

# FLETCHER KING PLC

## Interim Results for the 6 months ended 31 October 2014

### Financial Highlights

<b>Turnover :</b>	<b>£1.828m</b>	<b>(2013: £1.342m)</b>
<b>PBT :</b>	<b>£293,000</b>	<b>(2013: £147,000)</b>
<b>EPS :</b>	<b>2.51p per share</b>	<b>(2013: 1.21p per share)</b>
<b>Dividend :</b>	<b>1.50p per share</b>	<b>(2013: 0.75p per share)</b>

### Operational Highlights

- The Market – The central London market remains strong with demand now rippling out from the centre.
- Fund Management and Investment – Some significant investment broking transactions have enhanced the company’s performance in the period.
- Valuation and Rating – The volume of rates appeals settled has increased and bank valuation instructions have remained steady.

Commenting on the results David Fletcher, Chairman of Fletcher King said:  
“We are pleased with the results. Our prospects going forward look satisfactory although as I pointed out in my Chairman’s statement last year those results would be a difficult act to follow but we will use all our efforts to do so”.

### ENQUIRIES:

**Fletcher King Plc**  
**David Fletcher**  
**Tel: 020 7493 8400**

**Cairn Financial Advisers LLP (Nomad)**  
**James Caithie**  
**Tel: 020 7148 7900**

The interim results are available on the Company’s website: [www.fletcherking.co.uk](http://www.fletcherking.co.uk)

## **CHAIRMAN'S STATEMENT**

### **Results**

Turnover for the period was £1.83m (2013: £1.34m) with a profit before tax of £293,000 (2013: £147,000). Your Directors have declared an interim dividend of 1.50p per share (2013: 0.75p) to be paid on 20 February 2015 to Shareholders on the register at the close of business on 23 January 2015.

### **The Commercial Property Market**

The central London market continues its high level of activity and remains very strong. Tenant demand for space across all sectors is good with significant rental growth in some areas. Demand from investors, both domestic and foreign, shows no sign of abating. Yields are generally back at their pre crash levels or better.

Demand is now rippling out from the centre and the other major UK cities are seeing significant yield contractions as investors seek higher returns and this is likely to continue for the foreseeable future.

The political uncertainty surrounding next year's general election has had no effect on the market so far. The same cannot be said for the market north of the border where the uncertainty continues to impact the capital markets although there are more encouraging signs in the letting market.

### **Business Overview**

Our strong performance last financial year has continued into the first half.

All departments were very active. At long last the Valuation Office Agency is processing rates appeals and we settled some long standing cases. The volume of bank valuations remains steady.

During the period we added some more central London office buildings to our management portfolio. We were also active in acquiring and disposing of assets for our fund management clients as well as completing some significant investment broking transactions.

### **Outlook**

Our prospects going forward look satisfactory although as I pointed out in my Chairman's statement last year those results would be a difficult act to follow but we will use all our efforts to do so.

**DAVID FLETCHER**  
**CHAIRMAN**

15 December 2014

*Consolidated Interim Statement of Comprehensive Income  
for the 6 months ended 31 October 2014*

	<b>6 months ended 31 October 2014 (Unaudited) £000</b>	<b>6 months ended 31 October 2013 (Unaudited) £000</b>	Year ended 30 April 2014 (Audited) £000
<b>Revenue</b>	<b>1,828</b>	1,342	3,653
Employee benefits expense	<b>(968)</b>	(736)	(2,017)
Depreciation expense	<b>(19)</b>	(17)	(44)
Other operating expenses	<b>(559)</b>	(490)	(1,083)
<b>Operating profit</b>	<b>282</b>	99	509
Profit on sale of available for sale investments	-	39	174
Income from investments	<b>4</b>	3	13
Finance income	<b>7</b>	6	15
<b>Profit before taxation</b>	<b>293</b>	147	711
Taxation	<b>(62)</b>	(36)	(169)
<b>Profit for the period</b>	<b>231</b>	111	542
<b>Total comprehensive income for the period</b>	<b>231</b>	111	542
<b>Basic and diluted earnings per share (note 4)</b>			
Continuing operations	<b>2.51p</b>	1.21p	5.89p
<b>Dividends per share</b>			
Interim dividend proposed	<b>1.50p</b>	0.75p	-
Dividends paid	<b>2.25p</b>	0.75p	1.50p

Consolidated Interim Statement of Financial Position  
as at 31 October 2014

	31 October 2014 (Unaudited) £000	31 October 2013 (Unaudited) £000	30 April 2014 (Audited) £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	93	124	112
Available for sale investments	875	250	750
Deferred tax assets	18	63	18
	<b>986</b>	437	880
<b>Current Assets</b>			
Trade and other receivables	1,394	925	1,247
Cash and cash equivalents	2,338	2,798	3,314
	<b>3,732</b>	3,723	4,561
<b>Total assets</b>	<b>4,718</b>	4,160	5,441
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	410	448	702
Current taxation liabilities	185	96	123
Other creditors	370	249	887
	<b>965</b>	793	1,712
<b>Shareholders' equity</b>			
Share capital	921	921	921
Share premium	140	140	140
Reserves	2,692	2,306	2,668
<b>Total shareholders' equity</b>	<b>3,753</b>	3,367	3,729
<b>Total equity and liabilities</b>	<b>4,718</b>	4,160	5,441

*Consolidated Interim Statement of Changes in Equity  
for the 6 months ended 31 October 2014*

	Share capital £000	Share premium £000	Profit and loss £000	TOTAL EQUITY £000
<b>Balance at 1 May 2014</b>	<b>921</b>	<b>140</b>	<b>2,668</b>	<b>3,729</b>
Total comprehensive income for the period	-	-	<b>231</b>	<b>231</b>
Equity dividends paid	-	-	<b>(207)</b>	<b>(207)</b>
<b>Balance at 31 October 2014 (Unaudited)</b>	<b>921</b>	<b>140</b>	<b>2,692</b>	<b>3,753</b>
<b>Balance at 1 May 2013</b>	921	140	2,264	3,325
Total comprehensive income for the period	-	-	111	111
Equity dividends paid	-	-	(69)	(69)
<b>Balance at 31 October 2013 (Unaudited)</b>	921	140	2,306	3,367
<b>Balance at 1 May 2013</b>	921	140	2,264	3,325
Total comprehensive income for the period	-	-	542	542
Equity dividends paid	-	-	(138)	(138)
<b>Balance at 30 April 2014 (Audited)</b>	921	140	2,668	3,729

*Consolidated Interim Statement of Cash Flows  
for the 6 months ended 31 October 2014*

	<b>6 months ended 31 October 2014 (Unaudited) £000</b>	<b>6 months ended 31 October 2013 (Unaudited) £000</b>	<b>Year ended 30 April 2014 (Audited) £000</b>
<b>Cash flows from operating activities</b>			
Profit before taxation from continuing operations	293	147	711
Adjustments for:			
Depreciation expense	19	17	44
Profit on sale of investments	-	(39)	(174)
Income from investments	(4)	(3)	(13)
Finance income	(7)	(6)	(15)
<b>Cash flows from operating activities before movement in working capital</b>	<b>301</b>	<b>116</b>	<b>553</b>
Decrease/(increase) in trade and other receivables	(147)	537	215
(Decrease)/increase in trade and other payables	(809)	(662)	230
<b>Cash (absorbed)/generated from operations</b>	<b>(655)</b>	<b>(9)</b>	<b>998</b>
Taxation received/(paid)	-	7	(54)
<b>Net cash flows from operating activities</b>	<b>(655)</b>	<b>(2)</b>	<b>944</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets	-	-	(15)
Purchase of investments	(125)	-	(750)
Sale of investments	-	289	674
Finance income	7	6	15
Income from investments	4	3	13
<b>Net cash flows from investing activities</b>	<b>(114)</b>	<b>298</b>	<b>(63)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	(207)	(69)	(138)
<b>Net cash flows from financing activities</b>	<b>(207)</b>	<b>(69)</b>	<b>(138)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(976)</b>	<b>227</b>	<b>743</b>
Cash and cash equivalents at start of period	3,314	2,571	2,571
<b>Cash and cash equivalents at end of period</b>	<b>2,338</b>	<b>2,798</b>	<b>3,314</b>

*Explanatory Notes*

**1. General information**

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 61 Conduit Street, London W1S 2GB.

These interim financial statements were approved by the Board of Directors on 15 December 2014.

**2. Basis of preparation**

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 30 April 2015.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2014.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

**3 Non Statutory Accounts**

The financial information for the period ended 30 April 2014 set out in this interim report does not constitute the Group's statutory accounts for that period. The statutory accounts for the year ended 30 April 2014 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 October 2014 and 31 October 2013 is unaudited.

**4 Earnings per share**

	<b>6 months to 31<sup>st</sup> October 2014 Number</b>	<b>6 months to 31<sup>st</sup> October 2013 Number</b>	<b>Year ended 30<sup>th</sup> April 2014 Number</b>
Weighted average number of shares for basic and diluted earnings per share.	<b>9,209,779</b>	9,209,779	9,209,779
	<b>£'000</b>	£'000	£'000
Earnings for basic and diluted earnings per share: Continuing Operations	<b>231</b>	111	542
Basic and diluted earnings per share	<b>2.51p</b>	1.21p	5.89p