

**Registered number:**  
**00010553**  
**England and Wales**

**The Penrith Farmers' and Kidd's Plc**

**Annual report and accounts  
for the year ended 31 August 2014**



**robinson+co**

**Chartered Accountants**

# **The Penrith Farmers' and Kidd's Plc**

## **Company information**

<b>Managing director</b>	<b>Mr R C Morris</b>	<b>7 (7)</b>
<b>Executive director</b>	<b>Mr K K C Blue</b>	<b>6 (7)</b>
<b>Non-executive directors</b>	<b>Mrs J Brown</b>	<b>6 (7)</b>
	<b>Mr R L Good</b> (Chairman)	<b>7 (7)</b>
	<b>Mr W F Mossop</b>	<b>7 (7)</b>
	<b>Mr J Stalker</b>	<b>6 (7)</b>
	<b>Mrs K Milbourn</b> Appointed 1 September 2014	

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

**Secretary** Mr R C Morris

**Registered number** 00010553 England and Wales

**Registered office** Penrith Farmers & Kidds plc  
Agricultural Hall  
Skirsgill  
Penrith  
CA11 0DN

**Auditors** robinson+co  
Oxford Chambers  
New Oxford Street  
Workington  
CA14 2LR

**Bankers** Barclays Bank plc  
Barclays House  
Oxenholme Road  
Kendal  
LA9 7RL

**Solicitors** Baines Wilson  
2 Merchants Drive  
Carlisle  
CA3 0JW

**The Penrith Farmers' and Kidd's Plc**

**Contents**

**31 August 2014**

	<b>Page</b>
Chairman's report	<b>1 - 2</b>
Strategic report	<b>3 - 4</b>
Report of the directors	<b>5 - 6</b>
Auditor's report	<b>7 - 8</b>
Profit and loss account / Statement of total recognised gains and losses	<b>9</b>
Balance sheet	<b>10</b>
Cash flow statement	<b>11</b>
Notes to the accounts	<b>12 - 25</b>

**The Penrith Farmers' and Kidd's Plc**  
**Chairman's Statement and Business Review**  
**for the year ended 31 August 2014**

**Introduction**

The enclosed financial statements show a profit for the year of £281,081 after taxation, a 135% increase in profits (adjusted for amounts written off investments) compared with the year to 31 August 2013. Turnover has increased by 11.36% reflecting the fact that the company has taken advantage of the slight recovery in the local economy. This is particularly so in estate agency although all disciplines have maintained or improved upon their market share.

It is recommended that a final dividend of 40 pence per share shall be paid.

**Estate Agency**

After a period of recession doldrums, estate agency has had a successful year. The policy of more realistic pricing of properties, a shorter timescale to completion of sales and good communication with all customers has paid off. It is particularly pleasing to note the success of the Platinum sales package which offers a unique marketing solution to vendors of unusual and premium properties. Among its benefits is the provision of aerial photographs of the property taken from a drone.

As I mentioned in last year's report and following the continued success of the Cockermouth office, the Board have been giving consideration to the possibility of opening further estate agencies in the county. I am pleased to announce that we opened an estate agency office in Whitehaven in our own premises on 10th November 2014. This will give us access to the economic expansion planned for the industrial West Coast and we see possibilities not only for the sale and letting of houses but also for the Commercial, Land Agency, Planning and Valuation departments.

The situation of the Commercial Agency market did not materially improve during the course of the year but the first months of the current year are showing something of an improvement and the Board is hopeful that this will continue.

Following the retirement of Louise Rosling, who was instrumental in setting up the lettings agency for the Company some years ago, the agency has now been fully integrated with the estate agency department. This is already producing benefits both in profitability and service to clients.

**Furniture Sales**

The saleroom continues to show increased turnover and has maintained profitability. There are plans to extend the specialist sales in jewellery and wines and spirits. A sign of the times is the greatly increased numbers of online bids. This now provides a global market for the saleroom but unfortunately this inevitably means fewer bidders attending the sales in person with a potential lowering of competitive tension in the room.

**The Penrith Farmers' and Kidd's Plc**  
**Chairman's Statement and Business Review**  
**for the year ended 31 August 2014**

**Land Agency**

A buoyant farm land market coupled with an increased level of sales instructions and management work has resulted in a much improved financial performance from this department.

**Property Portfolio**

The Company's properties continue to produce satisfactory returns. The Saturday Market has recommenced, producing a renewed revenue stream although the market is considerably diminished from its heyday. No new properties have been added to the portfolio during the past year although the new Whitehaven office has been purchased after the financial year end clearly for trading rather than investment purposes.

**Head Office, Surveys and Valuations**

The Company's Head Office continues to administer the property portfolio and the management of the Company as a whole. Energy and other surveys and valuations have increased during the year with a consequent increase in turnover and profitability.

**Company Strategy**

The Board works to maintain and improve the Company's market share and profitability by way of prudent management, seeking new areas of work suiting the expertise of the various disciplines within the Company and new geographical areas appropriate for expansion. As ever the Board appreciates and is grateful for the support, skills and hard work shown by all employees of the Company.



Robert Good  
Chairman

18th November 2014

## **The Penrith Farmers' and Kidd's Plc**

### **Strategic report for the year ended 31 August 2014**

#### **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 August 2014 is shown below, together with those for 31 August 2013 and 31 August 2012 for comparative purposes.

	<b>2014</b>	<b>2013</b>	<b>2012</b>
- Turnover	£2,367,313	£2,125,745	£1,973,182
- Turnover growth	11.3%	7.7%	4.4%
- Net profit after taxation	£281,081	£119,576 #	£99,227
- earnings per share	88p	38p	31p
- return on capital employed *	6%	3%	2%

\* calculated as profit before tax (after adjusting for investment write offs) divided by net assets.

# after adjusting for investment write offs.

#### **Business review**

The business review and details of future developments are shown 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**

**Strategic report  
for the year ended 31 August 2014**

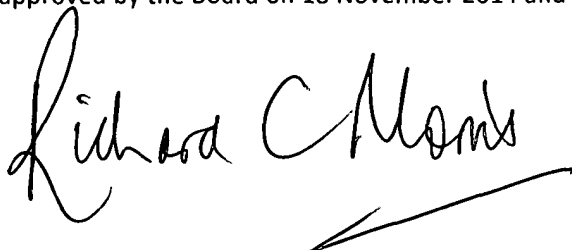
**Financial risk management objectives and policies (continued)**

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 Conduct Authority, the Royal Institution of Chartered Surveyors and various other professional and regulatory bodies complements the existing internal control systems across the group.

This report was approved by the Board on 18 November 2014 and signed on its behalf by

**Mr R C Morris**  
**Secretary**

A handwritten signature in black ink, appearing to read 'Richard C Morris', with a long horizontal stroke underneath.

## **The Penrith Farmers' and Kidd's Plc**

### **Report of the directors**

The directors present their report and the financial statements for the year ended 31 August 2014.

#### **Principal activities**

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £281,081.

The directors recommend payment of a final dividend of 40p per share (2013 - £1.30 per share, which included a special dividend of £1).

#### **Directors and their interests**

The directors who served during the year and their respective interests in the company are stated below:

	<b>Class of share</b>	<b>31/08/14</b>	<b>01/09/13</b>
R C Morris	Ordinary shares	2,734	2,734
K K C Blue	Ordinary shares	280	280
J Brown	Ordinary shares	250	250
R L Good	Ordinary shares	200	200
W F Mossop	Ordinary shares	300	300
J Stalker	Ordinary shares	683	683

Mr J Stalker retires by rotation and is not offering himself for re-election.

Details of transactions with the directors are provided in note 26, all such transactions were at arms length on normal commercial terms.

The directors have elected to disclose their interests in the company even though there is no longer a statutory duty to do so.



## **The Penrith Farmers' and Kidd's Plc**

### **Report of the directors**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that year.

In preparing these financial statements, 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 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Strategic Report**

In accordance with section 414C(11) of the Companies Act 2006 the information regarding financial risk management objectives and policies has been detailed in the strategic report.

#### **Auditors**

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

Signed by order of the board

Mr R C Morris  
Secretary

18 November 2014



**Independent auditor's report to the shareholders 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 31 August 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds 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 - 6, the directors are responsible for the 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 of the financial statements**

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 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 the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2014 and of its 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.

**Independent auditor's report to the shareholders of  
The Penrith Farmers' and Kidd's Plc**

**Opinion on other matter prescribed by the Companies Act 2006.**

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 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**

**Chartered Accountants and**

**Registered Auditors**

**Oxford Chambers**

**New Oxford Street**

**Workington**

**CA14 2LR**

**18 November 2014**

**The Penrith Farmers' and Kidd's Plc**

**Profit and loss account  
for the year ended 31 August 2014**

		<b>2014</b>	<b>Restated 2013</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	2,367,313	2,125,745
Cost of sales		(150,849)	(163,689)
<b>Gross profit</b>		2,216,464	1,962,056
Administrative expenses		(2,170,982)	(2,140,723)
Other operating income		313,636	326,913
<b>Operating profit</b>	<b>3</b>	359,118	148,246
Investment income	<b>5</b>	37	37
Other interest receivable and similar income	<b>6</b>	5,049	6,773
Amount written off investments	<b>7</b>	-	(156,633)
Interest payable and similar charges	<b>8</b>	(1,569)	(2,229)
<b>Profit/(loss) on ordinary activities before taxation</b>		362,635	(3,806)
<b>Taxation</b>	<b>11</b>	(81,554)	(33,251)
<b>Profit/(loss) for the year</b>	<b>23</b>	281,081	(37,057)

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

**Statement of total recognised gains and losses**

<b>Profit/(loss) on ordinary activities after taxation</b>	281,081	(37,057)
Unrealised movement on revaluation of investment property	42,065	(535)
Total recognised gains/losses relating to the year	323,146	(37,592)
Prior year adjustment (Note 13)	(156,633)	-
<b>Total recognised gains/losses since last annual report</b>	166,513	(37,592)

The notes on pages 12 to 25 form an integral part of these financial statements.

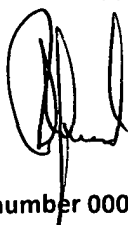
The Penrith Farmers' and Kidd's Plc

Balance sheet  
as at 31 August 2014

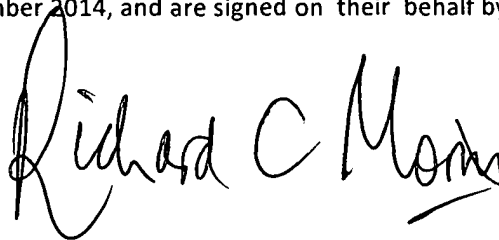
		2014		Restated 2013	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	14		150,237		212,843
Tangible assets	15		4,427,809		4,402,648
Investments	16		276		93,643
			<u>4,578,322</u>		<u>4,709,134</u>
<b>Current assets</b>					
Debtors	17	804,014		799,485	
Cash at bank and in hand		<u>738,699</u>		<u>638,664</u>	
		1,542,713		1,438,149	
<b>Creditors: amounts falling due within one year</b>	18	<u>(365,117)</u>		<u>(292,923)</u>	
<b>Net current assets</b>			<u>1,177,596</u>		<u>1,145,226</u>
<b>Total assets less current liabilities</b>			5,755,918		5,854,360
<b>Creditors: amounts falling due after more than one year</b>	19		(12,140)		(17,311)
<b>Provisions for liabilities</b>	20		<u>(32,187)</u>		<u>(34,901)</u>
<b>Net assets</b>			<u>5,711,591</u>		<u>5,802,148</u>
<b>Capital and reserves</b>					
Called up share capital	22		318,233		318,233
Share premium account	23		237,144		237,144
Revaluation reserve	23		1,474,343		1,432,278
Profit and loss account	23		<u>3,681,871</u>		<u>3,814,493</u>
<b>Shareholders' funds</b>	24		<u>5,711,591</u>		<u>5,802,148</u>

These accounts were approved by the directors on 18 November 2014, and are signed on their behalf by:

R L Good  
Director



R C Morris  
Director



Registration number 00010553

The notes on pages 12 to 25 form an integral part of these financial statements.

**The Penrith Farmers' and Kidd's Plc**

**Cash flow statement  
for the year ended 31 August 2014**

	Notes	2014 £	2013 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		359,118	148,246
Depreciation and amortisation		127,583	138,976
(Increase) in debtors		(4,529)	(111,693)
Increase in creditors		17,158	48,705
<b>Net cash inflow from operating activities</b>		<u>499,330</u>	<u>224,234</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		499,330	224,234
Returns on investments and servicing of finance	27	3,517	4,581
Taxation	27	(29,893)	(28,112)
Capital expenditure	27	(48,073)	(105,862)
Acquisitions and disposals	27	93,368	-
		518,249	94,841
Equity dividends paid		(413,703)	(95,470)
		104,546	(629)
Financing	27	(4,511)	(3,850)
<b>Increase /(decrease) in cash in the year</b>		<u>100,035</u>	<u>(4,479)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 28)</b>			
<b>Increase /(decrease) in cash in the year</b>		100,035	(4,479)
Cash inflow from increase in debts and lease financing		4,511	3,850
Change in net funds resulting from cash flows		104,546	(629)
<b>Net funds at 1 September 2013</b>		616,842	617,471
<b>Net funds at 31 August 2014</b>		<u>721,388</u>	<u>616,842</u>

## **The Penrith Farmers' and Kidd's Plc**

### **Notes to the accounts for the year ended 31 August 2014**

#### **1. Accounting policies**

##### **1.1. Basis of accounting**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

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 company has consistently applied all relevant accounting standards.

##### **1.2. Turnover**

Turnover represents the total amount receivable, excluding value added tax, in respect of fees and commissions earned during the year.

##### **1.3. Income from property**

Income from property is stated net of attributable expenses.

##### **1.4. Goodwill**

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

##### **1.5. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Freehold properties	-	Straight line over 50 years
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	10 - 20% straight Line
Motor vehicles	-	25% reducing balance

Investment properties	-	see note 1.6
-----------------------	---	--------------

## **The Penrith Farmers' and Kidd's Plc**

### **Notes to the accounts for the year ended 31 August 2014**

#### **1.6. Investment properties**

In accordance with Statement of Standard Accounting Practice No 19, certain of the company'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**

Assets held under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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

#### **1.8. Investments**

Fixed asset investments are stated at cost less provision for permanent 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 the accounts for the year ended 31 August 2014**

### **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.

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.

### **2. Turnover**

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

Turnover is attributable to carrying on the business of auctioneers, valuers, land and estate agents.

### **3. Operating profit**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	62,606	77,325
Depreciation and other amounts written off tangible assets	64,977	61,651
Operating lease rentals		
- Land and buildings	25,026	30,926
- Motor vehicles	5,314	2,214
Auditors' remuneration (Note 4)	16,150	15,680
Auditors' remuneration from non-audit work (Note 4)	19,481	18,545
	<u>          </u>	<u>          </u>
and after crediting:		
Income from property	<u>307,623</u>	<u>312,366</u>

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

**4. Auditors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	<u>16,150</u>	<u>15,680</u>
Auditors' remuneration - other fees:		
- taxation compliance services	565	565
- other services	<u>18,916</u>	<u>17,980</u>
	<u>19,481</u>	<u>18,545</u>

**5. Income from investments**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Dividends received	<u>37</u>	<u>37</u>

**6. Interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	4,254	6,720
Other interest	795	53
	<u>5,049</u>	<u>6,773</u>

**7. Amounts written off investments**

	<b>2014</b>	<b>Restated 2013</b>
	<b>£</b>	<b>£</b>
Amounts written off fixed asset investments:		
- permanent diminution in value	<u>-</u>	<u>156,633</u>

**8. Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Hire purchase interest	<u>1,569</u>	<u>2,229</u>

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

**9. Employees**

<b>Number of employees</b>	<b>2014</b>	<b>2013</b>
The average monthly numbers of employees (including the directors) during the year were:	<b>Number</b>	<b>Number</b>

Office, sales and management	<u>62</u>	<u>65</u>
------------------------------	-----------	-----------

<b>Employment costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>

Wages and salaries	1,328,715	1,291,851
Social security costs	117,181	113,927
Pension costs	<u>76,561</u>	<u>67,770</u>
	<u>1,522,457</u>	<u>1,473,548</u>

**9.1. Directors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	139,186	137,108
Pension contributions	<u>18,920</u>	<u>9,538</u>
	<u>158,106</u>	<u>146,646</u>

	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

The total remuneration of the non-executive directors included in the above emoluments during the year was £22,950 (2013 - £23,000).

**10. Pension costs**

The company operates defined contribution schemes on behalf of certain directors and certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £76,561 (2013 - £67,770) including contributions in respect of employees. The contributions included in creditors at the year end were £16,481 (2013 - £9,852 ).

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

11. Taxation	2014	2013
	£	£
<b>Analysis of charge in period</b>		
<b>Current tax</b>		
UK corporation tax	84,268	29,893
Total current tax charge	<u>84,268</u>	<u>29,893</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(2,714)	3,358
Total deferred tax	<u>(2,714)</u>	<u>3,358</u>
Tax on profit/(loss) on ordinary activities	<u>81,554</u>	<u>33,251</u>

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard (2013 - small profits) rate of corporation tax in the UK (21 per cent). The differences are explained below:

	2014	Restated 2013
	£	£
Profit/(loss) on ordinary activities before taxation	<u>362,635</u>	<u>(3,806)</u>
Profit/(loss) on ordinary activities multiplied by standard (2013 - small profits) rate of corporation tax in the UK of 21% (2013 : 20%)	76,153	(761)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,829	2,373
Depreciation for period in excess of capital allowances	6,474	(3,038)
Amounts written off fixed asset investments	-	31,326
Franked investment income	(8)	(7)
Changes as a result of change of rate of corporation tax in year	4,727	-
Marginal relief	<u>(5,907)</u>	<u>-</u>
Current tax charge for period	<u>84,268</u>	<u>29,893</u>

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

**12. Dividends**

**Dividends paid on equity shares**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Paid during the year:		
Equity dividends on Ordinary shares	413,703	95,470
	<u>413,703</u>	<u>95,470</u>
Paid after the year-end (not recognised as a liability):		
Equity dividends on Ordinary shares	127,293	413,703
	<u>127,293</u>	<u>413,703</u>

**13. Prior year adjustments**

The prior year adjustment is in respect of a permanent diminution in value of investments that had previously been reported in the group accounts.

**14. Intangible fixed assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 September 2013	464,897	464,897
At 31 August 2014	<u>464,897</u>	<u>464,897</u>
<b>Amortisation</b>		
At 1 September 2013	252,054	252,054
Charge for year	62,606	62,606
At 31 August 2014	<u>314,660</u>	<u>314,660</u>
<b>Net book values</b>		
At 31 August 2014	<u>150,237</u>	<u>150,237</u>
At 31 August 2013	<u>212,843</u>	<u>212,843</u>

The Penrith Farmers' and Kidd's Plc

Notes to the accounts for the year ended 31 August 2014

15. Tangible fixed assets	Land and buildings freehold £	Short leasehold property £	Plant and machinery £	Motor vehicles £	Investment properties £	Total £
<b>Cost or valuation</b>						
At 1 September 2013	739,172	4,495	394,983	27,750	3,691,215	4,857,615
Additions	-	-	22,137	-	25,936	48,073
Revaluation	-	-	-	-	42,065	42,065
Disposals	-	-	(43,800)	-	-	(43,800)
At 31 August 2014	<u>739,172</u>	<u>4,495</u>	<u>373,320</u>	<u>27,750</u>	<u>3,759,216</u>	<u>4,903,953</u>
<b>Depreciation</b>						
At 1 September 2013	249,849	862	196,018	8,238	-	454,967
On disposals	-	-	(43,800)	-	-	(43,800)
Charge for the year	14,784	450	44,865	4,878	-	64,977
At 31 August 2014	<u>264,633</u>	<u>1,312</u>	<u>197,083</u>	<u>13,116</u>	<u>-</u>	<u>476,144</u>
<b>Net book values</b>						
At 31 August 2014	<u>474,539</u>	<u>3,183</u>	<u>176,237</u>	<u>14,634</u>	<u>3,759,216</u>	<u>4,427,809</u>
At 31 August 2013	<u>489,323</u>	<u>3,633</u>	<u>198,965</u>	<u>19,512</u>	<u>3,691,215</u>	<u>4,402,648</u>

The investment properties were revalued on 31 August 2014 by Mr K K C Blue MRICS and registered valuer, who is a director of the company. The basis of the valuation used was market value.

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2014		2013	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Motor vehicles	<u>14,634</u>	<u>4,878</u>	<u>19,512</u>	<u>6,504</u>

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2014 £	2013 £
Cost	2,375,461	2,349,525
Depreciation	(1,047,750)	(1,000,760)
Net book value	<u>1,327,711</u>	<u>1,348,765</u>

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

**16. Fixed asset investments**

	Subsidiary undertakings shares £	Other unlisted investments £	Total £
<b>Cost</b>			
At 1 September 2013	250,000	276	250,276
Disposals	(250,000)	-	(250,000)
At 31 August 2014	-	276	276
<b>Provisions for diminution in value:</b>			
At 1 September 2013 (Restated)	156,633	-	156,633
Disposals	(156,633)	-	(156,633)
At 31 August 2014	-	-	-
<b>Net book values</b>			
At 31 August 2014	-	276	276
At 31 August 2013	93,367	276	93,643

**16.1. Holdings of 20% or more**

The company held 20% or more of the share capital of the following company:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
<b>Subsidiary undertaking</b>				
PF & K Finance Limited	England & Wales	Provision of Finance	Ordinary	100%

PF & K Finance Limited entered into a solvent members voluntary liquidation on 27 August 2013 and was dissolved on 13 May 2014.

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

<b>17. Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	351,332	431,957
Other debtors	57,135	55,500
Prepayments and accrued income	395,547	312,028
	<u>804,014</u>	<u>799,485</u>

<b>18. Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	5,172	4,511
Trade creditors	40,038	39,215
Taxation and social security costs	235,322	175,431
Other creditors	4,571	4,591
Accruals and deferred income	63,533	59,323
Pension contributions	16,481	9,852
	<u>365,117</u>	<u>292,923</u>

Hire purchase and finance lease obligations are secured on the assets to which they relate.

<b>19. Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	<u>12,140</u>	<u>17,311</u>

Hire purchase and finance lease obligations are secured on the assets to which they relate.

<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	5,172	4,511
Repayable between one and five years	12,140	17,311
	<u>17,312</u>	<u>21,822</u>



**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

<b>20. Provisions for liabilities</b>	<b>Deferred taxation (Note 21) £</b>	<b>Total £</b>
At 1 September 2013	34,901	34,901
Movements in the year	(2,714)	(2,714)
At 31 August 2014	<u>32,187</u>	<u>32,187</u>

<b>21. Provision for deferred taxation</b>	<b>2014 £</b>	<b>2013 £</b>
Accelerated capital allowances	32,187	34,901
Provision for deferred tax	<u>32,187</u>	<u>34,901</u>
Provision at 1 September 2013	34,901	
Deferred tax credit in profit and loss account	(2,714)	
Provision at 31 August 2014	<u>32,187</u>	

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.

<b>22. Share capital</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Allotted, called up and fully paid</b>		
318,233 Ordinary shares of £1 each	<u>318,233</u>	<u>318,233</u>

The Penrith Farmers' and Kidd's Plc

Notes to the accounts for the year ended 31 August 2014

23. Equity reserves

	Share premium account £	Profit and loss account £	Investment property revaluation reserve £	Total £
<b>At 31 August 2013</b>				
as previously stated	237,144	3,971,126	1,432,278	5,640,548
Prior year adjustment (Note 13)	-	(156,633)	-	(156,633)
<b>At 1 September 2013 (restated)</b>	237,144	3,814,493	1,432,278	5,483,915
Revaluation of property	-	-	42,065	42,065
Profit for the year	-	281,081	-	281,081
Equity dividends paid	-	(413,703)	-	(413,703)
<b>At 31 August 2014</b>	237,144	3,681,871	1,474,343	5,393,358

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.

24. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(loss) for the year	281,081	(37,057)
Equity dividends paid	(413,703)	(95,470)
	(132,622)	(132,527)
Other recognised gains or losses	42,065	(535)
Net reduction in shareholders' funds	(90,557)	(133,062)
Opening shareholders' funds as previously stated	5,958,781	5,935,210
Prior year adjustment (Note 13)	(156,633)	-
Opening shareholders' funds as restated	5,802,148	5,935,210
Closing shareholders' funds	5,711,591	5,802,148

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

**25. Financial commitments**

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within one year	-	2,788
Between one and five years	11,500	11,000
In over five years	11,000	11,000
	<u>22,500</u>	<u>24,788</u>

**26. Related party transactions**

Material transactions with other related parties

During the year ended 31 August 2014 the company obtained services to the value of £50,550 (2013 - £48,897) from Cumberland & Westmorland Herald Limited. Mr W F Mossop, a director, is also a director of Cumberland & Westmorland Herald Limited.

**The Penrith Farmers' and Kidd's Plc**

**Notes to the accounts for the year ended 31 August 2014**

**27. Gross cash flows**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	5,049	6,773
Interest paid	(1,569)	(2,229)
Dividends received	37	37
	<u>3,517</u>	<u>4,581</u>
<b>Taxation</b>		
Corporation tax paid	<u>(29,893)</u>	<u>(28,112)</u>
<b>Capital expenditure</b>		
Payments to acquire intangible assets	-	(17,805)
Payments to acquire tangible assets	<u>(48,073)</u>	<u>(88,057)</u>
	<u>(48,073)</u>	<u>(105,862)</u>
<b>Acquisitions and disposals</b>		
Receipts on disposal of group interests	<u>93,368</u>	<u>-</u>
<b>Financing</b>		
Capital element of finance leases and hire purchase contracts	<u>(4,511)</u>	<u>(3,850)</u>

**28. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>638,664</u>	<u>100,035</u>	<u>738,699</u>
Finance leases and hire purchase contracts	<u>(21,822)</u>	<u>4,511</u>	<u>(17,311)</u>
<b>Net funds</b>	<u><u>616,842</u></u>	<u><u>104,546</u></u>	<u><u>721,388</u></u>