

FLETCHER KING PLC

Interim Results for the 6 months ended 31 October 2015

Financial Highlights

Turnover	:	£2,963,000	(2014: £1,828,000)
PBT	:	£1,187,000	(2014: £293,000)
EPS	:	10.26p per share	(2014: 2.51p per share)
Dividend	:	1.00p per share	(2014: 1.50p per share)

Operational Highlights

- The Market – The central London market continues to be strong with demand now rippling out to the M3/M4 corridor and the major provincial centres.
- Fund Management and Investment – The sale of the property in Leadenhall Street, in which the company co-invested and acted as advisor, has delivered exceptional returns for the business this half.
- Valuation and Rating – The volume of rates appeals settled has slowed but this has been offset by a noticeable increase in bank valuation instructions.

Commenting on the results David Fletcher, Chairman of Fletcher King said:
“We are very pleased with the results. Our prospects going forward look satisfactory although performance will be more in line with previous periods than the exceptional performance of this first half year”.

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

CHAIRMAN'S STATEMENT

Results

Turnover for the period was £2.96m (2014: £1.83m) with a profit before tax of £1,187,000 (2014: £293,000). Your directors paid a special dividend of 8p per share on 25 September 2015 (together with the previously declared final dividend of 0.75p per share) and have declared an interim dividend of 1.0p per share (2014: 1.5p) to be paid on 19 February 2016 to Shareholders on the register at the close of business on 22 January 2016.

The Commercial Property Market

Over the last twelve months total returns from the commercial property market have exceeded 15% and the market has enjoyed its 10th consecutive quarter of increased values.

Whilst Central London continues to be in very strong demand, focus is shifting to major centres in the regions and the M3/M4 corridor. However it is worth noting that the London office market is ten times larger than its nearest rival and twice as large as the combined total of the UK's big six regional cities.

Although headlines tend to focus on the amount of overseas money coming into the UK, it should be remembered that since the start of the recovery in 2009 UK institutions have been net purchasers in 21 out of 24 quarters.

Whilst the recent rate of rent and capital growth is unlikely to continue we believe the market will remain strong over the next 2-3 years.

Business Overview

Our exceptional performance this half year is primarily the result of fees and profits earned on the sale of 145 Leadenhall Street, a property owned by the SHIPS 14 Syndicate in which the company 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.

The underlying business is doing well. The volume of instructions on valuation and investment sales has increased and we are about to take on more property management. In May, the company invested £752,500 in a new property investment syndicate (SHIPS 15) that acquired freehold office premises in Clerkenwell, London. There remains strong demand amongst SHIPS members to invest in further suitable property.

Outlook

The strong performance in the first half of the year will not be repeated in the second half. Underlying performance remains steady and whilst there are a number of investment transactions in the pipeline, a proportion may not complete before the end of the financial year.

DAVID FLETCHER

CHAIRMAN

15 December 2015

*Consolidated Interim Statement of Comprehensive Income
for the 6 months ended 31 October 2015*

	6 months ended 31 October 2015 (Unaudited) £000	6 months ended 31 October 2014 (Unaudited) £000	Year ended 30 April 2015 (Audited) £000
Revenue	2,963	1,828	3,380
Employee benefits expense	(1,754)	(968)	(1,843)
Depreciation expense	(17)	(19)	(36)
Other operating expenses	(610)	(559)	(1,057)
Operating profit	582	282	444
Profit on sale of available for sale investments	590	-	-
Income from investments	10	4	4
Finance income	5	7	13
Profit before taxation	1,187	293	461
Taxation	(242)	(62)	(102)
Profit for the period	945	231	359
Total comprehensive income for the period	945	231	359
Basic and diluted earnings per share (note 4)			
Continuing operations	10.26p	2.51p	3.90p
Dividends per share			
Interim dividend proposed	1.00p	1.50p	-
Dividends paid	8.75p	2.25p	3.75p

Consolidated Interim Statement of Financial Position
as at 31 October 2015

	31 October 2015 (Unaudited) £000	31 October 2014 (Unaudited) £000	30 April 2015 (Audited) £000
Assets			
Non-current assets			
Property, plant and equipment	67	93	84
Available for sale investments	752	875	875
Deferred tax assets	18	18	18
	837	986	977
Current Assets			
Trade and other receivables	838	1,394	1,149
Cash and cash equivalents	4,070	2,338	2,852
	4,908	3,732	4,001
Total assets	5,745	4,718	4,978
Liabilities			
Current liabilities			
Trade and other payables	1,096	410	516
Current taxation liabilities	337	185	78
Other creditors	430	370	641
Total liabilities	1,863	965	1,235
Shareholders' equity			
Share capital	921	921	921
Share premium	140	140	140
Reserves	2,821	2,692	2,682
Total shareholders' equity	3,882	3,753	3,743
Total equity and liabilities	5,745	4,718	4,978

*Consolidated Interim Statement of Changes in Equity
for the 6 months ended 31 October 2015*

	Share capital £000	Share premium £000	Profit and loss £000	TOTAL EQUITY £000
Balance at 1 May 2015	921	140	2,682	3,743
Total comprehensive income for the period	-	-	945	945
Equity dividends paid	-	-	(806)	(806)
Balance at 31 October 2015 (Unaudited)	921	140	2,821	3,882
Balance at 1 May 2014	921	140	2,668	3,729
Total comprehensive income for the period	-	-	231	231
Equity dividends paid	-	-	(207)	(207)
Balance at 31 October 2014 (Unaudited)	921	140	2,692	3,753
Balance at 1 May 2014	921	140	2,668	3,729
Total comprehensive income for the period	-	-	359	359
Equity dividends paid	-	-	(345)	(345)
Balance at 30 April 2015 (Audited)	921	140	2,682	3,743

Consolidated Interim Statement of Cash Flows
for the 6 months ended 31 October 2015

	6 months ended 31 October 2015 (Unaudited) £000	6 months ended 31 October 2014 (Unaudited) £000	Year ended 30 April 2015 (Audited) £000
Cash flows from operating activities			
Profit before taxation from continuing operations	1,187	293	461
Adjustments for:			
Depreciation expense	17	19	36
Profit on sale of investments	(590)	-	-
Income from investments	(10)	(4)	(4)
Finance income	(5)	(7)	(13)
Cash flows from operating activities before movement in working capital	599	301	480
Decrease/(increase) in trade and other receivables	311	(147)	98
(Decrease)/increase in trade and other payables	369	(809)	(432)
Cash (absorbed)/generated from operations	1,279	(655)	146
Taxation received/(paid)	17	-	(147)
Net cash flows from operating activities	1,296	(655)	(1)
Cash flows from investing activities			
Purchase of fixed assets	-	-	(8)
Purchase of investments	(752)	(125)	(125)
Sale of investments	1,465	-	-
Finance income	5	7	13
Income from investments	10	4	4
Net cash flows from investing activities	728	(114)	(116)
Cash flows from financing activities			
Dividends paid to shareholders	(806)	(207)	(345)
Net cash flows from financing activities	(806)	(207)	(345)
Net increase/(decrease) in cash and cash equivalents	1,218	(976)	(462)
Cash and cash equivalents at start of period	2,852	3,314	3,314
Cash and cash equivalents at end of period	4,070	2,338	2,852

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 2015.

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 2016.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2015. There are no new standards interpretations and amendments, effective for the first time from 1 May 2015, that have had a material effect on the financial statements of the Group.

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 2015 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 2015 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 2015 and 31 October 2014 is unaudited.

4 Earnings per share

	6 months to 31 October 2015 Number	6 months to 31 October 2014 Number	Year ended 30 April 2015 Number
Weighted average number of shares for basic and diluted earnings per share.	9,209,779	9,209,779	9,209,779
	£000	£000	£000
Earnings for basic and diluted earnings per share: Continuing Operations	945	231	359
Basic and diluted earnings per share	10.26p	2.51p	3.90p