Fletcher King Plc

Annual Report and Accounts 2013

DIRECTORS AND ADVISERS

Directors
DJR Fletcher FRICS *Chairman*
REG Goode FRICS *Managing Director*
RA Dickman FRICS *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
89 New Bond Street, London W1S 1DA

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

Certificate No. FS27825

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HIGHLIGHTS

- Revenue for the year of **£3.031m** (2012: £3.105m)
- Profit before tax of **£292,000** (2012: £395,000)
- Profit for the year of **£227,000** (2012: £280,000)
- Basic and diluted earnings per share of **2.46p** (2012: 3.04p)
- Final dividend of **0.75p** per share. An interim dividend of 0.75p per share was paid and therefore the total ordinary dividend for the year will be **1.5p** per share (2012: 1.5p)

FINANCIAL CALENDAR

Half Year Results
Announced in December 2012

Full Year Results
Preliminary announcement 9 July 2013

Annual General Meeting
19 September 2013

Final Dividend
Payable September 2013

Interim Dividend
To be announced in December 2013
Payable in January 2014

Results

Revenue for the year was £3.03m (2012: £3.11m) with profits before tax of £292,000 (2012: £395,000)

The board is proposing a final dividend of 0.75p per share (2012: 0.75p). The final dividend is subject to shareholder approval at the AGM and will be paid on 26 September 2013 to those shareholders on the register at close of business on 30 August 2013. With the interim of 0.75p per share (2012: 0.75p) already paid, the total ordinary dividend for the year will amount to 1.5p per share (2012: 1.5p).

The board consider the results for the year to be satisfactory bearing in mind the continuing difficult economic and market conditions under which the Company has been operating.

The Commercial Property Market

The commercial property market continues to be polarised between London, the South East and the remainder of the country. By the time of our AGM the UK property market will be six years into the recession and following an almost 50% drop in values only central London shops are back to their early 2007 prices and some properties outside London continue to decline in value.

Having said that there are some signs of green shoots appearing. We have just let two floors of a central Glasgow office building that have been empty for over three years. The rents have halved but at least some tenant demand has returned.

In the investment market there are positive signs of a greater allocation of funds to the property sector as Institutions question the likely returns from gilts and equities. Some sectors of the secondary market are seeing value increases as investors seek higher yields.

Industrial property continues to let throughout the country but retail demand remains very patchy as does tenant interest for out of town offices. Whilst tenant demand in Central London is reasonably strong, volumes are low and decision making is slow.

Business Overview

Investment transactions have been disappointing, particularly in the second half as highlighted in the trading statement of 22nd April. A number of transactions that we hoped would have been agreed by the year end failed to materialise.

We started the new financial year with some good sales instructions and overall we expect our business in this sector to improve but it will not be without its difficulties.

Fund Management is progressing well and the regular quarterly fee income from this and Asset Management is of immense value to the business.

Rating had a good year with some significant appeals won.

The number of Bank valuations increased and although it is a very competitive market we see no reason why this should not continue.

Outlook

Whilst we remain cautious we believe that the coming year will see some improvement in the UK property market generally.

We will continue to strive for an increase in our recurring income received from property fund and asset management whilst at the same time seeking opportunities to enhance our transactional business.

As the market improves overheads will come under pressure and these will be carefully monitored.

I would like to thank our clients for their continued support and our hard working staff and directors for all their efforts.

DAVID FLETCHER
CHAIRMAN
7 August 2013

The Directors present their report and accounts for the year ended 30 April 2013.

Principal Activities and Business Review

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

A review of the Group's business and activities during the year and its future prospects is contained in the Chairman's Statement.

Results and Dividend

The consolidated statement of comprehensive income is set out on page 12. The profit for the year after taxation is £227,000 (2012: £280,000). The Directors recommend the payment of an ordinary final dividend of 0.75p per share (2012: 0.75p). An interim dividend of 0.75p per share (2012: 0.75p per share) has already been paid to shareholders.

Capital and equity interests

Basic and diluted earnings per share from continuing operations amounted to 2.46p (2012: 3.04p).

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 2013 was 9.2 million (2012: 9.2 million).

Cash flow and liquidity

Net cash outflow from operating activities amounted to £129,000 (2012: in flow of £457,000) which, after allowing for cash flows including dividends and capital expenditure, resulted in a net decrease in cash balances of £241,000 (2012: increase of £90,000).

At 30 April 2013, the Group's cash at bank and on short term deposit amounted to £2.6 million (2012: £2.8 million). This was deposited with leading banks.

Key Performance Indicators

There are three main key performance indicators for the Group, all of which are financial:

- Group turnover
- Operating profit
- Earnings per share

These key performance indicators are reviewed in the Chairman's Statement and the Directors Report above.

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.

Economic Risk

The main economic risks that could affect the Group's performance are a major slowdown in the economy of the UK and a slump in UK commercial property values. The Group has, where possible, implemented actions to mitigate some of the effects of these risks. A review of the Group's performance, financial results, future development and prospects is contained within the Chairman's Statement.

Finance income and taxation

Income from the Group's available-for-sale investments and net bank interest amounted to £30,000 (2012: £21,000) reflecting higher prevailing interest rates.

The effective taxation charge was 23.2% (2012: 25.8%).

Political and Charitable Donations

During the year the Group made no charitable donations or political contributions (2012: £ nil).

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

D J R Fletcher and R A Dickman 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.

D J R Fletcher, is a founding partner and Chairman of the Company. He has over 40 years' experience in property and fund and asset management, advising clients such as the pension funds of IBM, Debenhams, BHS, Allied Domecq and the Industrial Training Boards as well as the Stratton House Investment Property Syndicates and other clients. He is a member of the management board of the Falcon Property Unit Trust.

R A Dickman BSc (Hons) Est Man FRICS, is a Chartered surveyor, and has been a director of Fletcher King since May 1992. He has been in charge of the Valuation and Rating department since that date.

Directors Remuneration

	Salary £000	Benefits £000	Bonus £000	Fees £000	2013 £000	2012 £000
DJR Fletcher	**100**	**29**	**86**	**-**	**215**	251
REG Goode	**100**	**12**	**86**	**-**	**198**	233
DH Stewart	**-**	**-**	**-**	**20**	**20**	20
R A Dickman	**100**	**5**	**119**	**-**	**224**	169
	300	**46**	**291**	**20**	**657**	673

No executive Directors at 30 April 2013 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.

Supplier Payment Policy

The Company's policy, which is also applied by the Group, is to settle the terms of payment with suppliers when agreeing the terms of each transaction. This ensures that suppliers are made aware of the terms of payment. Trade creditors of the Group at 30 April 2013 were equivalent to 19 days (2012: 23 days) purchases, based on the amount invoiced by suppliers during the year.

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 20 September 2012 for a further year in respect of ordinary 10p shares up to a maximum of 1,790,221 shares (£179,022). Apart from possible issues under the Employee Share Option Scheme 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 2014. 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 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;
- 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 7 August 2013.

P E Bailey
Company Secretary

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 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and 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 Statement of Directors' Responsibilities set out on page 8, 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 Auditing Practices Board's (APB'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/apb/scope/private.cfm.

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 2013 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 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 Auditors
Chartered Accountants

25 Moorgate
London
EC2R 6AY
12 August 2013

The maintenance and integrity of the Fletcher King Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

for the year ended 30 April 2013

Notes		2013 £000	2012 £000
	Revenue	**3,031**	3,105
6	Employee benefits expense	**(1,641)**	(1,673)
11	Depreciation expense	**(43)**	(46)
	Other operating expenses	**(1,085)**	(1,012)
	Operating profit	**262**	374
	Income from investments	**11**	11
7	Finance income	**19**	10
	Profit before taxation	**292**	395
8	Taxation	**(65)**	(115)
	Profit for the year	**227**	280
	Other comprehensive income for the year, net of tax	—	—
	Total comprehensive income for the year, attributable to equity shareholders	**227**	280
10	Basic and diluted earnings per share	**2.46p**	3.04p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April 2013

Notes		2013 £000	2012 £000
	Assets		
	Non-current assets		
11	Property, plant and equipment	**141**	180
13	Available-for-sale investments	**500**	500
18	Deferred tax assets	**63**	63
		704	743
	Current assets		
14	Trade and other receivables	**1,462**	892
15	Cash and cash equivalents	**2,571**	2,812
		4,033	3,704
	Total assets	**4,737**	4,447
	Liabilities		
	Current liabilities		
16	Trade and other payables	**810**	576
	Current taxation liabilities	**53**	59
17	Other creditors	**549**	576
		1,412	1,211
	Total liabilities	**1,412**	1,211
	Shareholders' equity		
19	Share capital	**921**	921
	Share premium	**140**	140
	Profit and Loss Reserve	**2,264**	2,175
	Total shareholders' equity	**3,325**	3,236
	Total equity and liabilities	**4,737**	4,447

Approved by the Board on 7 August 2013 and signed on its behalf by

David Fletcher
Chairman

as at 30 April 2013

Notes		2013 £000	2012 £000
	Assets		
	Non-current assets		
12	Investments in group undertakings	**105**	105
	Current assets		
14	Trade and other receivables	**121**	212
15	Cash and cash equivalents	**1,123**	1,043
		1,244	1,255
	Total assets	**1,349**	1,360
	Liabilities		
	Current liabilities		
16	Trade and other payables	**14**	21
17	Other creditors	**14**	14
		28	35
	Total liabilities	**28**	35
	Shareholders' equity		
19	Share capital	**921**	921
	Share premium	**140**	140
	Profit and Loss reserve	**260**	264
	Total shareholders' equity	**1,321**	1,325
	Total equity and liabilities	**1,349**	1,360

Approved by the Board on 7 August 2013 and signed on its behalf by

David Fletcher
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2013

	2013 £000	2012 £000
Cash flows from operating activities		
Profit before taxation from continuing operations	**292**	395
Adjustments for:		
Depreciation expense	**43**	46
Income from investments	**(11)**	(11)
Finance income	**(19)**	(10)
Cash flows from operating activities before movement in working capital	**305**	420
(Increase)/decrease in trade and other receivables	**(570)**	172
Increase in trade and other payables	**207**	32
Cash absorbed by/generated from operations	**(58)**	624
Taxation paid	**(71)**	(167)
Net cash flows from operating activities	**(129)**	457
Cash flows from investing activities		
Purchase of fixed assets	**(4)**	–
Purchase of investments	**–**	(250)
Finance income	**19**	10
Income from investments	**11**	11
Net cash flows from investing activities	**26**	(229)
Cash flows from financing activities		
Dividends paid to shareholders	**(138)**	(138)
Net cash flows from financing activities	**(138)**	(138)
Net (decrease)/increase in cash and cash equivalents	**(241)**	90
Cash and cash equivalents at start of year	**2,812**	2,722
Cash and cash equivalents at end of year (note 15)	**2,571**	2,812

for the year ended 30 April 2013

	2013 £000	2012 £000
Cash flows from operating activities		
Profit before taxation	**134**	805
Adjustments for:		
Finance income	**(13)**	(1)
Dividends received from subsidiary undertakings	**(238)**	(938)
Cash flows from operating activities before movement in working capital	**(117)**	(134)
Increase in trade and other receivables	**91**	(204)
Decrease in trade and other payables	**(7)**	(114)
Cash absorbed by operations	**(33)**	(452)
Cash flows from investing activities		
Dividends received from subsidiary undertakings	**238**	938
Finance income	**13**	1
Net cash flows from investing activities	**251**	939
Cash flows from financing activities		
Dividends paid to shareholders	**(138)**	(138)
Net cash flows from financing activities	**(138)**	(138)
Net increase in cash and cash equivalents	**80**	349
Cash and cash equivalents at start of year	**1,043**	694
Cash and cash equivalents at end of year (note 15)	**1,123**	1,043

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2013

CONSOLIDATED

	Share capital £0000	Share premium £000	Profit and Loss Reserve £000	TOTAL EQUITY £000
Balance at 1 May 2011	**921**	**140**	**2,033**	**3,094**
Total comprehensive income for the year	—	—	280	280
Equity dividends paid	—	—	(138)	(138)
Balance at 30 April 2012	**921**	**140**	**2,175**	**3,236**
Total comprehensive income for the year	—	—	227	227
Equity dividends paid	—	—	(138)	(138)
Balance at 30 April 2013	**921**	**140**	**2,264**	**3,325**

The profit and loss reserve comprises the undistributed profits/(losses) of the Group.

COMPANY

	Share capital £000	Share premium £000	Profit and loss reserve £000	TOTAL EQUITY £000
Balance at 1 May 2011	**921**	**140**	**(403)**	**658**
Total comprehensive income for the year	—	—	805	805
Equity dividends paid	—	—	(138)	(138)
Balance at 30 April 2012	**921**	**140**	**264**	**1,325**
Total comprehensive income for the year	—	—	134	134
Equity dividends paid	—	—	(138)	(138)
Balance at 30 April 2013	**921**	**140**	**260**	**1,321**

The profit and loss reserve comprises the undistributed profits/(losses) of the Company.

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 Alternative Investment Market ("AIM") 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 7 August 2013. 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

At the date of authorisation of these financial statements, there were no new standards and interpretations in issue that were relevant to the group.

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:-

- IFRS 9 Financial instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 13 Fair Value Measurement

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements. 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 Group 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 Group controls another entity. Subsidiary entities are consolidated from the date on which control is transferred to the Group 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 income statement during the financial period in which they are incurred.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 income statement.

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 balance sheet 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 balance sheet 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 readily ascertainable. Changes in fair value are recognised in equity, 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 transferred to the income statement.

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet 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 income statement.

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

(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 balance sheet 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 income statement, 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 balance sheet 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.

(a) 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.

(b) 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.

(c) Revenue recognition

The Directors regularly review the basis for recognition of revenue, which comprises commissions and fees receivable excluding value added tax.

There have not been any provisions for impairment of available for sale investments or trade receivables and the basis of revenue recognition has not changed 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. The split of revenue is shown below, however results are reported to management on a consolidated basis only and therefore the directors consider there is only one segment to the Group.

Revenues from external customers are classified as follows:-	**2013**	2012
	£000	£000
Property Fund & Asset Management	**2,037**	2,313
Professional services	**994**	792
	3,031	3,105

5. Operating profit

Operating profit is stated after charging/(crediting):

Year ended 30 April	**2013**	2012
	£000	£000
Operating lease rentals relating to property	**287**	287
Other operating lease rentals	**30**	22
Depreciation	**43**	46
Rental income	**(19)**	(19)
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	**17**	17
- other assurance services	**4**	4
- tax compliance services	**8**	7

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 £134,000 (2012: £805,000).

6. Employee benefits expense

Year ended 30 April	2013 £000	2012 £000
Basic wages and salaries	**1,113**	1,150
Performance-based payments	**307**	309
	1,420	1,459
Social security costs	**184**	176
Other costs	**37**	38
	1,641	1,673

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

Year ended 30 April Continuing operations	2013 No.	2012 No.
Management	**4**	4
Professional	**7**	7
Administration	**7**	7
	18	18

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	**2013** **£000**	2012 £000
Fees	**20**	35
Salaries and benefits	**346**	340
Performance-related bonuses	**291**	313
	657	688

No executive Directors at 30 April 2013 received any pension entitlements. (2012: nil)

Highest Paid Director	**2013** **£000**	2012 £000
Basic Pay	**100**	100
Benefits	**5**	28
Performance Related Bonus	**119**	123
	224	251

Key Management Compensation

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

	2013 **£000**	2012 £000
Short term employee benefits	**748**	783

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	**2013** **£000**	2012 £000
Finance income		
Bank interest receivable	**19**	10

8. Income tax

Year ended 30 April	2013 £000	2012 £000
Current tax		
UK corporaton tax – current year	**76**	111
UK corporation tax – prior years	**(11)**	(6)
	65	105
Deferred tax		
UK deferred tax – current year	**–**	10
	–	10
Total tax charged in the income statement	**65**	115

The effective rate of UK corporation tax is calculated as the standard rate of UK corporation tax of 24% less any effective marginal relief. 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	2013 £000	2012 £000
Profit before taxation	**292**	395
Tax on Group profit at UK corporation tax rate of 23.2% (2012: 25.8%)	**68**	102
Difference between capital allowances and depreciation	**4**	4
Expenses not deductible for tax purposes	**8**	3
Deferred tax – timing differences	**–**	10
Prior year adjustment	**(11)**	(6)
Other adjustments	**(4)**	2
Group total tax charge for the year	**65**	115

9. Dividends

Year ended 30 April	2013 £000	2012 £000
Equity dividends on ordinary shares:		
Declared and paid during year		
Ordinary final dividend for the year ended 30 April 2012: 0.75p per share (2011: 0.75p)	**69**	69
Interim dividend for the year ended 30 April 2013: 0.75p per share (2012: 0.75p)	**69**	69
	138	138
Proposed ordinary final dividend for the year ended 30 April 2013: 0.75p per share	**69**	

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10. Earnings per share

	2013 No	2012 No
Weighted average number of shares for basic and diluted earnings per share	**9,209,779**	9,209,779
	£000	£000
Earnings for basic and diluted earnings per share	**227**	280
Basic and diluted earnings per share	**2.46p**	3.04p

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 2012	154	53	276	483
Additions	4	–	–	4
As at 30 April 2013	158	53	276	487
Depreciation				
At 1 May 2012	121	53	129	303
Charge for the year	16	–	27	43
At 30 April 2013	137	53	156	346
Net book value at 30 April 2013	**21**	**–**	**120**	**141**
Cost				
At 1 May 2011 and 30 April 2012	154	53	276	483
Depreciation				
At 1 May 2011	102	53	102	257
Charge for the year	19	–	27	46
At 30 April 2012	121	53	129	303
Net book value at 30 April 2012	**33**	**–**	**147**	**180**

12. Investments in Group undertakings – Company

Year ended 30 April	**2013 £000**	2012 £000
Shares in Group undertakings at cost:		
At 1 May and 30 April	**105**	105

As at 30 April 2013, 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 FSA-regulated investment services company.

13. Available-for-sale investments – Group

Year ended 30 April	2013 £000	2012 £000
At 1 May	**500**	250
Additions	–	250
At 30 April	**500**	500
Classified as:		
Available-for-sale investments	**500**	500
UK unlisted investments classified as available-for-sale	**500**	500

An amount of £250,000 represents a partnership interest in the Stratton House Investment Properties Limited Partnership (SHIPS 06) which was acquired during the year ended 30 April 2007. This investment is stated at cost, which is equal to the fair value of the investment based on the underlying value of the Partnership's assets.

An amount of £250,000 represents a member's interest in the Stratton House Investment Properties Syndicate (SHIPS 11) which was acquired during the year ended 30 April 2012. 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 impairment loss of £178,000 was incurred in 2009 on a 2.5% holding in Stratton House Investment Property Syndicate '04 to revalue the investment to £nil. This remains the fair value of the investment as at 30 April 2013 and is based on the underlying value of the Syndicate's assets.

14. Trade and other receivables

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Trade receivables	**1,113**	663	—	—
Amount owed by group undertakings	—	—	**115**	202
Other receivables	**119**	23	**–**	4
Prepayments and accrued income	**230**	206	**6**	6
	1,462	892	**121**	212

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.

A provision for impairment of trade receivables is established when there is no objective evidence that the Group will 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.

Provisions for impairment of trade receivables	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
At 1 May	—	—	—	—
Charge for the year	—	—	—	—
Uncollected amounts written off, net of recoveries	—	—	—	—
At 30 April	—	—	—	—

As at 30 April 2013, trade receivables of £nil were impaired (2012: £nil).

As at 30 April 2013, trade receivables of £444,000 (2012: £366,000) were past due, but not impaired. The ageing analysis of these trade receivables is as follows:

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Up to 3 months past due	**439**	364	—	—
3 to 6 months past due	**2**	1	—	—
Over 6 months past due	**3**	1	—	—
At 30 April	**444**	366	—	—

15. Cash and cash equivalents

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Cash at bank and in hand	**2,571**	2,812	**1,123**	1,043
	2,571	2,812	**1,123**	1,043

Cash and cash equivalents are all denominated in Sterling. The effective interest rate on Group cash balances for the year ended 30th April 2013 was 0.5% (2012: 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 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Trade payables	**302**	271	**14**	21
Other taxation and social security	**300**	265	—	—
Other payables	**208**	40	—	—
	810	576	**14**	21

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

17. Other creditors

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Bonus accruals	**347**	350	—	—
Other accruals and deferred income	**202**	226	**14**	14
	549	576	**14**	14

18. Deferred taxation (non-current) – Group

Year ended 30 April	2013 £000	2012 £000
Deferred taxation asset:		
Timing differences on provisions		
At 1 May	**63**	73
Movement during year	**–**	(10)
At 30 April	**63**	63

19. Share capital

	30 April 2013 Number	30 April 2012 Number	30 April 2013 £000	30 April 2012 £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.

20. Share based payments

Executive Share Option Scheme:
As at 1 May 2012, no options were outstanding under this scheme. No new options were issued during the year ended 30 April 2013.

1996 Employee Share Option Scheme:
As at 1 May 2012, no options were outstanding under this scheme. No new options were issued during the year ended 30 April 2013.

There is no change to the accounts in the year as all schemes had vested prior to the start of the year.

21. Capital and operating lease commitments and contingent liabilities

As at 30 April 2013 and 30 April 2012, neither the Group nor the Company had any capital commitments or contingent liabilities.

As at 30 April 2013 and at 30 April 2012, the Group had outstanding commitments under non-cancellable leases which fall due as follows:

	Property leases		Other leases		Total	Total
	2013	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£000
Within one year	**287**	287	**–**	22	**287**	309
In one to five years	**571**	858	**–**	8	**571**	866
	858	1,145	**–**	30	**858**	1175

Property leases relate to office premises occupied by the Group. Other leases relate to office equipment.

22. Related party transactions

Transactions between the Company and its subsidiaries are in the normal course of business and are priced using arm's length prices. 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 £87,000 (2012: £330,000)

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	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
SHIPS 04 Fund	**217**	236	**5**	56
SHIPS 06 Fund	**60**	56	**–**	12
SHIPS 11 Fund	**16**	27	**–**	3

All transactions were made in the ordinary course of business and on an arm's length basis.

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 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	Group	**Company**	Company
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Trade receivables	**1,113**	663	**–**	–
Amount owed by group undertakings	**–**	–	**115**	202
Other debtors	**110**	16	**–**	–
Cash and cash equivalents	**2,571**	2,812	**1,123**	1,043
	3,794	3,491	**1,238**	1,245

Financial liabilities at amortised costs

	Group 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Trade payables	**302**	271	14	21
Other payables	**208**	40	**–**	–
Amounts owed to group undertakings	**–**	–	**–**	–
Bonus accruals	**347**	350	**–**	–
Other accruals and deferred income	**202**	226	**14**	14
	1,059	887	**28**	35

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 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Trade receivables	**1,113**	663	**–**	–
Cash and other equivalents	**2,571**	2,812	**1,123**	1,043
Other receivables	**110**	16	**–**	–
	3,794	3,491	**1,123**	1,043

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 2013, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £10,000 (2012: £10,000) higher, and for the Company £1,000 (2012: £1,000) 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 £10,000 (2012: £10,000) lower, and for the Company £1,000 (2012: £1,000) lower.

The Group's cash and cash equivalents earned interest during the year at an average of 0.5% (2012: 0.5%), and the Company's cash and cash equivalents earned interest during the year at an average of 0.5% (2012: 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 2013 £000	Group 2012 £000	**Company 2013 £000**	Company 2012 £000
Financial liabilities falling due:				
Within 1 month	**674**	463	**28**	35
From 2 to 3 months	**421**	424	**–**	–
From 4 to 6 months	**–**	–	**–**	–
	1,095	887	**28**	35

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 is hereby given that the Annual General Meeting of Fletcher King Plc will be held at 61 Conduit Street, London W1S 2GB on 19 September 2013 at 9.00am for the following purposes:

1 To receive and adopt the Directors' Reports and Accounts for the financial year ended 30 April 2013.

2. To declare a final dividend for the financial year ended 30 April 2013.

3 To re-elect D J R Fletcher 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 R A Dickman 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 1,790,221 of the unissued ordinary shares of 10p each of the Company with a nominal value of £179,022.10, 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 £46,049 (being 5% 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 2014 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
7 August 2013

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 17 September 2013 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.

(e) As at 30 April 2013, 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 2013 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 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 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 19 September 2013.

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 19 September 2013 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

1 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.

2 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.

3 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.

4 Any alterations made to this form of proxy should be initialled.

5 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.

6 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.

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First fold

Computershare Investor Services Plc
PO Box 1075
The Pavilions
Bridgwater Road
Bristol
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Second fold