Fletcher King Plc

Annual Report and Accounts 2022

DIRECTORS AND ADVISERS

Directors
D J R Fletcher FRICS *Non-Executive Chairman*
R E G Goode FRICS *Non-Executive Director*
D H Stewart *Non-Executive Director*
D A E Gibbs *Non-Executive Director*
M I Wise *Non-Executive Director*
P J Andrews MRICS *Managing Director*
R A Dickman FRICS *Executive Director*
P E Bailey ACA *Finance Director*

Secretary and Registered Office
P E Bailey ACA
19-20 Great Pulteney Street, London W1F 9NF

Nominated Adviser and Broker
Cairn Financial Advisers LLP
9th Floor, 107 Cheapside, London EC2V 6DN

Solicitors
Boodle Hatfield
240 Blackfriars Road, London SE1 8NW

Wedlake Bell LLP
71 Queen Victoria Street, London, EC4V 4AY

Auditor
CLA Evelyn Partners Limited
45 Gresham Street, London EC2V 7BG

Principal Bankers
NatWest Bank Plc
38-39 Strand, London WC2N 5JB

Registrars and Transfer Office
Computershare Investor Services Plc
The Pavilions, Bridgwater Road, Bristol BS13 8AE
Dedicated shareholder telephone number: 0370 889 4095

Audit Committee
D H Stewart *Chairman*
D J R Fletcher

Remuneration Committee
D H Stewart, *Chairman*
D J R Fletcher

Company Number
02014432

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Certificate Nº **FS27825**

HIGHLIGHTS

- Revenue for the year of **£2,967,000** (2021: £2,264,000)
- Statutory profit before tax of **£134,000** (2021: loss of £834,000)
- Adjusted profit before tax of **£144,000** (2021: loss of £935,000) *
- Adjusted basic earnings per share of **1.73p** (2021: loss of 8.57p) (see note 11) *
- Final proposed dividend: **0.50p per share** (2021: £nil per share)
- Significant cash reserves: **£3.4m** as at 30 April 2022 (2021: £2.9m)

* Adjusted results are before share based payment expenses and after other comprehensive income (see note 5)

FINANCIAL CALENDAR

Annual General Meeting

12 October 2022

Results

Revenue for the year was £2,967,000 (2021: £2,264,000). Adjusted profit before tax (see note 5) was £144,000 (2021: loss of £935,000). Statutory profit before tax was £134,000 (2021: loss of £834,000).

The Board considers the adjusted results to be an important measure of performance and to be more representative of performance for the year than the statutory results (which have been prepared in accordance with International Financial Reporting Standards).

Dividend

The Board is proposing a final dividend of 0.5p per share. The final dividend is subject to shareholder approval at the AGM and will be paid on 28 October 2022 to shareholders on the register at the close of business on 30 September 2022. With no interim dividend paid (2021: £nil per share) the dividend for this year will amount to 0.5p per share (2021: £nil per share).

The Commercial Property Market

It was encouraging that both the letting and capital markets were considerably more buoyant than the previous year.

The impact of Covid on the market has now largely disappeared although numbers back to the office have not yet returned to pre pandemic levels. However no sooner has one world problem diminished than another takes its place in the form of the tragic war in Ukraine and its impact on all economies throughout the world.

Despite the continuing levels of uncertainty, the industrial property market continued to perform exceptionally well with rents growing and capital values powering ahead. Over the year, according to MSCI data, total returns in the sector produced an astonishing 42% which compared to retail at 6% and offices at 6.7%.

High Street retail continues to be difficult but interestingly the office sector, in both London and major cities throughout the country, is showing strong tenant demand for prime space with potential under supply in some locations.

Business Overview

As seen from the figures above, the market was significantly better than the previous year but it was not without its ups and downs and a significant level of uncertainty remains in predicting future outcomes.

Property and Fund Management had a strong year. Despite the challenges of the pandemic, we continued to produce excellent rent collection statistics. We remodelled parts of the portfolios and acquired new clients during the year. Our continued robust performance has fostered long client relationships some of which have been in existence for over fifty years.

Bank Valuations showed a marked improvement compared to the previous year and there has been a steady flow of instructions from lenders for whom we have not previously acted.

Income from rating appeals was negligible, reflecting a disappointingly low number of appeals settled with the Valuation Office. Hopefully the backlog of appeals will be addressed by the Valuation Office and we can benefit from the significant pipeline of appeals submitted on behalf of our clients.

As announced on 4 March 2022, and after a delay in receiving FCA approval, the transaction completed whereby C M Strategic 613 Limited (an investment company of Elliott Bernerd) acquired a 29.99% shareholding in the Company.

Our move to new offices in Soho went well and both staff and clients are happy with our new location. We are using our new space more efficiently and there has been a material reduction in our property overhead.

Outlook

The uncertainties mentioned above together with rising interest rates, inflationary pressures and forecast recession are likely to have a continuing impact on all markets in which the company operates and will affect our ability to accurately forecast the future. However, we are optimistic about our performance for the coming year and we have started it with some excellent sales instructions as well as client funds available to invest in suitable propositions. Our management portfolios are likely to grow both organically and from appointments to advise new clients.

We anticipate the volume of valuations will increase during the year and hopefully this will be the year when we return to activity in agreeing rating appeals.

Importantly we hope our new significant shareholder will in due course become the source of additional income streams and we await to see the progression of this during the year.

Our balance sheet and cash reserves remain strong and have been of immense importance during the difficult times we have experienced over the last two years.

Once again, on behalf of all at Fletcher King I would like to thank our loyal clients for their continued support. On behalf of the Board, I also congratulate our outstanding staff for their foresight, expertise, dedication and hard work which is ultimately why our clients appoint us.

DAVID FLETCHER
CHAIRMAN
25 August 2022

All members of the Board believe strongly in the value and importance of good corporate governance and in our accountability to all stakeholders including shareholders, clients and employees. In order to meet the requirements of AIM Rule 26 we have chosen to follow the QCA Corporate Governance Code 2018.

As Chairman, I lead the Board and take ultimate responsibility for ensuring that there is absolute clarity in our strategy and our quantitative and qualitative objectives and the collective and individual responsibilities of the Directors.

Importantly my responsibilities include ensuring that the Company maintains its strong values of delivery, integrity, trust, client service and good corporate governance and in so doing delivers value for shareholders over the medium to long term.

In the following statement we give a summary of how our Board and its committees operate and how we are applying the ten principles of the QCA Code.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Group provides a range of property services and expert advice throughout the United Kingdom, including property fund management, property asset management, rating, valuations and investment broking. We always seek to be a company that values clarity, consistency, delivery and integrity.

Although we face significant competition in all of our activities, we believe that by delivering outstanding services managed or overseen personally by experienced Directors and staff who are readily available to clients and by doing so in a flexible and non-hierarchical manner we will continue to maintain existing client relationships and attract new clients who like our personal and non-standardised approach.

The Group's Key Performance indicators and Principal Risks and Uncertainties are set out in the Strategic Report of the Annual Report and Accounts on pages 12 to 15.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board attaches great importance to providing shareholders with clear and transparent information on the Company's strategy, activities and financial position. Details of all shareholder communications are provided on the Company website. Our strategy and approach have remained consistent over many years. The Board seeks to present a fair and balanced assessment of the Company's financial position and prospects in its Annual and Interim Reports. Comments from shareholders on the quality and content of the reports and areas for improvement are always welcomed.

The Annual General Meeting ("AGM") provides a forum for discussion between the Board and Shareholders. Outside of AGMs, the Chairman is available by arrangement for discussions with Shareholders. The Company's Senior Independent director, David Stewart, is also available for meetings and discussions and the Company Secretary can also be contacted on shareholder and investor relations issues and matters of governance.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board's communication with shareholders and how it seeks their feedback is explained under Principle 2 above and also in the S.172 Statement in the Strategic Report.

The majority of the Company's clients have been engaged for many years and some since inception. A close partnering relationship is developed with clients where we can fully understand their thoughts and the strategy they have for their business and property portfolios. Our business objective is to ensure that our clients' assets perform to agreed criteria which are clear, unequivocal and understandable.

Our philosophy is to deliver a highly personal service with directors involved at all stages. Continuity of personnel is paramount.

The Company operates to Quality Assurance ("QA") standards and holds ISO9001:2015 certification. The QA process includes annual external audit of internal processes and includes feedback from clients. Feedback from clients has been consistently positive. The Company achieved QA recertification in April 2022 following a comprehensive audit process and certification is valid for a further 3 years.

Our ability to fulfil client services and develop strong client relationships depends on having talented and motivated staff who enjoy working for the company and this is reflected in high employee retention rates. Annual reviews and regular two-way communication with staff provide opportunities for feedback leading to enhancement of management practices and staff incentives.

As a Company we are always cognisant of our social responsibilities and wish to be and be seen to be a good employer, a reputable company and a responsible member of Society.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company's key risks and uncertainties are set out in the Strategic Report and the main risks arising from the Company's financial instruments and how these are managed by the Board are set out in note 25 to the Financial Statements.

The Company reviews principal risks and uncertainties on an ongoing basis and maintains a Risk Register which is reviewed at least annually by the Board.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

The members of the Board have a collective responsibility and legal obligation to promote the interests of the Group, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.

Following retirement of David Fletcher and Richard Goode from executive positions on 30 April 2021, and the appointment of David Gibbs and Matthew Wise to the Board in March 2022, the

Board now consists of eight Directors of whom three are Executive Directors, four are Non-Executive Directors, and one an Independent Non-Executive Director. As the company grows the Board will consider adding additional independent Non-Executive Directors. However, for now the Board considers its composition appropriate given the size of the Company, its revenues and profitability.

The Board is supported by two committees: audit and remuneration. The Board does not consider that it is of a size at present to require a separate nominations committee, and all members of the Board are involved in the appointment of new Directors.

Director biographies for the current Directors are shown in the Directors Report.

The Board sets the Company's strategic aims and ensures that necessary resources are in place in order for the Company to meet its objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

Whilst the Board has delegated the normal operational management of the Company to the Executive Directors and other senior management, there are detailed specific matters subject to decision by the Board of Directors. These include acquisitions and disposals, and investments and projects of a capital nature. The Non-Executive Directors have a particular responsibility to challenge constructively the strategy proposed by the Executive Directors; to scrutinise and challenge performance; to ensure appropriate remuneration and that succession planning arrangements are in place in relation to Executive Directors and other senior members of the management team. The Chairman holds informal meetings with the Independent Non-executive Director without other Executives present. The senior Executives enjoy open access to the Non-executive Directors with or without the Chairman being present.

The Board of Directors meets at least four times a year to review the performance of the Group. There are clearly defined lines of responsibility and delegation of authority from the Board to the Executive Committee, which meets on a monthly basis to review and make decisions on business, financial and operational matters of the subsidiary companies.

The Chairman is responsible for ensuring that, to inform decision-making, Directors receive accurate, sufficient and timely information. The Company Secretary compiles the board and Committee papers which are circulated to Directors prior to meetings.

Controls and systems

The Board is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' interests and the Group's assets. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed.

Independence of the Directors

The independent Non-Executive Director of the Company, David Stewart, was appointed to the Board on 1 July 2002. In the Board's opinion, based on the consistent independent oversight and constructive challenge of the Executive Directors that has been demonstrated since appointment, he is considered to be independent, despite the length of time that he has been a member of the

Board, taking into account his experience, skills, and personal qualities.

Directors' time commitments
Executive Directors are employed under full-time service agreements. Non-Executive Directors are required to attend 4 board meetings per year and to be available at other times as required for face-to-face and telephone meetings with the executive team and investors.

Audit and Remuneration Committees
Audit and Remuneration committees, each comprised of the Non-Executive Director, David Stewart, and the Non-Executive Chairman, David Fletcher. The Audit Committee meets at least twice a year and is responsible for ensuring that the financial performance, position and prospects of the Group are properly monitored and reported on, meeting the auditors and reviewing their reports relating to accounts and internal controls. The Remuneration Committee reviews the performance of Executive Directors and sets the scale and structure of their remuneration and the terms of their service agreements with due regard to the interests of shareholders. The Remuneration Committee also determines the payment of bonuses to Executive Directors and the allocation of share options to employees.

Board and Committees' attendance
The Board met on four occasions and the Audit and Remuneration Committees met on two occasions during the last year. There was full attendance by all representative members at each meeting.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board as a whole is confident that it has a strong team containing the necessary mix and balance of experience, skills, personal qualities and capabilities to deliver the Company's strategy for the benefit of shareholders over the medium to long-term. Directors attend seminars and other regulatory, trade and capital markets events to ensure that their knowledge remains current.

The Board will continue to review the collective resources of its Directors and whether further resource and skills may be required to deliver on the Company's strategic objectives. The Board has, between its members, a broad balance of skills, experience and personal qualities to operate the Company in areas including property, industry, financial and governance.

Principle 7: Evaluate board performance based on clear relevant objectives, seeking continuous improvement

An annual assessment of the effectiveness of the Board is carried out through an internal questionnaire process. The outcomes and principal findings are reported to the Board for consideration by the Company Secretary with recommendations as to any action that might be taken and changes that could be made.

The review considers effectiveness in a number of areas including general supervision and oversight, business risks and trends, succession and related matters, communications, ethics and compliance, corporate governance and individual contribution.

As a result of the evaluation, the Board considers the performance of each Director to be effective and concluded that both the Board and its Committees continue to provide effective leadership and exert the required levels of governance and control.

The Board currently considers that the use of external consultants to facilitate the Board evaluation process is unlikely to be of significant benefit to the process, although the option of doing so is kept under review.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The Company maintains and annually reviews a Staff Handbook and Quality Assurance manual that includes clear guidance on what is expected of every employee and officer of the company. Adherence of these standards is a key factor in the evaluation of performance within the company, including during annual performance reviews.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board provides strategic leadership for the Group and operates within the scope of a robust corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the business, and defining the strategic goals that the Group implements in its business plans. The Board defines a series of matters reserved for its decision and has approved terms of reference for its Audit and Remuneration Committees to which certain responsibilities are delegated. The chair of each committee reports to the board on the activities of that committee.

The Audit Committee monitors the integrity of financial statements, oversees risk management and control, and reviews external auditor independence.

The Remuneration Committee sets and reviews the compensation of Directors including the setting of targets and performance frameworks for cash and share-based awards.

The Executive Committee, consisting of the Executive Directors, operates as a management committee which reviews operational matters and performance of the business, and is responsible for significant management decisions while delegating other operational matters to individual managers within the business.

The Chairman has overall responsibility for corporate governance and in promoting high standards throughout the Group. He leads and chairs the Board, ensuring that committees are properly structured and operate with appropriate terms of reference, ensures that performance of individual Directors, the Board and its committees are reviewed on a regular basis, leads in the development of strategy and setting objectives, and oversees communication between the Group and its shareholders.

The Executive Directors are responsible for implementing and delivering the strategy and operational decisions agreed by the Board, making operational and financial decisions required in the day-to-day operation of the Group, providing executive leadership to managers, championing the Group's core values and promoting talent management.

The Independent Non-Executive Director contributes independent thinking and judgement through the application of external experience and knowledge, scrutinises the performance of management, provides constructive challenge to the Executive Directors and ensures that the Group is operating within the governance and risk framework approved by the Board.

The Company Secretary is responsible for providing clear and timely information flow to the Board and its committees and supports the board on matters of corporate governance and risk.
The Board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor the suitability of this Code on an annual basis and revise its governance framework as appropriate as the Group evolves.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining an open dialogue with shareholders. Communication with shareholders is co-ordinated by the Chairman and Company Secretary.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published on the Group's website.

The AGM is the principal opportunity for private shareholders to meet and discuss the Group's business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are also available after the meeting for an informal discussion with shareholders.

In addition to the investor relations activities described above, the following Audit and Remuneration committee reports are provided:

Audit Committee Report
During the year, the Audit Committee has continued to focus on the effectiveness of controls throughout the Group.

The Audit Committee consists of David Stewart, Chair, and David Fletcher. The committee met twice in the year, with the external auditor attending one meeting and the Finance Director attended both meetings. Consideration was given to the audit plan and audit findings reports and these provided opportunities to review the accounting policies, internal control and the financial information contained in both the annual and interim reports.

Remuneration Committee Report
The remit of the Remuneration Committee is to determine the framework, policy and level of remuneration, and to make recommendations to the Board on the remuneration of Directors. In addition, the Committee oversees the creation and implementation of employee share plans. The Remuneration Committee consists of David Stewart, chair, and David Fletcher. The committee met twice in the year.

During the year the Remuneration Committee has granted options over ordinary shares in the Company to Executive Directors and employees of the Group. In granting these options, the Remuneration Committee's objective was to motivate and retain key staff over the long term, designed to incentivise delivery of the Company's growth objectives.

David Fletcher
Chairman

25 August 2022

The Directors present the Group Strategic Report for Fletcher King Plc ("the Company") and its subsidiary companies for the year end 30 April 2022 (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 ("KPIs") for the Group for the year to 30 April were as follows:

	2022	**2021**
Revenue	£2,967,000	£2,264,000
Profit/(loss) before taxation	£134,000	(£834,000)
Adjusted profit/(loss) before taxation*	£144,000	(£935,000)
Total comprehensive income	£152,000	(£789,000)
Adjusted total comprehensive income*	£162,000	(£789,000)
Basic earnings/(loss) per share	1.62p	(7.47p)
Adjusted basic earnings/(loss) per share (note 11)	1.73p	(8.57p)

*Adjusted profit before tax reflects adding back a share-based payment expense of £10,000 incurred in respect of share options that were issued in the year. Adjusted KPIs for the prior year reflect inclusion of the unrealised loss in the year on revaluation of the interest in the SHIPS 16 syndicate which is required to be shown in the Statement of Comprehensive Income as other comprehensive income (see note 5).

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.

The Company moved office at the end of February 2022 and, as shown in note 24, reached a settlement with the landlord on lease liabilities and other property related costs. The settlement resulted in a gain of £125,000 on remeasurement of the lease liability. The Company has taken a new lease on premises in Great Pulteney Street, London and discounted lease liabilities of £546,000 have been capitalised as a right-of use asset. Capital expenditure on leasehold improvements (£190,000) and office equipment (£83,000) were made in the year, and the office move is expected to deliver material savings over the forthcoming years.

The Company has invested in new property management software during the year with capability to offer enhanced services to new and existing clients. Costs associated with the system implementation, amounting to £79,000, have been capitalised and amortised.

Following the exceptional increase in Professional Indemnity insurance premiums in the prior year, when renewal costs at the time of the outbreak of Covid-19 increased premiums by over £200,000, the Company was able to recover some of this increase in the subsequent annual renewal when premiums were £125,000 lower.

In March 2022, the Company raised £486,000, net of costs, in a share placing and introduced a key strategic shareholder, Elliott Bernerd, to the share register, with the potential to collaborate on new projects and assignments in forthcoming periods.

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 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) 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.

(iii) Financial Risk Management

Details of the Group's approach to financial risk management are disclosed in detail in note 25 to the financial statements.

Engaging with our stakeholders (Companies Act S.172 disclosures)

The following disclosure is made in line with the Companies (Miscellaneous Reporting) Regulations 2018 which requires Companies to report on employee and stakeholder engagement. The Board remains committed to further strengthening its dialogue with employees and the Company's wider stakeholder group. The Board recognises that engagement is fundamental to the success of the Company and, in performing its duties under s172, considers the views of key stakeholders in its decision-making, recognising that they are central to the long-term prospects of the Company.

Clients: Our clients are key to the success of our business. We are in continuous contact with our clients, to understand their requirements, to listen to their feedback on our service levels and to understand their expectations in terms of the development of our service offering. It is the responsibility of dedicated relationship managers to gain a deep understanding of our clients' businesses through regular dialogue and to share this knowledge with the wider client service teams. The quality of our service performance is regularly assessed to help us better understand how we are managing the relationship and to provide the added value that our clients expect. Positive feedback from clients each year supports the Company's continued certification under the ISO 9001 Quality Management system.

Our People: Our people are our most valuable asset. We firmly believe that our people are key to delivering excellent service to our clients and achieving our objectives. Our long-standing philosophy is founded on the premise that staff in our sector are motivated through incentive and performance based (and, therefore, variable) remuneration. We believe that this approach best aligns Shareholders' and management's interests and incentivises superior performance and the creation of long-term Shareholder value. We are committed to providing a working environment that promotes employee's wellbeing, facilitates high performance, and acts in their best interests. We continue to monitor and develop our approach to employee engagement in light of emerging best practice. The Company supports employees with practical training and a route to RICS professional qualifications. The Company has an Employee Assistance Programme to support the wellbeing of employees, particularly mental health. During the year, the Company introduced additional welfare benefits for all employees in the form of Life Assurance cover and Income Protection.

Community and environment: We are mindful of the impact of Company operations on both the community and the environment, and expect employees and suppliers to meet exacting standards in everyday business conduct. The Company operates a number of green initiatives including, for example, reducing paper usage and operating a cycle-to-work scheme to encourage employees to travel to work in an environmentally friendly way. The fitout of the Company's new office in early 2022 included consideration of environmentally friendly initiatives such as promoting recycling opportunities, reducing paper and printing activity, and reducing energy usage.

Shareholders: We believe that engaging with our Shareholders and encouraging an open dialogue helps to ensure mutual understanding. Delivering for our Shareholders ensures the business continues to be successful in the long term and can therefore continue to deliver for all our stakeholders. The directors provide information for shareholders through the AGM, the annual report, the interim report, and public announcements made through RNS. The Board is available at the AGM to meet and engage with Shareholders. The Chairman and other Senior Directors are also available to engage with Shareholders at all other times as required. The last AGM took place on 4 November 2021. The Company welcomes shareholder engagement and has interacted with shareholders during the year via other communication channels including email, telephone and in person.

Suppliers: In this area our primary focus is on developing strong relationships with our property management supply partners to help us to provide consistent standards and the high quality services required by clients across our property management business.

During the year the Board has, amongst other things, considered and evaluated a number of potential growth opportunities with a view to strengthening the financial position and operational capability of the Company. The addition of a key new shareholder, Elliott Bernerd, in March 2022 provides the Company with the opportunity to engage and potentially collaborate with a highly experienced and successful property investor, and help to facilitate the introduction to Fletcher King of new projects, advisory assignments and funds under Fletcher King management for the benefit of all shareholders.

Section 172(1) Statement

The Board of Directors of Fletcher King Plc consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, the Directors have had regard to the stakeholders and amongst other matters to those set out in s172(1) (a-f) of the Act) in the decisions taken during the year ended 30 April 2022:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, clients and others;
- impact of the Company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

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

David Fletcher
25 August 2022

The Directors present their report and accounts for the year ended 30 April 2022.

General information

Fletcher King Plc is a public limited company which is listed on the Alternative Investment Market (AIM) 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 28. The total comprehensive income for the year after taxation is £152,000 (2021: total loss of £789,000).

The Board is proposing a final dividend of 0.5p per share. The final dividend is subject to shareholder approval at the AGM and will be paid on 28 October 2022 to shareholders on the register at the close of business on 30 September 2022. With no interim dividend paid (2021: £nil per share) the dividend for this year will amount to 0.5p per share (2021: £nil per share).

Additional information on performance for the year is shown in the Chairman's Statement and the Strategic Report and also in the profit reconciliation (see note 5).

Future developments

Future developments for the business are covered in the Chairman's Statement on pages 3 to 4 and in Note 24 regarding subsequent events.

Capital and equity interests

During the year, 1,042,430 new ordinary shares were issued and allotted for cash consideration. 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 2022 was 10.25 million (2021: 9.21 million).

Cash flow and liquidity

Net cash inflow from operating activities amounted to £322,000 (2021: outflow of £688,000) which, after allowing for cash flows including investing activities, share issues, dividends and lease payments, resulted in a net increase in cash balances of £473,000 (2021: decrease of £732,000).

At 30 April 2022, the Group's cash at bank and on short term deposit amounted to £3.36 million (2021: £2.89 million). This was deposited with leading banks.

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 25 to the accounts.

Directors

The current Directors of the Company are set out below.

D J R Fletcher	Non- Executive Chairman
R E G Goode	Non-Executive Director
R A Dickman	Executive Director
P J Andrews	Managing Director
P E Bailey	Finance Director
D H Stewart	Non-Executive Director
D A E Gibbs	Non-Executive Director (appointed 4 March 2022)
M I Wise	Non-Executive Director (appointed 4 March 2022)

D J R Fletcher (FRICS), is a founding partner and Chairman of the Company. He has extensive experience in property and fund 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.

R E G Goode FRICS, has been jointly responsible for running the Company since 2000 until handing over Managing Director responsibilities to Paul Andrews on 1 May 2020. Previously he worked in the property investment department of DTZ and Hillier Parker. He has been involved in fund and asset management for a number of major institutional and in-house clients.

P J Andrews (MRICS) heads up the Asset Management department and he has worked at Fletcher King since 2007. He was appointed a Director in May 2016 and appointed Managing Director on 1 May 2020.

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.

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.

P E Bailey (ACA) is Finance Director and has been Company Secretary at Fletcher King since 2008. He was appointed a Director in November 2019.

D A E Gibbs was the Managing Partner of Sunrise Brokers, an inter dealer brokerage which employed 200 people in London, New York and Hong Kong, from 2005 to 2017. It was sold to BGC Cantor Fitzgerald in 2016. He is currently a director of Envy Post Production Limited, Chelsfield Capital LLP and Chelsfield Retech Investments Limited.

M I Wise was, until April 2021, Chief Operating Officer and Head of Asset Management at Chelsfield Group. Since April 2021, he has been advising Elliott Bernerd's Private Office on a number of domestic and international transactions. Prior to joining Chelsfield Group in 2011, Mr Wise worked for a number of private and publicly quoted property companies, working on property throughout Western Europe and the UK.

D H Stewart and P J Andrews 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.

Directors' Remuneration

	Salary	Fees	Benefits	Bonus	Pension	2022	2021
	£000	£000	£000	£000	£000	£000	£000
D J R Fletcher	-	50	21	-	-	71	135
R E G Goode	-	20	16	-	-	36	97
R A Dickman	130	-	19	10	1	160	120
P J Andrews	150	-	14	25	1	190	115
P E Bailey	100	-	5	10	1	116	95
D H Stewart	-	15	-	-	-	15	15
D A E Gibbs	-	-	-	-	-	-	-
M I Wise	-	-	-	-	-	-	-
	380	85	75	45	3	588	577

David Gibbs and Matthew Wise were appointed on 4 March 2022.

In October 2021, P E Bailey was granted 200,000 share options and R A Dickman and P J Andrews were each granted 250,000 share options under an EMI share option scheme at an exercise price of 50p. The options can be exercised between October 2026 and October 2031 subject to a minimum increase in share price of 20%.

As at 30 April 2022, P E Bailey held 200,000 share options (2021: nil), and R A Dickman and P J Andrews each held 250,000 share options (2021: nil).

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 (see also Companies Act S.172 disclosures in Strategic Report).

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 4 November 2021 for a further year in respect of ordinary 10p shares up to a maximum of 3,075,663 shares (£307,566.30). 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 512,610 of its own shares, representing 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 October 2023. 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, the Corporate Governance Statement, 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 UK-adopted international accounting standards. 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 whether UK-adopted international accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; 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 auditor

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 auditor was 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 auditor was aware of that information. This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Auditor

A resolution to reappoint the auditor, CLA Evelyn Partners Limited (formerly Nexia Smith & Williamson), will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board on 25 August 2022.

P E Bailey
Company Secretary
Registered Number: 02014432

evelyn
PARTNERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLETCHER KING PLC

Opinion

We have audited the financial statements of Fletcher King plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2022 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows, the Company statement of cash flows, the Consolidated Statement of changes in equity, the Company statement of changes in equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

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 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Of the Group's three reporting components, we subjected all components to audits for Group reporting purposes. The components within the scope of our work covered 100% of Group revenue, Group profit before tax and Group net assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Description of risk	How the matter was addressed in the audit
Valuation of financial asset investments - Group	The valuation of the Group's financial asset investment in the Stratton House Investment Property Syndicate ('SHIPS 16') is inherently subjective due to, amongst other factors, determining the value of the underlying property within the SHIPS 16 accounts (due to the individual nature of the property, its location and the expected future rentals for that particular property), in order to estimate the fair value of the Group's financial asset investment in SHIPS 16. As a result, there is a risk that management's estimate of fair value may not be materially correct. The Directors of the Group prepare a fair value paper each year setting out the methodology adopted in the fair value calculation and the underlying assumptions and inputs used in the valuation. For the SHIPS 16 investment the Directors obtained a valuation for the underlying property held as at 30 April 2022. The property valuation was carried out by employees of Fletcher King Services Limited ('FKS'), Chartered Surveyors, a subsidiary of the Parent Company. In determining the fair value of the financial asset investment, the FKS valuation specialists apply assumptions for tenure, letting and condition and repair of the property and sites, which are influenced by comparable market transactions, to arrive at the final valuation for the Group's share of the SHIPS 16 financial asset investment. The Group's accounting policy for financial asset investments is included within note 3. Details of the Group's valuation methodology and resulting valuation can be found in note 14.	As part of our procedures, we read the Directors' fair value paper and the underlying valuation report for the property within SHIPS 16 to understand the valuation approach. We carried out procedures to verify the Group's share of the SHIPS 16 and considered the appropriateness of the basis of valuation. We challenged management's estimate and carried out procedures to satisfy ourselves of the reasonableness of the inputs used by the Directors in their valuations via the corroboration to external market data. We reviewed sensitivity analysis performed on certain key metrics and assumptions used by management. We considered the adequacy of disclosures made in note 14.

Revenue recognition (note 4) – Group	Revenue growth is a key performance indicator of the Group. Revenue and profit-based targets and expectations may place pressure on management to distort revenue recognition. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations.	In testing revenue recognition, we documented and walked through the controls over revenue recognition for the different services provided by the Group. As part of our procedures we performed detailed substantive testing of: • a sample of revenue transactions selected from the accounting records, including agreement to invoice and subsequent client payment to ensure that revenue exists; • a sample of revenue transactions spanning the year end to confirm that revenue has been recognised in the correct accounting period, including recalculation of accrued and deferred income amounts; and • a sample of sales invoices raised in the year, as selected from invoice listings maintained by the relevant departments, including agreement to contract and the accounting records to ensure that revenue is complete. During the above testing we assessed whether revenue had been recognised in accordance with the Group's accounting policies and accounting standards, specifically IFRS 15.

Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at £57,690. This has been determined with reference to the benchmark of the group's turnover, which we consider to be one of the principal considerations for members of the company in assessing the group's performance. Group FS materiality represents 2% of the group's total revenue as presented on the face of the consolidated statement of comprehensive income.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £46,150. This has been determined with reference to the benchmark of the parent company's total assets as it exists only as a holding company for the group and carries on no trade in its own right. Parent FS materiality represents 2.5% of the parent company's total assets as presented on the face of the parent company statement of financial position.

Performance materiality for the group financial statements was set at £46,150, being 80% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. It was set at 80% to reflect the fact that in our historical experience management are keen to process adjustments and there are few areas of judgement and estimation in the Group financial statements.

Performance materiality for the parent company financial statements was set at £36,920, being 80% of parent FS materiality. It was set at 80% to reflect the fact that in our historical experience management are keen to process adjustments and there are few areas of judgement and estimation in the Parent Company financial statements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the future cash flow forecast prepared by management and challenging the inputs and assumptions included in the forecast. Where appropriate, we corroborated the inputs and assumptions to supporting information.
- Reviewing the current cash reserves and comparing these to the cash outflows forecast over the period to the end of September 2023.
- Testing the underlying model for mathematical accuracy.
- Reviewing alternative scenarios prepared by management to assess the impact of changing key assumptions and performing additional stress testing of the forecast.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtained a general understanding of the Parent Company and Group's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Parent Company and Group's industry and regulation.

We understand that the Parent Company and Group comply with the framework through:

- Outsourcing payroll and insurance services to external experts.
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.
- The directors' relevant knowledge and expertise of the property fund management, property asset management, rating, valuations and investment broking industries, and related laws and regulations.
- Provision of staff training and maintenance of a Money Laundering Compliance manual.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Parent Company and Group's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Parent Company and Group:

- The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements;
- AIM rules and UK Market Abuse Regulations;
- Royal Institution of Chartered Surveyors Standards;
- The Proceeds of Crime Act 2002; and
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA).

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Made enquiries of management;
- Inspected correspondence with regulators;
- Reviewed board meeting minutes held during the year and post year-end; and
- Obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Parent Company and Group's financial statements to material misstatement, including how fraud might occur. The key areas identified in this discussion were with regard to the manipulation of the financial statements through manual journal entries, including those in relation to estimates, and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of manual journal entries, selected based on specific risk assessments applied based on the Group and Parent Company's processes and controls surrounding manual journal entries;
- Substantive testing of revenue transactions (see KAM section above); and
- Reviewing and challenging estimates made by management.

A further description of our responsibilities is available on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities.** This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Mutton
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

26 August 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2022

Notes		2022	2021
		£000	£000
4	**Revenue**	**2,967**	2,264
7	Employee benefits expense	**(1,630)**	(1,262)
12	Depreciation and amortisation expense	**(346)**	(281)
	Gain recognised on remeasurement of lease liability	**125**	-
	Other operating expenses	**(1,014)**	(1,566)
21	Share based payment expense	**(10)**	-
		(2,875)	(3,109)
	Other operating income	**39**	25
8	Investment income	**18**	-
8	Finance income	**-**	2
8	Finance expense	**(15)**	(16)
	Profit/(loss) before taxation	**134**	(834)
9	**Taxation**	**18**	146
	Profit/(loss) for the year	**152**	(688)
	Other comprehensive income		
	Fair value loss on financial assets through other comprehensive income	**-**	(101)
	Total comprehensive income for the year attributable to equity shareholders	**152**	(789)
	Earnings per share		
11	Basic	**1.62p**	(7.47p)
11	Diluted	**1.50p**	(7.47p)
	Adjusted earnings per share		
11	Basic	**1.73p**	(8.57p)
11	Diluted	**1.60p**	(8.57p)

The notes on pages 34 to 55 form part of the financial statements.

as at 30 April 2022

Notes		2022	2021
		£000	£000
	Assets		
	Non-current assets		
12a	Software	**76**	-
12b	Property, plant and equipment	**266**	12
12b	Right of use asset	**494**	272
14	Financial assets	**529**	529
19	Deferred tax assets	**32**	-
		1,397	813
	Current assets		
15	Trade and other receivables	**1,329**	1,148
	Corporation tax debtor	**97**	111
16	Cash and cash equivalents	**3,365**	2,892
		4,791	4,151
	Total assets	**6,188**	4,964
	Liabilities		
	Current liabilities		
17	Trade and other payables	**1,124**	908
18	Provisions	**25**	100
27	Lease liabilities	**610**	577
		1,759	1,585
	Non current liabilities		
27	Lease liabilities	**402**	-
	Total liabilities	**2,161**	1,585
	Shareholders' equity		
20	Share capital	**1,025**	921
	Share premium	**522**	140
	Investment revaluation reserve	**(101)**	(101)
	Share option reserve	**10**	-
	Retained earnings	**2,571**	2,419
	Total shareholders' equity	**4,027**	3,379
	Total equity and liabilties	**6,188**	4,964

Approved by the Board on 25 August 2022 and signed on its behalf by

David Fletcher
Chairman
Registered Number: 02014432 England and Wales

The notes on pages 34 to 55 form part of the financial statements.

as at 30 April 2022

Notes		2022	2021
		£000	£000
	Assets		
	Non-current assets		
19	Deferred tax asset	**32**	-
13	Investments in group undertakings	**128**	118
		160	118
	Current assets		
15	Trade and other receivables	**15**	14
16	Cash and cash equivalents	**1,706**	1,291
		1,721	1,305
	Total assets	**1,881**	1,423
	Liabilities		
	Current liabilities		
17	Trade and other payables	**49**	328
	Total liabilities	**49**	328
	Shareholders' equity		
20	Share capital	**1,025**	921
	Share based payment reserve	**10**	-
	Share premium	**522**	140
	Retained earnings	**275**	34
	Total shareholders' equity	**1,832**	1,095
	Total equity and liabilities	**1,881**	1,423

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 £241,000 (2021: loss of £147,000).

Approved by the Board on 25 August 2022 and signed on its behalf by

David Fletcher

Chairman

Registered Number: 02014432 England and Wales

The notes on pages 34 to 55 form part of the financial statements.

for the year ended 30 April 2022

	2022	2021
	£000	£000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	**134**	(834)
Adjustments for:		
Movement in provision	**(75)**	100
Depreciation and amortisation expense	**346**	281
Remeasurement of lease liability	**(125)**	-
Investment income	**(18)**	-
Finance income	**-**	(2)
Finance expense	**15**	16
Share based payment expense	**10**	-
Cash flows from operating activities before movement in working capital	**287**	(439)
Increase in trade and other receivables	**(181)**	(468)
Increase in trade and other payables	**216**	219
Cash generated from / (absorbed by) operations	**322**	(688)
Taxation paid	**-**	-
Net cash flows from operating activities	**322**	(688)
Cash flows from investing activities		
Purchase of fixed assets	**(352)**	-
Investment income	**18**	-
Finance income	**-**	2
Net cash flows from investing activities	**(334)**	2
Cash flows from financing activities		
Lease payments	**(1)**	-
Proceeds of share placing	**547**	-
Placing costs	**(61)**	-
Dividends paid to shareholders	**-**	(46)
Net cash flows from financing activities	**485**	(46)
Net increase/(decrease) in cash and cash equivalents	**473**	(732)
Cash and cash equivalents at start of year	**2,892**	3,624
Cash and cash equivalents at end of year (note 16)	**3,365**	2,892

The notes on pages 34 to 55 form part of the financial statements.

for the year ended 30 April 2022

	2022	2021
	£000	£000
Cash flows from operating activities		
Profit/(loss) before taxation	**209**	(147)
Adjustments for:		
Finance income	**-**	(1)
Dividends received from subsidiary undertakings	**-**	(46)
Cash flows from operating activities before movement in working capital	**209**	(194)
Increase in trade and other payables	**(1)**	-
(Decrease)/increase in trade and other payables	**(279)**	114
Cash absorbed by operations	**(71)**	(80)
Cash flows from investing activities		
Dividends received from subsidiary undertakings	**-**	46
Finance income	**-**	1
Net cash flows from investing activities	**-**	47
Cash flows from financing activities		
Proceeds of share placing	**547**	-
Placing costs	**(61)**	-
Dividends paid to shareholders	**-**	(46)
Net cash flows from financing activities	**486**	(46)
Net increase/(decrease) in cash and cash equivalents	**415**	(79)
Cash and cash equivalents at start of year	**1,291**	1,370
Cash and cash equivalents at end of year (note 16)	**1,706**	1,291

The notes on pages 34 to 55 form part of the financial statements.

CONSOLIDATED	**Share capital**	**Share premium**	**Investment Revaluation Reserve**	**Share based payment reserve**	**Retained earnings**	**TOTAL EQUITY**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Balance as at 1 May 2020	**921**	**140**	**-**	**-**	**3,153**	**4,214**
Loss for the year	-	-	-	-	(688)	(688)
Fair value loss on financial assets through other comprehensive income	-	-	(101)	-	-	(101)
Equity dividends paid	-	-	-	-	(46)	(46)
Balance at 30 April 2021	**921**	**140**	**(101)**	**-**	**2,419**	**3,379**
Total comprehensive income for the year	-	-	-	-	152	152
Share issue	104	443	-	-	-	547
Cost of share issue	-	(61)	-	-	-	(61)
Share based payment expense	-	-	-	10	-	10
Balance at 30 April 2022	**1,025**	**522**	**(101)**	**10**	**2,571**	**4,027**

COMPANY	**Share capital**	**Share premium**	**Share based payment reserve**	**Retained earnings**	**TOTAL EQUITY**
	£000	**£000**	**£000**	**£000**	**£000**
Balance at 1 May 2020	**921**	**140**	**68**	**159**	**1,288**
Total comprehensive income for the year	-	-	-	(147)	(147)
Equity dividends paid	-	-	-	(46)	(46)
Transfer to retained earnings	-	-	(68)	68	-
Balance at 30 April 2021	**921**	**140**	**-**	**34**	**1,095**
Total comprehensive income for the year	-	-	-	241	241
Share issue	104	443	-	-	547
Cost of share issue	-	(61)	-	-	(61)
Share based payment expense	-	-	10	-	10
Balance at 30 April 2022	**1,025**	**522**	**10**	**275**	**1,832**

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 19-20 Great Pulteney Street, London W1F 9NF. These consolidated financial statements were approved for issue by the Board of Directors on 25 August 2022. 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 UK-adopted international accounting standards and under the historical cost convention, except for the revaluation of certain financial assets.

2.1 Going concern

The Directors have carried out an analysis to support their view that the Group is a going concern and under which basis these financial statements have been prepared.

Underlying their conclusion is the Group's cash balance as at 30 April 2022 of £3.4 million. The Board believes it is well placed to navigate a prolonged period of uncertainty if necessary.

Analysis and scenario testing has been carried out on the Group's main income streams:

- contingent transactional fees such as property transactions and rating assessments,
- bank valuations,
- recurring fee income associated with fund and property management contracts, and
- cash returns from investments.

The Group is well supported by its management contracts and strong balance sheet even if transactional fee income is materially lower than would otherwise be expected.

Based on the results of the analysis carried out as outlined above the Board believes that the Group has the ability to continue its business for at least 12 months from the date of approval of the financial statements and therefore has adopted the going concern basis in the preparation of this financial information.

2.2 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations adopted by the Group and Company

Standards, amendments and interpretations mandatorily effective for the first time for the financial year beginning 1 May 2021 include the following:

- o The Group and the Company have adopted the amendment to IFRS 16 "Covid-19 Related Rent Concessions" for the first time this period. This extended the concessions and related disclosures have been provided in note 24 and 27.
- o Interest rate benchmark reform – phase 2 – amendments provided a practical expedient when accounting for a modification of a financial instrument when an old interest rate benchmark is replaced with an alternative (SONIA) as a result of the reform.

(b) New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 May 2021

- o IFRS 17: "Insurance Contracts"
- o Amendment to IAS 1: "Classification of Liabilities as Current or Non-current"
- o Amendment to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction'
- IAS 8: Definition of accounting estimates
- IAS 1: Disclosure initiative – accounting policies
- IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 37: Onerous contracts – cost of fulfilling a contract
- IAS 16: PPE: Proceeds before intended use
- IAS 41: Taxation in fair value measurements

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

Both the consolidated and the Company's financial statements are for the year ended 30 April 2022 and present comparative information for the year ended 30 April 2021. All intra-group transactions, balances, income and expenditure are eliminated upon consolidation.

The Group's financial statements incorporate the financial statements of Fletcher King plc and other entities controlled by the Company ('the subsidiaries'). The control principle in IFRS 10 sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and. the ability to use power over the investee to affect the amount of those returns. The financial statements of these other entities cease to be included in the Group financial statements from the date that control ceases.

Computer software, property, plant and equipment and depreciation

Computer software, 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:

Computer software	Straight line over 3-7 years
Office furniture and fittings	25%
Computer equipment	33%
Leasehold improvements	Straight line over life of lease
Right-of use asset (head office)	Straight line over life of lease

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.

Investment in subsidiaries

Investments held by the Company in subsidiary entities are shown at cost less any provision for impairment.

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

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 designated as financial assets at fair value through other comprehensive income (FVOCI). Financial assets are initially recognised at the fair value of the consideration given, including associated acquisition costs, which may equate to cost. On subsequent measurement, financial assets 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.

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 transaction price and are subsequently measured at amortised cost using the effective interest method. The Group applies the simplified approach to measuring expected credit losses ("ECL"). Trade receivables have been grouped according to shared credit risk characteristics and days past due. The ECL rates are based on historic payment profiles and credit losses experienced, adjusted for forecasts of future economic conditions. The amount of any provision is recognised in the Statement of Comprehensive Income.

All financial assets (with the exception of financial assets measured at fair value through other comprehensive income) 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.

- **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.
- **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. The dilapidations provision is measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date.

Revenue recognition
Revenue is measured based on the consideration specified in a contract with a client and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a client.

Revenue comprises commissions and fees receivable excluding value added tax. Asset management and administration fees are recognised in the statement of comprehensive income as services are rendered. Performance related fees are recognised when the performance calculation can be performed with reasonable certainty, and it is highly probable there will not be a significant reversal of revenue in a future period, which is normally when the performance period has ended. Transaction fees are recognised once the relevant transaction has completed.

Transaction fees are invoiced to the client upon completion. Payment arrangements for property management and fund management services vary between contracts and are generally invoiced quarterly in advance or quarterly in arrears.

There has been no material change in the recognition of revenue year on year.

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 financial assets and taxation.

Employee benefits
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.

Share based payments
The Group issues options over the Company's equity to certain employees and these are measured for fair value at the date of grant using the adjusted Black-Scholes model. Where material, this fair value is fully expensed over the vesting period and is credited to the share-based payment reserve shown under shareholders' equity in the statement of financial position. Management's best estimates of leavers, price volatility and exercise restrictions have been used in the valuation method.

Leases
A right of use asset and a lease liability has been recognised for all leases except leases of low value assets, which are considered to be those with a fair value below £4,500, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date.

The Group will depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Covid-19 related rent concession
The group has early adopted the practical expedient from the Covid-19 Related Rent Concessions amendment to IFRS 16. The practical expedient enables the group to account for any change in lease payments resulting from rent concessions due to Covid-19 as if it were not a lease modification. This has been applied to all rent concessions that meet the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The amount of the lease payment change due to the rent concessions has been recognised through profit or loss.

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 judgments

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and judgments 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 judgments 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) Fair value of financial assets (estimate and judgment)

The fair value of financial assets is determined by reference to the underlying value of the assets of those investments at each reporting date. The Directors have made adjustments to fair value where there is objective evidence that fair value is higher or lower than cost. Details of carrying amounts are provided in note 14.

(ii) Provisions for expected credit losses relating to trade receivables (estimate)

Trade and other receivables are initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method. The Group applies the simplified approach to measuring expected credit losses ("ECL"). Trade receivables have been grouped according to shared credit risk characteristics and days past due. The ECL rates are based on historic payment profiles and credit losses experienced, adjusted for forecasts of future economic conditions. The amount of any provision is recognised in the Statement of Comprehensive Income.

4. Revenue and Segment Information – Group

All revenue was generated in the UK.

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. 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 as resources are not allocated between individual General Services and therefore these do not meet the definition of an operating segment in IFRS 8. 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.

Transaction based fees (recognised at a point in time) such as investment deals, property valuations and rating appeals accounted for 42% of revenue for the year (2021: 30%). The balance of revenue was from less transactional activity (recognised over time), including recurring fee income from property asset management and fund management contracts.

5. Alternative performance measures – profit/(loss) reconciliation

The reconciliation set out below provides additional information to enable the reader to reconcile to the numbers discussed in the Chairman's Statement and Strategic Report.

	2022	2021
	£000	£000
Profit/(loss) before taxation	**134**	(834)
Add back: Share based payment expense	**10**	-
Include: Fair value loss on financial assets through OCI	**-**	(101)
Adjusted profit/(loss) before share-based payment expense and taxation	**144**	(935)
Taxation	**18**	146
Adjusted profit/(loss) after tax for the year	**162**	(789)

The fair value loss on financial assets in the prior year represents the unrealised loss in the year on the revaluation of the Group's interest in the SHIPS 16 syndicate.

6. Operating profit

Operating profit is stated after charging / (crediting):

Year ended 30 April	**2022**	2021
	£000	£000
Depreciation and amortisation	**346**	281
Rental income	**(39)**	(25)
Fees payable to the Company's auditor for the audit of the Company's consolidated annual financial statements	**20**	17
Fees payable to the Company's auditor and its associates for other services:		
• the audit of the Company's subsidiaries	**35**	25
• other assurance services	**3**	3
• tax compliance services	**-**	9

Fees payable to the Company's auditors for non-audit services to the Company itself are not disclosed in the individual financial statements of Fletcher King plc because the Company's consolidated financial statements are required to disclose such fees on a consolidated basis.

7. Employee benefits expense

Year ended 30 April	**Group 2022 £000**	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Basic wages and salaries	**1,185**	1,042	**133**	90
Performance-based payments	**163**	-	**-**	-
	1,349	1,042	**133**	90
Social security costs	**181**	138	**18**	12
Pension costs	**18**	14	**-**	-
Other costs	**82**	68	**36**	-
	1,630	1,262	**187**	102

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

Year ended 30 April	**Group 2022**	Group 2021 No	**Company 2022 No**	Company 2021 No
Management	**5**	5	**3**	5
Professional	**6**	6	**-**	-
Administration	**5**	3	**-**	-
	16	14	**3**	5

Directors' emoluments

	2022 £000	2021 £000
Salaries and benefits	**540**	574
Performance-related bonuses	**45**	-
Pension contributions	**3**	3
	588	577

Highest paid director

	2022	2021
	£000	£000
Basic pay	150	100
Benefits	14	35
Performance related bonus	25	-
Pension contributions	1	-
	190	135

Key management compensation

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:

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

	2022	2021
	£000	£000
Short term employee benefits	669	656

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

8. Finance income and expense

Year ended 30 April	2022	2021
	£000	£000
Finance income		
Investment income	18	-
Bank interest receivable	-	2
	18	2

Investment income of £18,000 was received in the year from interests in SHIPS syndicates.

Year ended 30 April	2022	2021
	£000	£000
Finance expense		
Finance charges on lease liabilities	15	16

9. Taxation

Year ended 30 April	2022	2021
	£000	£000
Current tax		
UK corporation tax – current year	-	(111)
UK corporation tax – prior years	14	(35)
	14	(146)
Deferred tax		
UK deferred tax – current year	(32)	-
	(32)	-
Total tax credited for the year	(18)	(146)

The effective rate of UK corporation tax is calculated as the standard rate of UK corporation tax of 19%. 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	2022	2021
	£000	£000
Profit / (loss) before taxation	134	(834)
Tax on Group profit at UK corporation tax rate of 19% (2021: 19%)	25	(158)
Expenses not deductible for tax purposes	6	1
Income not taxable	(19)	-
Accelerated capital allowances	(2)	-
Prior year adjustment	14	-
Movement in deferred tax not recognised	(6)	11
Deferred tax on losses previously not recognised	(32)	-
Other adjustments	(4)	-
Group total tax credit for the year	(18)	(146)

10. Dividends

Year ended 30 April	2022	2021
	£000	£000
Equity dividends on ordinary shares:		
Declared and paid during year		
Ordinary final dividend for the year ended 30 April 2021: nil per share (2020: 0.50p)	-	46
Interim dividend for the year ended 30 April 2022: nil per share (2021: nil)	-	-
	-	46
Proposed ordinary final dividend for the year ended 30 April 2022: 0.50 per share	51	

11. Earnings per share

Number of shares	2022	2021
	No	No
Weighted average number of shares for basic earnings per share	9,375,425	9,209,779
Share Options	920,000	-
Weighted average number of shares for diluted earnings per share	10,129,779	9,209,779

Earnings	£000	£000
Profit/(loss) after tax for the year (used to calculate the basic and diluted earnings per share)	152	(688)
Add back: Share based payment expense	10	-
Include: Fair value loss on financial assets through OCI	-	(101)
Adjusted profit/(loss) after tax for the year (used to calculated adjusted basic and diluted earnings per share)	162	(789)

Earnings per share		
Basic	1.62p	(7.47p)
Diluted	1.50p	(7.47p)
Adjusted earnings per share		
Basic	1.73p	(8.57p)
Diluted	1.60p	(8.57p)

12a. Intangible Assets - Group

	Computer software £000
Cost	
At 1 May 2021	-
Additions	79
As at 30 April 2022	79
Amortisation	
At 1 May 2021	-
Charge for the year	3
At 30 April 2022	3
Net book value at 30 April 2022	**76**

12b. Property, plant and equipment - Group

	Right of use	Furniture, fittings and computers	Leasehold improvements	Total
	£000	£000	£000	£000
Cost				
At 1 May 2021	816	195	290	1,301
Additions	546	83	190	819
Disposals	(816)	(177)	(290)	(1,283)
As at 30 April 2022	546	101	190	837
Depreciation				
At 1 May 2021	544	186	287	1,021
Disposals	(816)	(177)	(290)	(1,287)
Charge for the year	324	9	10	343
At 30 April 2022	52	18	7	77
Net book value at 30 April 2022	**494**	**83**	**183**	**760**
Cost				
At 1 May 2020	816	199	290	1,305
Additions	-	-	-	-
As at 30 April 2021	816	199	290	1,305
Depreciation				
At 1 May 2020	272	184	284	740
Charge for the year	272	6	3	281
At 30 April 2021	544	190	287	1,021
Net book value at 30 April 2021	**272**	**9**	**6**	**284**

Lease liabilities relating to the right of use asset are £556k. Lease liabilities in relation to the disposed of right-of-use asset are £456k. This amount was settled post year-end in full.

13. Investments in Group undertakings - Company

Year ended 30 April	2022	2021
	£000	£000
Shares in Group undertakings	128	118

As at 30 April 2022, 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.

Fletcher King Services Ltd also own 100% of the ordinary share capital of the following nominee companies in which the Company has no beneficial interest: Stratton 11 Limited and Stratton 12 Limited.

The registered office of all the above named companies is 19-20 Great Pulteney Street, London, W1F 9NF.

14. Financial assets – Group

Year ended 30 April	2022	2021
	£000	£000
At 1 May	529	630
Decrease in fair value in year	-	(101)
At 30 April	529	529

The Group holds unlisted investments in property syndicates managed by it. All are held at fair value. All of the assets have been designated at fair value through other comprehensive income upon the adoption of IFRS 9. Fair value has been arrived at by applying the Group's percentage holding in the investments to the fair value of their net assets. The investment is as follows:

An amount of £529,000 (2021: £529,000) represents a syndicate interest in the Stratton House Investment Property Syndicate (SHIPS 16).

Fair value of the net assets of the investment is determined by professional valuers at Fletcher King Services Limited based primarily on the expected rental value and yield of the underlying properties. Valuations are reviewed and challenged by the Group's Executive Committee and Audit Committee to verify that the fair value represents the amount at which the assets could be exchanged by a knowledgeable willing buyer and a knowledgeable willing seller in an arms-length transaction. Valuations are inherently subjective with uncertainty with regard to future yields and the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown in the Statement of Financial Position. A movement of approximately 0.53% in the yield assumptions would have a material effect on the financial statements. Under IFRS7 Financial instruments: Disclosures and IFRS13 Fair value measurements, UK unlisted equity investments are classified under the fair value hierarchy as Level 3.

15. Trade and other receivables

Year ended 30 April	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade receivables	977	983	-	-
Other receivables	46	4	3	2
Prepayments	178	126	12	12
Accrued income	128	35	-	-
	1,329	1,148	15	14

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 is made against trade receivables based on expected credit losses, determined by reference to past payment history, current financial status of the customer and future expectations.

As at 30 April 2022, there were expected credit losses of £nil (2021: £nil).

As at 30 April 2022, trade receivables of £518,000 (2021: £567,000) were past due, but not impaired. In the opinion of the Directors the Group is not exposed to any one material credit risk and all trade receivables are assessed by the Group to be good quality. The ageing analysis of these trade receivables is as follows:

Year ended 30 April	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Up to 3 months past due	442	343	-	-
3 to 6 months past due	76	224	-	-
Over 6 months past due	-	-	-	-
	518	567	-	-

16. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	3,365	2,892	1,706	1,291
	3,365	2,892	1,706	1,291

Cash and cash equivalents are all denominated in Sterling. The effective interest rate on Group cash balances for the year ended 30 April 2022 was 0.01% (2021: 0.07%). There is no material difference between the fair value and book value of cash and cash equivalents.

17. Trade and other payables

Year ended 30 April	**Group 2022 £000**	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade payables	**421**	432	**22**	1
Amount owed by group undertakings	**-**	-	**13**	288
Other taxation and social security	**169**	175	**-**	-
Accurals	**393**	160	**14**	39
Deferred income	**141**	141	**-**	-
	1,124	908	**49**	328

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

18. Provisions - Group

Year ended 30 April	**2022 £000**	2021 £000
Current liabilities		
At 30 April	**25**	100

The provision at 30 April 2021 and 30 April 2022 represents an assessment of potential dilapidations expenses on termination of the lease on the company offices.

Movements in the provision were as follows:

	2022 £000	2021 £000
Provision as at 1 May	**100**	-
(Decrease)/ increase in provision	**(75)**	100
Provision as at 30 April	**25**	100

19. Deferred taxation (non-current) - Group

Year ended 30 April	2022	2021
	£000	£000
Deferred taxation asset:		
Temporary differences on provisions		
At 1 May	-	-
Movement during year	32	-
At 30 April	32	-

20. Share capital and other reserves

	30 April 2022 Number	30 April 2021 Number	30 April 2022 £000	30 April 2021 £000
Ordinary shares of 10p each:				
Issued and fully paid	10,252,209	9,209,779	1,025	921

At the AGM on 4 November 2021, an ordinary resolution was passed to remove the restriction on the authorised share capital. The authorised share capital is therefore unrestricted.

The Company has one class of ordinary shares which carry no rights to fixed income. During the year, 1,042,430 new ordinary shares were issued for cash consideration.

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.

The Investment Revaluation reserve recognises the unrealised loss or gain on the fair value of financial assets.

The Share-based payment reserve relates to the fair value of the options granted which has been charged to the statement of comprehensive income over the vesting period of the options and related taxation recognised in equity.

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

21. Share Options

A total of 920,000 share options were granted under the HMRC Enterprise Management Incentive Scheme in October 2021. These share options have an exercise price of 50p and are exercisable between October 2026 and October 2031, being conditional on a 20% increase in the share price of the Company. The Company had 920,000 share options outstanding at 30 April 2022 (2021: £nil), including those noted in Directors' Remuneration in the Directors' Report. Upon exercise of these share options, the ordinary shares will rank pari passu with the existing Ordinary Shares.

The fair value of the 920,000 share options as at the grant date was £87,000 (2021: £nil). The fair value was calculated using the adjusted Black-Scholes model with the following key assumptions: (i) volatility of 43% based on monthly historical volatility rates; (ii) risk free rate of 1.14%; (iii) dividend yield of 3.8%; (iv) life of 5 years; (v) bid discount of 10%; and (vi) share price at date of grant of 50p. This value has been adjusted to reflect the impact of market-based conditions. The Company has recognised a share based payment expense for the year of £9,815 (2021: £nil).

22. Capital Commitments

As at 30 April 2022 and 30 April 2021 neither the Group nor the Company had any capital commitments.

23. 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 notes to the accounts.

Group companies hold investments in a number of property funds (see note 14) 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	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
SHIPS 16 Fund	**84**	70	**33**	37

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 7 and in the Directors Report.

24. Subsequent events

The lease on the Group's former offices in Conduit Street, London expired on 3 May 2022. In June 2022, the Group agreed with its former landlord a settlement of outstanding rent and service charge liabilities resulting in a reduction of lease liabilities of £125,000 and a reduction of service charge liabilities of £46,000. Settlement was also agreed on dilapidations in the sum of £25,000. A settlement payment of £641,000, including VAT, was made in June 2022 in relation to all outstanding lease, service charge, utilities and dilapidations liabilities.

25. 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.

Financial assets at amortised cost	**Group 2022 £000**	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade receivables	**977**	983	**-**	-
Other receivables	**46**	4	**3**	2
Cash and cash equivalents	**3,365**	2,892	**1,706**	1,291
	4,388	3,879	**1,709**	1,293

Financial liabilities at amortised cost	**Group 2022 £000**	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade payables	**421**	432	**22**	1
Amount due to group undertakings	**-**	-	**13**	288
Accruals	**393**	160	**14**	39
Provisions	**25**	100	**-**	-
Lease liabilities	**1,012**	577	**-**	-
	1,851	1,269	**49**	328

Financial assets at fair value through other comprehensive income	**Group 2022 £000**	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Unlisted investments	**529**	529	**-**	-

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 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade receivables	**977**	983	**-**	-
Cash and cash equivalents	**3,365**	2,892	**1,706**	1,291
Other receivables	**46**	4	**3**	2
	4,388	3,879	**1,709**	1,293

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 2022, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity for the Group would have been £17,000 (2021: £15,000) higher, and for the Company £8,000 (2021: £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 £17,000 (2021: £15,000) lower, and for the Company £8,000 (2021: £6,000) lower.

The Group's cash and cash equivalents earned interest during the year at an average of 0.01% (2021: 0.07%), and the Company's cash and cash equivalents earned interest during the year at an average of 0.01% (2021: 0.49%).

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

	Group 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Financial liabilities falling due:				
Within 1 month	**532**	592	**36**	40
From 2 to 3 months	**282**	-	**-**	-
	814	592	**36**	40

	Group 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Lease liabilities falling due:				
Within 6 months	**536**	465	**-**	-
From 6 to 12 months	**77**	112	**-**	-
After 12 months	**444**	-	**-**	-
	1,057	577	**-**	-

26. 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.

27. Reconciliation of liabilities arising from financing activities - Group

	As at 1 May 2020	Cashflow	Non-cash movements	**As at 30 April 2021**	Cashflow	Non-cash movements	**As at 30 April 2022**
	£000	£000	£000	**£000**	£000	£000	**£000**
Current liabilities							
Lease liabilities	299	-	278	**577**	(1)	34	**610**
Non-current liabilities							
Lease liabilities	262	-	(262)	**-**	-	402	**402**
	561	-	16	**577**	(1)	436	**1,012**