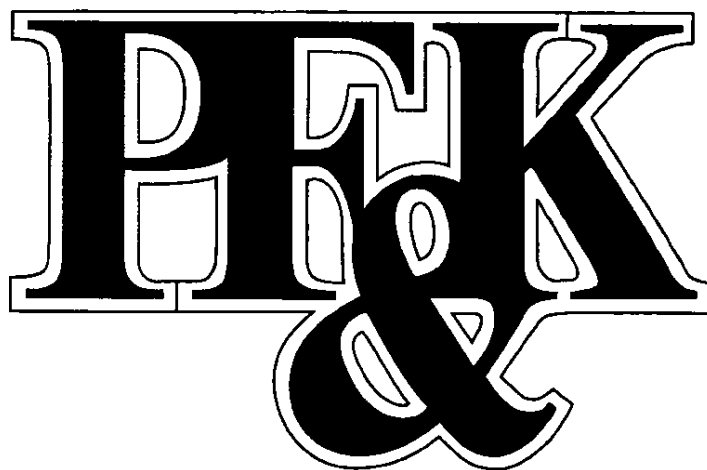


The Penrith Farmers' and Kidd's Plc

Established 1876

Company Number 00010553



Report of the Directors and Financial Statements For the year ended 31st August 2010

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The Penrith Farmers' and Kidd's Plc

Company information

31st August 2010

Company Registration Number	00010553		
Registered office	Agricultural Hall Skirsgill Penrith Cumbria CA11 0DN		
Managing Director	Mr R C Morris	7	(7)
Executive Directors	Mr W J Bashall	7	(7)
	Mr K K C Blue	5	(7)
Non-executive Directors	Mrs J Brown	6	(7)
	Mr R L Good (Chairman)	7	(7)
	Mr W F Mossop	6	(7)
	Mr J Stalker	5	(7)

Attendance at directors' meetings is shown opposite the name of the director, with the maximum number possible shown in brackets

Secretary	Mr R C Morris
Bankers	Barclays Bank plc Barclays House Oxenholme Road Kendal LA9 7RL
Solicitors	Baines Wilson 2 Merchants Drive Carlisle CA3 0JW
Auditors	robinson+co Chartered Accountants Oxford Chambers New Oxford Street Workington CA14 2LR

The Penrith Farmers' and Kidd's Plc

Annual Report for the year ended 31st August 2010

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The Penrith Farmers' and Kidd's Plc
Chairman's Statement and Business Review
for the year ended 31st August 2010

Introduction

The enclosed financial statements show a profit for the year of £217,004 after taxation, and it is recommended that a final dividend of 30p per share shall be paid

After the low point of 2008, the Company has pursued a policy of steadily building on the recovery of 2009. As shareholders will be aware, national economic recovery is not yet certain or secure and, in particular, the housing market is still uncertain. The Directors continue with careful monitoring of income and expenditure but do look forward to a policy of modest expansion.

Estate Agency

The upturn in the housing market on which I reported last year continued steadily if unspectacularly during this year. The number of properties offered for sale has continued to increase and viewings and sales have held up well. Both the main office in Penrith and the branch offices in Keswick, Appleby and Kirkby Stephen have continued to maintain their market share.

Following a national trend, Commercial Sales and Lettings continue to be depressed but recent months have seen early signs of a recovery in business levels.

In the early part of the year the number of Residential Lettings fell but this side of the business is now picking up and with the benefit of new and improved leased premises in Devonshire Street, the Board are seeking to consolidate and extend this side of the business.

Furniture Sales

Besides being a useful adjunct to other parts of the business, the saleroom has, in its own right, been very successful this year. Four catalogue sales and twenty five standard sales were held during the course of the year attracting buyers from both home and abroad.

Land Agency

The work of the Land Agency continues steadily, advising and acting as they do on a broad range of management and professional instructions.

The amount of land coming to the local market for sale has declined in line with our analysis of a national drop of 30% over the last three years. However land and property sales have, in the main, been successful with land values continuing to increase in our estimation by as much as 300% in the last ten years.

PF & K Finance Ltd

The Directors' intention is that, during the course of the next financial year, the debtors' book will be assigned to the parent company at an agreed valuation and an application will be made for the striking off of the subsidiary company. This will produce savings in accountancy and administrative costs.

The Penrith Farmers' and Kidd's Plc
Chairman's Statement and Business Review
for the year ended 31st August 2010

Property Portfolio

The Penrith & District Farmers' Market turnover rent continues to produce a good return for the Company. In pursuance of the policy of looking for alternative sources of revenue from the Auction Mart site, declared in this report last year, the Board are pleased to announce the successful negotiation of a letting of part of the site to Enterprise Mouchel. They are using the premises as an office, yard and store for their operations in maintaining and servicing trunk roads in the north west of England. The lease provides a secure commercial rent for the Company and makes good use of an under used part of the Skirsgill site.

Head Office

The Company's Head Office provides the management of the property portfolio and the overview of the Company as a whole. It also continues to provide a service to the Company's clients by way of house surveys, mortgage valuations and Energy Efficiency Certificates. The latter can now be provided for commercial premises.

Company Strategy

The Board will continue to monitor the operations of the Company within the local and national economic context to seek to maintain the steady growth in profitability and to take advantage of any suitable investment opportunities and areas for expansion of the present business of the Company. As always these aims will be supported by the staff of the Company to whom the Board express their gratitude for their skills and hard work.

As mentioned in last year's report, the Board has, during the course of the year, reviewed changes to the Memorandum and Articles of Association and a separate letter and appendix seeking to explain those changes will be sent out with this report.



Robert Good
Chairman

16th November 2010

The Penrith Farmers' and Kidd's Plc

Group Directors' Report for the year ended 31st August 2010

The directors present their annual report, together with the audited financial statements for the year ended 31st August 2010

Principal activities

The group is principally engaged in the provision of professional services, property ownership and carrying on the business of auctioneers, valuers, land and estate agents

Results and dividends

The profit for the year after taxation was £217,004 (2009 - profit £105,159)

An interim dividend of 5p per share (2009 - nil) was paid during the year

The directors recommend payment of a final dividend of 30p per share (2009 - 10p per share)

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 August 2010 is shown below, together with that for 2009 and 2008 for comparative purposes

	2010	2009	2008
- Turnover	£1,929,155	£1,630,386	£1,763,475
- Turnover growth	18.3%	(7.5)%	(18.1)%
- Net profit/(loss) after taxation	£217,004	£105,159	£(20,407)
- earnings per share	68p	33p	(6p)
- return on capital employed	5%	3%	(1%)

Business review

The business review and details of future developments are included in the Chairman's Statement

Financial risk management objectives and policies

The directors acknowledge their responsibility for the system of internal control and the management of all forms of business risk which continues to be an important factor in the protection of value for shareholders. Any system can only be designed to manage rather than eliminate risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against failing to achieve objectives or material misstatement or loss.

A wide range of corporate policies deal with, amongst other things, corporate governance, management accounting, financial reporting, environment and social responsibility, health and safety, information technology, and risk management generally. In addition, the individual departments provide monthly reports on performance and engage in regular dialogue with the managing director on progress.

Key business risks are identified and evaluated and the effectiveness of financial controls and processes is monitored. Any changes in the status and control of risks are notified to the Board. Specific risks in respect of external economic factors regarding finance availability and interest rates affecting the housing market are regularly evaluated.

The audit committee reviews the adequacy of internal financial controls and deals with matters raised by the external auditors and reports to the Board accordingly. The external auditors have the opportunity for direct access to the committee without the executive directors being present.

The Penrith Farmers' and Kidd's Plc

Group Directors' Report for the year ended 31st August 2010

Financial risk management objectives and policies (continued)

The health and safety of our staff, customers and visitors remains of utmost importance and our appointed safety, fire and first aid officers are provided with training, access to appropriate equipment and opportunities to discuss their roles beyond legislative requirements

Compliance with the requirements of the Financial Services Authority, the Royal Institution of Chartered Surveyors and various other professional and regulatory bodies complements the existing internal control systems across the group

Directors

The directors who served during the year are as stated below

Executive Directors

Mr W J Bashall

Mr K K C Blue

Mr R C Morris

Non-executive Directors

Mrs J Brown

Mr R L Good

Mr W F Mossop

Mr J Stalker

Mrs J Brown and Mr R L Good retire by rotation and, being eligible, offers themselves for re-election

Details of transactions with the directors are provided in note 27, all such transactions were at arm's length on normal commercial terms

Payment policy

It is the group's policy to settle debts with its creditors on a timely basis, taking into consideration the terms and conditions offered by each supplier. At the 31st August 2010, the group's trade creditors expressed as a number of days was 41 days (2009 - 24 days)

Corporate governance

The group is committed to maintaining good corporate governance by following recommendations from the Combined Code on corporate governance June 2008 even though adherence is not obligatory. Nevertheless, the group believes that the code provides a framework for the maintenance of robust systems and controls, subject only to tests of reasonableness and proportionality

The Board

There are two permanent committees of the Board,

- 1 The Remuneration Committee is chaired by W F Mossop. The other members of the committee are J Brown, R L Good and J Stalker. All members are non executive directors. The committee reviews the basic salary, benefits in kind and terms and conditions of employment of the executive directors and senior staff. Fees for the non executive directors are recommended by the executive directors.

The Penrith Farmers' and Kidd's Plc

Group Directors' Report for the year ended 31st August 2010

The Board (continued)

- 2 The Audit Committee is chaired by J Brown. The other members of the committee are R L Good, W F Mossop and J Stalker. All members are non executive directors. The committee undertakes reviews of the interim and annual report issued to shareholders, the accounting policies employed by the company, internal controls, compliance with financial reporting standards and the audit process carried out by robinson+co

The roles of chairman and managing director are clearly defined, the non executive chairman ensures that the board meets on a regular basis and reviews financial performance and control, company strategy and a schedule of matters reserved specifically for its decision

The non executive directors fulfil a crucial role in corporate accountability and provide constructive criticism and challenge to the strategic proposals of the executive directors

Fixed assets

The investment properties were revalued during the year and the revised values incorporated into the financial statements. The surplus of £440,000 (2009 - deficit £222,500) arising from the revaluation has been transferred to revaluation reserve

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the group and of the profit or loss of the group for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 company and the group will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

The Penrith Farmers' and Kidd's Plc

**Group Directors' Report
for the year ended 31st August 2010**

Auditors

A resolution proposing that robinson+co be reappointed as auditors of the company will be put to the Annual General Meeting

This report was approved by the Board on 16th November 2010 and signed by order of the Board by

A handwritten signature in black ink, appearing to read 'R C Morris', is written over the printed name.

**Mr R C Morris
Secretary**

Report of the Independent Auditors to the Members of The Penrith Farmers' and Kidd's Plc

We have audited the financial statements of The Penrith Farmers' and Kidd's Plc for the year ended 31st August 2010 which comprise the group profit and loss account, the group statement of total recognised gains and losses, the group and parent company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31st August 2010 and for 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of

The Penrith Farmers' and Kidd's Plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters. Under the Companies Act 2006 we are required to report to you if, in our opinion

- adequate accounting records have not been kept, 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



Mr Peter Ellwood, FCA

**Senior Statutory Auditor
for and on behalf of
robinson+co**

**Statutory Auditor and
Chartered Accountants**

**Oxford Chambers
New Oxford Street
Workington
CA14 2LR**

16th November 2010

The Penrith Farmers' and Kidd's Plc

**Group Profit and Loss Account
for the year ended 31st August 2010**

	Notes	2010 £	2009 £
Turnover	2	1,929,155	1,630,386
Cost of sales		<u>(152,707)</u>	<u>(121,524)</u>
Gross profit		1,776,448	1,508,862
Administrative expenses		(1,737,426)	(1,602,578)
Other operating income		<u>247,134</u>	<u>216,015</u>
Group operating profit	3	286,156	122,299
Exceptional profit on disposal of fixed assets	5	<u>-</u>	<u>5,803</u>
Profit on ordinary activities before interest		286,156	128,102
Investment income	6	<u>22</u>	<u>22</u>
Interest receivable and similar income	7	<u>5,708</u>	<u>9,432</u>
Profit on ordinary activities before taxation		291,886	137,556
Tax on profit on ordinary activities	10	<u>(74,882)</u>	<u>(32,397)</u>
Profit on ordinary activities after taxation	21	<u>217,004</u>	<u>105,159</u>

None of the group's activities were acquired or discontinued during the above two financial years

The notes on pages 14 to 28 form an integral part of these financial statements.

The Penrith Farmers' and Kidd's Plc

**Group Statement of total recognised gains and losses
for the year ended 31st August 2010**

	Notes	2010	2009
Statement of total recognised gains and losses		£	£
Profit on ordinary activities after taxation		217,004	105,159
Unrealised movement on revaluation of investment properties	14	440,000	(222,500)
Realised loss on disposal of investment property		-	3,700
Reduction in revaluation reserve on re-classification of investment properties as freehold operating properties	14	-	(17,500)
Total recognised gains/(losses) relating to the year		<u>657,004</u>	<u>(131,141)</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

The Penrith Farmers' and Kidd's Plc

Group Balance Sheet as at 31st August 2010

	Notes	2010 £	2009 £
Fixed Assets			
Intangible assets	13	56,100	75,900
Tangible assets	14	4,184,625	3,745,032
Investments	15	1,026	1,026
		<u>4,241,751</u>	<u>3,821,958</u>
Current Assets			
Debtors falling due within one year	16	787,887	730,134
Cash at bank and in hand		1,004,438	753,418
		<u>1,792,325</u>	<u>1,483,552</u>
Creditors: amounts falling due within one year	17	<u>(341,660)</u>	<u>(229,726)</u>
Net Current Assets		<u>1,450,665</u>	<u>1,253,826</u>
Total Assets Less Current Liabilities		<u>5,692,416</u>	<u>5,075,784</u>
Provision for Liabilities and Charges	18	<u>(11,689)</u>	<u>(4,326)</u>
Net Assets		<u><u>5,680,727</u></u>	<u><u>5,071,458</u></u>
Capital and Reserves			
Called up share capital	20	318,233	318,233
Share premium account	21	237,144	237,144
Revaluation reserve	21	1,432,813	992,813
Profit and loss account	21	3,692,537	3,523,268
Equity Shareholders' Funds	22	<u><u>5,680,727</u></u>	<u><u>5,071,458</u></u>

The financial statements were approved by the Board on 16th November 2010 and signed on its behalf by

R L Good

Director

R C Morris

Director

Registration number 00010553

The notes on pages 14 to 28 form an integral part of these financial statements.

The Penrith Farmers' and Kidd's Plc

**Company Balance Sheet
as at 31st August 2010**

		2010		2009	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	13		56,100		75,900
Tangible assets	14		4,184,625		3,745,032
Investments	15		<u>251,026</u>		<u>251,026</u>
			4,491,751		4,071,958
 Debtors falling due within one year	 16	 705,236		 629,302	
Cash at bank and in hand		<u>989,856</u>		<u>733,417</u>	
		1,695,092		1,362,719	
 Creditors: amounts falling due within one year	 17	 <u>(340,515)</u>		 <u>(227,876)</u>	
Net Current Assets			<u>1,354,577</u>		<u>1,134,843</u>
Total Assets Less Current Liabilities			5,846,328		5,206,801
 Provision for Liabilities and Charges	 18		 <u>(11,689)</u>		 <u>(4,326)</u>
Net Assets			<u>5,834,639</u>		<u>5,202,475</u>
 Capital and Reserves					
Called up share capital	20		318,233		318,233
Share premium account	21		237,144		237,144
Revaluation reserve	21		1,432,813		992,813
Profit and loss account	21		3,846,449		3,654,285
Shareholders' Funds	22		<u>5,834,639</u>		<u>5,202,475</u>

The financial statements were approved by the Board on 16th November 2010 and signed on its behalf by

R L Good



Director

R C Morris



Director

Registration number 00010553

The notes on pages 14 to 28 form an integral part of these financial statements.

The Penrith Farmers' and Kidd's Plc

**Group Cash Flow Statement
for the year ended 31st August 2010**

	Notes	2010 £	2009 £
Reconciliation of operating profit to net cash inflow /(outflow) from operating activities			
Operating profit		286,156	122,299
Amortisation and depreciation		63,975	57,656
Loss/(profit) on sale of tangible fixed assets		570	(1,733)
(Increase)/decrease in debtors		(70,513)	28,226
Increase in creditors		78,100	14,982
Net cash inflow from operating activities		358,288	221,430
CASH FLOW STATEMENT			
Net cash inflow from operating activities		358,288	221,430
Returns on investments and servicing of finance	23	6,004	9,180
Taxation	23	(21,199)	(71)
Capital expenditure	23	(44,338)	39,706
		298,755	270,245
Equity dividends paid		(47,735)	-
Increase in cash in the year		251,020	270,245
Reconciliation of net cash flow to movement in net funds (Note 24)			
Movement in net funds in the year		251,020	270,245
Net funds at 1st September 2009		753,418	483,173
Net funds at 31st August 2010		1,004,438	753,418

The notes on pages 14 to 28 form an integral part of these financial statements.

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention as modified by the revaluation of certain fixed assets

The directors have reviewed the accounting policies in accordance with Financial Reporting Standard No 18 - Accounting Policies, and consider them to be the most appropriate policies and estimation techniques

The principal accounting policies of the group have remained unchanged from the previous year and are set out below

1.2. Basis of Consolidation

The group financial statements consolidate the accounts of The Penrith Farmers' and Kidd's Plc and all its subsidiary undertakings made up to 31st August 2010

1.3. Turnover

Turnover is the total amount receivable by the group in respect of commissions and fees earned excluding VAT and trade discounts, together with finance charges receivable on the provision of all forms of credit facilities

1.4. Income from property

Income from property is stated net of attributable expenses

1.5. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years

1.6. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life. The rates generally applicable are

Freehold properties	-	2% Straight line
Plant and machinery	-	10 - 20% - Straight line
Motor vehicles	-	25% - Reducing balance

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

1.6 Tangible fixed assets and depreciation (continued)

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, certain of the group's properties are held for long term investment and are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of investment properties are transferred to the investment property revaluation reserve.

Depreciation is not provided in respect of freehold investment properties. This policy represents a departure from statutory accounting principles, which requires depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the valuation and the amount which might have been shown cannot be separately identified or quantified.

1.7. Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets in respect of monies advanced under hire purchase agreements are excluded from the fixed assets of the group and reported in the balance sheet as a debtor for the amount expected to be received from that agreement (net of future period finance charges). Receipts from hire purchase agreements contain a capital element which reduces the debtor and an interest charge which is credited to revenue.

Income receivable from hire purchase agreements is included within gross earnings and is credited to the profit and loss account to give a constant periodic rate of return on the net cash investment.

1.8. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9. Pensions

The pension costs charged against profit represents the amount payable to the personal pension schemes of certain directors and employees in respect of the accounting period.

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

1.10. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

No deferred tax liability has been recognised on the revaluation of investment properties as at the date of the balance sheet there was no foreseeable intention to dispose of these properties

1.11. Dividends

Dividends proposed after the balance sheet date are not recognised as a liability at the balance sheet date because they do not meet the criteria of a present obligation in FRS 12 Such dividends are disclosed in the note to the financial statements

2. Turnover

The turnover is attributable to carrying on the business of auctioneers, valuers and land and estate agents

The analysis of turnover by class of business is shown below but the directors consider that the disclosure of segmental profit or loss would be unfairly prejudicial to the interests of the group

	2010	2009
	£	£
Finance	1,025	5,765
Land Agency	547,221	589,617
Head Office	69,967	36,311
Estates	995,332	761,955
Furniture	315,610	236,738
	<u>1,929,155</u>	<u>1,630,386</u>

Income from the residential survey department and the other operating income including income from property is managed by head office

The total turnover of the group for the year has been derived from its principal activities wholly undertaken in the UK

The Penrith Farmers' and Kidd's Plc

**Notes to Financial Statements
for the year ended 31st August 2010**

3. Operating profit	2010	2009
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	19,800	19,800
Depreciation		
- tangible assets, owned	44,175	37,856
Loss on disposal of tangible fixed assets	570	-
Operating lease rentals	20,843	16,612
Auditors' remuneration (Note 4)	16,250	16,125
Auditors' remuneration from non-audit work (Note 4)	15,420	9,175
	<u> </u>	<u> </u>
and after crediting		
Profit on disposal of tangible fixed assets	-	1,733
Income from property	221,428	198,533
	<u> </u>	<u> </u>
 4. Auditors' remuneration	 2010	 2009
	£	£
Auditors' remuneration - audit of the financial statements	16,250	16,125
	<u> </u>	<u> </u>
Auditors' remuneration - other fees		
- taxation services	525	510
- other services	14,895	8,665
	15,420	9,175
	<u> </u>	<u> </u>
 5. Exceptional items	 2010	 2009
	£	£
Exceptional profit on disposal of fixed assets		
Realised profit on disposal of property	-	5,803
	<u> </u>	<u> </u>
 6. Income from investments	 2010	 2009
	£	£
Dividend received	22	22
	<u> </u>	<u> </u>
 7. Interest receivable and similar income	 2010	 2009
	£	£
Bank interest	3,724	7,771
Other interest	1,984	1,661
	5,708	9,432
	<u> </u>	<u> </u>

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

8. Employees

Number of employees

The average monthly numbers of employees (including the directors) during the year were

	2010 Number	2009 Number
Office, sales and management	<u>52</u>	<u>52</u>

Employment costs

	2010 £	2009 £
Wages and salaries	1,068,769	992,529
Social security costs	99,575	89,977
Other pension costs	63,268	63,909
	<u>1,231,612</u>	<u>1,146,415</u>

8.1. Directors' remuneration

	2010 £	2009 £
Emoluments and other benefits	220,407	196,624
Pension contributions to money purchase pension schemes	17,429	17,949
	<u>237,836</u>	<u>214,573</u>

	Number	Number
Number of directors participating in money purchase pension schemes	<u>3</u>	<u>3</u>

Highest Paid Director

Amounts included above

	£	£
Emoluments and other benefits	87,495	72,633
Pension contributions	7,947	8,051
	<u>95,442</u>	<u>80,684</u>

The total remuneration of the non-executive directors included in the above emoluments during the year was £22,350 (2009 - £22,340)

9. Pension costs

The company pays contributions to the personal pension schemes of certain directors and employees. The schemes and their assets are held by independent managers. The contributions outstanding at 31st August 2010 were £- (2009 - £8,742)

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

10. Tax on profit on ordinary activities

Analysis of charge in period	2010 £	2009 £
Current tax		
UK corporation tax	67,739	33,976
Adjustments in respect of previous periods	(220)	-
	<u>67,519</u>	<u>33,976</u>
Total current tax charge	<u>67,519</u>	<u>33,976</u>
Deferred tax (See note 18)		
Timing differences, origination and reversal	7,363	(1,579)
Total deferred tax	<u>7,363</u>	<u>(1,579)</u>
Tax on profit on ordinary activities	<u>74,882</u>	<u>32,397</u>

Factors affecting tax charge for period

The standard rate of corporation tax in the UK at 31st August 2010 is 28% (2009 - 28%) The tax charge is explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>291,886</u>	<u>137,556</u>
Profit on ordinary activities multiplied by standard rate of corporation tax at 28% (2009 28%)	81,728	38,516
Effects of:		
Expenses not deductible for tax purposes	(1,608)	2,533
Capital allowances for period in excess of depreciation	(4,008)	4,911
Exceptional profit on sale of properties in excess of chargeable gains	-	(1,625)
Adjustments to tax charge in respect of previous periods	(220)	-
Franked investment income	(6)	(6)
Marginal relief	(8,367)	(10,353)
Current tax charge for period	<u>67,519</u>	<u>33,976</u>

Included within the corporation tax charge for the year is a tax charge of £Nil (2009 - £Nil) in respect of the exceptional credit on profit on disposal of properties

11. Profit for the year attributable to shareholders

As permitted by Section 408 of the Companies Act 2006 the Profit and Loss Account of the parent company has not been included in these financial statements

The group profit for the year includes £239,899 (2009 - £137,529) after tax which is dealt with in the financial statements of the company

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

12. Dividends	2010	2009
	£	£
Dividends on equity shares:		
Final ordinary dividend paid - 10p per share (2009 - Nil p)	31,823	-
Interim ordinary dividend paid - 5 p per share (2009 - Nil p)	15,912	-
	<u>47,735</u>	<u>-</u>
 Final Proposed Dividend		
A dividend for the year ended 31st August 2010 of 30p per share is proposed (2009 - 10 p)		
 13. Intangible fixed assets		Goodwill
		£
Company and Group		
Cost		
At 1st September 2009		
and At 31st August 2010		<u>151,866</u>
Provision for		
diminution in value		
At 1st September 2009		75,966
Charge for year		19,800
At 31st August 2010		<u>95,766</u>
Net book values		
At 31st August 2010		<u>56,100</u>
At 31st August 2009		<u>75,900</u>

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

14. Tangible fixed assets

The Group

	Land and Buildings					Total
	Investment properties	Freehold properties	Short leasehold property	Plant and machinery	Motor vehicles	
	£	£	£	£	£	£
Cost or valuation						
At 1st September 2009	3,240,000	613,783	19,600	251,680	7,599	4,132,662
Additions	-	-	-	44,338	-	44,338
Revaluation	440,000	-	-	-	-	440,000
Disposals	-	-	-	(62,468)	(7,599)	(70,067)
At 31st August 2010	3,680,000	613,783	19,600	233,550	-	4,546,933
Depreciation						
At 1st September 2009	-	197,508	19,600	163,683	6,839	387,630
On disposals	-	-	-	(62,468)	(7,029)	(69,497)
Charge for the year	-	12,276	-	31,709	190	44,175
At 31st August 2010	-	209,784	19,600	132,924	-	362,308
Net book values						
At 31st August 2010	3,680,000	403,999	-	100,626	-	4,184,625
At 31st August 2009	3,240,000	416,275	-	87,997	760	3,745,032

The Company

	£	£	£	£	£	£
Cost or valuation						
At 1st September 2009	3,240,000	613,783	19,600	241,477	7,599	4,122,459
Additions	-	-	-	44,338	-	44,338
Revaluation	440,000	-	-	-	-	440,000
Disposals	-	-	-	(62,468)	(7,599)	(70,067)
At 31st August 2010	3,680,000	613,783	19,600	223,347	-	4,536,730
Depreciation						
At 1st September 2009	-	197,508	19,600	153,480	6,839	377,427
On disposals	-	-	-	(62,468)	(7,029)	(69,497)
Charge for the year	-	12,276	-	31,709	190	44,175
At 31st August 2010	-	209,784	19,600	122,721	-	352,105
Net book values						
At 31st August 2010	3,680,000	403,999	-	100,626	-	4,184,625
At 31st August 2009	3,240,000	416,275	-	87,997	760	3,745,032

Included in the figures for cost or valuation of properties for the group and the company at 2010 is £3,680,000 (2009 - £3,240,000) in respect of the carrying value of investment properties

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

14. Tangible fixed assets (continued)

The gross amount of buildings of the group and the company on which depreciation is being provided is as follows

	2010	2009
	£	£
Freehold	613,783	613,783
Short leasehold	19,600	19,600
	<u>633,383</u>	<u>633,383</u>

The figures stated above for the group and the company for cost or valuation include valuations as follows

	Leasehold land and buildings		Freehold land and buildings	
	2010	2009	2010	2009
	£	£	£	£
At cost	<u>19,600</u>	<u>19,600</u>	<u>613,783</u>	<u>613,783</u>
At valuation	<u>-</u>	<u>-</u>	<u>3,680,000</u>	<u>3,240,000</u>

The investment properties were revalued on 31st August 2010 by Mr K K C Blue, MRICS who is a director of the company. The basis of valuation used was market value. There was a surplus arising of £440,000 in the year (2009 - deficit £222,500) which was transferred to the investment property revaluation reserve.

The movement in the carrying value of investment properties of the group and the company comprises

	£
At 1st September 2009	3,240,000
Surplus arising on revaluation	<u>440,000</u>
At 31st August 2010	<u>3,680,000</u>

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, those assets are unlikely to be disposed of in the foreseeable future. See note 19.

The Penrith Farmers' and Kidd's Plc

**Notes to Financial Statements
for the year ended 31st August 2010**

14. Tangible fixed assets (continued)

If the investment properties having a valuation of £3,680,000 had not been revalued, they would have been included on the historical cost basis for the group and the company at the following amounts

	£
Cost	2,337,775
Accumulated depreciation	<u>(860,260)</u>
Net book amount	
At 31 August 2010	<u><u>1,477,515</u></u>
Net book amount	
At 31 August 2009	<u><u>1,524,270</u></u>

15. Fixed Asset Investments

Group	Investments other than loans £	Total £
Cost		
At 1st September 2009 and at 31st August 2010	<u>1,026</u>	<u>1,026</u>
Net book values		
At 31st August 2010	<u><u>1,026</u></u>	<u><u>1,026</u></u>
At 31st August 2009	<u><u>1,026</u></u>	<u><u>1,026</u></u>

The company	Shares in group Undertakings £	Investments other than loans £	Total £
Cost			
At 1st September 2009 and at 31st August 2010	<u>250,000</u>	<u>1,026</u>	<u>251,026</u>
Net book values			
At 31st August 2010	<u><u>250,000</u></u>	<u><u>1,026</u></u>	<u><u>251,026</u></u>
At 31st August 2009	<u><u>250,000</u></u>	<u><u>1,026</u></u>	<u><u>251,026</u></u>

At 31st August 2010 the company held 20% or more of the allotted share capital of the following

	Class of share capital held	Proportion held	Nature of business
Subsidiary undertakings			
PF & K Finance Limited	Ordinary	100%	Provision of finance

The Penrith Farmers' and Kidd's Plc

Notes to Financial Statements for the year ended 31st August 2010

16. Debtors

	The group		The company	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	333,079	220,202	333,079	220,202
Finance receivables	82,651	100,832	-	-
Taxation recoverable	-	12,486	-	12,486
Other debtors	55,500	56,072	55,500	56,072
Prepayments and accrued income	316,657	340,542	316,657	340,542
	<u>787,887</u>	<u>730,134</u>	<u>705,236</u>	<u>629,302</u>

Of the finance receivables disclosed above £82,651 (2009 - £100,832) represents the company's net investment in hire purchase agreements

The cost of assets acquired by the company during the year for leasing under hire purchase agreements amounted to £Nil (2009 - £Nil) The aggregate rentals receivable in respect of hire purchase agreements was £Nil (2009 - £3,480)

17. Creditors: amounts falling due within one year

	The group		The company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	65,370	30,877	65,370	30,877
Corporation tax	67,739	33,905	67,739	33,905
Other taxes and social security costs	120,096	95,079	120,201	95,079
Pension contributions	-	8,742	-	8,742
Other creditors	4,651	4,671	4,651	4,671
Accruals and deferred income	83,804	56,452	82,554	54,602
	<u>341,660</u>	<u>229,726</u>	<u>340,515</u>	<u>227,876</u>

Pension contributions amounting to £Nil (2009 - £8,742) were owing at the year end

Group bank overdraft facilities are secured by a fixed charge over certain of the freehold properties and fixed and floating charges over all other group assets Company bank overdrafts are secured by a fixed charge over certain of the freehold properties and a cross guarantee given by its subsidiary undertaking PF & K Finance Limited

The Penrith Farmers' and Kidd's Plc

**Notes to Financial Statements
for the year ended 31st August 2010**

18. Provisions for liabilities and charges

The group and company

**Deferred
taxation
(Note 19)
£**

At 1st September 2009	4,326
Movements in the year	7,363
At 31st August 2010	<u>11,689</u>

19. Provision for deferred taxation

2010

2009

£

£

Company and Group

Accelerated capital allowances

11,689

4,326

No deferred tax liability has been recognised on the revaluation of investment properties as, at the balance sheet date there was no binding commitment to sell these properties

The amount of tax which would become payable if the properties were sold, is estimated at £Nil (2009 - £Nil)

20. Share capital

2010

2009

£

£

Allotted, called up and fully paid equity

318,233 Ordinary shares of £1 each

318,233

318,233

The Penrith Farmers' and Kidd's Plc

**Notes to Financial Statements
for the year ended 31st August 2010**

21. Equity Reserves

	Share premium account £	Investment property revaluation reserve £	Profit and loss account £	Total £
The group				
At 1st September 2009	237,144	992,813	3,523,268	4,753,225
Surplus on revaluation of investment properties	-	440,000	-	440,000
Profit for the year	-	-	217,004	217,004
Dividends paid	-	-	(47,735)	(47,735)
At 31st August 2010	237,144	1,432,813	3,692,537	5,362,494
The company				
At 1st September 2009	237,144	992,813	3,654,285	4,884,242
Surplus on revaluation of investment properties	-	440,000	-	440,000
Profit for the year	-	-	239,899	239,899
Dividends paid	-	-	(47,735)	(47,735)
At 31st August 2010	237,144	1,432,813	3,846,449	5,516,406

The balances on the share premium account and investment property revaluation reserve may not be distributed legally under section 831(4) of the Companies Act 2006

22. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
The group		
Profit for the year	217,004	105,159
Dividends paid	(47,735)	-
	169,269	105,159
Other recognised gains or losses	440,000	(240,000)
Net increase/(reduction) to shareholders' funds	609,269	(134,841)
Opening shareholders' funds	5,071,458	5,206,299
Closing shareholders' funds	5,680,727	5,071,458
The company		
Profit for the year	239,899	137,529
Dividends paid	(47,735)	-
	192,164	137,529
Other recognised gains or losses	440,000	(240,000)
Net increase/(reduction) to shareholders' funds	632,164	(102,471)
Opening shareholders' funds	5,202,475	5,304,946
Closing shareholders' funds	5,834,639	5,202,475

The Penrith Farmers' and Kidd's Plc

**Notes to Financial Statements
for the year ended 31st August 2010**

23. Gross Cash Flows	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	5,982	9,158
Dividends received	22	22
	<u>6,004</u>	<u>9,180</u>
Taxation		
Corporation tax paid	(33,685)	(71)
Corporation tax repaid	12,486	-
	<u>(21,199)</u>	<u>(71)</u>
Capital expenditure		
Payments to acquire tangible assets	(44,338)	-
Receipts from sales of tangible assets	-	39,706
	<u>(44,338)</u>	<u>39,706</u>

24. Analysis of changes in net funds	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	753,418	251,020	1,004,438
Net funds	<u>753,418</u>	<u>251,020</u>	<u>1,004,438</u>

25. Capital commitments

Neither the group nor the company had entered into contracts for capital items at 31st August 2010 or 31st August 2009

26. Leasing commitments

At 31st August 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date:				
Within one year	27,600	16,600	-	-
Between one and five years	44,000	-	-	-
In over five years	4,583	-	-	-
	<u>76,183</u>	<u>16,600</u>	<u>-</u>	<u>-</u>

The Penrith Farmers' and Kidd's Plc

**Notes to Financial Statements
for the year ended 31st August 2010**

27. Transactions with directors and other related parties

Material transactions with other related parties

During the year ended 31st August 2010 the company obtained services to the value of £40,423 (2009 - £41,191) from Cumberland & Westmorland Herald Limited Mr W F Mossop, a director of The Penrith Farmers' and Kidd's Plc, is also a director of Cumberland & Westmorland Herald Limited