



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

For the six months ended 30 June 2022

Chairman's Statement

The directors present their unaudited interim abridged financial statement of the trading results for the six months ending on 30 June 2022, together with comparative figures.

Overview & Outlook

The first six months of 2022 have delivered weaker than expected results as the impact of the ever-changing economic environment began to take effect on the land and property markets.

Revenue is down 26% on the prior period with an only 3% corresponding fall in operating costs, leading to a loss being generated, on trading operations, of £89,079.

There are mitigating factors, however, which should lead to some optimism moving forward. The Company has been experiencing, along with the rest of the property industry, issues with the time it is taking between sales being agreed and contracts being exchanged, which is the point the Company recognises its commission-based revenue. Lead times of 18-20 weeks have gone from rarities to a far more typical transaction time (estateagenttoday.co.uk) as the conveyancing industry struggles to keep up with demand coming out of the pandemic.

In addition, the first half of 2021 was characterised by a Stamp Duty holiday which ended on the 30 June 2021. This date-specific ending of the Stamp Duty rule changes meant a far higher proportion than usual of the Company's transactions were completed by the end of our reporting period and makes comparison with this year, on exchanges alone within Estate Agency, difficult.

These two factors have been responsible, therefore, for shifting the timing of transactions which has been to the detriment of this reporting period. Whilst it is true that overall sales activity is down on the previous period, as at the 30 June 2022 we have a considerably higher pipeline of sales due to transact than we did at end of the same date in the prior year, which is the cause of optimism moving forward.

Whilst the Board are not happy with the loss on trading operations being presented, it should be noted that this is still a better comparative result than for each of the previous 4 reporting periods, before 2021. Whilst there is still work to do, we do genuinely feel that significant progress in the Company's operations have been, and continue to be, made.

Income from property increased 14% from the prior period despite having 2 properties untenanted for part of the period. This increase is due to the success of the auction mart, which is currently on a turnover-based rent, and highlights the importance of the mart as a key tenant and stakeholder in the Company. There have, however, been some unavoidable costs incurred to maintain the property portfolio, which are up significantly on the prior year.

There were 2 property sales in the period, namely a residential property in Blackpool which was generating low yields and becoming increasingly troublesome to manage and the Company's former Estate Agency property in Whitehaven, the operations of which were moved in to our Cockermouth office previously. The Whitehaven sale did, unfortunately, generate a loss due to the current, general market conditions of high-street, commercial property.

Annual General Meeting Review

The Company's AGM took place at 10:30am on Friday 10 June 2022 in the cinema auditorium at the Rheged Centre, Penrith. The Board were delighted to see so many of the Company's shareholders in attendance and enjoyed the numerous, beneficial exchanges.

All resolutions were passed including the reappointment of Ian Lancaster as a Director who we believe will serve as a significant asset to the Company throughout upcoming years.

A summary of the presentation delivered to attendees at the meeting can be found on the investors section of the Company website.

Board of Director changes

Non-executive Director Katherine Milbourn has decided to step down from the Board of Directors. Katherine will continue in her role during a 3-month notice period, assisting the Company as necessary. Katherine had already served 6 years when re-elected at the AGM on 24 June 2021 but did not feel it was appropriate to leave the business during such tumultuous times, but with operational conditions within the business settling down, she has decided now is the time to move on. The Board would like to thank Katherine for her contribution during her time associated with the Company and wish her all the very best for her future endeavours.

We are now actively seeking to appoint a new non-executive director, based on our internally-developed skills matrix, with the process being led by Ian Lancaster.

We will be reporting to shareholders as soon as there is any progress with this matter.

Process of Company Shares Trading

The Company has, for many years, used the services of James Sharp and Co to effect share transactions between sellers and prospective buyers of the Company's ordinary share capital. This system has worked very successfully over time but a mutually agreed decision means that this relationship will be coming to an end as at the 31 December 2022.

After the 31 December 2022, The Company will be administering this process itself, in an attempt to increase transparency for all stakeholders and to ultimately regain control of the process. Up until this date, shares will be transacted in the same way with all selling and buying enquiries being directed to James Sharp and Co. Further details of the new transaction system will be sent out to shareholders later on this year.

Dividend

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

Bernard Wharam

Chairman

30 August 2022

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Income Statement (Profit and loss account)
for the six months to 30 June 2022

	2022	2021
	£	£
Turnover	1,009,448	1,369,065
Operating costs	(1,098,527)	(1,133,060)
	(89,079)	236,005
Gross income from property investments	147,294	129,211
Cost of property investments	(29,406)	(14,452)
Net property investment income	117,888	114,759
Other operating income	1,451	3,520
Government Grants:		
Coronavirus Job Retention Scheme	0	19,039
Profit on sale of investment properties	1,145	32,000
Loss on sale of tangible fixed assets	(13,941)	0
Profit on sale of financial investments	130	0
Operating Profit	17,594	405,323
Income from other financial assets	75	75
Net interest receivable	3,482	1,325
Profit before taxation	21,151	406,723
Taxation	(4,019)	(77,278)
Retained profit for the period	17,132	329,445
Profit and loss brought forward	4,672,366	4,176,512
	4,689,498	4,505,957
Dividend paid re previous year	0	(79,558)
Transfer from fair value to retained earnings	6,839	22,064
Reclassification of operating Property to investment property	232,917	0
Deferred tax on reclassification	(20,773)	0
Transfer reclassification increase to fair value reserve	(212,144)	0
Profit and loss carried forward	4,696,337	4,448,463

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Statement of Financial Position (Balance sheet)
as at 30 June 2022

	2022	2021
	£	£
Fixed assets		
Tangible assets	3,098,830	4,308,666
Investments	-	3,879
	<u>3,098,830</u>	<u>4,312,545</u>
Current assets		
Debtors	416,227	313,686
Cash at bank and in hand	3,524,461	3,124,168
	<u>3,940,688</u>	<u>3,437,854</u>
Current liabilities		
Creditors	533,826	522,205
	<u>533,826</u>	<u>522,205</u>
Net current assets	<u>3,406,862</u>	<u>2,915,649</u>
Total assets less current liabilities	6,505,692	7,228,194
Creditors - due after one year		
Deferred taxation	138,605	282,070
	<u>138,605</u>	<u>282,070</u>
Net assets	<u>6,367,087</u>	<u>6,946,124</u>
Capital and reserves		
Called up share capital	318,233	318,233
Share premium account	237,144	237,144
Revaluation reserve	1,115,373	1,942,284
Profit and loss account	4,696,337	4,448,463
	<u>6,367,087</u>	<u>6,946,124</u>
Shareholders' funds	<u>6,367,087</u>	<u>6,946,124</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.

Established 1876

Company No. 00010553