



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

For the six months ended 30 June 2021

Chairman's Statement

The directors present their unaudited interim abridged financial statement of the trading results for the six months ending on 30 June 2021, together with comparative figures.

Overview

The first six months of 2021 marked the first interim reporting period of the new Executive team's leadership, along with my appointment as Chair of the Company, replacing John Rowlands who departed at the AGM on 24 June 2021. It has undoubtedly been another eventful time.

A considerable amount of effort was expended in the latter half of 2020 to streamline the business so that we would be able to begin 2021 with a new cost-base and a departmental structure which the Board felt had both short-term stability and potential for growth into the future.

Whilst the COVID-related social restrictions, that came into place after Christmas 2020 and continued into the Spring and Summer of 2021, threatened to derail certain plans, the first 6 months of 2021 have been our most successful, from a trading perspective, for some considerable time.

Although comparisons with the prior year are difficult to be completely meaningful due to the timeline of the pandemic, revenue has increased 30% to £1,369k and this is without any contribution from the operations of the Sale Room which in the prior period contributed approximately £100k of revenue to the results, so the true increase in revenue from continuing operations stands at 44%.

Operating costs are also considerably down, decreasing 15% from the prior period and represents many of the difficult decisions we have made to create a leaner and more cost-effective business.

The frenetic activity and buoyant nature of the housing market throughout this period has undoubtedly been a key driver of this success but the investment in the quality of our services over the past 18 months had also given us a competitive advantage to capitalise on this and Estate Agency, throughout our covered regions, delivered fantastic results.

Land Agency and other professional services also continued to deliver strong results, partly on the back of the housing market's activity, but also as they remain robust departments serving loyal and well-established client bases.

Income from property has risen 22% due largely to the NHS vaccination centre operating from the former Sale Room site and a profit of £32k was generated due to the sale of land that had been held by the Company for some considerable time in Dalton in Furness.

Use of the furlough scheme and the receipt of other government grants fell away in 2021 but our hopes of this income being replaced by trading activity have certainly come to fruition.

Outlook

Sales activity in the housing market reached a crescendo on the 30 June 2021 as the first stage of the government's reversal of the Stamp Duty holiday came to an end and it is unquestionable that in the lead up to this, instructions and related housing-sales activity began to fall away.

The outlook, however, is anything but bleak as our pipeline of sales remains strong and we continue to be very competitive in winning new listings when sellers bring their properties to market. House prices remain high as demand continues to outweigh supply, particularly in rural areas, and we are well placed to capitalise on the return of a somewhat more 'normal' market as memories of the Stamp Duty holiday begin to fade.

The emergence from the restrictions imposed by the pandemic have enabled the new-look Board to begin to focus on the future as, understandably, more time than usual has been spent in the past 18 months focussing on managing the day-to-day operations of the Company and ensuring we emerge from the pandemic in as robust a position as possible. Attention now turns more to the future and strategic plans, the detail of which will be communicated in due course.

Land at Stoneybeck

The land known as Eden 41 Business Park at Stoneybeck remains sold subject to contract but as at the date of this interim statement, the sale remains incomplete. We are working tirelessly to try to ensure that the final obstacles to securing the transaction will be overcome as soon as possible.

Annual General Meeting and Shareholder Event

The restrictions covering the recent AGM means that we have now not had an opportunity to hear, in person, from shareholders for over 2 years. We had previously mentioned holding a Shareholders event and I am delighted to announce that this will now take place on Monday 4 October at 14:00 at the North Lakes Hotel. The event will be open to all shareholders of the Company.

This will be an informal meeting and will consist of a presentation by the Board of directors followed by a Q and A session. The salient points from the presentation will be available on the corporate section of the PFK website after the meeting. We hope that this get-together will provide an opportunity for you to meet new members of your Board and for me and my colleagues on the Board to get to know you better.

Change of Auditors

Despite the Company's auditor being recently re-appointed at the AGM, the audit committee felt that a review into the value of the service provided, consistent with the drive across the business for cost-efficiency, should be undertaken. Subsequently, RSM have resigned as auditors to the Company, as of 27 July 2021, and Armstrong Watson have been appointed.

Dividend

The Directors have resolved to declare an interim dividend of £0.25p per share and currently intend to propose the payment of a further dividend of £0.25p per share to be approved at the 2022 Annual General Meeting. This would give annual dividends of double the level of recent years. In addition, as mentioned in last year's report, the directors have resolved to pass back to shareholders the benefit of surplus asset realisations as they occur and the directors will also be considering the payment of a further special dividend should the sale of the land at Stoneybeck be completed soon.

Bernard Wharam

Chairman

9 August 2021

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Income Statement (Profit and loss account)
for the six months to 30 June 2021

	2021	2020
	£	£
Turnover	1,369,065	1,051,211
Operating costs	1,147,512	1,343,546
	<u>221, 553</u>	<u>(292,335)</u>
Income from property	129,211	105,747
Other operating income	3,520	3,963
Government Grants:		
Coronavirus Job Retention Scheme	19,039	95,862
Retail, Hospitality and Leisure Grant Fund	-	140,000
Profit on sale of investment properties	32,000	-
	<u>405,323</u>	<u>53,237</u>
Operating Profit	405,323	53,237
Income from other financial assets	75	-
Net interest receivable	1,325	6,890
	<u>406,723</u>	<u>60,127</u>
Profit before taxation	406,723	60,127
Taxation	(77,278)	(11,424)
	<u>329,445</u>	<u>48,703</u>
Retained profit for the period	329,445	48,703
Profit and loss brought forward	4,176,512	4,235,386
	<u>4,505,957</u>	<u>4,284,089</u>
Dividend paid re previous year	(79,558)	-
Transfer from fair value to retained earnings	22,064	-
	<u>4,448,463</u>	<u>4,284,089</u>
Profit and loss carried forward	<u>4,448,463</u>	<u>4,284,089</u>

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Statement of Financial Position (Balance sheet)
as at 30 June 2021

	2021	2020
	£	£
Fixed assets		
Tangible assets	4,308,666	4,015,358
Investments	3,879	3,122
	<u>4,312,545</u>	<u>4,018,480</u>
Current assets		
Debtors	313,686	489,734
Cash at bank and in hand	3,124,168	2,345,534
	<u>3,437,854</u>	<u>2,835,268</u>
Current liabilities		
Creditors	522,205	368,799
	<u>522,205</u>	<u>368,799</u>
Net current assets	<u>2,915,649</u>	<u>2,466,469</u>
Total assets less current liabilities	7,228,194	6,484,949
Creditors - due after one year		
Deferred taxation	(282,070)	(147,601)
	<u>(282,070)</u>	<u>(147,601)</u>
Net assets	<u>6,946,124</u>	<u>6,337,348</u>
Capital and reserves		
Called up share capital	318,233	318,233
Share premium account	237,144	237,144
Revaluation reserve	1,942,284	1,497,882
Profit and loss account	4,448,463	4,284,089
	<u>6,946,124</u>	<u>6,337,348</u>
Shareholders' funds	<u>6,946,124</u>	<u>6,337,348</u>



Basis Of Preparation And Provision

The above financial statements:-

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

Consequently:-

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

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

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