policies (continued)**

**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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, 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
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 10% straight line

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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. Accounting policies (continued)**

**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.

**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.

**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 asset's 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

**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.

**2.12 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. Accounting policies (continued)**

**2.15 Leases**

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

**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 2023 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.

**5. Other operating income**

	2023	2022
	£	£
Renewable energy income	15	1,528
Rental income	271,918	252,646
Other income	1,770	-
Fair value uplift of investment property	746,968	-
Profit/(Loss) on disposal of investment property	(50,269)	1,145
	<u>970,402</u>	<u>255,319</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**6. Operating profit/(loss)**

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

	<b>2023</b>	<b>2022</b>
	£	£
Depreciation of owned tangible fixed assets	<b>67,810</b>	30,063
Other operating lease rentals	<b>45,318</b>	20,113
(Profit)/Loss on disposal of investment property	<b>50,269</b>	(1,145)
Loss on disposal of tangible fixed assets	<b>10,658</b>	14,551
Amortisation of intangible assets	<b>53,459</b>	10,214
Profit/(Loss) on disposal of investments	-	(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.

**7. Interest receivable and similar income**

	<b>2023</b>	<b>2022</b>
	£	£
Interest on bank deposits	<b>60,608</b>	19,500
Other interest income	-	11,328
	<b>60,608</b>	<b>30,828</b>

**8. Auditors' remuneration**

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

	<b>2023</b>	<b>2022</b>
	£	£
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	<b>17,500</b>	17,985

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**9. Employees**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Wages and salaries	1,418,621	1,296,362	995,705	1,269,803
Social security costs	144,305	133,893	102,483	133,056
Cost of defined contribution scheme	84,194	89,568	70,816	89,340
	<u>1,647,120</u>	<u>1,519,823</u>	<u>1,169,004</u>	<u>1,492,199</u>

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

	<b>2023 No.</b>	<b>2022 No.</b>
Office, sales and management	<u>47</u>	<u>46</u>

**10. Directors' remuneration**

	<b>2023 £</b>	<b>2022 £</b>
Directors' emoluments	442,950	278,261
Group contributions to defined contribution pension schemes	14,965	13,461
	<u>457,915</u>	<u>291,722</u>

During the year retirement benefits were accruing to 5 directors (2022 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £94,540 (2022 - £90,049).

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 (2022 - £1,508).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. Taxation**

	2023 £	2022 £
Corporation tax		
Adjustments in respect of previous periods	(12,792)	-
	<u>(12,792)</u>	<u>-</u>
Total current tax	<u>(12,792)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	17,203	(19,672)
Total deferred tax	<u>17,203</u>	<u>(19,672)</u>
Taxation on profit/(loss) on ordinary activities	<u>4,411</u>	<u>(19,672)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<u>417,690</u>	<u>(68,057)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	107,744	(12,866)
Effects of:		
(Income)/expenses not deductible for tax purposes, other than goodwill amortisation, depreciation and impairments	(157,278)	6,655
Capital allowances for year in excess of depreciation	(8,057)	(10,134)
Disallowable amortisation	-	1,938
Adjustments to tax charge in respect of prior periods	(18,592)	-
Movement in deferred tax not recognised	17,040	-
Non-taxable income	-	(218)
Chargeable gains/(losses)	63,202	-
Changes to tax rates	352	(5,047)
Total tax charge for the year	<u>4,411</u>	<u>(19,672)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. 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.

**12. Dividends**

	2023 £	2022 £
Dividends paid	159,117	-
	<u>159,117</u>	<u>-</u>

**13. Intangible assets**

**Group**

	Software £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2023	26,431	573,963	600,394
Additions	58,356	705	59,061
Disposals	(35,277)	-	(35,277)
At 31 December 2023	<u>49,510</u>	<u>574,668</u>	<u>624,178</u>
<b>Amortisation</b>			
At 1 January 2023	12,587	136,164	148,751
Charge for the year on owned assets	18,440	35,019	53,459
On disposals	(10,018)	-	(10,018)
At 31 December 2023	<u>21,009</u>	<u>171,183</u>	<u>192,192</u>
<b>Net book value</b>			
At 31 December 2023	<u>28,501</u>	<u>403,485</u>	<u>431,986</u>
At 31 December 2022	<u>13,844</u>	<u>437,799</u>	<u>451,643</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**13. Intangible assets (continued)**

**Company**

	<b>Software £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2023	26,431	22,738	49,169
Additions	20,578	-	20,578
Disposals	(35,277)	-	(35,277)
At 31 December 2023	<u>11,732</u>	<u>22,738</u>	<u>34,470</u>
<b>Amortisation</b>			
At 1 January 2023	12,587	6,443	19,030
Charge for the year	4,651	4,547	9,198
On disposals	(10,018)	-	(10,018)
At 31 December 2023	<u>7,220</u>	<u>10,990</u>	<u>18,210</u>
<b>Net book value</b>			
At 31 December 2023	<u>4,512</u>	<u>11,748</u>	<u>16,260</u>
At 31 December 2022	<u>13,844</u>	<u>16,295</u>	<u>30,139</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. Tangible fixed assets**

**Group**

	Freehold property £	Leasehold improvements £	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>						
At 1 January 2023	775,271	32,059	425,851	9,495	21,028	1,263,704
Additions	-	-	86,995	-	-	86,995
Disposals	-	-	(133,953)	-	-	(133,953)
Reclassified to investment property	(208,394)	-	-	-	-	(208,394)
<b>At 31 December 2023</b>	<b>566,877</b>	<b>32,059</b>	<b>378,893</b>	<b>9,495</b>	<b>21,028</b>	<b>1,008,352</b>
<b>Depreciation</b>						
At 1 January 2023	277,070	30,148	252,482	3,124	13,885	576,709
Charge for the year on owned assets	11,338	1,225	51,356	1,593	2,298	67,810
Disposals	-	-	(76,909)	-	-	(76,909)
Reclassified to investment property	(124,530)	-	-	-	-	(124,530)
<b>At 31 December 2023</b>	<b>163,878</b>	<b>31,373</b>	<b>226,929</b>	<b>4,717</b>	<b>16,183</b>	<b>443,080</b>
<b>Net book value</b>						
<b>At 31 December 2023</b>	<b>402,999</b>	<b>686</b>	<b>151,964</b>	<b>4,778</b>	<b>4,845</b>	<b>565,272</b>
<i>At 31 December 2022</i>	<i>498,201</i>	<i>1,911</i>	<i>173,369</i>	<i>6,371</i>	<i>7,143</i>	<i>686,995</i>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. Tangible fixed assets (continued)**

**Company**

	<b>Freehold property £</b>	<b>Leasehold improvements £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2023	775,271	6,125	393,570	1,174,966
Additions	-	-	24,035	24,035
Disposals	-	-	(133,953)	(133,953)
Reclassified to investment property	(208,394)	-	-	(208,394)
<b>At 31 December 2023</b>	<b>566,877</b>	<b>6,125</b>	<b>283,652</b>	<b>856,654</b>
<b>Depreciation</b>				
At 1 January 2023	277,070	4,214	228,671	509,955
Charge for the year on owned assets	11,338	1,225	40,041	52,604
Disposals	-	-	(76,909)	(76,909)
Reclassified to investment property	(124,530)	-	-	(124,530)
<b>At 31 December 2023</b>	<b>163,878</b>	<b>5,439</b>	<b>191,803</b>	<b>361,120</b>
<b>Net book value</b>				
At 31 December 2023	402,999	686	91,849	495,534
At 31 December 2022	498,201	1,911	164,899	665,011

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**15. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
Cost or valuation	
At 1 January 2023	585,362
Additions	805
	<hr/>
At 31 December 2023	<b>586,167</b>
	<hr/> <hr/>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
PFK Rural Limited (formerly Robson & Liddle (Rural) Limited)	10 The Courtyard Edenhall, Penrith, Cumbria, England, CA11 8ST	Ordinary	100%
PFK Estate Agency Limited	Devonshire Chambers, 9-10 Devonshire Street, Penrith, Cumbria, United Kingdom, CA11 7SS	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
PFK Rural Limited (formerly Robson & Liddle (Rural) Limited)	158,678	6,034
PFK Estate Agency Limited	(1,102)	(1,202)

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**16. Investment property**

**Group**

	<b>Freehold investment property £</b>
Valuation	
At 1 January 2023	2,516,436
Additions at cost	251,597
Disposals	(365,000)
Surplus on revaluation	746,968
Transfers between classes	240,000
	<hr/>
At 31 December 2023	<b>3,390,001</b>
	<hr/> <hr/>

The 2023 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:

	<b>2023 £</b>	<b>2022 £</b>
Historic cost	2,090,431	1,609,075
Accumulated depreciation and impairments	(1,119,991)	(903,747)
	<hr/>	<hr/>
	<b>970,440</b>	<b>705,328</b>
	<hr/> <hr/>	<hr/> <hr/>

**Company**

	<b>Freehold investment property £</b>
Valuation	
At 1 January 2023	2,516,436
Additions at cost	251,597
Disposals	(365,000)
Surplus on revaluation	746,968
Transfers between classes	240,000
	<hr/>
At 31 December 2023	<b>3,390,001</b>
	<hr/> <hr/>

The 2023 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 2023**

**17. Debtors**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Trade debtors	323,510	381,474	67,434	218,536
Amounts owed by group undertakings	-	-	337,491	18,456
Prepayments and accrued income	357,714	275,534	236,122	206,643
	<u>681,224</u>	<u>657,008</u>	<u>641,047</u>	<u>443,635</u>

**18. Cash and cash equivalents**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Cash at bank and in hand	2,203,322	3,073,589	2,128,764	3,047,384
	<u>2,203,322</u>	<u>3,073,589</u>	<u>2,128,764</u>	<u>3,047,384</u>

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 £43,959 (2022 - £41,582). 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.

**19. Creditors: Amounts falling due within one year**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Trade creditors	34,087	195,266	29,968	167,014
Corporation tax	-	48,771	-	-
Other taxation and social security	127,871	146,628	78,796	122,056
Other creditors	22,920	292,383	2,329	287,795
Accruals and deferred income	73,192	116,390	73,193	103,033
	<u>258,070</u>	<u>799,438</u>	<u>184,286</u>	<u>679,898</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**20. Creditors: Amounts falling due after more than one year**

	<b>Group 2023 £</b>	<i>Group 2022 £</i>	<b>Company 2023 £</b>	<i>Company 2022 £</i>
Other creditors	133,334	133,334	133,334	133,334
	<u>133,334</u>	<u>133,334</u>	<u>133,334</u>	<u>133,334</u>

**21. Financial instruments**

	<b>Group 2023 £</b>	<i>Group 2022 £</i>	<b>Company 2023 £</b>	<i>Company 2022 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	2,203,322	3,073,589	2,128,764	3,047,384
	<u>2,203,322</u>	<u>3,073,589</u>	<u>2,128,764</u>	<u>3,047,384</u>

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

**22. Deferred taxation**

**Group**

	<b>2023 £</b>
At beginning of year	(98,160)
Charged to profit or loss	(17,203)
At end of year	<u>(115,363)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. Deferred taxation (continued)**

**Company**

	<b>2023</b>
	<b>£</b>
At beginning of year	<b>(98,500)</b>
Charged to profit or loss	<b>(18,760)</b>
	<hr/>
At end of year	<b>(117,260)</b>
	<hr/> <hr/>

	<b>Group 2023</b>	<b>Group 2022</b>	<b>Company 2023</b>	<b>Company 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>(7,311)</b>	<b>(34,893)</b>	<b>(7,401)</b>	<b>(35,233)</b>
Capital gains	<b>(116,491)</b>	<b>(80,307)</b>	<b>(116,491)</b>	<b>(80,307)</b>
Tax losses carried forward	<b>8,439</b>	<b>17,040</b>	<b>6,632</b>	<b>17,040</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>(115,363)</b>	<b>(98,160)</b>	<b>(117,260)</b>	<b>(98,500)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**23. Share capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
318,233 (2022 - 318,233) Ordinary share capital shares of £1.00 each	<b>318,233</b>	<b>318,233</b>
	<hr/> <hr/>	<hr/> <hr/>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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.

**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 £84,194 (2022 - £89,340). Contributions of £1,948 (2022 - £13,250) remained outstanding at the balance sheet date.

**26. Commitments under operating leases**

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2023 £</b>	<i>Group 2022 £</i>	<b>Company 2023 £</b>	<i>Company 2022 £</i>
Not later than 1 year	<b>17,295</b>	<i>45,328</i>	<b>17,295</b>	<i>24,428</i>
Later than 1 year and not later than 5 years	<b>6,100</b>	<i>22,945</i>	<b>6,100</b>	<i>22,945</i>
	<b>23,395</b>	<i>68,273</i>	<b>23,395</b>	<i>47,373</i>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**27. Investment property profit & loss**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Gross rental income	<b>271,918</b>	<b>252,646</b>
Directly attributable costs	<b>(117,769)</b>	<b>(109,750)</b>
Net rental income	<b>154,149</b>	<b>142,896</b>

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.

**28. Controlling party**

The Directors consider there to be no ultimate controlling party.