

The Penrith Farmers' & Kidd's PLC

Minutes of the 145th Annual General Meeting of the Company held on Thursday 24th June 2021 at 11.00 am at the Hired Lad, Penrith

Present

Directors: Mr J Rowlands (Chairperson), Mr J Webb (Director and Company Secretary), Mr A Green (Director), Mr B Wharam (Director)

Proxies: Mr J Rowlands (for numerous shareholders) and Mr I Bolton (for Rulegale Nominees Limited)

Members: Mr R D Calrow

In attendance: Andrew Hill, Baines Wilson

1. Introduction by the Chairperson

The Chairperson noted that, due to the set of guidelines in place across the UK relating to the Coronavirus pandemic and the uncertainty to how these guidelines specifically affect the General Meetings of a Company, the Company had taken the decision to attempt to restrict the number of people attending this year's AGM, on the grounds of public safety. The Company had restricted the number of directors attending whilst encouraging shareholders not to attend, but instead to appoint the Chairman as their proxy.

The Chairperson noted that the AGM would be purely functional with any pre-submitted questions answered in the minutes to the meeting. The resolutions set out in the notice of AGM to shareholders will be determined by means of a poll. The results of the polls will be available with the minutes of the meeting which will be published on the Company's corporate website as soon as possible and a copy will also be distributed with the interim statement when this is sent out to shareholders around the beginning of August. The Chairperson also confirmed that, subject to the relaxation of the restrictions imposed due to the Coronavirus pandemic, an informal event will be held, with all shareholders welcome, in the early autumn so members would have the opportunity to ask more questions and to meet the Board of directors.

2. Quorum

It was noted that a quorum was present and the meeting was declared open.

The Chairperson reported that he had been appointed as proxy on behalf of shareholders holding in aggregate 15,797 ordinary shares in the issued share capital of the Company.

The Chairperson further reported that as at close of business on 23 June 2021 there were 318,233 ordinary shares of £1 each in issue in the issued share capital of the Company.

3. Voting

The Chairperson reported that, in view of the guidelines in place due to the Coronavirus pandemic which have prevented the attendance of other shareholders and directors at this meeting, in order to more accurately reflect the views of shareholders of the Company, voting at the meeting was to be carried out by way of a poll on each of the resolutions put to the meeting. It was noted that this gives all shareholders the opportunity to participate in the decision-making of the Company and to have their votes recorded in proportion to the number of shares that they hold.

4. Resolutions

The Chairperson noted that the full text of the resolutions to be voted on at the meeting was set out in the notice of meeting that had been sent to all shareholders (Notice). There was then produced to the meeting a copy of the Notice and with the consent of all those present, the Notice was taken as read.

The Chairperson further noted that resolutions 1 to 5 inclusive are proposed as ordinary resolutions and require a simple majority to be passed. Resolution 6 is proposed as a special resolution and will require a majority of 75% to vote in favour of the resolution in order for it to be passed.

5. Resolution 1

The Chairperson proposed that the resolution to receive the Company's annual accounts for the financial year ended 31 December 2020 together with the Directors' and Auditors' reports on these accounts be approved as an ordinary resolution.

The resolution was put to the meeting on a poll. The results of the votes cast were as follows:

For		Against		Number of votes withheld#
No. of shares*	%	No. of shares	%	
111,939	100%	0	0%	0

Notes

*Proxy appointments in respect of 330 shares which gave discretion to the Chairperson have been included in the "For" total for this resolution.

A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" or "Against" this resolution, nor in the percentage of issued share capital for this resolution.

The Chairperson reports that the resolution was passed as an ordinary resolution.

6. Resolution 2

The Chairperson proposed that the resolution to declare a final dividend of 25 pence per share for the year ended 31 December 2020 be approved as an ordinary resolution.

The resolution was put to the meeting on a poll. The results of the votes cast were as follows:

For		Against		Number of votes withheld#
No. of shares*	%	No. of shares	%	
111,939	100%	0	0%	0

Notes

* Proxy appointments in respect of 330 shares which gave discretion to the Chairperson have been included in the "For" total for this resolution.

A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" or "Against" this resolution, nor in the percentage of issued share capital for this resolution.

The Chairperson reports that the resolution was passed as an ordinary resolution.

7. Resolution 3

The Chairperson proposed that the resolution to reappoint as a Director Mrs Katherine Milbourn who retires by rotation and offers himself up for re-election be approved as an ordinary resolution.

The resolution was put to the meeting on a poll. The results of the votes cast were as follows:

For		Against		Number of votes withheld#
No. of shares*	%	No. of shares	%	
111,939	100%	0	0%	0

Notes

* Proxy appointments in respect of 330 shares which gave discretion to the Chairperson have been included in the "For" total for this resolution.

A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" or "Against" this resolution, nor in the percentage of issued share capital for this resolution.

The Chairperson reports that the resolution was passed as an ordinary resolution.

8. Resolution 4

The Chairperson proposed that the resolution to reappoint RSM as auditors at a remuneration to be determined by the Directors be approved as an ordinary resolution.

The resolution was put to the meeting on a poll. The results of the votes cast were as follows:

For		Against		Number of votes withheld#
No. of shares*	%	No. of shares	%	
111,939	100%	0	0%	0

Notes

* Proxy appointments in respect of 330 shares which gave discretion to the Chairperson have been included in the "For" total for this resolution.

A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" or "Against" this resolution, nor in the percentage of issued share capital for this resolution.

The Chairperson reports that the resolution was passed as an ordinary resolution.

9. Resolution 5

The Chairperson proposed that the resolution that, in accordance with section 551 of the Companies Act 2006 (**CA 2006**), the directors of the Company (**Directors**) be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £100,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date of the next AGM of the Company to be held in 2022, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired, be approved as an ordinary resolution.

The resolution was put to the meeting on a poll. The results of the votes cast were as follows:

For		Against		Number of votes withheld#
No. of shares*	%	No. of shares	%	
15,582	13.9%	96,357	86.1%	0

Notes

* Proxy appointments in respect of 330 shares which gave discretion to the Chairperson have been included in the “For” total for this resolution.

A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes “For” or “Against” this resolution, nor in the percentage of issued share capital for this resolution.

The Chairperson reports that the resolution was not passed as an ordinary resolution.

10. Resolution 6

The Chairperson proposed that the resolution that, subject to the passing of resolution 5 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 5, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £15,900 and shall expire on the date of the next AGM of the Company to be held in 2022 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired, be approved as a special resolution.

The resolution was put to the meeting on a poll. While resolution 6 was subject to the passing of resolution 5 (which resolution was not passed), the results of the votes cast were as follows:

For		Against		Number of votes withheld#
No. of shares*	%	No. of shares	%	
15,582	13.9%	96,357	86.1%	0

Notes

* Proxy appointments in respect of 330 shares which gave discretion to the Chairperson have been included in the “For” total for this resolution.

A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes “For” or “Against” this resolution, nor in the percentage of issued share capital for this resolution.

The Chairperson reports that the resolution was not passed as a special resolution.

11. Other Business

The Chairperson reported that 2 questions were pre-submitted to the meeting, and these questions are summarised and answered below.

1. What is the current status of the sale of the site at Junction 41 and can the rationale be explained of recognising the sale in the 2020 accounts considering it has not yet exchanged, which is different to your revenue recognition policy on the sale of client's properties?

Answer: The sale is not yet complete but remains sold subject to contract and the procedures needed to complete the sale remain ongoing. The Board remain confident the sale will complete in the not-too-distant future and shareholders will be provided with further updates as the situation changes.

The accounting and reporting standards which the Company follow when completing the accounts dictate how transactions and assets are reported and the standards covering the value of investment property and the recognition of revenue of a service provided, are different. Investment property, which is what the site at Junction 41 is recognised as, is, in summary, recognised at market value and since the sale was agreed to a third party within normal market conditions before the accounts were signed off for issue, this provided the most accurate reflection of the market value.

2. What specific provision(s) does the deferred Capital Gains tax provision, which is in excess of £250,000 and has increased more than £130,000 in the year, constitute and in what circumstances may the liability crystallise into current payable obligations.

Answer: The Capital Gains tax provision has increased substantially during the year and relates to the changing of market values of our investment property portfolio. The most significant event relating to this provision was the increase in value of the site at Junction 41. It should be noted that the deferred tax charge appears disproportionately high in relation to the change in the overall market value of our investment property portfolio recognised in the accounts and this is due to our accounting policy relating to the recognition of deferred tax assets which can be found on page 19 of the financial statements for the year ended 31 December 2020. The appropriate amount of the liability will crystallise into current tax payable if and when its corresponding investment property asset is sold.

There being no further business, the Chairperson closed the meeting at 11.30 a.m.



Chairperson

Date: 24 June 2021