

DIRECTORS AND ADVISERS

Directors

DJR Fletcher FRICS *Chairman*
REG Goode FRICS *Managing Director*
RA Dickman FRICS *Executive Director*
PJ Andrews MRICS *Executive Director*
DH Stewart *Non Executive*

Secretary and Registered Office

PE Bailey ACA
61 Conduit Street, London W1S 2GB

Financial Advisers and Stockbrokers

Cairn Financial Advisers LLP
61 Cheapside, London EC2V 6AX

Solicitors

Boodle Hatfield
240 Blackfriars Road, London SE1 8NW

Auditors

Nexia Smith & Williamson
25 Moorgate, London EC2R 6AY

Tax Advisers

Smith & Williamson LLP
25 Moorgate, London EC2R 6AY

Principal Bankers

NatWest Bank Plc
63 Piccadilly, London W1A 2AG

Registrars and Transfer Office

Computershare Investor Services Plc
Registrar's Department, PO Box No 82
The Pavilions, Bridgwater Road, Bristol BS99 7NH
Dedicated shareholder telephone number: 0870 889 4095

Audit Committee

DH Stewart *Chairman*
DJR Fletcher

Remuneration Committee

DH Stewart, *Chairman*
DJR Fletcher

AIM Committee

DH Stewart, *Chairman*
DJR Fletcher

Company Number

02014432

CONTENTS

Financial Highlights

two

Chairman's Statement

three – four

Strategic Report

five – six

Directors' Report

seven – ten

Auditors' Report

eleven – twelve

Accounts

thirteen – thirty five

Notice of Meeting

thirty six – thirty eight

Form of Proxy

thirty nine



Certificate No. FS27825

HIGHLIGHTS

- Revenue for the year of **£4,633,000** (2015: £3,380,000)
- Profit before tax of **£1,355,000** (2015: £461,000)
- Profit after tax for the year of **£1,060,000** (2015: £359,000)
- Basic and diluted earnings per share of **11.51p** (2015: 3.90p)
- Final dividend of **1.00p** per share. An interim dividend of 1.00p per share was paid together with a special dividend of 8.00p per share and therefore the total ordinary dividend for the year will be **10.00p** per share (2015: 2.25p)

FINANCIAL CALENDAR

Half Year Results

Announced 16 December 2015

Full Year Results

Preliminary announcement 12 July 2016

Annual General Meeting

28 September 2016

Final Dividend

Payable 7 October 2016

Interim Dividend

To be announced in December 2016

Payable in January 2017

Results

Revenue for the year was £4,633,000 (2015: £3,380,000). In addition, profit on disposal of property investments amounted to £593,000 (2015: £nil). Profit before tax was £1,355,000 (2015: £461,000).

The Board is proposing a final dividend of 1.00p per share. The final dividend is subject to shareholder approval at the AGM and will be paid on the 7 October 2016 to those shareholders on the register at close of business on 9 September 2016. With the interim dividend of 1.00p per share (2015: 1.50p per share) plus the special dividend of 8.00p per share already paid, the dividend for the year will amount to 10.00p per share (2015: 2.25p per share).

The Commercial Property Market

The market generally has seen reasonably strong demand from both tenants and investors. However this demand diminished somewhat in the lead up to the EU referendum. This was particularly noticeable in the investment market. The stamp duty increase of 1% didn't help and data from IPD showed capital values in Q1 2016 falling for the first time for some years albeit by only 0.2%. UK investors have been net sellers in Q4 2015 and Q1 2016 and the outlook post Brexit is currently uncertain.

Business Overview

As reported in the Interim Results, our excellent performance this year was significantly influenced by the fees and profits earned on the sale of 145 Leadenhall Street, a property owned by the SHIPS 14 Syndicate in which the Group co-invested and acted as adviser. The sale of the property and the payment of a special dividend of 8p per share was announced on 1 September 2015.

During the year, we established two new SHIPS funds to acquire freehold office buildings in Botolph Lane adjacent to Monument Tube Station in the City and a building in Sekforde Street, Clerkenwell. They will become vacant by the end of 2016 when refurbishment works will commence. We anticipate having them available to let in 2017.

The underlying business continued to perform well with all departments performing much in line with last year. Valuation instructions increased significantly, reflecting increased bank lending to the commercial property sector. The Valuation Office has again slowed down settlement of Rating Appeals which affected turnover, but we still settled some significant assessments.

Outlook

We have started the year well and have completed the sale of over £50m of office and industrial investments.

The unexpected vote to leave the EU has had a destabilising effect on the market and the uncertainties are likely to influence it for some time to come.

Clients are delaying decisions to sell and purchase investment property and this is not helpful for our transaction business.

The effect of this is impossible to predict but we are debt free and have cash reserves. We are well placed to weather challenging times as we have done on numerous times in the past.

I hope that later in the year the market will establish a pattern and give confidence to our clients to move forward.

DAVID FLETCHER
CHAIRMAN

24 August 2016

The Directors present the group strategic report for Fletcher King Plc (“the Company”) and its subsidiary companies for the year end 30 April 2016 (together “the Group”).

Principal Activities

The Group provides a comprehensive range of property services and expert advice throughout the United Kingdom, including property fund management, property asset management, rating, valuations and investment broking.

Business Review

The Group continued its strategy of providing a range of property services to existing and new clients and key performance indicators for the Group for the year to 30 April were as follows:

	2016	2015
Revenue	£4,633,000	£3,380,000
Profit before taxation	£1,355,000	£461,000
Profit for the year	£1,060,000	£359,000
Earnings per share	11.51p	3.90p

The excellent performance this year was significantly influenced by the fees and profits earned on the sale of 145 Leadenhall Street, a property owned by the SHIPS 14 Syndicate in which the Group co-invested and acted as adviser. The underlying business continued to perform well with all departments performing much in line with last year.

Cash generated by operations in the year amounted to £665,000 (2015: cash absorbed amounted to £1,000) and after investing activities and dividend payments the cash balance decreased by £6,000 to £2,846,000. The Group continued to look for opportunities to participate in the Syndicated Property Investments (‘SHIPS’) and co-invested in new SHIPS 15 and SHIPS 16 funds during the year.

The Chairman’s Statement contains a review of the Group’s performance, financial results, future development and prospects and is incorporated into this Strategic Report by reference.

Principal Risks and Uncertainties

The Directors have identified below a number of risks which they believe may affect the Group’s ability to deliver its strategic goals. This list does not purport to be an exhaustive summary of the risks affecting the Group, is given in no particular order of priority and contains risks considered to be outside the control of the Directors.

(i) Economic Risk

The main economic risks that would affect the Group’s performance are a major slowdown in the UK economy and a slump in UK commercial property values. The referendum result on 23 June 2016 to leave the EU has had a destabilising effect on the market and increased economic risk for the Group. The Group has, where possible, implemented actions to mitigate some of the effects of these risks. This includes providing a comprehensive range of services, some being less influenced by economic factors than others.

(ii) Management of Growth

The ability of the Group to implement its strategy requires effective planning and management control systems. The speed at which the business develops may place significant strain on the Group's management, operational, financial and personnel resources. Failure to expand and improve operational, financial and management information and quality control systems in line with the Group's own growth could have detrimental impact on the trading performance of the Group. In mitigation the Group has an experienced management team and a clear strategy for the integration and management of the expected business growth.

(iii) Attraction and Retention of Key Employees

The Group will depend on the continued service and performance of the Executive Directors and key employees and whilst it has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed. The loss of the services of Executive Directors or other key employees could damage the Group's business. Equally the ability to attract new employees and senior executives with the appropriate expertise and skills cannot be guaranteed. The Group may experience difficulties in hiring appropriate employees and failure to do so may have a detrimental effect upon the trading performance of the Group.

(iv) Financial Risk Management

Details of the Group's approach to financial risk management are disclosed in detail in note 23 to the financial statements.

(v) Forward-Looking Statements

This annual report contains forward-looking statements on Fletcher King Plc's future financial performance, results from operations, and goals and strategy. By definition, forward-looking statements carry risk and uncertainty because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forward-looking statements. Such factors can include general economic circumstances, scarcity on the labour market and the ensuing demand for personnel, changes in labour legislation, personnel costs, future interest rates, changes in tax rates, and future corporate mergers, acquisitions and divestments. Undue reliance should not be placed on these forward-looking statements. They are made at the time of publication of the annual financial statements of the Group and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, no assurances can be offered that the forward-looking statements published here will prove correct at a future date, and the company assumes no duty to update any such forward-looking statements.

**Approved by the board of Directors
and signed on behalf of the board**

DAVID FLETCHER

24 August 2016

The Directors present their report and accounts for the year ended 30 April 2016.

General Information

Fletcher King Plc is a public limited company which is listed on the AIM market of the London Stock Exchange and is incorporated and domiciled in the UK. The Company's registration number is 02014432.

Results and Dividend

The consolidated statement of comprehensive income is set out on page 13. The profit for the year after taxation is £1,060,000 (2015: £359,000). The Directors recommend the payment of an ordinary final dividend of 1.00p per share (2015: 0.75p). An interim dividend of 1.00p per share (2015: 1.50p per share) has already been paid to shareholders together with a special dividend of 8.00p per share.

Income from the Group's available-for-sale investments and net bank interest amounted to £626,000 (2015: £17,000).

The effective taxation charge was 21.8% (2015: 22.1%).

Future Developments

The new financial year has started well with the completion of the sale of £50m of office and industrial investments. However the unexpected vote on 23 June 2016 to leave the EU has had a destabilising effect on the market and the uncertainties are likely to influence it for some time to come.

Capital and equity interests

Basic and diluted earnings per share from continuing operations amounted to 11.51p (2015: 3.90p).

During the year no shares were issued to Directors or employees pursuant to the exercise of share options. The total number of ordinary shares in issue at 30 April 2016 was 9.2 million (2015: 9.2 million).

Cash flow and liquidity

Net cash inflow from operating activities amounted to £665,000 (2015: outflow of £1,000) which, after allowing for cash flows including dividends and capital expenditure, resulted in a net decrease in cash balances of £6,000 (2015: decrease of £462,000).

At 30 April 2016, the Group's cash at bank and on short term deposit amounted to £2.85 million (2015: £2.85 million). This was deposited with leading banks.

Risk identification and Management

The identification, control and monitoring of risks facing the business remain a management priority.

Financial risk management

The Group manages its treasury operations in accordance with policies and procedures approved by the Board. Information about the Group's policies on financial instruments is set out in note 3 of the accounts. The Group has no borrowings. As the Group operates almost exclusively in the United Kingdom, there are no significant direct foreign exchange risks. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group and these are outlined in note 23 to the accounts.

Directors

The current Directors of the Company are set out below.

D J R Fletcher	Chairman
R E G Goode	Managing Director
R A Dickman	Executive Director
D H Stewart	Non Executive Director
P J Andrews	Executive Director (appointed 10 May 2016)

R E G Goode and D H Stewart retire by rotation in accordance with the Company's Articles of Association, and being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

R E G Goode FRICS, is a Managing Director and has been jointly responsible for running the Company since 2000. Previously he worked in the property investment departments of DTZ and Hillier Parker. He is involved in the fund and asset management for a number of major institutional and in-house clients.

D H Stewart, had a long career in banking. At Abbey National Group, he led business banking and the asset finance activities of First National Bank. Prior to that he held senior appointments with TSB Group, Hill Samuel Bank, Creditanstalt and Country NatWest Limited.

Directors Remuneration

	Salary	Benefits	Bonus	Fees	2016	2015
	£000	£000	£000	£000	£000	£000
DJR Fletcher	100	25	455	-	580	281
REG Goode	100	22	455	-	577	269
DH Stewart	-	-	-	20	20	20
R A Dickman	100	15	49	-	164	219
	300	62	959	20	1,341	789

No Executive Directors at 30 April 2016 received any pension entitlements.

Directors' Indemnity Insurance

As permitted by Section 233 of the Companies Act 2006, the Company has purchased insurance cover on behalf of the Directors indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

Corporate social responsibility

The Board recognises the importance of social and environmental matters in the conduct of the Group's business and remains committed to social and environmental awareness throughout its operations, notwithstanding the relatively low environmental impact of the Group's activities.

Energy efficiency, recycling and the use of "fair trade" products are encouraged.

The Board recognises that enthusiastic, well-trained and high-quality staff are essential to the achievement of the Group's commercial objectives. Participation in the success of the Group is encouraged via comprehensive incentive schemes.

The Group provides employment on an equal basis irrespective of race, sex, disability, sexual orientation and religious beliefs. Employee communication and feedback is encouraged across the Group.

Authority to Allot Unissued Shares

In accordance with normal practice the Directors propose to take the usual authorities under Sections 551 and 570 of the Companies Act 2006. Therefore it is proposed to extend the Section 551 authority given at the last Annual General Meeting on 16 September 2015 for a further year in respect of ordinary 10p shares up to a maximum of 2,762,934 shares (£276,293.40). Apart from possible issues under Employee Share Option Schemes there is at present no intention of issuing any further ordinary shares. In any event, no issue will be made which would effectively alter the control of the Company without the prior approval of the Company in general meeting.

Purchase of Shares

The Directors, in line with boards of directors of other listed companies, consider that it would be appropriate for the Company to have the authority to purchase its own shares as one of a range of investment options available to them, more especially if the purchase of its own shares produced an improvement in earnings per share. Shareholders should be assured that the Board will commence share purchases only after careful consideration and after taking account of the overall financial position of the Group. An ordinary resolution will be proposed to authorise the Company to make market purchases of up to a maximum of 460,000 of its own shares, representing less than 5% of the existing issued ordinary shares. The maximum price to be paid on any exercise of the authority will be restricted to 5% above the average of the middle market quotation as derived from The London Stock Exchange Daily Official List for the ordinary shares for the ten dealing days immediately prior to purchase. The minimum price that may be paid for the ordinary shares is the nominal value of 10p per share. The authority for the purchase sought at the Annual General Meeting will expire at the conclusion of the following Annual General Meeting which is expected to take place in September 2017. The intention of the Board is to seek to renew the authority at future Annual General Meetings.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the 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 applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that they meet their responsibilities under the AIM rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

In the case of each person who was a Director at the time this report was approved, so far as that Director was aware there was no relevant available information of which the Group and Company's auditors were unaware; and that Director had taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group and Company's auditors were aware of that information.

Auditors

A resolution to reappoint the auditors, Nexia Smith & Williamson, will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board on 24 August 2016.

P E Bailey

Company Secretary

Registered Number: 02014432

Independent auditors' report to the members of Fletcher King plc

We have audited the financial statements of Fletcher King Plc for the year ended 30 April 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditor's 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 10, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 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 by the Parent Company, 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.

Stephen Drew

*Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants*

*25 Moorgate
London
EC2R 6AY
30 August 2016*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2016

Notes	2016 £000	2015 £000
Revenue	4,633	3,380
6 Employee benefits expense	(2,640)	(1,843)
11 Depreciation expense	(34)	(36)
Other operating expenses	(1,230)	(1,057)
Operating profit	729	444
13 Profit on disposal of available for sale investments	593	–
Income from investments	22	4
7 Finance income	11	13
Profit before taxation	1,355	461
8 Taxation	(295)	(102)
Profit and total comprehensive income for the year attributable to equity shareholders	1,060	359
10 Basic and diluted earnings per share	11.51p	3.90p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April 2016

Notes	2016 £000	2015 £000
Assets		
Non-current assets		
11 Property, plant and equipment	50	84
13 Available-for-sale investments	1,274	875
18 Deferred tax assets	18	18
	1,342	977
Current assets		
14 Trade and other receivables	871	1,149
15 Cash and cash equivalents	2,846	2,852
	3,717	4,001
Total assets	5,059	4,978
Liabilities		
Current liabilities		
16 Trade and other payables	346	516
	282	78
17 Other payables	526	641
	1,154	1,235
Total liabilities	1,154	1,235
Shareholders' equity		
19 Share capital	921	921
Share premium	140	140
Retained earnings	2,844	2,682
Total shareholders' equity	3,905	3,743
Total equity and liabilities	5,059	4,978

Approved by the Board on 24 August 2016 and signed on its behalf by

David Fletcher
Chairman

Registered Number: 02014432 England and Wales

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 April 2016

Notes	2016 £000	2015 £000
Assets		
Non-current assets		
12	Investments in group undertakings	105
<hr/>		
Current assets		
14	Trade and other receivables	508
15	Cash and cash equivalents	1,011
<hr/>		
		1,392
<hr/>		
Total assets		1,497
<hr/>		
Liabilities		
Current liabilities		
16	Trade and other payables	–
17	Other payables	14
<hr/>		
		14
<hr/>		
Total liabilities		14
<hr/>		
Shareholders' equity		
19	Share capital	921
	Share premium	140
	Retained earnings	422
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Total shareholders' equity		1,483
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Total equity and liabilities		1,497
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Approved by the Board on 24 August 2016 and signed on its behalf by

David Fletcher

Chairman

Registered Number: 02014432 England and Wales

The notes on pages 19 to 35 form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Profit before taxation from continuing operations	1,355	461
Adjustments for:		
Depreciation expense	34	36
Profit on disposal of available for sale investments	(593)	–
Income from investments	(22)	(4)
Finance income	(11)	(13)
Cash flows from operating activities before movement in working capital	763	480
Decrease in trade and other receivables	284	98
Decrease in trade and other payables	(291)	(432)
Cash generated from operations	756	146
Taxation paid	(91)	(147)
Net cash flows from operating activities	665	(1)
Cash flows from investing activities		
Purchase of fixed assets	–	(8)
Purchase of investments	(1,274)	(125)
Sale of investments	1,468	–
Finance income	11	13
Income from investments	22	4
Net cash flows from investing activities	227	(116)
Cash flows from financing activities		
Dividends paid to shareholders	(898)	(345)
Net cash flows from financing activities	(898)	(345)
Net decrease in cash and cash equivalents	(6)	(462)
Cash and cash equivalents at start of year	2,852	3,314
Cash and cash equivalents at end of year (note 15)	2,846	2,852

The notes on pages 19 to 35 form part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS*for the year ended 30 April 2016*

	2016	2015
	£000	£000
Cash flows from operating activities		
Profit before taxation	779	738
Adjustments for:		
Finance income	(4)	(6)
Dividends received from subsidiary undertakings	(898)	(845)
Cash flows from operating activities before movement in working capital	(123)	(113)
Decrease/(increase) in trade and other receivables	58	(445)
Decrease in trade and other payables	(8)	(7)
Cash absorbed by operations	(73)	(565)
Cash flows from investing activities		
Dividends received from subsidiary undertakings	898	845
Finance income	4	6
Net cash flows from investing activities	902	851
Cash flows from financing activities		
Dividends paid to shareholders	(898)	(345)
Net cash flows from financing activities	(898)	(345)
Net decrease in cash and cash equivalents	(69)	(59)
Cash and cash equivalents at start of year	1,011	1,070
Cash and cash equivalents at end of year (note 15)	942	1,011

The notes on pages 19 to 35 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2016

CONSOLIDATED

	Share capital £000	Share premium £000	Retained earnings £000	TOTAL EQUITY £000
Balance at 1 May 2014	921	140	2,668	3,729
Total comprehensive income for the year	—	—	359	359
Equity dividends paid	—	—	(345)	(345)
Balance at 30 April 2015	921	140	2,682	3,743
Total comprehensive income for the year	—	—	1,060	1,060
Equity dividends paid	—	—	(898)	(898)
Balance at 30 April 2016	921	140	2,844	3,905

COMPANY

	Share capital £000	Share premium £000	Retained earnings £000	TOTAL EQUITY £000
Balance at 1 May 2014	921	140	148	1,209
Total comprehensive income for the year	—	—	738	738
Equity dividends paid	—	—	(345)	(345)
Balance at 30 April 2015	921	140	541	1,602
Total comprehensive income for the year	—	—	779	779
Equity dividends paid	—	—	(898)	(898)
Balance at 30 April 2016	921	140	422	1,483

1. General information

Fletcher King Plc ('the Company') and its subsidiaries (together 'the Group') carry on the business of property fund management, property asset management, rating, valuations and investment broking throughout the United Kingdom. The Company is a public limited company incorporated and domiciled in England and Wales and listed on the AIM Market of The London Stock Exchange. The registered office address is 61 Conduit Street, London W1S 2GB. These consolidated financial statements were approved for issue by the Board of Directors on 24 August 2016. They are presented in Sterling which is the Group's functional currency. The Group has no overseas operations.

2. Basis of preparation and presentation of financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and under the historical cost convention.

New standards and interpretations

Standards and interpretations effective for the year ended 30 April 2016 include the following. None of the pronouncements has had a material impact on the consolidated results or assets and liabilities for the year ended 30 April 2016.

- Annual improvements to IFRSs 2011 - 2013.

At the date of authorisation of these financial statements, the following new standards and interpretations are relevant to the Group and have been issued but have not been applied in these financial statements because they are not yet effective:-

- IFRS 9 "Financial Instruments"*
- IFRS 15 "Revenue from contracts with customers"*
- IAS 16 "Leases"*
- Amendments to IAS 12 "Recognition of deferred tax assets for unrealised losses"*
- Amendments to IAS 16 "Property, plant and equipment"

* Not yet endorsed by the European Union

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements, however the extent of this has not yet been assessed. Certain of these standards and interpretations will require additional disclosures over and above those currently included in these financial statements in the period of application.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and also requires management to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are highly significant to the financial statements, are set out in note 3 below.

3. Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies, which are also applicable to the financial statements of the Company, have been consistently applied to all the years presented.

Basis of consolidation

The financial statements consolidate the accounts of the Company and all subsidiary undertakings drawn up to the same year end.

Subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiary entities are consolidated from the date on which control is transferred to the Company and are deconsolidated from the date on which control ceases.

In respect of subsidiaries, inter-company transactions, balances and unrealised gains on intra-group transactions are eliminated on consolidation.

The accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost, net of depreciation, at rates calculated to write off the cost, less residual value, of each asset over its expected useful life. Depreciation rates on a straight line basis are as follows:-

Motor vehicles	25%
Office furniture and fittings	25%
Computer equipment	33%
Short leasehold premium and improvements	10%

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee.

Financial instruments

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Measurement depends on their classification and is discussed below:

(i) Investments

Investments held by the Company in subsidiary entities, not held for sale, are shown at cost less any provision for impairment.

The Directors determine the classification of investments held by the Group at initial recognition and re-evaluate this designation at each reporting date. At the reporting date all these investments were classified as available-for-sale. Available-for-sale investments are initially recognised at the fair value of the consideration given, including associated acquisition costs, which may equate to cost. On subsequent measurement, available-for-sale investments are measured at either fair value or at cost where fair value is not reliably measurable. Changes in fair value are recognised in Other Comprehensive Income, together with the related deferred tax asset or liability. When such investments are disposed of, the accumulated gains or losses, previously recognised in equity, are reclassified to Profit or Loss.

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

(ii) Trade and other receivables

Trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in the Statement of Comprehensive Income.

All financial assets are reviewed annually for impairment, with any losses reflected in the statement of comprehensive income. Investment income is recognised in the Statement of Comprehensive Income.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, call deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(iv) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(a) Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

(b) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Taxation

Current income tax is provided on taxable profits at the current rate. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using rates enacted at the reporting date which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax and deferred tax are reflected in the Statement of Comprehensive Income, unless they relate to items recognised in equity, in which case they are recognised in equity.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that the Group will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date.

Revenue recognition

Revenue comprises commissions and fees receivable excluding value added tax and is measured at fair value. Fees on property transactions and other contingent fee arrangements are recognised as earned on the unconditional completion of a contract or when a fee is contractually due. Fees for other professional services are recognised on completion of the assignment.

Interest and investment income is recognised on a time-proportion basis using the effective interest method.

Operating profit

Operating profit is stated before income from investments, finance income, costs and losses on impairment of available-for-sale investments and taxation.

Employee benefits

No pension schemes are operated by the Group. Contributions to employees' money-purchase pension schemes are made on an arising basis where these form part of contractual remuneration obligations. The Group recognises a liability and an expense for cash-settled bonuses when contractually obliged or when there is a past practice creating a constructive obligation.

Operating Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Dividend Distributions

Dividends to the Company's shareholders are recognised as a liability when paid (if interim dividends) or approved by shareholders (if final dividends).

Critical accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions concerning the future. While the resulting accounting estimates will, by definition, seldom equal the related actual results, in the opinion of the Directors the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

(i) Impairment of available-for-sale investments

The fair value of available-for-sale investments is determined by reference to the underlying value of the assets of those investments at each balance sheet date. The Directors have made provisions for impairment where there is objective evidence that fair value is less than cost.

(ii) Provisions for impairment of trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. The Directors have made provisions for impairment where there is objective evidence that the Group will not be able to collect all amounts due.

There have not been any provisions for impairment of available-for-sale investments or trade receivables in the year.

4. Segment Information – Group

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. In accordance with IFRS 8 the chief operating decision maker has been identified as the Executive Committee. They review the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers that the business comprises a single activity being General Services. Therefore, the Group is organised into one operating segment and there is one reporting segment. The segment information is the same as that set out in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows.

5. Operating profit

Operating profit is stated after charging/(crediting):

Year ended 30 April	2016 £000	2015 £000
Operating lease rentals relating to property	287	287
Depreciation	34	36
Rental income	(28)	(33)
Fees payable to the Company's auditor for the audit of the Company's consolidated annual financial statements	6	6
Fees payable to the Company's auditor and its associates for other services:		
- the audit of the Company's subsidiaries	19	19
- other assurance services	4	4
- tax compliance services	9	9

As permitted by section 408(3) of the Companies Act 2006, the Company has taken advantage of the legal dispensation not to present its own Statement of Comprehensive Income. The profit after taxation of the Company for the year was £779,000 (2015: £737,000).

6. Employee benefits expense

Year ended 30 April	2016 £000	2015 £000
Basic wages and salaries	1,275	1,120
Performance-based payments	1,015	470
	2,290	1,590
Social security costs	299	203
Other costs	51	50
	2,640	1,843

The average number of persons (including directors) employed by the Group was as follows:

Year ended 30 April	2016 No.	2015 No.
Management	4	4
Professional	7	7
Administration	7	7
	18	18

NOTES TO THE FINANCIAL STATEMENTS

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. In the opinion of the Board, the Group's key management comprises the executive and non-executive Directors of Fletcher King Plc. Information regarding their compensation, all of which are short-term benefits, is set out below:

The Group does not operate any pension schemes.

Directors' Emoluments	2016	2015
	£000	£000
Fees	20	20
Salaries and benefits	362	371
Performance-related bonuses	959	398
	1,341	789

No executive Directors at 30 April 2016 received any pension entitlements (2015: nil).

Highest Paid Director	2016	2015
	£000	£000
Basic Pay	100	100
Benefits	25	34
Performance Related Bonus	455	147
	580	281

Key Management Compensation

Aggregate compensation for key management, being the Directors of the Company, was as follows:

	2016	2015
	£000	£000
Short term employee benefits	1,526	898

In accordance with AIM Rule 19, information of individual director's remuneration has been disclosed in the Directors' Report.

7. Finance income

Year ended 30 April	2016	2015
	£000	£000
Finance income		
Bank interest receivable	11	13

8. Taxation

Year ended 30 April	2016 £000	2015 £000
Current tax		
UK corporation tax – current year	284	107
UK corporation tax – prior years	11	(5)
	295	102
Deferred tax		
UK deferred tax – current year	–	–
	–	–
Total tax charged for the year	295	102

The effective rate of UK corporation tax is calculated as the standard rate of UK corporation tax of 20%. The difference between the total current tax shown above and the amount calculated applying the effective rate of UK corporation tax, to the profit before taxation is as follows:

Year ended 30 April	2016 £000	2015 £000
Profit before taxation	1,355	461
Tax on Group profit at UK corporation tax rate of 20.0% (2015: 20.9%)	271	96
Deferred tax assets not recognised	–	2
Expenses not deductible for tax purposes	8	8
Prior year adjustment	11	(5)
Other adjustments	5	1
Group total tax charge for the year	295	102

The main rate of corporate tax changed from 21% to 20% on 1 April 2015 to be aligned with the small companies rate of 20%.

NOTES TO THE FINANCIAL STATEMENTS

9. Dividends

Year ended 30 April	2016 £000	2015 £000
Equity dividends on ordinary shares:		
Declared and paid during year		
Ordinary final dividend for the year ended 30 April 2015: 0.75p per share (2014: 2.25p)	69	207
Special dividend for the year ended 30 April 2016: 8.00p per share	737	–
Interim dividend for the year ended 30 April 2016: 1.00p per share (2015: 1.50p)	92	138
	898	345
Proposed ordinary final dividend for the year ended 30 April 2016: 1.00p per share	92	

10. Earnings per share

	2016 No	2015 No
Weighted average number of shares for basic and diluted earnings per share	9,209,779	9,209,779
Earnings for basic and diluted earnings per share	£000 1,060	£000 359
Basic and diluted earnings per share	11.51p	3.90p

11. Property, plant and equipment - Group

	Furniture, fittings and computers £000	Motor vehicles £000	Short leasehold premium and improvements £000	Total £000
Cost				
At 1 May 2015	181	-	276	457
Additions	-	-	-	-
Disposals	-	-	-	-
As at 30 April 2016	181	-	276	457
Depreciation				
At 1 May 2015	161	-	212	373
Charge for the year	7	-	27	34
Disposals	-	-	-	-
At 30 April 2016	168	-	239	407
Net book value at 30 April 2016	13	-	37	50
Cost				
At 1 May 2014	173	53	276	502
Additions	8	-	-	8
Disposals	-	(53)	-	(53)
As at 30 April 2015	181	-	276	457
Depreciation				
At 1 May 2014	153	53	184	390
Charge for the year	8	-	28	36
Disposals	-	(53)	-	(53)
At 30 April 2015	161	-	212	373
Net book value at 30 April 2015	20	-	64	84

12. Investments in Group undertakings - Company

Year ended 30 April	2016 £000	2015 £000
Shares in Group undertakings at cost:		
At 1 May and 30 April	105	105

As at 30 April 2016, the Company owns 100% of the ordinary share capital of the following companies registered in England and Wales, the accounts of which are consolidated into the Group accounts: Fletcher King Services Limited, which is the trading subsidiary through which the Fletcher King business is carried out and Fletcher King Investment Management Plc, the Group's FCA-regulated investment services company.

NOTES TO THE FINANCIAL STATEMENTS

13. Available-for-sale investments – Group

Year ended 30 April	2016 £000	2015 £000
At 1 May	875	750
Additions	1,274	125
Disposals	(875)	—
At 30 April	1,274	875
Classified as:		
Available-for-sale investments	1,274	875
UK unlisted investments classified as available-for-sale	1,274	875

An amount of £752,000 (2015: £nil) represents a syndicate interest in the Stratton House Investment Property Syndicate (SHIPS 15). This investment is stated at cost, which is equal to the fair value of the investment based on the underlying value of the Syndicate's assets.

An amount of £522,000 (2015: £nil) represents a syndicate interest in the Stratton House Investment Property Syndicate (SHIPS 16). This investment is stated at cost, which is equal to the fair value of the investment based on the underlying value of the Syndicate's assets.

During the year ended 30 April 2016, interests held in the Stratton House Investment Property Syndicate (SHIPS 14) were sold, realising a capital profit of £593,000 on an initial investment of £875,000.

Under IFRS7 Financial instruments: Disclosures and IFRS13 Fair value measurements, UK unlisted equity investments are classified under the fair value hierarchy as Level 2.

14. Trade and other receivables

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade receivables	746	1,026	—	—
Amount owed by group undertakings	—	—	444	500
Other receivables	15	15	—	2
Prepayments and accrued income	110	108	6	6
	871	1,149	450	508

Trade receivables are non-interest bearing and generally have a 30-90 day term. Due to their short maturities, the fair value of trade receivables approximates their book value. The fair value of amounts owed by group undertakings approximate their book value.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. The Group considers factors such as default or delinquency in payment, significant financial difficulties of the debtor and the probability that the debtor will enter bankruptcy in deciding whether the trade receivable is impaired.

As at 30 April 2016, trade receivables of £nil were impaired (2015: £nil).

As at 30 April 2016, trade receivables of £470,000 (2015: £646,000) were past due, but not impaired. The ageing analysis of these trade receivables is as follows:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Up to 3 months past due	437	644	—	—
3 to 6 months past due	33	2	—	—
Over 6 months past due	—	—	—	—
	470	646	—	—

15. Cash and cash equivalents

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Cash at bank and in hand	2,846	2,852	942	1,011
	2,846	2,852	942	1,011

Cash and cash equivalents are all denominated in Sterling. The effective interest rate on Group cash balances for the year ended 30 April 2016 was 0.4% (2015: 0.5%). There is no material difference between the fair value and book value of cash and cash equivalents.

16. Trade and other payables

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade payables	114	202	—	8
Other taxation and social security	215	250	—	—
Other payables	17	64	—	—
	346	516	—	8

The carrying amounts of trade and other payables approximate their fair value.

17. Other creditors

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bonus accruals	334	437	—	—
Other accruals and deferred income	192	204	14	14
	526	641	14	14

18. Deferred taxation (non-current) – Group

Year ended 30 April	2016 £000	2015 £000
Deferred taxation asset:		
Timing differences on provisions		
At 1 May	18	18
Movement during year	–	–
At 30 April	18	18

19. Share capital and other reserves

	30 April 2016 Number	30 April 2015 Number	30 April 2016 £000	30 April 2015 £000
Ordinary shares of 10p each: Issued and fully paid	9,209,779	9,209,779	921	921

The Company has one class of ordinary shares which carry no rights to fixed income. No shares were issued during the year.

Details of movements in other reserves are set out in the Statement of Changes in Equity. A description of each reserve is set out below.

The Share Premium reserve records the amount above the nominal value received for shares sold, less transaction costs.

Retained earnings are the accumulated, undistributed profits of the Group or Company that have been recognised through the Statement of Comprehensive Income.

20. Capital Commitments

As at 30 April 2016 the Group has capital commitments to further invest up to £122,500 in the SHIPS 15 fund and up to £144,000 in the SHIPS 16 fund. These amounts are expected to be invested during the year to 30 April 2017.

21. Operating lease commitments and contingent liabilities

As at 30 April 2016 and 30 April 2015, neither the Group nor the Company had any contingent liabilities.

As at 30 April 2016 and at 30 April 2015, the Group had outstanding commitments under non-cancellable leases which fall due as follows:

	Property leases	
	2016 £000	2015 £000
Within one year	302	302
In two to five years	3	305
	305	607

Property leases relate to office premises occupied by the Group.

22. Related party transactions

Transactions between the Company and its subsidiaries are in the normal course of business. Such transactions are eliminated on consolidation. Total inter-company balances between the Company and its subsidiaries, which are unsecured and which relate to the provision of working capital, are disclosed in the accounts. During the year, the Company had funding transactions with subsidiaries amounting to £56,000 (2015: £57,000)

Group companies hold investments in a number of property funds (see note 13) in which Group companies also act as fund manager. During the year, Group companies received fees and were owed amounts as follows:-

	Fees		Amount Due	
	2016 £000	2015 £000	2016 £000	2015 £000
SHIPS 04 Fund	67	117	5	13
SHIPS 14 Fund	1,580	78	-	13
SHIPS 15 Fund	96	-	2	-
SHIPS 16 Fund	101	-	2	-

All transactions were made in the ordinary course of business.

Compensation paid to the Company's Board of directors and key management is disclosed in note 6 and in the Directors Report.

23. Financial instruments

The Group's and the Company's financial instruments comprise UK unlisted investments, cash and cash equivalents, and items such as trade payables and trade receivables which arise directly from its operations. The main purpose of these financial instruments is to provide capital gains and finance for the Group's and the Company's operations.

The Group's and the Company's operations expose them to a variety of financial risks including credit risk, interest rate risk, and liquidity risk. Commensurate with the size of the Group, the Directors set the policies regarding financial risk management, and these are implemented accordingly by Group companies.

Loans and receivables

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade receivables	746	1,026	-	-
Amount owed by group undertakings	-	-	444	500
Other receivables	15	15	-	2
Cash and cash equivalents	2,846	2,852	942	1,011
	3,607	3,893	1,386	1,513

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities at amortised costs

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade payables	114	202	-	8
Tax and social security	215	250	-	-
Other payables	17	64	-	-
Amounts owed to group undertakings	-	-	-	-
Bonus accruals	334	437	-	-
Other accruals and deferred income	192	204	14	14
	872	1,157	14	22

Credit risk

The Group's credit risk is attributable both to trade receivables and to cash balances held. The Company's credit risk is attributable primarily to cash balances held. The Group has implemented policies to ensure that credit checks are made on potential clients before work is carried out on their behalf. The amount of exposure to any individual counterparty is subject to limits set by the directors. Cash balances held are deposited with leading banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade receivables	746	1,026	-	-
Cash and other equivalents	2,846	2,852	942	1,011
Other receivables	15	15	-	2
	3,607	3,893	942	1,013

Interest rate risk

The Group and the Company have interest bearing assets, but no interest bearing liabilities. Interest bearing assets comprise only cash and cash equivalents which earn interest at a variable rate. The interest earned on the Group's and the Company's cash and cash equivalents, denominated in sterling, derived principally from Money Market deposits of differing fixed time periods, and from call deposits held with banks which provide short-term liquidity to meet liabilities when they fall due.

The Group and the Company are exposed to interest rate risk as a result of these positive cash balances. For the year ended 30 April 2016, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £14,000 (2015: £13,000) higher, and for the Company £5,000 (2015: £6,000) higher. Conversely, if LIBOR had decreased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £14,000 (2015: £13,000) lower, and for the Company £5,000 (2015: £6,000) lower.

The Group's cash and cash equivalents earned interest during the year at an average of 0.4% (2015: 0.5%), and the Company's cash and cash equivalents earned interest during the year at an average of 0.4% (2015: 0.5%).

Liquidity risk

The Group and the Company actively maintain cash and cash equivalents to ensure that there are sufficient funds available for a period of at least six months to meet liabilities when they fall due.

The following table shows the contractual maturities of the Group's and the Company's financial liabilities, all of which are measured at amortised cost:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial liabilities falling due:				
Within 1 month	174	385	15	22
From 2 to 3 months	483	522	-	-
	657	907	15	22

24. Capital risk management

The Group and the Company seek, when managing capital, to safeguard the Group's and the Company's ability to continue as going concerns, in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and the Company define capital as being share capital plus reserves. The Board of Directors monitors the level of capital employed in order to achieve these objectives.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Fletcher King Plc will be held at 61 Conduit Street, London W1S 2GB on 28 September 2016 at 9.00am for the following purposes:

- 1** To receive and adopt the Directors' Reports and Accounts for the financial year ended 30 April 2016.
- 2.** To declare a final dividend for the financial year ended 30 April 2016.
- 3** To re-elect R E G Goode as a Director, who retires by rotation in accordance with the Company's Articles of Association and who offers himself for re-election.
- 4** To re-elect D H Stewart as a Director who retires by rotation in accordance with the Company's Articles of Association and who offers himself for re-election.

Biographical details regarding these Directors are included in the accompanying Report and Accounts.

- 5** To re-appoint Nexia Smith & Williamson as auditors to hold office from the completion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company, at a remuneration to be determined by the Directors.

To consider and, if thought fit, to pass the following resolutions of which resolution number 6 will be proposed as an ordinary resolution and resolutions number 7 and number 8 will be proposed as special resolutions.

6 ORDINARY RESOLUTION

That the Directors of the Company be and are hereby authorised generally and unconditionally for the purpose of Section 551 of the Companies Act 2006 (such authority to be in substitution for all previous authorities granted to the Directors for the purpose of the said Section 551 or Section 80 of the Companies Act 1985) to allot shares in the Company up to a maximum number of 2,762,934 of the unissued ordinary shares of 10p each of the Company with a nominal value of £276,293.40, such authority to expire at the conclusion of the next Annual General Meeting of the Company and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of this authority.

7 SPECIAL RESOLUTION

That, subject to the passing of resolution 6, the Directors of the Company be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of that Act) pursuant to the authority conferred by the immediately preceding resolution as if subsection (1) of Section 561 of the said Act did not apply to any such allotment, provided that this power shall be limited:

(a) To the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them but subject to such other exclusions or arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements for legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body or any stock exchange in any country; and

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £138,146.69 (being 15% of the said issued capital of the Company), and shall expire at the conclusion of the next Annual General Meeting of the Company unless it is renewed by special resolution of the Company in general meeting, provided that if the Company before such expiry shall make an offer or agreement which would or might require securities to be allotted after such expiry, the Directors of the Company may allot equity securities in pursuance of such offer or agreements as if the power conferred hereby had not expired.

8 SPECIAL RESOLUTION

That the Company is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 10p each in the capital of the Company ('ordinary shares') provided that:

- (a) The maximum number of ordinary shares hereby authorised to be purchased is 460,000;
- (b) the maximum price which may be paid for an ordinary share is 5% above the average of the middle market quotations for shares of the same class as derived from The London Stock Exchange Daily Official List for the ten dealing days immediately prior to the date of the purchase of such shares and the minimum price that may be paid for an ordinary share is the nominal value of 10p per share;
- (c) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or eighteen months from the passing of this resolution, if earlier, unless such authority is renewed prior to such time; and
- (d) the Company may enter into a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make such purchases of ordinary shares in pursuance of any such contract or contracts.

By order of the Board

P E Bailey

Secretary

Fletcher King Plc

24 August 2016

Registered Office:

61 Conduit Street

London W1S 2GB

Notes

- (a) A member of the Company entitled to attend and vote at the meeting covered by this notice is entitled to appoint a proxy or proxies to exercise all or any of his or her rights to attend, speak and to vote at the meeting instead of him or her. A member of the Company can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A proxy need not be a member of the Company. To be valid the form of proxy must be completed, signed and deposited at the office of the Company's registrars not less than 48 hours before the time appointed for the meeting. Completion of the proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes. If a proxy has been appointed and the member subsequently attends the meeting in person, the proxy appointment will automatically be terminated.
- (b) To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (as above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you require another hard-copy proxy form in order to change the instructions, please contact the Company Secretary at 61 Conduit Street, London, W1S 2GB. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (c) In order to revoke a proxy instruction, you will need to inform the Company by sending a hard copy notice clearly stating your intention to revoke your proxy appointment to the office of the Company's registrars, Computershare Investor Services Plc, at PO Box No 1075, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The revocation notice must be received by the Company no less than 48 hours before the time appointed for the meeting. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- (d) In accordance with Regulation 41 of the Uncertificated Securities Reg 2001, only those members entered on the Company's register of members at 6.00pm on 26 September 2016 or, if the meeting is adjourned, shareholders entered on the Company's register of members at 6.00pm on the day which is two days before the day of the adjourned meeting, shall be entitled to attend and vote at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

- (e) As at 30 April 2016, the Company's issued share capital comprised 9,209,779 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 30 April 2016 is 9,209,779.
- (f) In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:
 - (i) if (i) a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (ii) if (ii) more than one corporate representative for the same corporate member attends the Meeting but the corporate member has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icas.org – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (i) above.

- (g) Except as provided above, members who have general queries about the meeting should contact the Company Secretary. A member may not use any electronic address provided in this notice or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

For use at the Annual General Meeting of the Fletcher King Plc to be held at 9.00 am on 28 September 2016.

I/We (*Block capitals please*) _____
of _____

being (a) member(s) of the Company, hereby appoint the Chairman of the Meeting or (see Note 5)

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28 September 2016 at 9.00 am and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the Resolutions set out in the notice convening the Annual General Meeting as follows:

	For	Against	Vote Withheld
To Adopt Ordinary Resolution 1	_____	_____	_____
To Adopt Ordinary Resolution 2	_____	_____	_____
To Adopt Ordinary Resolution 3	_____	_____	_____
To Adopt Ordinary Resolution 4	_____	_____	_____
To Adopt Ordinary Resolution 5	_____	_____	_____
To Adopt Ordinary Resolution 6	_____	_____	_____
To Adopt Special Resolution 7	_____	_____	_____
To Adopt Special Resolution 8	_____	_____	_____

If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Signature _____ Date _____

Notes

- Please indicate with an 'X' in the spaces provided how you wish your votes to be cast. If you do not indicate how your votes are to be cast the proxy will vote as he thinks fit or abstain. The "Vote Withheld" option is provided to enable you to instruct your proxy not to vote on any particular resolution. Please note that a "Vote Withheld" has no legal effect and will not be counted in the calculation of the votes "For" or "Against" a resolution. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
- In the case of a corporation, this form of proxy must be executed under the common seal or under the hand of an officer or duly authorised attorney. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- To be effective this form of proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, must be deposited at the office of the Company's registrars at
Computershare Investor Services Plc, at PO Box No 1075, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time of the meeting.
- Any alterations made to this form of proxy should be initialled.
- If you wish to appoint a proxy other than as above please delete the reference to the Chairman and insert the name of your proxy or proxies, who need not be members of the Company, in the space provided. A proxy must attend the meeting in person to represent you. Your appointment of a proxy will not preclude you from attending and voting at the meeting. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the chairman and give them the relevant instructions directly. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company registrars for more information at the address provided in note 3 sufficiently in advance of the meeting so that the requirements of note 3 may be complied with.

Third fold and tuck in

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First fold

Computershare Investor Services Plc
PO Box 1075
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

Second fold